

From: jamesmeaney@lowerchurchillproject.ca
To: [Lotem Shlomit](#)
Subject: Re: MWH
Date: Wednesday, February 4, 2015 4:18:10 PM

Hi Shlomit,

Here is some background you might find helpful:

MWH Canada was engaged as the Independent Engineer acting on behalf of the Government of Canada on the CAD \$5 billion debt financing for the Muskrat Falls hydroelectric project which was completed in Dec 2013. Nalcor Energy, who I work for, is the project proponent and equity sponsor. Nalcor is a crown corporation of the Government of Newfoundland & Labrador. Canada has provided a federal loan guarantee for the \$5 billion in debt.

Here is the link to the Muskrat Falls website - <https://muskratfalls.nalcorenergy.com/>. The current estimated capital cost of the project is \$6.99 billion and when you included capitalized interest and financing costs, it's approximately \$8.2 billion. The project includes a 824 megawatt hydroelectric facility on the lower Churchill River in Labrador, two overland transmission lines totalling approximately 1,300 km and a 30 km subsea cable crossing between Labrador and the island of Newfoundland. First power is expected in late 2017. As you have probably gathered based on the above, it's a very large and complicated construction project that required the MWH team to have a strong technical knowledge and appreciation for the needs of the many stakeholders involved including multiple levels of government, aboriginal groups, environmental regulators, large global contractors etc. I would suggest the MWH team led by Nik Argirov has to date managed these requirements and relationships quite well.

With respect to the quality of their reports, they had to deliver a detailed IE report to Canada as part of the financial close in Dec 2013. They have also been required to conduct semi annual site visits following financial close. These reports are actually available to the public on the Muskrat Falls website -

<http://muskratfalls.nalcorenergy.com/wp-content/uploads/2013/03/November-29-2013-Independent-Engineer-Report1.pdf>

<http://muskratfalls.nalcorenergy.com/wp-content/uploads/2014/10/Lower-Churchill-Project-July-2014-IE-Site-Visit-issued-Oct-2014.pdf>

I hope you find this information helpful. If you require any further clarification by all means let me know.

Regards,

Jim

James Meaney**General Manager Finance****PROJECT DELIVERY TEAM****Lower Churchill Project**

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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Lotem Shlomit ---01/28/2015 11:04:24 AM--- Dear Sir, My name is Shlomit Lotem.

From: Lotem Shlomit <Shlomit.Lotem@BankLeumi.co.il>

To: "JamesMeaney@lowerchurchillproject.ca" <JamesMeaney@lowerchurchillproject.ca>,

Date: 01/28/2015 11:04 AM

Subject: MWH

Dear Sir,

My name is Shlomit Lotem.

I am head of the Project Finance department in Bank Leumi, Israel.

As such we are negotiating the finance of a pump storage facility in Israel. The project costs are estimated as USD 600 million.

We were offered the services of MWH as the LTA (lenders' technical consultant).

MWH suggested you as recommender for MWH.

I would like your estimate of MWH as a technical consultant- including their expertise, their ability to advise unexpected problems, the quality of their reports, their ability to connect engineering issues to banking issues.

I would like to understand the nature of the project they advised you.

Thank you,

Shlomit Lotem

Shlomit.lotem@bankleumi.co.il

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האם באמת הכרחי להדפיס מכתב זה? בבקשה חשוב על הסביבה.

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