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Subject: Draft Deck for Thursday
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Attachments: [ceo meeting in April 2013 rev April 23.ppt](#)

Gents

Please see a draft deck for Thursday. Most of it is photography so it won't be long in delivery. The core messaging is in those last couple of slides on Risk. Look forward to feedback.

rgds

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CEO Meeting

April 2013

Boundless Energy



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Safety Moment

- Nalcor and SNC Safety Culture



Key Project Activities



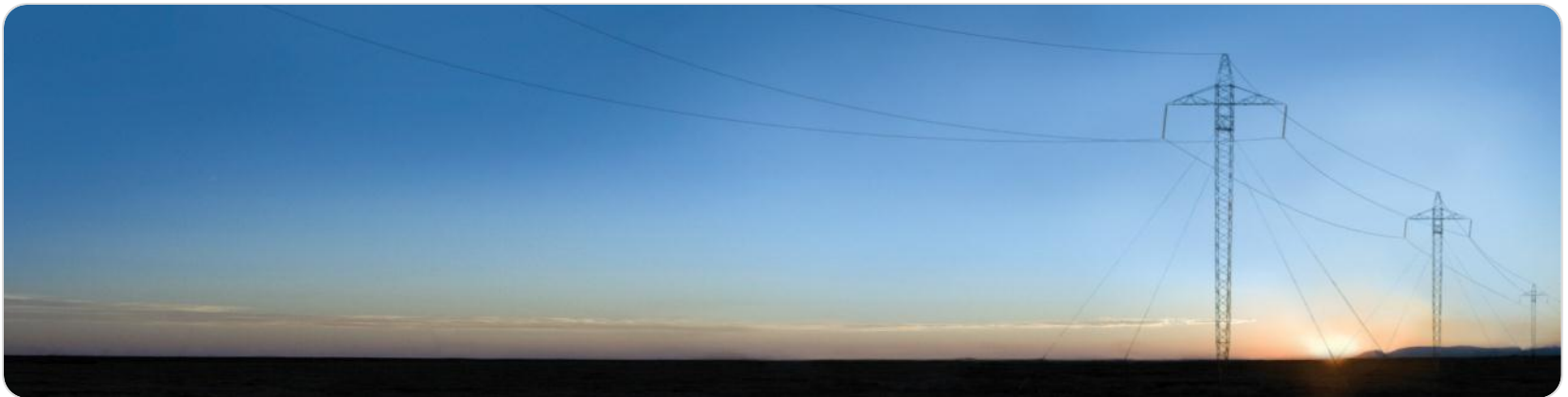
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Labrador Transmission (2013)

- Commence Right of Way (ROW) clearing
 - Muskrat Falls to Churchill Falls
- Commence transmission construction
- Commence earth works at Churchill Falls switchyard



Labrador-Island Link/SOBI (2013)

- Anticipated release from Environmental Assessment
- Following release:
 - Cable awarded
 - Commence earthworks at Soldier's Pond (Avalon Peninsula)
 - Start ROW clearing in Labrador and Northern Peninsula
 - Begin transmission construction late 2013
 - Begin Strait of Belle Isle Horizontal Directional Drilling (HDD) program



Muskrat Falls Site Today

- Seven contractors working on site today
- Approx. 300 workers on site
- First concrete this fall
- Reservoir clearing imminent
- Construction power available
- Temporary camp operational



Muskrat Falls Site



Drilling at the Powerhouse Area



Temporary Accommodations



Muskrat Falls Site



Bulk Excavation



Line stringing across Churchill River



315kV HVac Prototype



Guiding Principles- from the Agreement

- Successful delivery of the Project is paramount
- Unwavering Corporate support and staff commitment is fundamental to Project success
- Parties will be solution orientated not problem focused
- Parties will be mutually collaborative and supportive
- Philosophically, contract changes between the Parties will not be a focus item
- Engineering will be executed in NL, Specialized Engineering may occur outside NL subject to Company approval
- Management of the Agreement between the Parties will be kept separate from Project execution

Current Status- Organization

- All organization charts are now approved and issued with role descriptions and responsibilities defined
- Many key positions remain to be filled, with a focus on Contract Administrators /Managers, Construction Management , Site positions
- Deloitte re-engaged with a focus on organizational effectiveness and building team spirit
- Transition from Engineering/procurement resources towards Contract and Construction Management resources

Current Status- Engineering, Procurement and Contracts

- Priorities clearly understood with major effort underway to complete engineering to meet the contract awards – progress is over 65%
- Engineering team will start to demobilize in Summer/Fall 2013 – transition to follow-on engineering phase
- Procurement and Contracts – 2013 is the main period for bidding/award of the bulk of the PO's and Contracts
- It is critical to obtain qualified resources to negotiate and manage the high value contracts

Risks and Mitigations -1

- Safety Performance – To date our Safety Stats are good but this gives a false picture – jointly we need to be resolute in changing the safety culture at our sites
- Resources – many key positions to be filled, primarily Site positions CM and Contract Management- a joint effort is underway to fill the vacant slots – redoubled effort needed
- Contracting – to date the bids received show net effect of costs within our budget/contingency. We are getting strong signals that market conditions and local contractors are creating unwarranted productivity and other risk concerns with majors which results in cost premiums – a joint effort that includes unions is required to go on the offensive and address this situation- overland transmission contracts, converters, switchyards, civil contracts are the focus areas

Risks and Mitigations -2

- Schedule – The impact of the later than planned Sanction and start of construction is being managed with 2017 remaining the key commissioning and Startup year- we jointly need to drive for the target dates but ensure we do not “buy” schedule if this drives up cost
- Change Control –Change is a key driver of cost, some changes are occurring around the MOC process – we must jointly enforce the MOC process, resist changes and apply discipline to all teams
- Alignment – It has taken over two years working together to arrive at this point, need to maintain alignment and continue to engage Deloitte. Key is for folks to feel engaged. We are managing questions about SNC.

One Team. One Vision



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Back Up



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Key Contract Awards 2013

Package No.	Title	Project	Forecasted Award
CH0030	Turbines and Generators	MF Generation	Early Q1
CH0007	Intake and Powerhouse, Spillway & Transition Dams	MF Generation	Late Q2
CH0008	North Spur Stabilization	MF Generation	Q4
CH0023	Reservoir Clearing – South Bank	MF Generation	Q2/Q3
CH0024	Reservoir Clearing – North Bank	MF Generation	Q2
CH0032	Powerhouse, Intake and Spillway Hydro-Mechanical	MF Generation	Q2/Q3
SH0018	Catering , Housekeeping and Janitorial Services	MF Generation	Q2/Q3
SM0705	Provision of Laboratory Services	MF Generation	Q2/Q3

Note: anticipated award dates for key contracts only.

Key Contract Awards 2013

Package No.	Title	Project	Forecasted Award
CD0503	Earthworks at Various Power Distribution Sites	LTA/LITL	Late Q2/Early Q3
CD0534	Converter Stations	LITL	Q3/Q4
CT0319	315kV HVac Transmission Line Construction	LTA	Early Q2
CT0341	315 kV HVac Transmission Line ROW Clearing	LTA	Q1
PD0537	Power Transformers – AC Substation	LTA/LITL	Late Q2/Early Q3
Various	Hardware Supply for HVdc Transmission Line	LITL	Q3/Q4
CT0343	Clearing of ROW HVdc Transmission – Section 1	LITL	Late Q2/Early Q3
CT0327	350 kV HVdc Transmission Line Construction - 1	LITL	Q4
LC-SB-011	Rock Berm Construction Supply & Install	LITL	Q2/Q3
LC-SB-022	SOBI - HDD Rig and Surface Spread	LITL	Q2/Q3

Note: anticipated award dates for key contracts only.