



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

**11-Sept.-2015**

**ACI-MFC-0428**

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

**Subject: LCP Muskrat Falls Contract No. CH0007**  
**Construction of Intake Powerhouse, Spillway and Transition Dams**  
**Discount as per Minutes of Meeting dated 14 September 2013 between**  
**Astaldi Canada Inc. and Nalcor Energy**

**Reference: Agreement No: CH-0007-001**  
**Exhibit 2, Appendix A, Option 2–FPTCL, Schedule of Price Breakdown**

Dear Mr. O'Brien:

As communicated by newspapers and other media paths, the contract CH0009, for the execution of the North and South Dams has been awarded to another contractor. Consequently, the 40 million dollar discount, as per the subject matter and reference is no longer applicable.

Contractor, requests Company to provide a change Order to realign the contract value by reinserting the aforementioned 40 million dollars back into the contract value. It requires to be noted that this change in the contract value will also require a realignment of the 10% Advance Payment value and the applicable 7% mark-up in accordance with the attached table.

Please provide Change Order as soon as possible.

Sincerely,  
**Astaldi Canada Inc.**

A handwritten signature in blue ink, appearing to read "Don Delarocbil", is written over a horizontal line.

Mr. Don Delarocbil  
**Project Manager**  
Lower Churchill Project – Muskrat Falls

**Cc: MFC- Mr. Mike Harris, Mr. Alphonsus Kelly, Mr. Mel Melham, Mr. David Burton**  
**Astaldi – Mr. Georges Bader, Mr. Riccardo Rocci, Mr. Enrico Mongili, Mr. James Walsh**

Attachment

<u>Exhibit 2, Appendix A-Option2</u>	<u>With Discount of 40M</u>	<u>Without Discount of 40M</u>	<u>Amount DUE</u>
<i>Labour component</i>	507,598,340.87	<i>Labour component</i> 547,598,340.87	
<i>Profit on Lab. Component (7%)</i>	35,531,883.86	<i>Profit on Lab. Component (7%)</i> 38,331,883.86	
<u>TOT. Lab. Component</u>	<u>543,130,224.73</u>	<u>TOT. Lab. Component</u> 585,930,224.73	
<u>Estimate of Travel Allowance</u>	<u>29,057,891.00</u>	<u>Estimate of Travel Allowance</u> 29,057,891.00	
<u>NonLabour Component</u>	<u>452,104,434.08</u>	<u>NonLabour Component</u> 452,104,434.08	
<u>TOT.</u>	<u>1,024,292,549.81</u>	<u>TOT.</u> 1,067,092,549.81	
Advance Payment	102,429,254.98	106,709,254.98	-4,280,000.00
% Concrete Progress (about)	25.81807% 35,531,883.86 9,173,646.65	25.81807% 38,331,883.86 9,896,552.61	-722,905.96
			<u>-5,002,905.96</u>