From: ScottO"Brien@nalcorenergy.com

To: pharrington; LanceClarke@nalcorenergy.com

Subject: Re: I need that write up of the early works ASAP

Date: Wednesday, June 20, 2012 10:54:24 AM

Incomplete. Sorry. A

While we met with SLI on a daily basis to review expectaions, we made clear to both SLI and to the contractors that SLI would be point of contact.

We struggled to have open communication flow with SLI through this period and did have a separate discussion with them regarding the need for communication.

Kickoff meetings were booked with both contractors and considerable work was put in from our side, in the first instance to establish a reasonable agenda and later to determine an appropriate presentation set to give to the contractors. Despite this, the meetings were loose at best.

Most unfortunate was, through the course of the meeting with Liannu it became apparent that no communication had taken place with them despite our assertions for in-field operations commence by 18 June latest. In the kick-off meeting, the plan for bridge installation by Liannu, despite having been agreed between SLI and us some 10 days prior had not been communicated at all and there was no clear plan to commencement of the work. Equipment had not started to mobilize. In addition, the contract documents were not prepared in time for kick-off.

On completion of the kick-off meeting, we met within Nalcor and reviewed the situation with respect to progress and decided the most efficient path forward was to place Mark Dykeman as directly responsible for the work with Al Edmunds reporting directly to Mark. Sylvain Marsain was removed as commercial representative to be replaced with an alternate resource. Criticality of early works scope for project critical path did not allow further delay or confusion with respect to execution.

Summary notes to follow in separate email.

Scott

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---- Original Message -----From: Scott O'Brien

Sent: 06/20/2012 10:32 AM NDT

Paul

To offer some background:

We have been challenged by SLI's commercial support to both the early works packages for some time with issued correspondence to bidders and later to the awarded contractors which have created both confusion and strained relations with the contractors, this has included everything from emails with terse language highlighted in bold to

the preparation of contract documents that don't meet the requirements for the lump sum execution for road construction by Liannu.

With respect to execution, we put considerable effort into empowering SLI's site construction manager and ensuring the work was progressing in the manner we had agreed. While we met with SLI on an almost daily basis to review This Email was sent from a Blackberry wireless handheld. The Email, including attachments, is confidential and proprietary. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this Email in error, please notify us immediately by return Email, and delete this Email message.

---- Original Message -----

From: pharrington

Sent: 06/20/2012 09:47 AM NDT To: Scott O'Brien; Lance Clarke

Subject: I need that write up of the early works ASAP

Paul Harrington