

Labrador-Island Link Limited Partnership**Corporate Office**

c/o General Partner - Labrador-Island Link General Partner Corporation
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LTR-CD0501-LILLP-AG-0340
LTR-CD0502-LTCLILLP-AG-0307
LTR-CD0502001-0543

26-Oct-2016

Mr. Scott Bianchi
Executive Project Director
GRID SOLUTIONS CANADA ULC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2E5

Subject: Force Majeure Events at Muskrat Falls
Ref: LTR-CD0501-AG-LILLP-0300
LTR-CD0502-AG-LTCLILLP-0242
LTR-CD0501-LILLP-AG-0332R01
LTR-CD0501-LILLP-AG-0337
LTR-CD0502-LTCLILLP-AG-0299R01
LTR-CD0502-LTCLILLP-AG-0303

Dear Mr. Bianchi,

Company issued notifications to Contractor of Force Majeure events on 16-Oct-2016 and 20-Oct-2016. These notifications were issued because the events that occurred are beyond Company's reasonable control.

Contractor's assertion that these events cannot be considered Force Majeure is wrong in fact and at law. Company has at all times acted in accordance with all environmental requirements of Authorities, the environmental assessments for the Project, and with all agreements with the indigenous community that has recognized rights. Company's approach to raising the level of water in the reservoir has been well known for years, and the possible impacts have been reviewed during the environmental assessment process, which included public hearings, and has been accepted by the Authorities.

Company has no control over the actions of local indigenous communities and the Nunatsiavut Government. Company has at all times acted diligently and in compliance with the requirements of the Agreement, and at no time has been negligent or at fault in any way. Company has at all times acted in good faith with regard to the Project and any impact of the Project on the environment, the local community and the province of Newfoundland and Labrador. The current unfortunate situation is beyond the control of Company and was not foreseeable.

Company expects that when the Force Majeure situation ends Contractor will assess the schedule impacts and revert to Company, within the contractual deadlines, with all the supporting data for compensation in accordance with Article 31 of the Agreement.

This letter is made without waiving and with the express reservation of Company's rights and remedies, in law or equity, to claim damages, if any, caused by the unsupported assertion of inappropriate management by Company.

Regards,



for Darren DeBourke, P. Eng.
Project Manager, HVdc Specialties

c.c. Trina Troke (LCMC)
Sherry Power (LCMC)
Aidan Meade (LCMC)
Mark Ellis (LCMC)

Melissa Coombs (LCMC)
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