



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

**21-July-2015**

**ACI- MFC-0348**

**Attention: Mr. Scott O'Brien**

**Subject: LCP Muskrat Falls Contract No. CH0007**  
**Construction of Intake Powerhouse, Spillway and Transition Dams**  
**The Path Forward**

**Reference: Your letter LTR-CH0007001-0601 dated 12 June 2015.**

Dear Mr. O'Brien:

We refer to your above-referenced letter setting out Nalcor's position on issues currently affecting the Contract and the Works, particularly the Mutual Release, Labour Productivity and North Spur Stabilization and North and South Dams Contracts. It is clear that we differ in our view of these issues and like Nalcor, Astaldi must therefore reserve its rights at law and under the Contract.

We are encouraged, however, by your statement that Nalcor believes, with Astaldi, that even in the face of such serious issues we can achieve a successful project by not expending resources cultivating the past.

Astaldi wishes to create a protected environment for the much more productive exercise of negotiating a cooperative path forward. In our view the best way to do so is to conduct negotiations "off the record" and temporarily suspend contractual notice requirements while these negotiations continue, on a week by week basis if necessary. We respectfully ask you to revisit your decision and agree to suspend contractual notice requirements on this limited basis while we are making progress toward our common goal.

If the temporary suspension of contractual notice periods is not possible, we seek your confirmation that by giving contractual notices, Astaldi will not in any way impede or change the timing or cooperative tone of our urgent, necessary and ongoing negotiations.

Yours faithfully,

**Astaldi Canada Inc.**

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Don Delarosbil

**Project Manager**

Lower Churchill Project – Muskrat Falls

Cc: Giacomo Orsatti, George Bader, Riccardo Rocci, James Walsh  
Alphonsus Kelly, Mel Melhem, Mike Harris, David Burton