



Muskrat Falls Corporation
Re: Lower Churchill Project Muskrat Falls Corporation
350 Torbay Road Plaza, Suite No. 2
St. John's, NL, A1A 4E1

December 18th, 2014

Attention: Scott O'Brien – Project Manager, Component 1

Ref: AH Letter – PM 003
Object: CH0032 – Response to letter LTR-CH0032001-009

Dear Scott,

Andritz Hydro confirms receipt of LCP's letter LTR-CH0032001-009 dated December 17th, 2014 advising AH of a schedule delay.

Unless LCP objects, AH will proceed under the assumption that the contractual start date for Interface No 11A of February 16th, 2015 is now delayed to May 15th, 2015 (the mid- point of Q2). Effective immediately, AH will work with this new start date to reduce further impacts caused by this delay and align its continued site mobilization activities with this new schedule.

AH hereby notifies LCP that this delay will result in both cost and schedule impacts. AH will assess and evaluate the impacts in detail will present our assessment to LCP as soon as it is completed.

In the meantime, as discussed at the last executive meeting in November, AH requests that LCP provide a revised version of the contractual Exhibit 9 reflecting this schedule delay to provide clarity on important commercial factors such as LDs and bonuses.

Best regards,

A handwritten signature in blue ink that reads "Mathieu Bertrand".

Mathieu Bertrand
Project Manager
Andritz Hydro Ltd.

