

From: lanceclarke@lowerchurchillproject.ca
To: [Paul Harrington](mailto:Paul.Harrington)
Subject: Re: Astaldi Advance
Date: Sunday, August 2, 2015 10:52:50 AM

Your assessment is right. Managing expectations is going to be far more challenging than I ever imagined. Thus my comment that I will need a game plan to drop everything, as this will become all consuming. We need to have a good chat on Tuesday.

rgds

Sent from my iPad

On Aug 1, 2015, at 5:51 PM, Paul Harrington
<PHarrington@lowerchurchillproject.ca> wrote:

Hi Lance

I am catching up with all this with ASTALDI

I am suspecting Ed is feeling a lot of pressure regarding ASTALDI so he. Is reluctant to be seen to be giving too much. That makes it difficult for us . I am travelling on Monday so cannot add much.

We need to chat on Tuesday

If you have to make a call in the interim I will back you up whatever you have to go with

Regards Paul

Sent from my iPad

Begin forwarded message:

From: "Ed Martin" <EMartin@nalcenergy.com>

Date: July 31, 2015 at 7:43:22 PM NDT

To: "Lance Clarke" <LanceClarke@lowerchurchillproject.ca>

Cc: "Gilbert Bennett" <GBennett@nalcenergy.com>, "Paul Harrington" <PHarrington@lowerchurchillproject.ca>, "Jason Kean" <JasonKean@lowerchurchillproject.ca>

Subject: Re: Astaldi Advance

Still thinking about it, but one early comment- I heard from Cerri they were asking for deferral going forward, not refunding the collections to date. I have an issue refunding anything to date for starters.

Ed

Sent from my iPhone

> On Jul 31, 2015, at 5:44 PM, Lance Clarke
<LanceClarke@lowerchurchillproject.ca> wrote:

>

> Folks

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> Thinking about the response on the Advance which we have been asked for an answer by Monday morning Rome time, so our Sunday evening. I have a draft below to get our collective thoughts going. Please review and respond with comments. If we need to have a discussion (as I expect we will) I can arrange some time either tomorrow or Sunday for us to chat. In the meantime I will respond to Astaldi telling them we are considering the request and will respond by their Monday morning. Based on our earlier discussion I have drafted the following:

>

> "Mario/Francesco

>

> Although challenging, for the reasons we have previously discussed, we have been considering Astaldi's request to both return the money clawed back against the Advance and to defer further clawback until the end of 2015. As this involves security there are many stakeholders involved with such a request meaning it will require further exploration and time. However, that said, we do know that the deferral of the clawback is an easier request to deal with provided we can explain the rationale and show consideration for the adjustment. A critical item for both parties at this time is the re-baseline and resulting completion of the work. One of many key items for Nalcor in this exercise is to properly explore the opportunity of Winter work and its potential on the overall completion timeline. If Astaldi can commit to these discussions with the intention of arriving at an optimal winter work program that ensures progress during the next two winters then Nalcor will engage with our stakeholders to recommend deferral of the clawback for now in consideration for this commitment. Further study of cash flow opportunities will continue but for now we hope the aforementioned helps Astaldi.

Please contact me at your convenience and we can discuss how to progress this."

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> Look forward to your thoughts guys.

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> rgds

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> Sent from my iPad