

MINUTES OF THE FIFTY-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 TUESDAY, NOVEMBER 20, 2012 AT 01:00 P.M.

Present in Person: E. Martin

Present by Telephone: T. Styles, Chair
E. Breen
T. Clift
A. Hawkins
K. Marshall
G. Shortall

Absent: L. Abbass

Present by Invitation: D. Sturge, Vice-President Finance
and Chief Financial Officer

Secretary: W. Chamberlain

739. CONSTITUTION OF THE MEETING

Notice of the meeting was sent to Directors on November 15, 2012. A quorum of Directors being present, the Chair declared the meeting duly called and validly constituted for the transaction of business.

740. SAFETY MOMENT

Mr. Chamberlain circulated by email and provided a safety moment on expanding rear view vision.

741. UPDATE MUSKRAT FALLS PROJECT

Mr. Martin stated that the purpose of the meeting was to provide Board members with an update on Lower Churchill Project (Project) matters since last week. He advised that there has been a lot of activity over the last few days and advised that the information provided is highly confidential.

He advised that a draft term sheet was received yesterday from the federal government with respect to the federal loan guarantee (FLG) and is being

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reviewed by both the Shareholder and Project personnel. He provided an overview of the federal response on the amount and term of the FLG and management's preliminary view on same. He also noted that favourable responses were also received on some less significant unresolved issues regarding the FLG.

He reported that there continues to be an issue with respect to ensuring Muskrat Falls, Labrador Transmission Assets and Labrador-Island Link guaranteed debt can be drawn down prior to Maritime Link and he provided a high level overview of the issues related to the inclusion of the Maritime Link in the FLG. He advised that a number of options are being explored including dual stream financing whereby financing would be progressed to provide for two possibilities being the exclusion or inclusion of the Maritime Link and the associated impacts related to the application of the FLG. Another option that is being considered is the sanctioning of the Project and the Maritime Link at the same time and the associated impacts related to the FLG if the Maritime Link is not completed.

Considering the recent receipt of the federal response on the FLG there have been discussions with Emera but there have been no direct discussions with the government of Nova Scotia or the federal government at this point. Discussions are ongoing with the Shareholder and financing and legal consultants to assess and respond to the draft term sheet.

Mr. Martin stated that a poll released yesterday was supportive of the Project and noted that the House of Assembly will be opening shortly.

He asked if there were any questions or comments from Board members. Board members responded that they appreciated the update and would await further updates as the position forward is clearer with respect to the FLG.

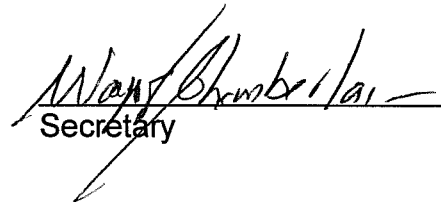
Mr. Martin advised that there may be a need in the next week or so to have a special meeting of the Board on short notice.

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742.

TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

January 18, 2013


Chairperson