

20-Oct-2015

L- ACI- MFC-0472

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

Attention: Mr. Scott O'Brien

Subject: LCP Muskrat Falls Contract No. CH0007-001
Construction of Intake Powerhouse, Spillway and Transition Dams
Site Protest and Blockade – Change Request CH0007001-2039

Reference: Letter CH0007001-0827

Dear Mr. O'Brien:

Contractor acknowledges receipt of Company letter 0827 and expresses its surprise for Company's intent to cancel Contractor's entitlements on the basis of an alleged failure to provide a Change Request within 30 days from the notice in accordance with Article 14.8 of the Agreement.

Paragraph three stating that pursuant to Article 14.8 timelines associated with submittals of Change Requests are expired: Such consideration is in Contractor's opinion not applicable to the issue at subject, as Contractor notified a Force Majeure Event and not a Change Request.

Having ascertained a time impact on Contractor's activities, Contractor also submits herewith Change request CHR0007001-2036, for an extension of time of fifteen (15) days.

Although the Force Majeure event ended, as per Company notification, at approximately 6:00 AM, August 18, 2015 the impacts associated with this event continued until planned/scheduled activities were effectively and efficiently addressed.

We remain available if any further clarification is required,

Sincerely,
Astaldi Canada Inc.



Don Delarosbil

Project Manager

Lower Churchill Project – Muskrat Falls

cc: MFC – Mr. Mike Harris; Mr. Mel Melhem; Mr. David Burton,
Astaldi – Mr. Georges Bader; Mr. Riccardo Rocci; Mr. Enrico Violato; Mr. Enrico Mongili, Mr. James Walsh;
File



LOWER CHURCHILL PROJECT – MUSKRAT FALLS
CH0007: CONSTRUCTION OF INTAKE AND POWER
HOUSE, SPILLWAY AND TRANSITION DAMS

Description of the event: On August 13th during the afternoon, a protest by Representatives of the First Innu Nation formed a Block Ade, preventing anyone from entering site, personnel were allowed to exit the site.

From August 13th until August 18th the access to site has been blocked and production activities were consequently impacted due to the following reason:

- Significant loss of production was experienced on site during the two weeks period following the blockade event. As a matter of fact the normal level of resources on site normalized 9 days after blockade ended. The site was fully reorganized approximately two weeks after the first event. During said two week period all the costs related to production (direct and indirect craft, staff, rental, leasing and depreciation of equipment, site running costs) have been partially unproductive, yet still fully sustained by Astaldi. We are hence looking for full reimbursement of such unproductive portion of incurred costs,

Agreement No:	CHR00007-001	CHR No. (Reference):	2039
Agreement Title:	Construction of the Intake and Powerhouse, Spillway and Transition Dams	Rev. No:	0
		CHO No.:	
		Date:	23-Oct-2015
Company:	MUSKRAT FALLS CORPORATION	Aconex No.	
Contractor/Supplier:	ASTALDI CANADA INC.	DAN No.:	

Description of Change Request and Reason (attach all supporting information):

Innu Blockade – Contractor and Subcontractors were not able to fully perform services and scope of work.

Contractors request is in lieu of the Company requesting schedule amendments.

This event has resulted in significant delays that the Contractor and the affected Subcontractors need to recover as soon as possible.

Supporting information that forms part of this Change Request:
Letter 0827

Description of impact on Control Schedule: 5 actual days delay during the blockade, 9 days recovery from loss of time during recovery period.

Adjustment to the Contract Schedule

Item	Description	UOM	QTY	Unit Price	Extended Price
1	Delays in Schedule	Days	15	\$ 0.00	\$ 0.00

Value of this Change Request: \$ 0.00

ORIGINATOR COMPANY CONTRACTOR

Title	Name	Signature	Date
CONTRACT MANAGER	James Walsh		08-Sept.-2015

Received by:

Title	Name	Signature	Date