

MINUTES OF THE FORTY-THIRD MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN MEETING ROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON FRIDAY, JANUARY 13, 2012 AT 03:30 P.M.

Present in Person: E. Martin

**Present by Telephone: C. Bennett, Chair
T. Clift
G. Shortall
K. Marshall**

Secretary: W. Chamberlain

585. CONSTITUTION OF THE MEETING

Notice for the meeting was forwarded to Directors on January 12, 2012. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

586. SAFETY MOMENT

Mr. Chamberlain provided a safety moment on sun glare and your daily commute.

587. PUB REVIEW OF MUSKRAT FALLS UPDATE

Mr. Martin advised that he called the meeting to provide the Board with an update with respect to the activities related to the PUB review by the PUB regarding the Muskrat Falls project and to provide some context around the letter that he sent to Mr. Wells at the PUB on January 11, 2012.

He commenced to provide an overview of the process leading up to the decision by the government to have the PUB review the Muskrat Falls project. There was quite a number of Requests for Information (RFIs) and the Corporation underestimated the volume of the PUB's information needs and endeavoured to respond to the RFIs in a timely manner but there were a high number and some

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required a significant detail and drafting and as a result some deadlines were missed. It was also challenging at the time because the Navigant report was being finalized and the Corporation was preparing to file its PUB submission which was filed in November. The Chair of the PUB decided to publicly express his concerns with the process and Nalcor.

He further advised that meetings were held with both Mr. Ron Penney and Mr. Dave Vardy to provide them with an opportunity to be briefed further on the project, however they have continued to be publicly critical of the project.

Mr. Martin confirmed that the Minister has had an opportunity to examine the details of the project and he is very positive and supportive of the project. He also provided an update on the trending related to the project costs.

Mr. Martin also advised the Board that Nalcor was recently served with a Judicial Review Application commenced by the Grand Riverkeeper, Labrador Inc., Sierra Club of Canada and NunatuKavut Community Council Inc. whereby the applicants are challenging the EA Joint Review Panel Report for failing to comply with the CEAA legislation and the Panel's terms of reference.

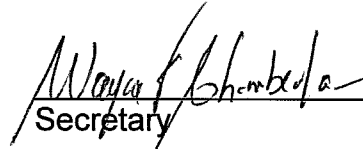
Mr. Martin also provided an update with respect to the credit rating process, the federal loan guarantee and the ongoing negotiations related to CHHC.

He noted that Management will likely be making a presentation to the Compensation Committee related to the recent work that has been done regarding the executive bonus compensation.

588. TERMINATION

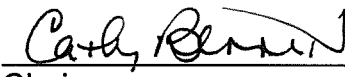
There being no further business, the meeting was terminated.

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Secretary

Verified at a meeting held on

March 2, 2012


Chairperson