

Muskrat Falls Corporation

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LTR-CH0007001-1429

26-Sep-2016

ASTALDI Canada Inc.

114 Hamilton River Road
North Star Building,
Happy Valley-Goose Bay,
NL, Canada A0P 1C0

Attention: Don Delarosbil, Project Manager

Agreement No.: CH0007- 001
Title: Construction of Intake and Powerhouse, Spillway and Transition Dams
Subject: Critical Path Concerns – Downstream Intake Works

Dear Mr. Delarosbil:

During the weekly site progress meeting on Tuesday 20 September 2016, Company made a number of inquiries regarding Contractor's apparent lack of progress of specific critical path works, and with particular respect to the Downstream Intake areas. Company questions were aimed at soliciting accurate and insightful information from Contractor in this regard to facilitate a better understanding of Contractor's execution of and possible recovery plans for such crucial works.

To Company's surprise, consternation and concern, Contractor project manager's response alluded that the critical path was not the Contractor's prime focus and that Company's questions were unreasonable and tantamount to intimidation, following which the Contractor's project manager immediately exited the meeting and advised that he may not be attending any more progress meetings.

Contractor's actions as noted above are as a minimum deficient, accordingly Company requests an immediate explanation from Contractor regarding the current approach towards the critical path works and an assurance that Contractor's project manager will attend future weekly progress or other such site meetings as required by Company.

Regards,

Muskrat Falls Corporation

Scott O'Brien
Company Representative, Muskrat Falls Generation