

MINUTES OF THE FORTY-EIGHTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON WEDNESDAY, APRIL 18, 2012 AT 08:30 A.M.

Present in Person: E. Martin

Present by Telephone: C. Bennett
T. Clift
K. Marshall

Absent: G. Shortall

Secretary: W. Chamberlain

631. CONSTITUTION OF THE MEETING

Notice for the meeting was forwarded to Directors on April 17, 2012. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

632. SAFETY MOMENT

Mr. Chamberlain circulated and provided a safety moment on driver distractions.

633. UPDATE LOWER CHURCHILL PROJECT

Mr. Martin requested this meeting to provide the Board members with an update on Lower Churchill Project. He advised that the negotiating parties completed the final draft Emera agreements last evening and will be looking to initialing the agreements next week. The agreements will then be subject to a due diligence review by both parties before the agreements will be signed by the parties.

Mr. Martin reported that the Shareholder is supportive of proceeding with Project early works. He advised that sanction of Muskrat Falls and the Labrador-Island Link may occur prior to sanction of the Maritime Link and that the federal loan guarantee is an important data point with respect to these sanction decisions. He noted that further clarity is required with respect to the application of the

federal loan guarantee if the Maritime Link is not sanctioned prior to finalizing the sanction sequence. There was further discussion regarding the requirement for a federal loan guarantee and the uncertainty that would exist if the federal loan guarantee was not provided if the UARB failed to support or Emera failed to sanction the Maritime Link. The federal government representatives have been indicating that sanction of the Maritime Link may be required before the federal loan guarantee would be provided. Accordingly it is critical to have clarity on all conditions associated with the provision of the federal loan guarantee before the respective Project sanction decisions. He believes that further discussions with the federal government will provide the clarity required and if not, would have to make the assumption that it would not be provided and the impact of this would have to be fully explored before making a decision on respective Project sanction decisions.

He advised that the Environmental Impact Statement for transmission was filed and will be subject to a comprehensive study as opposed to the Joint Review Panel review.

Mr. Martin advised that there is ongoing engineering work and that the decision to proceed with the construction of the road in Labrador has a cost of approximately \$20 to \$25 million. If the Project is not sanctioned, the road would need to be remediated or could be used as forestry purposes. Board members confirmed that they were in agreement with proceeding with the early works.

Mr. Martin advised that there was no news to report with respect to new appointees to the Boards of Directors.

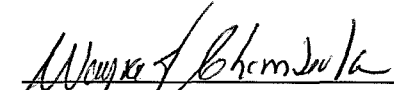
He advised the Management is currently preparing and assembling DG3 data and information and other relevant information by mid-July for the special debate in the House of Assembly in late July. Manitoba Hydro International will be engaged and preparing a report on DG3 information.

It was suggested that Management should search for a report on the Anglo-Saxon route by Price, Cadieux , Rider in about 1986 and/or a letter from the Honourable Bill Marshall, Energy Minister at the time, to Maureen Green regarding the Anglo Saxon route.

Mr. Martin provided a brief overview of marketing opportunities in Ontario and Nova Scotia and the current challenges associated with these potential markets.


634. TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

June 28, 2012


Chairperson