

MINUTES OF THE FORTY-FIFTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON FRIDAY, FEBRUARY 3, 2012 AT 02:30 P.M.

Present in Person: C. Bennett, Chair
T. Clift
K. Marshall
E. Martin
G. Shortall

Present by Invitation: D. Sturge, Vice-President Finance & Chief Financial Officer
D. Dalley, Vice President Corporate Relations
P. Harrington, Project Director

Secretary: W. Chamberlain

593. CONSTITUTION OF THE MEETING

Notice for the meeting was forwarded to Directors on January 27, 2012. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

Mr. Sturge, Ms. Dalley and Mr. Harrington joined the meeting.

594. SAFETY MOMENT

Mr. Harrington provided a safety moment on recall of defective Honeywell thermostats.

595. TECHNICAL BRIEFING ON LOWER CHURCHILL PROJECT

Mr. Sturge circulated a Technical Briefing Report on the Lower Churchill Project ("Project") to the Board members at the meeting. Mr. Harrington advised that there were models and a fly over presentation of the Project available and it was agreed that both would be provided to the Board for the next meeting.

45th Nalcor Energy Board Meeting
February 3, 2012
Page 2 of 3

Mr. Sturge advised that the purpose of the meeting was to provide the Board with an overview of the credit rating process with focus on the financing strategy and structure and project execution. He noted that separate presentations were made to three rating agencies in November 2011 and access was provided to a comprehensive data room. He advised that the ratings that would be provided would be indicative ratings only that would provide valuable financial market information and facilitate the ongoing discussions with respect to the federal loan guarantee. The indicative ratings are confidential and cannot be publicly disclosed. Once the loan guarantee negotiations are concluded the indicative ratings would need to be updated before proceeding to the financial markets.

Mr. Sturge advised that two key factors for the rating agencies is the commitment by the Province to provide equity and the commitment to establish a regulatory regime and structure that ensures that project costs will be included in regulated rates.

Mr. Sturge provided an overview of the corporate and financial profile and the current state of the Project including project execution, commercial arrangements and financing. He reviewed the financing strategy and capital structure and the investment grade rating highlights.

Mr. Harrington provided an overview of Phase 1 project execution including key messages, mega-project success factors and a review of the development perspectives of the Muskrat Falls, Labrador Transmission Assets and Labrador Island Link. The stage-gate process was also reviewed including the key project achievements to date and project milestones.

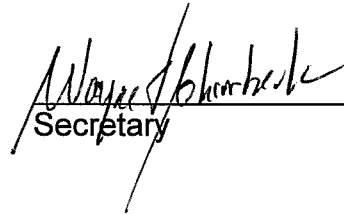
Mr. Sturge provided an overview of the Project structure and the key commercial agreements. He also reviewed the financing strategy including the financial metrics and debt service profiles.

45th Nalcor Energy Board Meeting
February 3, 2012
Page 3 of 3

596.

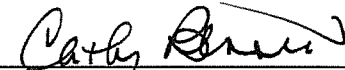
TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

March 2, 2012


Chairperson

ACTION LIST
45th Nalcor Energy Board Meeting
February 3, 2012

February 3, 2012	Management to provide the models and video fly over of the Lower Churchill Project. (Minute# 595)	G. Bennett	Next Meeting
-----------------------------	--	-------------------	---------------------