

Muskat Falls Corporation

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

27-Oct-2014

LTR-CH0007001-0325

ASTALDI Canada Inc.
 358 Hamilton River Road
 Happy Valley-Goose Bay, NL
 AOP 1C0 Canada

Attention: Jose Alves, Project Manager

Subject: Agreement No.: CH0007- 001
Title: Construction of Intake and Powerhouse, Spillway and Transition Dams
Re: Request for Company Representative to be based at Site for Discussions, Modifications & Approvals – Astaldi Letter Aconex # LTR-CH0007001-179

Dear Sirs:

We all recall the circumstances which prompted the subject letter and the extensive discussions which followed with Contractor' Senior Management, and also on site. Company concurs that timely response to issues and prompt decision making is imperative to the success of this project.

As you are aware Company designated Desmond Tranquilla (myself) to lead the Company' site team. He is supported by a team of experienced managers who have demonstrated the ability to promptly resolve issues as they arise. Responding to the changing dynamics of the Project, over the past several weeks, the Company has added additional resources to the Company' staff to increase the Company's ability to support the Contractor as it expands its work force and increases its production.

At the present time the Company is unaware of any open issues which may be affecting the Contractor's work. A review of the 26-Oct-2014 weekly statistics appears to confirm that observation.

SITE QUERIES		CONCESSIONS	
Total Submitted by Contractor	116	Total submitted by Contractor	67
Left to be Answered	3	Left to be Answered	3
Average Response (days)	3.8	Average Response (days)	5.3
WORKFLOWS			
In Progress-Documents	12		
In Progress-Drawings	90		
Closed	606		
Total submitted by Contractor	708		
Average Response (days)-Documents	11.4		
Average Response (days)-Drawings	12.0		

The effort to streamline decisions making, in order that down time is minimized and productivity is maintained, is a joint effort. For its part the Company is committed to providing timely responses to all processes. To date the metrics indicate we are currently averaging much less than our contractual obligations. Likewise we encourage Contractor to improve the early identification and notification of issues through advanced planning of work activities.

In the future do not hesitate to contact the undersigned directly if you identify any problems with either party that may impact timely, accurate and complete decisions and/or responses to Project processes.

Regards,

Muskrat Falls Corporation



Desmond Tranquilla
Deputy Company Representative and Site Manager

cc: As per Distribution Matrix