

MINUTES OF THE EIGHTY-FOURTH 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, MAY 13, 2015 AT 4:00 P.M.

Present: K. Marshall, Chair
 E. Martin, Member
 G. Shortall, Member

Present by Phone: L. Abbass, Member
 T. Clift, Member

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

Secretary (acting): P. Hickman

1119. CONSTITUTION OF THE MEETING

Notice of the meeting was sent to all Directors on April 13, 2015. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

1120. SAFETY MOMENT

1121. APPROVAL OF AGENDA

On motion duly made by T. Clift, seconded by L. Abbass and unanimously carried, it was resolved:

THAT the Agenda of the 84th Meeting of the Board of Directors of Nalcor Energy, which Agenda is currently before this meeting, be and it is hereby approved.

**1122. APPROVAL OF 2015 Q1 FINANCIAL STATEMENTS
AND MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

Mr. Sturge reviewed the Nalcor Energy Consolidated Financial Statements and Management Discussion and Analysis for the period ended March 31, 2015, which had been provided to the Board members prior to the meeting.

Mr. Sturge reported that net income for Oil and Gas is lower than the 1st quarter in 2014 due to a decrease in oil prices, as well as a production decrease of approximately 50% compared to the 1st quarter of 2015. With respect to Energy Marketing, net income is on budget for the 1st quarter, but is less than the 1st quarter of 2014 as last year was a very good year due to a very cold winter in the US. On an annual basis, Energy Marketing is on par to achieve budget, as well as to achieve a net income consistent with that of 2014.

With respect to Newfoundland and Labrador Hydro, Mr. Sturge stated that its net income is \$25 million below budget for Q1, but this is less of a loss than for 2014. He noted that an interim rates order has been received which will allow these rates to be charged as of July 1, 2015.

Mr. Sturge reported that net income for Bull Arm is slightly above budget. As well, CF(L)Co's net income is slightly higher than Q1 for 2014 as sales to HQ have returned more to normal in 2015. As well, there is revenue from the sale of Twinco Block energy to NLH.

On motion duly made by G. Shortall, seconded by T. Clift and unanimously carried, it was resolved:

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THAT the Nalcor Energy Consolidated Financial Statements and Management Discussion and Analysis for the period ended March 31, 2015, as tabled and initialed by the Secretary for identification, be and they are hereby approved; and

THAT K. Marshall and G. Shortall, or any two Directors be and they are hereby authorized to sign said Financial Statements on behalf of the Board.

1123. MEETING WITH THE PREMIER

Mr. Martin reported to the Board on a recent meeting that he and the Chair had with the Minister of Natural Resources, Minister of Finance and the Premier. He stated that the purpose of the meeting was to outline the value of Nalcor to the Shareholder and the Province, as well as to offer ways in which the Corporation could help to reduce the Government's contribution to the Corporation, given the difficult financial situation that the Province presently finds itself in due to the decrease in world oil prices. He stated that Nalcor identified \$5 to \$7 million in savings and at the meeting it was agreed that measures would be taken by Nalcor to achieve approximately \$5 million in savings. Mr. Martin noted that the Premier, as well as the Ministers in attendance, were very supportive of Nalcor and agreed it has tremendous value to the Province.

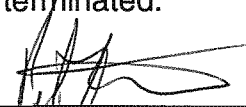
Mr. Martin noted that he and the Chair had also discussed with the Premier and the Ministers the report prepared by Mercers for Nalcor dealing with Board compensation and executive incentives.

1124. IN CAMERA SESSION

Messrs. Sturge and Hickman left the meeting at this time. Then the Board held an in camera session.

1125. TERMINATION

There being no further business, the meeting was terminated.



Secretary

Verified at a meeting held on

October 2, 2015


Chairperson