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August 29, 2011

SNC-Lavalin Inc.
272 Torbay Road
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Attention: Mr. Normand Bechard

**Subject: Lower Churchill Phase 1 Development
Agreement LC-G-002
Engineering, Procurement and Construction Management (EPCM) Services

Project Control Schedule – Stages 1 & 2**

Dear Normand:

With respect to the Project Control Schedule Stage 1 & 2, document number LCP-SN-CD-0000-PC-SH-0002-01 as submitted to Nalcor 23 August 2011, please be advised that Nalcor rejects this document as submitted and will provide Code 3 return through the document control process. This document fails to include fundamental requirements of the Project Control Schedule as detailed in Exhibit 5, Section 18 of the Agreement, and as such cannot be approved as the Baseline by Nalcor.

If you have any questions with respect to the above, please contact the undersigned or Jason Kean for further clarification.

Sincerely,



Ron Power
Project Manager – Generation / Island Link
JK/jk

cc: Scott O'Brien
Jason Kean
Dave Pardy