



LTR-CH0007001-0241

**Muskrat Falls Corporation**  
**350 Torbay Road, Suite 2**  
**St. John's, NL Canada**  
**A1A 4E1**

**21. August.2014****ACI / MFC-0118**

Attention: Mr. Desmond Tranquilla  
Deputy Company Representative and Site Manager

**Subject: LCP Muskrat Falls Contract No. CH0007**  
**Construction Of Intake And Powerhouse, Spillway And Transition Dams**  
**Commercial Co-ordination Meeting – Action List**

Dear Mr. Tranquilla,

We had our first co-ordination meeting on 28.July.2014, to solve the invoicing for the months of April-May June & July 2014. Nalcor and Astaldi jointly prepared and agreed an action list based on 24 items with target dates for each item all of which were agreed in order that Astaldi would be able to submit the various invoices by 11.August.2014 which was the target date for Item 20 on the list.

Since 28.July.2014, weekly meetings have been held between the parties, to review the action list, however many of the target dates have been postponed and we are extremely concerned that the whole of the invoicing processs is being delayed, and as a result of what is actually happening,it is actually taking longer to resolve Astaldi's financial difficulties than was originally envisaged.

To date Nalcor have only managed to carry out a reconciliation for one week in April 2014 for Craft Labour, and the balance of April [3 weeks] plus May, June & July 2014 still have to reconciled and resubmitted prior to submitting Final Payment Applications for May – July 2014 inclusive.

According to the first action list which was issued on 30.July.2014, Item # 07, 09, 12 & 15 should have been returned to Astaldi from Nalcor before 10.August.2014. These items were the Staff Sheets & Craft Sheets for April – July inclusive, however it has to be recorded that Astaldi has been given the Staff Sheets, but 11 weeks of the Craft Sheets are still outstanding. At this rate it will be many weeks before Astaldi receives the outstanding Craft sheets, and even then the subject sheets still have to be converted into Payment Applications which hopefully will be approved at the first pass.



Due to the consequences of such delay, we need to have an urgent meeting on the subject to find issues which can accelerate this process. Please note that we can make ourselves available from Friday 22.August.2014 onwards for a meeting with Nalcor personnel to address this very important subject, however we understand that it could be Tuesday 26.August.2014, before we can convene to discuss the outstanding Craft Sheets which ideally need to be processed and returned to Astaldi by 31.August.2014, so that the Final Payment Applications can be submitted forthwith for April – July 2014.

Thanking you in anticipation of your ongoing co-operation and support in the above subject.

If further discussion or clarification is required please do not hesitate to contact us.

Yours sincerely,

**Astaldi Canada Inc.**

*Roger J. Hopkins*

pp Mr. Jose Alves  
Project Manager  
Lower Churchill Project – Muskrat Falls

Cc: Mr. Edy Lucchini; Mr. Roger Hopkins; Mr. Michel Bedard; Mr. Enrico Violato;  
Mr. G. Castracani; Mr. M Lanciani; Mr. G.DiMaita; Mr. A. Platina

Nalcor : Mr. Alphonsus Kelly; Mr. Mel Melhem; Mr. Hisham Geres; Mr. Paul Aucoin;  
Mr. J. Skinner [Muscat Falls Corporation – St.Johns]

RJH – 21.August.2014