

15 February 2013

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LC Ref. No: S011-L010-200-170330-00XXX

NALCOR REFERENCE No.:

JV HOLCIM – LAFARGE / MUSKRAT FALLS

ATTENTION: Mr. Herve Farcy,
Mr. Gurinder Girn,

Subject: Lower Churchill Development
Cement Supply for Lower Churchill / Muskrat Falls project (the “Project”)
Your Letter dated 4 February 2013

Dear Sirs,

I acknowledge receipt of your letter of 4 February 2013 regarding the intention of Holcim and Lafarge to form a joint venture for the sole purpose of supplying cement to the Muskrat Falls Project.

We are surprised and disappointed that two of the leading cement suppliers in Canada have found it necessary to combine forces for the purposes of bidding the supply of Low Heat Cement to the Project. From the emails received from your respective companies, in August 2012, we had the clear understanding that each of you were capable of supplying the Project with the required volumes of Low Heat Cement; logistics was the issue that had to be addressed, but this was manageable.

Given the limited supply options for Low Heat Cement, we do not believe there now exists a competitive cement marketplace to bid the project in Canada. Please advise your combined share of this market for this particular grade of cement in Canada.

Finally, with respect to your reference to the delivery schedule, we note that the Project schedule with respect to the Powerhouse has been relaxed, with approximately 6 months being added to the key Milestone Dates. Kindly advise if this information changes your position with respect to forming a joint venture.

Yours truly,
SNC-LAVALIN INC.

Normand Béchard
General Project Manager

CC: Nalcor: Paul Harrington; Ron Power; Jason Kean; Lance Clarke; Scott O'Brien