

**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

17 August 2015

**ASTALDI Canada Inc.**

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

**Attention:** Don Delarosbil, Project Manager

**Agreement:** CH0007- 001 Construction of Intake and Powerhouse, Spillway and Transition Dams

**Subject:** Site Protest and Blockade

**References:** Contractor Letter ACI-MFC-0389 August 16, 2015

Dear Mr. Delarosbil:

Company acknowledges receipt of Contractor's letter No. ACI-MFC-0389 and notwithstanding Company's position the labour dispute and blockade of the site are a Contractor caused event, accepts that the protest and site blockade constitute a Force Majeure under Article 29.1 (a) of the Articles to the Agreement. However, as the Force Majeure event was caused by Contractor's fault and/or negligence which could have been avoided by reasonable diligence, including by failing to maintain labour peace in accordance Article 32, pursuant to Article 29.2 Contractor is not relieved from any of its obligations under the Agreement. Contractor will not be entitled to any additional compensation or extension of time as a result of this event.

Company reserves its right to apply or enforce any provision or remedy available in the Agreement or at law.

If you have any questions please do not hesitate to contact the undersigned.

Sincerely,



Scott O'Brien  
Company Representative  
Muskrat Falls Corporation

cc: G. Bennett  
A. Meade