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Rec. No.: L010-S011-200-170331-00210

15 February 2013

SNC-Lavalin Inc.
272 Torbay Road
St. John's, NL A1A 4E1

Attention: Mr. Normand Bechard

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


Muskrat Falls Site Team

Dear Normand:

Company acknowledges receipt of SLI correspondence no. S011-L010-200-170330-00198 dated 12 December 2012 with respect to organizational changes to the Muskrat Falls site team. As noted therein, both parties are reviewing the impact of these changes on the contractual relationship and discussions are on-going regarding an amendment to the Agreement.

In the meantime the parties have agreed, during the meeting of senior management representatives on 15 January 2013, to immediately proceed with further development and implementation of such organizational changes. Until the amendment is finalized and executed, the parties further agreed that, with the exception of SNC-Lavalin's responsibility and liability for engineering, SNC-Lavalin's liability with respect to such changes will be commensurate with the degree of control exercised by SNC-Lavalin personnel for the Procurement, Construction management, Health and Safety management, Environmental management or other services it provides under the Agreement. SNC-Lavalin's responsibility and liability for engineering remains unchanged under the Agreement.

Sincerely,


Ron Power
General Project Manager
Muskrat Falls & Labrador - Island Transmission Link
CH/ch

cc: Gilbert Bennett, Paul Harrington, Lance Clarke, John Husch, Bernard Gagne, Jason kean