

**Muskrat Falls Corporation**

Corporate Office  
500 Columbus Drive  
P. O. Box 15000, Stn. A  
St. John's, NL Canada A1B 0M4

Lower Churchill Project Operations Office  
350 Torbay Road, Suite 2  
St. John's, NL Canada A1A 4E1

31 March 2015

LTR-CH0032001-0021

ANDRITZ HYDRO CANADA INC.  
6100 Trans-Canada Hwy.  
Pointe-Claire, Quebec  
H9R 1B9

**Attn: Mr. Bill Mavromatis**

Subject: Agreement CH0032-001  
Supply and Install Powerhouse and Spillway Hydro-Mechanical Equipment -  
Your letter AH -Letter-PM-012

Dear Mr. Mavromatis:

We acknowledge receipt of your letter No. AH-Letter-PM-012 dated 27 March 2015 regarding delays to milestone dates.

Your interpretation of the Change Order on the milestone dates as outlined in items 1) and 2) of your letter is consistent with the purpose of the document.

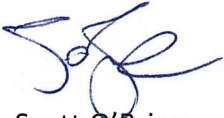
We are not requesting you to alter your manufacturing and delivery schedule for your equipment and materials as suggested in item 3). Please continue to respect these delivery requirements. The Change Order only addresses the field component of your costs.

With respect to item 4), we will provide a 90 day notification period to allow you greater flexibility in mitigating costs. Please confirm your agreement. As noted in your letter, you are conducting an analysis of this cost impact separately. We expect that you mitigate this cost to the extent possible. Please advise a date by which this analysis will be complete for our review.

We concur with the position outlined in item 5.

The liquidated damage amounts specified in the Agreement remain unchanged. The only adjustments will be to the milestone dates.

Yours truly,

A handwritten signature in blue ink, appearing to read "S. O'Brien", is written over the typed name.

Scott O'Brien  
Project Manager – Muskrat Falls Generation  
Project Delivery Team  
Lower Churchill Project