

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

12-Jun-2016

ASTALDI Canada Inc.
114 Hamilton River Road
North Star Building
Happy Valley-Goose Bay
NL, Canada
AOP 1C0

Attention: Mr. Don Delarsobil

Subject: Agreement CH0007-001
Construction of Intake and Powerhouse, Spillway and Transition Dams
Re: Blockade at the South Side Access Road Gatehouse
Ref: LTR-CH0007001-1213

Dear Sir

Company acknowledges receipt of Contractor letter dated 11-Jun-2016 reference ACI-MFC-0711 and would respond as follows.

Protesters have installed a blockade at approximately 14.30 on 09-Jun-2016 at the Main Project Entrance. The blockade has been restricting all vehicular access to the Site and from 10-Jun-2016; all vehicular egress from the Site has also been restricted. RCMP has been present at the Main Gate since commencement of the blockade.

The protesters have impacted Company and Contractor(s) management and manpower attendance on Site. Company has provided air transit for essential management to the Project Site from Goose Bay and has also accommodated such essential management personnel at the Accommodation complex during the continuing blockade.

Company has regularly updated and informed Contractor on the status of the blockade. Contractor is aware that the protesters have been served with an Injunction regarding the protest and their actions are illegal.

During this blockade, Project personnel have been allowed to exit the site via the main security gate on foot.

Company advises that this blockade is a Force Majeure event, pursuant to Article 29.1 (a) of the Agreement.

Company does not consider that the provisions of Article 29.6 apply in this circumstance.

Sincerely,

Muskrat Falls Corporation



Scott O'Brien
Company Representative
Project Manager – Muskrat Falls Generation
Lower Churchill Project