Dear [REDACTED]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, 2015 [File #: EC/48/2016]

On November 24, 2016, Executive Council received your request for access to the following records/information:

"Please provide all correspondence to or from Mr. Bern Coffey regarding Muskrat Falls."

I am pleased to inform you that a decision has been made by the Deputy Clerk of Executive Council to provide access to some of the requested information. In particular, access is granted to the following records:

- Correspondence to and from the Clerk of Executive Council between September 21, 2016 and November 24, 2016 regarding Muskrat Falls

Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal

(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

30. (1) The head of a public body may refuse to disclose to an applicant information

(a) that is subject to solicitor and client privilege or litigation privilege of a public body; or

(b) that would disclose legal opinions provided to a public body by a law officer of the Crown.
(2) The head of a public body shall refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a person other than a public body.

31. (1) The head of a public body may refuse to disclose information to an applicant where the disclosure could reasonably be expected to

(a) interfere with or harm a law enforcement matter;

(c) reveal investigative techniques and procedures currently used, or likely to be used, in law enforcement;

(e) reveal law enforcement intelligence information;

(g) reveal information relating to or used in the exercise of prosecutorial discretion;

(h) deprive a person of the right to a fair trial or impartial adjudication;

(l) reveal the arrangements for the security of property or a system, including a building, a vehicle, a computer system or a communications system;

(p) harm the conduct of existing or imminent legal proceedings.

34. (1) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to

(a) harm the conduct by the government of the province of relations between that government and the following or their agencies:

(i) the government of Canada or a province,

(v) the Nunatsiavut Government; or

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

(b) financial, commercial, scientific or technical information that belongs to a public body or to the government of the province and that has, or is reasonably likely to have, monetary value;

(f) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

(g) information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body;

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.
As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. Please note the following information has been fully redacted from the package:

- Pages 13 and 331-335 in accordance with subsection 29(1)(a)
- Pages 60-64 in accordance with subsections 34(1)(a)(i) and 35(1)(f)
- Pages 78-87 in accordance with subsections 30(2), 31(1)(a), and 31(1)(c)
- Pages 133-134 in accordance with subsection 30(1)(a)
- Page 138-139 in accordance with subsection 31(1)(a)
- Pages 159-161 and 339-341 in accordance with subsections 30(1)(a), 30(1)(b)
- Page 354 in accordance with subsections 29(1)(a), 34(1)(a)(i), 35(1)(f) and 35(1)(g)
- Pages 369-379 in accordance with subsections 31(1)(a),(c),(f),(g),(h),(l)&(p)
- Pages 423-425 in accordance with subsections 29(1)(a)(i), 30(1)(a), 30(1)(b)

You may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Responsive records will be published following a 72 hour period after the response is sent electronically to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. If you have any further questions, please feel free to contact me by telephone at (709)729-5691 or by e-mail at rachellecutler@gov.nl.ca.

Sincerely,

Rachelle Cutler
ATIPP Coordinator
Enclosures
Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner's refusal under subsection 45(2).
Hi Bern,

Nice chatting. Here is the email I tried to send several times today unsuccessfully. The Government address book had your name as just bern instead of Bernard in your email address.

Call anytime on anything. All my contact info is below.

All the best.

Paul

---

Hi Bern,

Congratulations and best wishes for every success in your new role. Please let me know if there is ever anything I can do to help.

Also, you may be aware that I was heavily involved in the EY Muskrat Falls review and Interim Report this past winter. I am available, as are other key members of our EY team, to brief you on that work and potential next steps if you would find that helpful.

All the best Bern.

Paul
Ernst & Young Corporate Finance (Canada) Inc. ("EYCF") is a wholly-owned subsidiary of Ernst & Young LLP. EYCF is a member of the US Financial Industry Regulatory Authority. Any email communication with a US resident relating to the offer of sale of securities shall be made on behalf of EYCF. EYCF and its affiliates reserve the right to monitor and archive e-mails in compliance with their internal policies and the rules of securities regulators. Conseil en financement Ernst & Young(Canada) Inc. («CFEY») est une filiale en propriété exclusive d'Ernst & Young s.r.l/S.E.N.C.R.L. CFY est membre de la Financial Industry Regulatory Authority des États-Unis. Toute communication par courriel avec un résident des États-Unis relativement au placement de valeurs mobilières est faite pour le compte de CFEY. CFEY et ses affiliés se réservent le droit de contrôler et d'archiver les courriels conformément à leurs directives internes et aux règles des autorités de réglementation en valeurs mobilières.
Cutler, Rachelle

From: Coffey, Bernard  
Sent: Friday, September 23, 2016 6:20 PM  
To: Mercer, Greg  
Subject: FW: HP TRIM BRIEFING NOTES/MEETING NOTES : BN-2016-00603 : Meeting Note - ECC/LAA - Premier Ball Meeting with the Nunatsiavut Government, Monday, September 26, 2016  
Attachments: Meeting Note - ECC LAA - Premier Ball Meeting with the Nunatsiavut Government, Monday, September 26, 2016.DOC

Greg:

FYI.

I plan to attend tomorrow’s meeting.

Krista asked me to forward this email to you.

Bern

-----Original Message-----
From: Quinlan, Krista  
Sent: Friday, September 23, 2016 5:48 PM  
To: Miles, Peter <PeterMiles@gov.nl.ca>; Coffey, Bernard <BernardCoffey@gov.nl.ca>  
Subject: HP TRIM BRIEFING NOTES/MEETING NOTES : BN-2016-00603 : Meeting Note - ECC/LAA - Premier Ball Meeting with the Nunatsiavut Government, Monday, September 26, 2016

Bern/Peter:
This note was prepared for Monday’s meeting. A revised note containing updated speaking points will be prepared following tomorrow’s meeting of officials.
Krista

-----< HP TRIM Record Information >-----

Record Number : BN-2016-00603  
Title : Meeting Note - ECC/LAA - Premier Ball Meeting with the Nunatsiavut Government, Monday, September 26, 2016
Meeting Note
Environment and Climate Change/Labrador and Aboriginal Affairs

Premier Ball Meeting with the Nunatsiavut Government
Monday, September 26, 2016
7 pm [to be confirmed]

Attendees:
- Hon. Dwight Ball, Premier
- Hon. Perry Trimper, Minister of Environment and Climate Change
- President Johannes Lampe, Nunatsiavut Government
- Officials: TBD

Purpose of Meeting:
- President Lampe wrote the Premier on September 20, 2016 requesting a meeting to discuss mitigating the impact of methylmercury on Lake Melville before flooding of the Muskrat Falls reservoir begins.
- In the context of that discussion, they may raise the issue of Minister Trimper’s decision to accept the Health Human Risk Assessment Plan (HHRAP).

Agenda item #1: Methylmercury Mitigation pre-flooding

Background
- On March 15, 2012, Nalcor Lower Churchill generation project was released from environmental assessment (EA) after a comprehensive independent federal-provincial Joint Review Panel (JRP) Process. There were numerous conditions associated with this release, including several environmental effects monitoring plans related to methylmercury.
- Methylmercury accumulation in the reservoir and the possibility of bioaccumulation in country foods (fish and seal) was a known aspect of the Muskrat Falls project and was examined by the JRP prior to the release of the project in 2012.
- Methylmercury is created in reservoirs when inorganic mercury (relatively non-toxic form) is converted to methylmercury (toxic form) by bacteria that feed on flooded vegetation and organic matter in the soil. Methylmercury is taken up by fish and other aquatic species and not excreted but instead builds up in concentration up the food chain. Consumption beyond levels recommended by Health Canada (HCan) has the potential to cause adverse human health effects (largely related to impacts on the central and peripheral nervous system; impacts on children and pregnant women can occur at lower levels of exposure than other adults).
- Consumption advisories, which indicate acceptable consumption limits for various country foods based on results from Nalcor’s monitoring programs, may need to be established in order to protect human health.
- The potential for health effects and the desire for project changes (i.e., full vegetation clearing as well as removal of soil from the reservoir) has been at the centre of the Make Muskrat Right campaign launched by the NG in the fall of 2015.
• On June 14, 2016, the Minister of ECC responded to the NGs call for full clearing of the reservoir, inclusive of soil removal, indicating that the partial clearing scenario (approximately 75 per cent of accessible vegetation, no soil removal) agreed to by the Government in 2012 continued to be the most appropriate option.

• Numerous protests followed, including a rally held in HVGB on June 27, 2016, while the Premier was in town for Expo, organized by the NG and attended by the three Labrador aboriginal groups, with several hundred protestors present. Subsequent to the rally, Government wrote the three Aboriginal leaders, seeking their participation in a second expert workshop to discuss methylmercury.

• On August 4, 2016, the second workshop was held in HVGB, which was facilitated by Mr. Wayne Thistle, of the Centre for Innovative Dispute Resolution. All three Aboriginal groups were present at the workshop, which was well attended by provincial and federal departments as well as Nalcor.

• A draft workshop summary report, prepared by the facilitator, was sent to workshop participants for comment, with a deadline of September 16, 2016. On September 16 the NG, copying all participants, wrote the facilitator indicating that the summary was an "inaccurate summary of the discussion", refusing to comment on it, providing their own transcript of the workshop as well as an audio recording of the entire workshop.

Analysis:

•

•

•

•

following recommendation:

The Panel recommends that Natural Resources Canada, in consultation with Nalcor...
and, if possible, other hydroelectricity developers in Canada, carry out a pilot study to determine a) the technical, economic and environmental feasibility of mitigating the production of methylmercury in reservoirs by removing vegetation and soils in the drawdown zone, and b) the effectiveness of this mitigation measure. The pilot study should take place in a location where the relevant parameters can be effectively controlled (i.e. not in the Lower Churchill watershed) and every effort should be made to complete the pilot before sanction decisions are made for Gull Island. If the results of the pilot study are positive, Nalcor should undertake to employ this mitigation measure in Gull Island to the extent possible and monitor the results.  

- In 2014, the NG brought a Court action to quash the provincial Minister’s decision to grant Nalcor a permit to alter a body of water. The issue of clearing the reservoir was raised in the proceedings, including the issue of soil removal. The Court determined that the appropriate time for the NG to challenge the Province’s decision regarding clearing was when the Province issued its responses to the JRP recommendations. The Court found that “despite the fact that the Province elected the partial clearing option in March 2012, the Applicant did not subsequently raise the issue of reservoir clearing as a mitigation measure until July 2, 2013.” Further noting “This was also when the issue of soil removal was raised by the Applicant for the first time”. The Court also noted “the province’s response settled and decided the matter. Nothing further was required,” and that the law does not contemplate “that decisions may effectively remain open for challenge long after they have been taken and the development has moved forward on the basis of such decisions”.

- As of October 1, 2016 Nalcor will be in a permitted position to begin flooding, and must raise the levels of water in the reservoir to a specified point prior to the setting in of ice so as to protect downstream infrastructure.
Possible Speaking Points:

- Our Government, like yours, understands the importance of the protection of human health, and the importance of harvesting of safe country food.

- We also understand fully the concerns of the Nunatsiavut Government relating to Methylmercury. This has had our full attention for many months and significant effort has been placed on finding a way forward.

- The importance of this issue is why we reconvened the expert workshop on August 4th in Happy Valley-Goose Bay.

- The Minister committed that the discussions from that workshop would inform next steps, and that he would await the report from the workshop’s independent facilitator before moving forward. That report is being concluded and we expect it in the coming days.

- The department has worked closely with key federal and provincial agencies on this issue including Health Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, and the Department of Health and Community Services.

- Our government remains committed to following the science and to continuing to work with the Nunatsiavut Government on this important matter.

Proposed Actions:
To be assessed based on the meeting.

Agenda item #2 (possible): Acceptance of the Human Health Risk Assessment Plan (HHRAP)

Background:

- Nalcor’s HHRAP is one of the final conditions of the 2012 environmental release of the Lower Churchill project. The purpose of the HHRAP is to outline key activities that will occur in conducting a baseline pre-flooding Human Health Risk Assessment (HHRA). It is essentially a framework or workplan, intended to describe a process to ensure that the HHRA is conducted pre-flooding in a manner that includes the steps and considerations of the HHRAP.

- On June 14, 2016, the Minister of ECC held a news conference announcing the acceptance
of the HHRAP with a condition that requires Nalcor to provide reasonable and appropriate compensation measures to address the impact of any consumption advisories that are identified from methylmercury monitoring. The addition of this condition aligned with the nature of a recommendation of the JRP regarding methylmercury effects. This was in addition to a decision by DFO that Nalcor must expand their sampling program further east in Lake Melville.

- The news conference was also used to respond to broader issues being raised by the NG since the launch of their “Make Muskrat Right” Campaign, the core aspect of which was a call for full clearing of the reservoir, inclusive of soil removal, to reduce the effects of methylmercury downstream.

- On August 12, 2016, the NG filed a formal appeal of the Minister’s decision to accept the HHRAP. This appeal was filed under section 107 of the Environmental Protection Act, which requires that the Minister reply within 30 days.

- An EA bulletin was issued on August 30, 2016 (EA bulletins are issued regularly to communicate new registrations, appeals, and EA decisions) indicating receipt of the appeal and that the Minister’s decision was due 30 days following receipt of the appeal, in accordance with the Environmental Protection Act.

- On September 11, 2016, Minister Trimper wrote the NG in response to the appeal (30 days after its receipt), advising that:
  - the decision to accept the HHRAP was upheld;
  - that the appeal document raised elements not pertinent to the HHRAP itself;
  - that these broader issues and concerns raised in the appeal continue to be considered, per the commitment to discuss these concerns at the expert workshop held on August 4, and use the report from the workshop to guide next steps.

**Analysis:**

- **29(1)(a), 34(1)(a)(v)**
  - The NG’s appeal did not include specific criticisms or comments related to the HHRAP itself.

- **29(1)(a)**
  - In responding to the HHRAP the Minister attempted to dissect this plan’s approval from the broader issue and affirm the government’s commitment to further consider their broader concern (i.e., full clearing and soil removal as a mitigation pre-flooding), informed by the discussions at the August workshop.

**Possible Speaking Points:**

- In reviewing the appeal, the department consulted with Health Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, and the Department of Health and Community Services.

- The Human Health Risk Assessment plan is a workplan to describe the undertaking of a Human Health Risk Assessment. The process and tasks outlined are intended to guide how effects on human health downstream can be monitored.
• While many of the concerns raised in the appeal are outside the scope of the HHRAP, these are the very concerns that we are now considering in follow-up to our recently held expert workshop.

• We remain committed to further considering these issues.

Proposed Actions:
None.

Agenda item 3 (possible): NG Accommodations Considerations

Background:
• The NG wrote the Prime Minister on August 24, 2016, with copies amongst others to the Premier and the Minister of EECC, requesting in part as follows, “The federal department of Fisheries and Oceans and the Canadian Coast Guard (DFO) is one of the regulators for this project, and has the ability to rescind its authorization for this project or amend the authorization to require changes to address the impacts to our people. More specifically, this authorization allows flooding to commence as of October 1, 2016. We ask that, at the very least, this authorization be amended to ensure no flooding takes place until the reservoir is fully cleared of all trees, vegetation and topsoil.”

• In the same letter, the NG also asked “that your government deny the request from the Government of Newfoundland and Labrador to increase the current loan guarantee or to issue new guarantees to cover increased costs of the project. Allowing this project to continue down its current path and increasing or issuing new loan guarantees would directly contradict your commitment to a renewed relationship with Indigenous peoples based on recognition of rights, respect and cooperation. It is time to Make Muskrat Right.” \( 34(1)(a)(i) \)

Analysis:

• Nalcor advises LAOO that it will be in a position to proceed with the flooding to raise the height of the Muskrat reservoir behind the dam to 25 metres above sea level around the middle of October 2016. Full impoundment will raise the reservoir an additional 14 metres to a total flooding/impoundment elevation of 39 metres.
• Nalcor advises that it must proceed with the flooding around that time before freezing occurs in the Churchill River below and downstream of Muskrat Falls to prevent an ice dam from forming east of Muskrat. The formation of an ice dam would cause water to back up to Muskrat dam and flood critical work sites to the east of the dam such as the powerhouse site. Nalcor advises that such ice dam flooding would cause the cessation of essential construction during the winter resulting increased costs.
Possible Speaking Points

- This project did not begin under this administration. Instead, it is something this Government has inherited.

- Since the decisions of the former provincial and federal administrations four and half years ago to release this project, time has marched on and an altered set of circumstances has come into existence. As is said “Time and tide wait for no man.”
The Government has heard your concerns concerning full clearing and fuller engagement.

We are giving serious consideration to the recent workshop.

We fully intend to address the broader issues raised at the workshop and communicate our views to you before any flooding occurs.

Proposed Actions:
- To be assessed based on the meeting.

Prepared/approved by: C. Janes and A. Gover
Reviewed by: D. Whelan/K. Quinlan, Cabinet Secretariat
Approved by: Received via email from the Honourable Perry Trimper

September 23, 2016
BN-2016-00603

Cabinet Secretariat Comment:
**Cutler, Rachelle**

**Subject:** Muskrat Falls Oversight Committee Meeting  
**Location:** Communications Boardroom, 10th Floor, East Block  
**Start:** Thu 10/6/2016 3:00 PM  
**End:** Thu 10/6/2016 6:00 PM  
**Recurrence:** (none)  
**Meeting Status:** Meeting organizer  
**Organizer:** Coffey, Bernard  
**Required Attendees:**  
Bown, Charles W.; Caines, Tina M; Carter, Paul; Earle, Beverly; Grandy, Cory; Khurana, Harman; King, Brenda M; Martin, Craig; Mercer, Cluney; Myrden, Paul; O’Neill, Andrea; Parsons, Walter; Pelletier, Randy; Quinlan, Krista
Please be advised that the materials for the Muskrat Falls Oversight Committee Meeting scheduled for Thursday, October 6th, 2016 at 3:00 pm is now available in the shared folder.

Thank you,

Carolyn Jarvis
Administrative Assistant to
Clerk of the Executive Council and
Secretary to Cabinet
Cabinet Secretariat, Executive Council
Phone: (709) 729-3490
Fax: (709) 729-5218
E-mail: carolynj@gov.nl.ca
From: Coffey, Bernard
Sent: Monday, October 10, 2016 10:21 AM
To: Carter, Paul
Subject: Muskrat Falls

Paul:

When convenient, please give me a call at 693-7485.

Bern
From: Coffey, Bernard
Sent: Wednesday, October 12, 2016 6:42 PM
To: Carter, Paul
Subject: Re: Muskrat Falls OC

Paul:

Thanks.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Carter, Paul
Sent: Wednesday, October 12, 2016 3:19 PM
To: Coffey, Bernard
Subject: FW: Muskrat Falls OC

FYI – August 30 minutes have been posted on Website. Thanks, Paul

From: Walsh, Doris A.
Sent: Wednesday, October 12, 2016 2:55 PM
To: Carter, Paul
Subject: RE: Muskrat Falls OC

Paul,
The minutes have been added.

Doris

From: Carter, Paul
Sent: Wednesday, October 12, 2016 11:45 AM
To: Walsh, Doris A.
Subject: Muskrat Falls OC

Hi Doris,

Could you please post the attached Minutes to the Muskrat Falls Oversight Committee Website and let me know when posted.

Kindest,
Paul

Paul Q. Carter
Executive Director – Muskrat Oversight Committee
Cabinet Secretariat, Executive Council
Government of Newfoundland and Labrador
PO Box 8700
St. John’s, NL
A1B 2Z8
Phone: 709-729-3681
Email: paulcarter@gov.nl.ca
Hi Bern, See from Nalcor on muskrat site visit/ meeting with the IE and Gov’t of Canada (below and attached). I let them know that I would be in touch on Monday re NL participation. Waiting to hear back from TW on their availability. Generally they participate. Paul

From: StevePellerin@lowerchurchillproject.ca [mailto:StevePellerin@lowerchurchillproject.ca]
Sent: Friday, October 14, 2016 9:06 AM
To: Carter, Paul
Subject: Fw: Proposed Itinerary for Next Series of Site Visits

As requested.

Stephen Pellerin
Special Projects & 3rd Party Coordination Manager
PROJECT DELIVERY TEAM
Lower Churchill Project
t. (709) 570-5969  c. (709) 725-7308  f. (709) 754-0787
e. StevePellerin@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

----- Forwarded by Steve Pellerin/NLHydro on 10/14/2016 09:05 AM -----

From: Steve Pellerin/NLHydro
To: "Carter, Paul A." <pcarter@gov.nl.ca>
Cc: "Mercer, Cluney" <mercercg@gov.nl.ca>, "Grandy, Cory" <corygrandy@gov.nl.ca>
Date: 10/13/2016 05:02 PM
Subject: Proposed Itinerary for Next Series of Site Visits

Please see attached. You will note there are no plans this time to visit the Strait - the only progress there since July is underwater and therefore not a great deal to see further. Instead - we will plan a more comprehensive update in the office at the end of the tour - including some ROV video. Further, the only HVdc stringing activity that will be ongoing at the time will be deep in central Labrador - not that convenient to observe and depending on weather - would be hit and miss. I think it will be more practical to schedule that when activities are in full swing on the Island next year. So......comments welcome - I am planning on this basis.

Please advise of participants from Gov NL - for the various aspects of the proposed outline. Much obliged.

Stephen Pellerin
Special Projects & 3rd Party Coordination Manager
PROJECT DELIVERY TEAM
Lower Churchill Project
## Proposed Itinerary for IE, Canada, and NL Gov Oversight Committee Project Briefing and Site Tour

<table>
<thead>
<tr>
<th>St. John’s LCP Project Office/Soldiers’ Pond</th>
<th>Muskwater Falls</th>
<th>North Spur/Churchill Falls</th>
<th>Wrap-up in St. John’s</th>
<th>Contingency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6:30 AM</strong></td>
<td><strong>7:00 AM</strong></td>
<td><strong>7:15 AM</strong></td>
<td><strong>7:45 AM</strong></td>
<td><strong>8:00 AM</strong></td>
</tr>
<tr>
<td>Breakfast (if needed)</td>
<td>Departure Orange Bay</td>
<td>Departure Orange Bay</td>
<td>Departure Orange Bay</td>
<td>Departure Orange Bay</td>
</tr>
<tr>
<td><strong>8:15 AM</strong></td>
<td><strong>9:00 AM</strong></td>
<td><strong>9:15 AM</strong></td>
<td><strong>9:45 AM</strong></td>
<td><strong>10:00 AM</strong></td>
</tr>
<tr>
<td>Logistic/PPE/Safety Meeting</td>
<td>Ground Travel to Muskwater Falls</td>
<td>North Spur</td>
<td>SOU Update (2 hrs including break)</td>
<td>Wrap-up in St. John’s</td>
</tr>
<tr>
<td><strong>10:00 AM</strong></td>
<td><strong>10:30 AM</strong></td>
<td><strong>11:00 AM</strong></td>
<td><strong>11:30 AM</strong></td>
<td><strong>12:00 PM</strong></td>
</tr>
<tr>
<td><strong>12:00 PM</strong></td>
<td><strong>1:15 PM</strong></td>
<td><strong>2:15 PM</strong></td>
<td><strong>3:00 PM</strong></td>
<td><strong>3:30 PM</strong></td>
</tr>
<tr>
<td>Break</td>
<td>Transfer to Soldiers Pond</td>
<td>Soldiers Pond (2 Hours)</td>
<td>715AM: Switch Control/Weekly Line/AC Substation</td>
<td>Out of town participants free to travel back home (e.g., AC 7990J at 11:45 hrs departing St. John’s/PY to Montreal/YUL, with connections to Ottawa/YOW and Vancouver/YVR)</td>
</tr>
<tr>
<td><strong>3:30 PM</strong></td>
<td><strong>4:00 PM</strong></td>
<td><strong>4:30 PM</strong></td>
<td><strong>5:00 PM</strong></td>
<td><strong>5:30 PM</strong></td>
</tr>
<tr>
<td><strong>5:30 PM</strong></td>
<td><strong>6:00 PM</strong></td>
<td><strong>6:30 PM</strong></td>
<td><strong>7:00 PM</strong></td>
<td><strong>7:30 PM</strong></td>
</tr>
<tr>
<td>Travel to St. John’s</td>
<td>Ground Travel to Goose Bay</td>
<td>Dinner Reservations will be made</td>
<td>Accommodation in St. John’s</td>
<td>Accommodation in St. John’s</td>
</tr>
<tr>
<td><strong>7:30 PM</strong></td>
<td><strong>8:00 PM</strong></td>
<td><strong>8:30 PM</strong></td>
<td><strong>9:00 PM</strong></td>
<td><strong>9:30 PM</strong></td>
</tr>
<tr>
<td>All participants will make their own hotel reservations.</td>
<td>All participants will make their own hotel reservations.</td>
<td>All participants will make their own hotel reservations.</td>
<td>All participants will make their own hotel reservations.</td>
<td></td>
</tr>
</tbody>
</table>

### Notes
- All participants are responsible for making their own travel arrangements. No flight or hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
- All participants are responsible for making their own hotel reservations. No hotel reservations will be provided.
- All participants are responsible for making their own lunch arrangements. No lunch reservations will be provided.
- All participants will receive a welcome letter outlining the details of the trip and the itinerary.
From: Coffey, Bernard  
Sent: Sunday, October 16, 2016 1:55 PM  
To: Mercer, Greg  
Subject: Fw: Protest at MF main gate as of 12:00 pm (NST) Oct 16

Greg:

FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinlan, Krista <KristaQuinlan@gov.nl.ca>  
Sent: Sunday, October 16, 2016 1:50 PM  
To: Coffey, Bernard  
Cc: Day, Elizabeth  
Subject: Fw: Protest at MF main gate as of 12:00 pm (NST) Oct 16

FYI

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Bown, Charles W. <cbown@gov.nl.ca>  
Sent: Sunday, October 16, 2016 1:30 PM  
To: Quinlan, Krista; Miles, Peter; Janes, Colleen G; Gover, Aubrey  
Subject: FW: Protest at MF main gate as of 12:00 pm (NST) Oct 16

From: MandyNorris@lowerchurchillproject.ca [mailto:MandyNorris@lowerchurchillproject.ca]  
Sent: October-16-16 1:26 PM  
To: Quinton, Diana; Bown, Charles W.  
Cc: karenoneill@nalcorenergy.com  
Subject: Protest at MF main gate as of 12:00 pm (NST) Oct 16

Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding
local night shift coming to work.

RCMP are still on site and continue to monitor the situation. The partial mobilization of the LCP EOC is still in effect and we are continuing to monitor the situation with the MF team at site.

Further updates will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: Karen O'Neill/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Date: 10/16/2016 09:12 AM
Subject: Fw. Protest at MF main gate as of 6:00 am Oct 16

Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov’t distribution group yet. We’ll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov’t.

Thanks
Karen
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Hello all,

This note is to advise that we have been granted an order by the Honourable Justice Murphy enjoining and restraining persons from interfering with operations at the Muskrat Falls site. Service is being arranged.

We will have further details in the morning unless something develops.

Thanks
Karen

Karen O’Neill
Communications Manager
Lower Churchill Project
o. 709.737.1427
c. 709.690.2012
e. koneill@nalcorenergy.com
Charles:

As I just indicated, Colleen is sending out a notice.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

Bern;
Just spoke to Minister Coady. Minister and P would like to include comms staff in out 9am meeting to discuss approach and next steps on MF methylmercury. Minister advised the Health should participate as well, but would have to be invited as they are not currently scheduled for the meeting. Please advise/

Charles
Karen would be very familiar with this. Fine from my perspective.

I will invite you John, and you can forward meeting invite if Bern agrees.

Sent from my BlackBerry 10 smartphone on the Bell network.

Colleen
I am in Toronto for Ministerial meetings. Can have Karen Stone attend if ok with Bern.
John A

Sent from my BlackBerry 10 smartphone on the Bell network.

The Clerk has requested that we all meet tomorrow at 9 to discuss developments regarding muskrat Falls.

This will replace the Lower Churchill committee meeting that currently is in most of your calendars.

You are asked to bring your communications directors to this meeting.

A meeting invite for your calendars will follow.

Thanks
Colleen

Sent from my BlackBerry 10 smartphone on the Bell network.
John:

Karen is fine. I assume she'll be able to contact you if needed.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

Colleen

I am in Toronto for Ministerial meetings. Can have Karen Stone attend if ok with Bern.

John A

Sent from my BlackBerry 10 smartphone on the Bell network.

The Clerk has requested that we all meet tomorrow at 9 to discuss developments regarding muskrat Falls.

This will replace the Lower Churchill committee meeting that currently is in most of your calendars.

You are asked to bring your communications directors to this meeting.

A meeting invite for your calendars will follow.

Thanks

Colleen

Sent from my BlackBerry 10 smartphone on the Bell network.
As per my email, this meeting is at the request of the Clerk. You are asked to bring your Communications Directors with you.

Colleen
<table>
<thead>
<tr>
<th><strong>From:</strong></th>
<th>Coffey, Bernard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sent:</strong></td>
<td>Sunday, October 16, 2016 9:41 PM</td>
</tr>
<tr>
<td><strong>To:</strong></td>
<td>Janes, Colleen G</td>
</tr>
<tr>
<td><strong>Subject:</strong></td>
<td>Accepted: Muskrat falls meeting</td>
</tr>
</tbody>
</table>
Cutler, Rachelle

From: Coffey, Bernard
Sent: Sunday, October 16, 2016 9:55 PM
To: Mercer, Greg
Subject: Fw: Urgent - meeting re Muskrat Falls at request of the Clerk
Importance: High

Greg:

FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Janes, Colleen G <CJanes@gov.nl.ca>
Sent: Sunday, October 16, 2016 9:28 PM
To: Abbott, John; Bown, Charles W.; Hearn, Patricia A. (Deputy Minister); Gover, Aubrey; Bennett, Gilbert; Jacobs, Heather
Cc: Timmins, Emily; Coffey, Bernard; Goebel, Martin
Subject: Urgent - meeting re Muskrat Falls at request of the Clerk

The Clerk has requested that we all meet tomorrow at 9 to discuss developments regarding muskrat Falls.

This will replace the Lower Churchill committee meeting that currently is in most of your calendars.

You are asked to bring your communications directors to this meeting.

A meeting invite for your calendars will follow.

Thanks
Colleen

Sent from my BlackBerry 10 smartphone on the Bell network.
Krista:

ECC’s main boardroom, 4th floor, West Block.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinlan, Krista
Sent: Sunday, October 16, 2016 11:53 PM
To: Coffey, Bernard
Subject: Re: Urgent - meeting re Muskrat Falls at request of the Clerk

No problem. Where will it be held?
Krista

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Sunday, October 16, 2016 9:51 PM
To: Quinlan, Krista
Subject: Fw: Urgent - meeting re Muskrat Falls at request of the Clerk

Krista:

If possible, please come to this meeting.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Janes, Colleen G <CJanes@gov.nl.ca>
Sent: Sunday, October 16, 2016 9:28 PM
To: Abbott, John; Bown, Charles W.; Hearn, Patricia A. (Deputy Minister); Gover, Aubrey; Bennett, Gilbert; Jacobs, Heather
Cc: Timmins, Emily; Coffey, Bernard; Goebel, Martin
Subject: Urgent - meeting re Muskrat Falls at request of the Clerk

The Clerk has requested that we all meet tomorrow at 9 to discuss developments regarding muskrat Falls.

This will replace the Lower Churchill committee meeting that currently is in most of your calendars.

You are asked to bring your communications directors to this meeting.
A meeting invite for your calendars will follow.

Thanks
Colleen

Sent from my BlackBerry 10 smartphone on the Bell network.
Cutler, Rachelle

From: Janes, Colleen G
Sent: Monday, October 17, 2016 10:18 PM
To: Coffey, Bernard; Goebel, Martin
Subject: Fw: Federal Fisheries Minister LeBlanc to consider review of Muskrat Falls federal permit
- APTN National News

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Timmins, Emily <EmilyTimmins@gov.nl.ca>
Sent: Monday, October 17, 2016 10:07 PM
To: Murphy, Ian; Janes, Colleen G; Trimper, Perry
Cc: Collins, Chrysta
Subject: Fw: Federal Fisheries Minister LeBlanc to consider review of Muskrat Falls federal permit - APTN National News

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Guest, Kevin J <KevinJGuest@gov.nl.ca>
Sent: Monday, October 17, 2016 10:02 PM
To: Caddell, Andrew; Cannizzaro, Michelle
Cc: Foote, Carla; Barfoot, Scott; Joyce, Luke; Quinton, Diana; Timmins, Emily; Tompkins, John; Oliver, Val
Subject: Fw: Federal Fisheries Minister LeBlanc to consider review of Muskrat Falls federal permit - APTN National News

FYI

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Guest, Kevin J <KevinJGuest@gov.nl.ca>
Sent: Monday, October 17, 2016 9:59 PM
To: Gover, Aubrey
Subject: Federal Fisheries Minister LeBlanc to consider review of Muskrat Falls federal permit - APTN National News


Sent from my BlackBerry 10 smartphone on the Bell network.
Cutler, Rachelle

From: Bown, Charles W.
Sent: Wednesday, October 19, 2016 8:25 PM
To: Coffey, Bernard; Miles, Peter; Quinlan, Krista; Janes, Colleen G; Gover, Aubrey
Subject: Fw: Protest update as of 7:00 pm (NST) Oct 19

Sent from my BlackBerry 10 smartphone on the Bell network.

From: MandyNorris@lowerchurchillproject.ca
Sent: Wednesday, October 19, 2016 7:58 PM
To: Quinton, Diana
Cc: Bown, Charles W.; karenoneill@nalcorenergy.com
Subject: Re: Protest update as of 7:00 pm (NST) Oct 19

Hi Diana,

We don’t have a firm number but we are estimating at least 100 protestors.

Justin Brake tweeted earlier from the protest and he estimated approximately 150 protestors.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: "Quinton, Diana" <DianaQuinton@gov.nl.ca>
To: "MandyNorris@lowerchurchillproject.ca" <MandyNorris@lowerchurchillproject.ca>, "Bown, Charles W." <crown@gov.nl.ca>
Cc: "karenoneill@nalcorenergy.com" <karenoneill@nalcorenergy.com>
Date: 10/19/2016 07:35 PM
Subject: Re: Protest update as of 7:00 pm (NST) Oct 19

Hi Mandy:
How many protestors are there?
Thanks,
Diana
Hi everyone,

The protesters have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.
Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

Further information will be provided if the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

We’ve been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy
Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities.

We have partially mobilized the Torbay Road EOC team in support of the site emergency operations team at Muskrat Falls.

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. [31(1)(l)]

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.
Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,
Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.

RCMP are still on site and continue to monitor the situation. The partial mobilization of the LCP EOC is still in effect and we are continuing to monitor the situation with the MF team at site.

Further updates will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com
Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov't.

Thanks
Karen

Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427 c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.” [attachment "ATT00001.jpg" deleted by Mandy Norris/NLHydro]
Sent from my BlackBerry 10 smartphone on the Bell network.


Sent from my BlackBerry 10 smartphone on the Bell network.
Get Outlook for iOS

--------- Forwarded message ---------
From: "karenoneill@nalcorenergy.com" <karenoneill@nalcorenergy.com>
Date: Wed, Oct 19, 2016 at 9:34 PM -0230
Subject: Re: Protest update as of 7:00 pm (NST) Oct 19
To: "Quinton, Diana" <DianaQuinton@gov.nl.ca>, "Bown, Charles W." <cbown@gov.nl.ca>, "DeanneFisher@nalcorenergy.com" <DeanneFisher@nalcorenergy.com>

All indications are that this will continue through the night and into tomorrow morning. Protesters are calling for more people to come out so that they can continue to out number the RCMP.

Media are reporting that the protesters are saying they will continue ignoring the injunction order in place.

Karen

Karen O'Neill
Communications Manager
Lower Churchill Project
o. 709.737.1427
c. 709.690.2012
e. koneill@nalcorenergy.com

On Oct 19, 2016, at 7:35 PM, Quinton, Diana <DianaQuinton@gov.nl.ca> wrote:

Hi Mandy:
How many protestors are there?
Thanks,
Diana

Sent from my BlackBerry 10 smartphone on the Bell network.

From: MandyNorris@lowerchurchillproject.ca
Sent: Wednesday, October 19, 2016 7:16 PM
To: Quinton, Diana; Bown, Charles W.
Cc: karenoneill@nalcorenergy.com
Subject: Protest update as of 7:00 pm (NST) Oct 19
Hi everyone,

The protestors have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952   c. 709.699.2706   f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

Further information will be provided if the situation changes.
Hi everyone,

We've been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy
Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities.

We have partially mobilized the Torbay Road EOC team in support of the site emergency operations team at Muskrat Falls.

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

**Mandy Norris**
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. 31(1)(l)

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/17/2016 07:52 AM
Subject: Protest at MF main gate as of 7:30 am (NST) Oct 17

Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.
Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,
Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.

RCMP are still on site and continue to monitor the situation. The partial mobilization of the LCP EOC is still in effect and we are continuing to monitor the situation with the MF team at site.

Further updates will be provided as the situation changes.

Thanks,

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov't.

Thanks
Karen

<Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
	t. 709.737.1427  c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
My apologies. Additional input received from over here - now incorporated.

Please review this version.

Colleen

------< HP TRIM Record Information >------

Record Number : COR-2016-1410
Title : Faust Harvard University
Dr. Drew Faust  
President of Harvard University  
Cambridge, MA 02138  
USA

Fax 1-617-495-8550

Dear Dr. Faust:

RE: Methylmercury Research – Dr. Elsie Sunderland

I write this letter to draw your attention to a matter of great importance to the province of Newfoundland and Labrador, Canada. Our province is in the midst of constructing the Muskrat Falls Project, an 824 megawatt hydro-electric project on the Churchill River in Labrador. Researchers from your University have become involved in this project, in particular Dr. Elsie Sunderland, Department of Environmental Health, and the various members of her team. Dr. Sunderland was responsible for conducting research on the topic of methylmercury that is expected to be created from the flooding of 41Km$^2$ of land. We have had telephone conference calls with Dr. Sunderland over the past half year, in which she presented findings from her published and unpublished research. She also participated in an Expert Workshop on August 4, 2016, with numerous provincial and federal government regulators and experts, and presented the same research.

Recently, my department prepared an enhanced environmental monitoring plan to monitor methylmercury associated with the above noted project. Dr. Sunderland participated in a teleconference call with my Department officials on October 3, 2016, along with officials of the Nunatsiavut Government (an Aboriginal Government within our province), and offered advice on our plan to the Nunatsiavut Government. Further written exchanges followed from the Nunatsiavut Government, which concluded in proposing substantive new monitoring techniques which were to be conducted at Dr. Sunderland’s Harvard research lab. Dr. Sunderland was copied on the final proposal from the Nunatsiavut Government and my officials were advised to contact her directly with any technical questions. A budget prepared by Harvard officials was subsequently submitted associated with these proposed monitoring techniques.

However, according to a statement from the Canadian Broadcasting Corporation issued on October 19, 2016, Paul Karoff, Harvard’s Assistant Dean for Communications has stated "That’s not the sort of work that Prof. Sunderland does or would do". We are totally perplexed by this statement. Dr. Sunderland provided advice to the Nunatsiavut Government about our methylmercury monitoring plan, suggested her own approach and provided a proposal which we were actually willing to fund; then there is a denial that Prof. Sunderland does not do this sort of...
work, even though she has published papers on the subject of methylmercury.

This level of concern has led to widespread opposition to the project, and insistence by the Nunatsiavut Government and others that soil must be removed from the reservoir so that the people consuming foods harvested downstream are not “poisoned”. Civil unrest, hunger strikes, and widespread demonstrations have ensued.

I am seeking your immediate clarification on two matters of importance to my province. The first is that of the scope of Dr. Sunderland’s “work” in the area of methylmercury monitoring, which Mr. Karoff’s comments suggests she does not, and would not do. The second is regarding your University’s knowledge, awareness and endorsement of her research regarding methylmercury and its relationship to our new hydroelectric project.

Sincerely,

PERRY TRIMPER, MHA
District of Lake Melville
Minister

Cc Honourable Dwight Ball, Premier of Newfoundland and Labrador
Mr. Paul Karoff, Assistant Dean of Communications
Can we discuss?

< HP TRIM Record Information >

Record Number: COR-2016-1410
Title: Letter to Dr. Drew Faust - Faust Harvard University
Dr. Drew Faust  
President of Harvard University  
Massachusetts Hall  
Harvard Yard  
Cambridge, MA 02138 USA  
president@harvard.edu

Dear Dr. Faust:

RE: Methylmercury Research – Dr. Elsie Sunderland

I write to draw your attention to a matter of great importance to the province of Newfoundland and Labrador, Canada. Our province is constructing the Muskrat Falls Project, an 824 megawatt hydro-electric project on the Churchill River in Labrador. Researchers from Harvard University have become involved in this project, in particular Dr. Elsie Sunderland, Harvard School of Public Health. Dr. Sunderland and the members of her team conducted research in relation to the creation of methylmercury associated with the flooding of 41 square kilometres of land as the project progresses. Over the past six months, we have had telephone conference calls with Dr. Sunderland and officials of the Nunatsiavut Government (an Aboriginal Government within our province) in which she presented findings from her published and unpublished research on methylmercury. She also presented the same research to an Expert Workshop held in our province on August 4, 2016. Numerous Canadian federal and provincial government regulators and experts attended the Workshop.

Recently, my department prepared an enhanced environmental monitoring plan to measure methylmercury levels associated with the hydro-electric project. On October 3, 2016, Dr. Sunderland participated in a teleconference call with my Department officials, along with officials of the Nunatsiavut Government. During that conference call, she offered advice concerning our plan to the Nunatsiavut Government. Comments subsequently provided by the Nunatsiavut Government on our plan included the proposal to obtain soil samples from the reservoir area and measure methylmercury generated from those samples at Dr. Sunderland’s Harvard University research lab. Dr. Sunderland was copied on the final proposal from the Nunatsiavut Government and my officials were advised to contact her directly with any technical questions. A budget prepared by Harvard officials was subsequently submitted associated with this proposed sampling.

However, on October 19, 2016, the Canadian Broadcasting Corporation quoted Paul Karoff, Harvard’s Assistant Dean for Communication, as having said "That’s not the sort of work
that Prof. Sunderland does or would do”. We are totally perplexed by Mr. Karoff’s statement. Despite Dr. Sunderland having provided advice to the Nunatsiavut Government about our methylmercury monitoring plan, suggested her own approach and provided a proposal through the Nunatsiavut Government which we subsequently agreed to fund, Harvard University has now publicly denied that Dr. Sunderland does or would do this sort of work.

At present, there is widespread opposition to the project, and insistence by the Nunatsiavut Government and others that soil must be removed from the entire reservoir so that the people consuming foods harvested downstream are not “poisoned”. Civil unrest, hunger strikes, and widespread demonstrations have ensued. Harvard University, specifically Dr. Sunderland’s methylmercury research, is being cited by the Nunatsiavut Government and others who oppose this project to justify their concerns and opposition.

I ask that you immediately address two matters of importance to my province. (1) Please clarify the scope of Dr. Sunderland’s work in the area of methylmercury monitoring, an activity which Mr. Karoff claims she does not, and would not, do. (2) Please indicate whether Harvard University endorses Dr. Sunderland’s methylmercury research and its relationship to our ongoing hydro-electric project.

Sincerely,

PERRY TRIMPER, MHA
District of Lake Melville
Minister

Cc Honourable Dwight Ball, Premier of Newfoundland and Labrador

Mr. Paul Karoff, Assistant Dean of Communications
karoff@seas.harvard.edu
Responses to federal questions.
Charles
October 21, 2016 update at 8:15 p.m.

Good evening,
Protestors continue to block the main gate tonight, restricting access to and from the Muskrat Falls site.

As a result, local workers were unable to attend night shift. The number of protestors has increased this evening. Protest activity is expected to continue over the weekend, and we are anticipating further disruptions for the local workers attending day shift in the morning. Priority and essential work is proceeding with the resources that are currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided throughout the weekend as the situation changes.

---

October 21, 2016 update at 2:00 p.m.

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

---

Forwarded by Janine McCarthy/NLHydro on 10/21/2016 08:09 PM ---
Good afternoon,
There are no major changes to protest activity at Muskrat Falls at this time. Protestors continue to block the main gate, restricting access to and from the Muskrat Falls site.

Latest information suggests approximately 50 additional protestors from other areas of Labrador are travelling to the area to participate in the protest. Protest activity is expected to continue into the evening and weekend.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 02:04 PM -----
We will provide further updates as the situation changes and as more details are available.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 06:19 AM -----

From:  Mandy Norris/NLHydro
To:  Janine McCarthy/NLHydro@nlhydro
Date:  10/20/2016 09:08 PM
Subject:  Fwd: Protest update as of 8:00 pm (NST) Oct 20

Sent from my iPhone

Begin forwarded message:

From:  "Mandy Norris" <MandyNorris@lowerchurchillproject.ca>
Date:  October 20, 2016 at 8:04:30 PM NDT
To:  chbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca,
DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca,
BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca,
GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca,
HeatherI@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca,
DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca,
robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca
Cc:  "Karen O'Neill" <karenoneill@nalcorenergy.com>
Subject:  Protest update as of 8:00 pm (NST) Oct 20

Hi everyone,

The protestors continue to block the main gate to Muskrat Falls site, restricting access to and from site.

As a result, local workers were unable to attend night shift and we are anticipating further disruptions for the local workers attending day shift in the morning.

The MF site team has made arrangements for essential workers to gain access to site for night shift. Priority and essential work is proceeding with the resources that are currently available at site.
The RCMP remains on site and continues to monitor the situation.

Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

An update will be provided in the morning.

Thanks,

Mandy

Mandy Norris
Communications Advisor
projDELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/20/2016 01:36:42 PM—Hi everyone, Protestors continue to block the gate to Muskrat Falls site at this time. Currently, p

From: Mandy Norris/NLHydro
To: bowm@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, jacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robfowler@gov.nl.ca, phillipOsborne@gov.nl.ca, rolliphichard@gov.nl.ca
Cc: Karen O’Neill/NLHydro
Date: 10/20/2016 01:36 PM
Subject: Protest update as of 1:00 pm (NST) Oct 20

Hi everyone,

Protestors continue to block the gate to Muskrat Falls site at this time. Currently, protestors are not allowing anyone to enter or leave site.
Work at site continues to be impacted by the protest. [31(1)]

Our Torbay Road EOC is working closely with our emergency operations team at Muskrat Falls, providing support as required.

I will provide an update when further information is available.

Thanks,
Hi everyone,

At this time, protesters continue to block the gate to Muskrat Falls site. As a result, local workers were prevented from going to work this morning. We are anticipating disruptions at the gate to continue throughout the day.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site. The MF team at site is assessing essential resources.

Contractors are in the process of suspending all in bound travel for workers to the Muskrat Falls site.

All travel for the LCP team to the Muskrat Falls site has also been placed on hold.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our Torbay Road EOC is continuing to provide support, as required.

I will provide an update as the situation changes.

Thanks,
Mandy

Mandy Norris
Hi everyone,

The protesters continue to block the main gate at this time. Local workers were unable to attend night shift and we are anticipating disruptions for the local workers attending day shift in the morning.

The RCMP remains on site and continue to monitor the situation.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls and provide support, as required.

I will provide an update in the morning.

Thanks,

Mandy
Hi everyone,

The protesters have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 06:34:00 PM—Hi everyone, There have been no further disruptions to operations since my last update at 5:00 pm.

Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.
At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

31(1)(l)

Further information will be provided if the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 05:24:32 PM—Hi everyone, We’ve been experiencing some disruptive protest activity throughout the day at the cof

Hi everyone,

We’ve been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.
Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 12:44:19 PM—Hi everyone, Protestors have travelled up the river by boat, gained access to area below cofferdam

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O’Neill/NLHydro@NLHydro
Date: 10/18/2016 12:44 PM
Subject: Protest update as of 12:30 pm (NST) Oct 18

Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities.

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. § 31(1)(i)

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone, As a result of the blockade at the Muskrat Falls site, we have been granted an injunction
As a result of the blockade at the Muskat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.

Our team continues to monitor the situation closely. Our emergency operations team at Muskat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 05:04:31 PM—Hi everyone, The protest is continuing at the main gate of Muskat Falls at this time and access to

From: Mandy Norris/NLHydro
To: DianaQuintin@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/16/2016 05:04 PM
Subject: Protest at MF main gate as of 4:30 pm (NST) Oct 16

Hi everyone,

The protest is continuing at the main gate of Muskat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.
All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 01:26:11 PM—Hi everyone, I am communications on call and I will be providing the updates as we move forward wit

From: Mandy Norris/NLHydro  
To: DianaQuinton@pov.nl.ca, dpouw@pov.nl.ca  
Cc: Karen O'Nelli/NLHydro@NLHydro  
Date: 10/16/2016 01:26 PM  
Subject: Protest at MF main gate as of 12:00 pm (NST) Oct 16

Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.  

RCMP are still on site and continue to monitor the situation.

Further updates will be provided as the situation changes.

Thanks,
Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov't.

Thanks
Karen

<0.85F6.jpeg>
Greg:

FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jacobs, Heather <heatherj@gov.nl.ca>
Sent: Friday, October 21, 2016 7:30 PM
To: Coffey, Bernard; Parsons, Andrew; Samms, John; Pritchard, Rolf; Osborne, Philip; Fowler, Robin
Subject: FW: 201608G0159 - Order - NALCOR ENERGY AND MUSKRAT FALLS CORPORATION v. ANDREA ANDERSON, JIM LEARNING, JOHN LEARNING, KIRK LETHBRIDGE, AND PERSONS UNKNOWN

Please find attached the Nalcor order

From: GBennett@nalcorenergy.com [mailto:GBennett@nalcorenergy.com]
Sent: Friday, October 21, 2016 6:22 PM
To: Jacobs, Heather
Subject: Fwd: 201608G0159 - Order - NALCOR ENERGY AND MUSKRAT FALLS CORPORATION v. ANDREA ANDERSON, JIM LEARNING, JOHN LEARNING, KIRK LETHBRIDGE, AND PERSONS UNKNOWN

Here's the order...

G

Gilbert Bennett, P. Eng., FCAE
Executive Vice President, Power Development

Begin forwarded message:

From: "Kendell, Thomas" <thomas.kendell@mceinnescooper.com>
Date: October 16, 2016 at 18:56:56 NDT
To: "GBennett" <GBennett@nalcorenergy.com>, "Paul Harrington " <PHarrington@nalcorenergy.com>, "ScottOBrien@lowerchurchillproject.ca" <ScottOBrien@lowerchurchillproject.ca>, "LanceClarke@lowerchurchillproject.ca" <LanceClarke@lowerchurchillproject.ca>, "BrianCrawley@lowerchurchillproject.ca" <BrianCrawley@lowerchurchillproject.ca>, "ScottMorrison@lowerchurchillproject.ca" <ScottMorrison@lowerchurchillproject.ca>
Subject: Fwd: 201608G0159 - Order - NALCOR ENERGY AND MUSKRAT FALLS CORPORATION v. ANDREA ANDERSON, JIM LEARNING, JOHN LEARNING, KIRK LETHBRIDGE, AND PERSONS UNKNOWN

Copy of the issued Injunction --arranging for service by the Sheriff--I have also advised Inspt Perry-return date for Court hearing next Thursday

Thomas Kendell
McInnes Cooper
709 351 1965

Begin forwarded message:

From: "Parsons, Paula" <paulaparsons@supreme.court.nl.ca>
Date: October 16, 2016 at 6:27:19 PM NDT
To: "thomas.kendell@mcinnescooper.com"
<thomas.kendell@mcinnescooper.com>
Subject: 201608G0159 - Order - NALCOR ENERGY AND MUSKRAT FALLS CORPORATION v. ANDREA ANDERSON, JIM LEARNING, JOHN LEARNING, KIRK LETHBRIDGE, AND PERSONS UNKNOWN

-----Original Message-----
From: WorkCentre 5330 [mailto:noreply@gov.nl.ca]
Sent: Sunday, October 16, 2016 5:53 PM
To: Parsons, Paula
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Number of Images: 2
Attachment File Type: PDF

Device Name: WorkCentre 5330
Device Location: \Provincial Court\Wabush\NL\CAN

For more information on Xerox products and solutions, please visit
http://www.xerox.com/

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”

Notice This communication, including any attachments, is confidential and may be protected by solicitor/client privilege. It is intended only for the person or persons to whom it is addressed. If you have received this e-mail in error, please notify the sender by e-mail or telephone at McInnes Cooper’s expense. Avis Les informations contenus dans ce courriel, y compris toute(s) pièce(s) jointe(s), sont confidentielles et peuvent faire l'objet d'un privilège avocat-client. Les informations sont dirigées au(x) destinataire(s) seulement. Si vous avez reçu ce courriel par erreur, veuillez en aviser l'expéditeur par courriel ou par téléphone, aux frais de McInnes Cooper.
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
TRIAL DIVISION (GENERAL)

BETWEEN:  NALCOR ENERGY AND MUSKRAT FALLS CORPORATION  APPLICANTS

AND:  ANDREA ANDERSON, JIM LEARNING, JOHN LEARNING, KIRK LETHBRIDGE, AND PERSONS UNKNOWN  RESPONDENTS

INTERLOCUTORY ORDER

(Ex Parte)

Before the Honourable Justice George L. Murphy this 16th day of October 2016:

UPON the Applicants having filed an Interlocutory Application (Ex Parte) to restrain the unlawful actions of the Respondents and other persons acting under their instruction or any other person having notice of or affected by this Order;

AND UPON READING the affidavit of Mr. Gilbert Bennett;

AND UPON the Applicants undertaking to abide by any order the Court may see fit to make as to damages by reason of the granting of an interim injunction if it shall hereafter appear that the Respondents have sustained any damages which the Applicants ought to pay;

AND UPON the Applicants further undertaking to take all steps necessary to enforce, by application for contempt or otherwise, the provisions of this order;

IT IS HEREBY ORDERED THAT until further Order of this Court the Respondents and any other person acting under their instruction and anyone having notice of this Order, be strictly enjoined and restrained, until the final disposition of this action or further order of the Court from:

a. With respect to any person or persons seeking lawful entrance to or exit from the Muskrat Falls construction site, whether such person or persons is or are on foot or in a vehicle of any type, hindering, delaying, stopping, obstructing or in any other manner interfering with such person or persons, at any time and for any length of time, including by the presence, temporary or otherwise, of one or more persons and/or the placement, temporary or otherwise, of one or more objects on any portion of any highway, roadway, driveway or laneway which is intended or ordinarily used for vehicular access to Muskrat Falls construction site or to any portion of such premises;

b. stationing persons on or otherwise trespassing on the Muskrat Falls construction site;

c. ordering, aiding, abetting, counselling, or encouraging in any manner whatsoever, either directly or indirectly, any person to commit the acts enjoined or any of them;
AND IT IS FURTHER ORDERED THAT law enforcement officials shall enforce the terms of this Order and further shall promptly and fully terminate any activity undertaken in contravention of this Order;

AND IT IS FURTHER ORDERED that costs shall be in the cause.

DATED at Happy Valley-Goose Bay, Newfoundland and Labrador this 16th day of October, 2016.

[Signature]
Assistant Deputy Registrar
Cutler, Rachelle

From: Coffey, Bernard
Sent: Friday, October 21, 2016 10:04 PM
To: Mercer, Greg
Subject: Fw: Today

Greg:

FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: BernardCoffey@gov.nl.ca
Sent: Friday, October 21, 2016 10:03 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

31(1)(a), 31(1)(l)

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 8:38 PM
To: Coffey, Bernard
Subject: Re: Today

6943953

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Friday, October 21, 2016 8:37 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

What number should I call?

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.
Don't know if you were trying to reach me or not?

Sent from my BlackBerry 10 smartphone on the Bell network.
FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: BernardCoffey@gov.nl.ca
Sent: Friday, October 21, 2016 10:20 PM
To: Jacobs, Heather
Subject: Fw: Today

Heather:

FYI, this is the email I just sent to Mr. Parsons. I do not know whether he has as yet read it.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard <BernardCoffey@gov.nl.ca>
Sent: Friday, October 21, 2016 10:03 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

31(1)(a), 31(1)(l)

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 8:38 PM
To: Coffey, Bernard
Subject: Re: Today
Andrew:

What number should I call?

Bern:

Don't know if you were trying to reach me or not?
Thank you. Please advise if you hear from Ms Jacobs.

Sent from my BlackBerry

From: Coffey, Bernard
Sent: Friday, October 21, 2016 10:46 PM
To: Coady, Siobhan
Subject: Fw: Today

Ms. Coady:

The Premier’s Office asked that I forward these emails to you.

When I spoke with Heather Jacobs a short time ago, she said she would contact the RCMP.

My phone number is 693-7485.

Please call if you have any questions.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard <BernardCoffey@gov.nl.ca>
Sent: Friday, October 21, 2016 10:20 PM
To: Jacobs, Heather
Subject: Fw: Today

Heather:

FYI, this is the email I just sent to Mr. Parsons. I do not know whether he has as yet read it.

Bern
Andrew:

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 8:38 PM
To: Coffey, Bernard
Subject: Re: Today

6943953

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Friday, October 21, 2016 8:37 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

What number should I call?

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 7:18 PM
To: Coffey, Bernard
Subject: Today

Don't know if you were trying to reach me or not?
Received

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Friday, October 21, 2016 10:03 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

31(1)(a), 31(1)(l)

Received

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 8:38 PM
To: Coffey, Bernard
Subject: Re: Today

6943953

Received

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Friday, October 21, 2016 8:37 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

What number should I call?

Received

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 7:18 PM
To: Coffey, Bernard
Subject: Today
Don't know if you were trying to reach me or not?

Sent from my BlackBerry 10 smartphone on the Bell network.
Greg:

FYI.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew <AndrewParsons@gov.nl.ca>
Sent: Friday, October 21, 2016 11:12 PM
To: Jacobs, Heather
Cc: Samms, John; Fowler, Robin; Osborne, Philip; Pritchard, Rolf; Coffey, Bernard
Subject: Re: Today

I want status update on this asap. Has the process started to get fuel onto site?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jacobs, Heather
Sent: Friday, October 21, 2016 11:10 PM
To: Parsons, Andrew
Cc: Samms, John; Fowler, Robin; Osborne, Philip; Pritchard, Rolf; Coffey, Bernard
Subject: FW: Today

Minister, 31(1)(a), 31(1)(l)

Heather

From: Coffey, Bernard
Sent: Friday, October 21, 2016 10:21 PM
To: Jacobs, Heather
Subject: Fw: Today

Heather:
FYI, this is the email I just sent to Mr. Parsons. I do not know whether he has as yet read it.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard <BernardCoffey@gov.nl.ca>
Sent: Friday, October 21, 2016 10:03 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

31(1)(a), 31(1)(l)

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 8:38 PM
To: Coffey, Bernard
Subject: Re: Today

6943953

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coffey, Bernard
Sent: Friday, October 21, 2016 8:37 PM
To: Parsons, Andrew
Subject: Re: Today

Andrew:

What number should I call?

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Andrew
Sent: Friday, October 21, 2016 7:18 PM
To: Coffey, Bernard
Subject: Today

Don't know if you were trying to reach me or not?
Sent from my BlackBerry 10 smartphone on the Bell network.

From: JanineMcCarthy@lowerchurchillproject.ca
Sent: Saturday, October 22, 2016 10:35 AM
To: Bown, Charles W.; Parsons, Walter; Snook, Corey; Quinton, Diana; Clarke, Lesley; Sheppard, Megan; Coffey, Bernard; Day, Elizabeth; Foote, Carla; Barfoot, Scott; Mercer, Greg; Caddell, Andrew; Cannizzaro, Michelle; Jacobs, Heather; Howard, Jacquelyn; Chippett, Jamie; McCormack, David; HeatherMay@gov.nl.ca; Stanley, Todd; Fowler, Robin; Osborne, Philip; Pritchard, Rolf; Robinson, Lynn
Cc: karenoneill@nalcorenergy.com
Subject: Fw: Protest update as of 10:30 am (NST) October 22

October 22, 2016 - Update at 10:30 a.m. (NST)

Protestors continue to block the main gate to the Muskrat Falls site this morning, restricting access to and from site.

Local workers were unable to attend day shift this morning. We are anticipating disruptions at the gate to continue throughout the day, and the number of protestors is expected to increase this afternoon during a planned rally at the gate for 3:00 p.m. (Labrador time).

Priority and essential work at the Muskrat Falls site is proceeding with the resources currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 10:32 AM -----
October 21, 2016 update at 8:15 p.m.

Good evening,
Protestors continue to block the main gate tonight, restricting access to and from the Muskrat Falls site.

As a result, local workers were unable to attend night shift. The number of protestors has increased this evening. Protest activity is expected to continue over the weekend, and we are anticipating further disruptions for the local workers attending day shift in the morning. Priority and essential work is proceeding with the resources that are currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided throughout the weekend as the situation changes.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 08:09 PM -----

From: Janine McCarthy/NLHydro
To: cbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca
Cc: Karen O'Neill/NLHydro
Date: 10/21/2016 02:07 PM
Subject: Fw: Protest update as of 2:00 pm (NST) Oct 21

October 21, 2016 update at 2:00 p.m.

Good afternoon,
There are no major changes to protest activity at Muskrat Falls at this time. Protestors continue to block the main gate, restricting access to and from the Muskrat Falls site.

Latest information suggests approximately 50 additional protestors from other areas of Labrador are travelling to the area to participate in the protest. Protest activity is expected to continue into the evening and weekend.
Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

thanks,
Janine

---

Janine McCarthy  
Senior Communication Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709-737-4255  c. 709-631-0056  
e. JanineMcCarthy@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 02:04 PM -----

From: Janine McCarthy/NLHydro  
To: cbcwn@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpitchard@gov.nl.ca
Cc: Karen O'Neill/NLHydro
Date: 10/21/2016 08:40 AM  
Subject: Fw: Protest update as of 8:30 am (NST) Oct 21

---

October 21, 2016 update at 8:30 a.m.

Protestors continue to block the main gate to the Muskrat Falls site, restricting access to and from site. Protestors are allowing medical and emergency vehicles through the gate.

Work at the site has been impacted by the protest. Local workers were unable to attend day shift this morning, and we are anticipating disruptions at the gate to continue throughout the day. Priority and essential work at the Muskrat Falls site is proceeding with the restricted work resources that are at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

In addition, a number of protestors are at the LCP Torbay Road office in St. John’s. The exact number is unknown at this time. Security measures have been put in place to ensure the safety of LCP personnel at the office.

We will provide further updates as the situation changes and as more details are available.

Thanks,
Janine

---

Janine McCarthy  
Senior Communication Advisor  
PROJECT DELIVERY TEAM
Sent from my iPhone

Begin forwarded message:

From: "Mandy Norris" <MandyNorris@lowerchurchillproject.ca>
Date: October 20, 2016 at 8:04:30 PM NDT
To: chown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca
Cc: "Karen O'Neill" <karenoneill@nalcorenergy.com>
Subject: Protest update as of 8:00 pm (NST) Oct 20

Hi everyone,

The protestors continue to block the main gate to Muskrat Falls site, restricting access to and from site.

As a result, local workers were unable to attend night shift and we are anticipating further disruptions for the local workers attending day shift in the morning.

The MF site team has made arrangements for essential workers to gain access to site for night shift. Priority and essential work is proceeding with the resources that are currently available at site.

The RCMP remains on site and continues to monitor the situation.

Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

An update will be provided in the morning.

Thanks,

Mandy
Hi everyone,

Protestors continue to block the gate to Muskrat Falls site at this time. Currently, protestors are not allowing anyone to enter or leave site.

Work at site continues to be impacted by the protest.

We are establishing a plan for the likely demobilization of non-essential site workers, which will be the majority of workers at site, in effort to reserve resources to allow critical construction activities to proceed. A decision to suspend non-essential work will be taken as we continue to access the status of the protest.

Our Torbay Road EOC is working closely with our emergency operations team at Muskrat Falls, providing support as required.

I will provide an update when further information is available.

Thanks,
Mandy
Hi everyone,

At this time, protestors continue to block the gate to Muskrat Falls site. As a result, local workers were prevented from going to work this morning. We are anticipating disruptions at the gate to continue throughout the day.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site. The MF team at site is assessing essential resources.

Contractors are in the process of suspending all in bound travel for workers to the Muskrat Falls site.

All travel for the LCP team to the Muskrat Falls site has also been placed on hold.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our Torbay Road EOC is continuing to provide support, as required.

I will provide an update as the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

The protestors continue to block the main gate at this time. Local workers were unable to attend night shift and we are anticipating disruptions for the local workers attending day shift in the morning.

The RCMP remains on site and continue to monitor the situation.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls and provide support, as required.

I will provide an update in the morning.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/19/2016 07:16:15 PM—Hi everyone, The protestors have blocked the highway area in front of the Muskrat Falls main gate t
The protestors have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 06:34:00 PM—Hi everyone, There have been no further disruptions to operations since my last update at 5:00 pm.

Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

Further information will be provided if the situation changes.
Hi everyone,

We've been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy
Mandy Norris—10/18/2016 12:44:19 PM—Hi everyone, Protestors have travelled up the river by boat, gained access to area below cofferdam

Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities. \((31(1)())\)

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

Mandy Norris—10/17/2016 06:19:12 PM—Hi everyone, Access to the Muskrat Falls Site has remained open since it resumed early this morning

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/17/2016 06:19 PM
Subject: Protest at MF main gate as of 6:00 pm (NST) Oct 17
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. [31(1)(i)]

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/17/2016 07:52:28 AM—Hi everyone, As a result of the blockade at the Muskrat Falls site, we have been granted an injunction

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/17/2016 07:52 AM
Subject: Protest at MF main gate as of 7:30 am (NST) Oct 17

Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.
We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 05:04:31 PM—Hi everyone, The protest is continuing at the main gate of Muskrat Falls at this time and access to

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/16/2016 05:04 PM
Subject: Protest at MF main gate as of 4:30 pm (NST) Oct 16

Hi everyone,

The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,

Mandy
Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.

[RCMP are still on site and continue to monitor the situation]

Further updates will be provided as the situation changes.

Thanks,
Mandy
Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov't.

Thanks
Karen

Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427 c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Cutler, Rachelle

From: karenoneill@nalcorenergy.com
Sent: Saturday, October 22, 2016 4:49 PM
To: JanineMcCarthy@lowerchurchillproject.ca; Caddell, Andrew; Coffey, Bernard; Foote, Carla; Bown, Charles W.; Snook, Corey; McCormack, David; Quinton, Diana; Day, Elizabeth; Mercer, Greg; Jacobs, Heather; HeatherMay@gov.nl.ca; Howard, Jacquelyn; Chippett, Jamie; Clarke, Lesley; Robinson, Lynn; Sheppard, Megan; Cannizzaro, Michelle; Osborne, Philip; Fowler, Robin; Pritchard, Rolf; Barfoot, Scott; Stanley, Todd; Parsons, Walter

Subject: Public updates

Some immediate communications actions we’ve taken:

* we have issued social media updates to urge people to be safe
* we have provided the following statement to media and contractors

Around 3:00 pm today approximately 50 protesters and several vehicles breached the main gate to the Muskrat Falls site. Approximately 150 protesters remain outside the main gate, restricting access to and from site.

Muskrat Falls is a very busy and active work site and entering the site poses significant safety risks to everyone.

We are urging everyone currently at the Muskrat Falls site to exercise extreme caution. We are concerned about people’s safety and we want everyone to be safe at this time.

Nalcor's operations team at Muskrat Falls is managing the situation and have taken a number of measures to secure the site to ensure the safety of people, facilities and equipment.

Thanks
Karen

Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427 c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
October 22, 2016 – Update at 4:00 p.m. NST

This afternoon at approximately 2:15 p.m. (Labrador time), an estimated 50 protestors and several vehicles breached the main gate to the Muskrat Falls site and are walking toward site. The main gate has been closed but appears to be under the control of the protestors. Another 150 protestors (approx.) remain outside the gate, restricting access to and from site.

The emergency operations team at Muskrat Falls, in coordination with contractors at site, is managing the situation on the ground and have taken a number of measures to secure the site and ensure the safety of workers and infrastructure. Administrative buildings, the accommodations complex and contractor trailers are currently on lock-down. We have requesting assistance from RCMP and RNC to provide assistance and additional security/authorities have been requested.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 03:56 PM -----

From: Janine McCarthy/NLHydro
To: cbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnoek@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca, LynnRobinson@gov.nl.ca
Cc: Karen O'Neill/NLHydro
Date: 10/22/2016 10:35 AM
Subject: Fw. Protest update as of 10:30 am (NST) October 22

October 22, 2016 - Update at 10:30 a.m. (NST)

Protestors continue to block the main gate to the Muskrat Falls site this morning, restricting access to and from site.

Local workers were unable to attend day shift this morning. We are anticipating disruptions at the gate to continue throughout the day, and the number of protestors is expected to increase this afternoon during a planned rally at the gate for 3:00 p.m. (Labrador time).

Priority and essential work at the Muskrat Falls site is proceeding with the resources currently available at site.
Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

---

**October 21, 2016 update at 8:15 p.m.**

Good evening,

Protestors continue to block the main gate tonight, restricting access to and from the Muskrat Falls site.

As a result, local workers were unable to attend night shift. The number of protestors has increased this evening. Protest activity is expected to continue over the weekend, and we are anticipating further disruptions for the local workers attending day shift in the morning. Priority and essential work is proceeding with the resources that are currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided throughout the weekend as the situation changes.
October 21, 2016 update at 2:00 p.m.

Good afternoon,
There are no major changes to protest activity at Muskrat Falls at this time. Protestors continue to block the main gate, restricting access to and from the Muskrat Falls site.

Latest information suggests approximately 50 additional protestors from other areas of Labrador are travelling to the area to participate in the protest. Protest activity is expected to continue into the evening and weekend.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 02:04 PM -----

October 21, 2016 update at 8:30 a.m.

Protestors continue to block the main gate to the Muskrat Falls site, restricting access to and from site. Protestors are allowing medical and emergency vehicles through the gate.
Work at the site has been impacted by the protest. Local workers were unable to attend day shift this morning, and we are anticipating disruptions at the gate to continue throughout the day. Priority and essential work at the Muskrat Falls site is proceeding with the restricted work resources that are at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

In addition, a number of protestors are at the LCP Torbay Road office in St. John's. The exact number is unknown at this time. Security measures have been put in place to ensure the safety of LCP personnel at the office.

We will provide further updates as the situation changes and as more details are available.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 08:19 AM -----

From: Mandy Norris/NLHydro
To: Janine McCarthy/NLHydro@nlhydro
Date: 10/20/2016 09:08 PM
Subject: Fwd: Protest update as of 8:00 pm (NST) Oct 20

Sent from my iPhone

Begin forwarded message:

From: "Mandy Norris" <MandyNorris@lowerchurchillproject.ca>
Date: October 20, 2016 at 8:04:30 PM NDT
To: cbown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherL@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robindowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpitchard@gov.nl.ca
Cc: "Karen O'Neill" <karenoneill@nalcorenergy.com>
Subject: Protest update as of 8:00 pm (NST) Oct 20

Hi everyone,
The protestors continue to block the main gate to Muskrat Falls site, restricting access to and from site.

As a result, local workers were unable to attend night shift and we are anticipating further disruptions for the local workers attending day shift in the morning.

The MF site team has made arrangements for essential workers to gain access to site for night shift. Priority and essential work is proceeding with the resources that are currently available at site.

The RCMP remains on site and continues to monitor the situation.

Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

An update will be provided in the morning.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/20/2016 01:36:42 PM—Hi everyone, Protestors continue to block the gate to Muskrat Falls site at this time. Currently, p

Hi everyone,

Protestors continue to block the gate to Muskrat Falls site at this time. Currently, protestors are not allowing anyone to enter or leave site.
Work at site continues to be impacted by the protest.
We are establishing a plan for the likely demobilization of non-essential site workers, which will be the majority of workers at site, in effort to reserve resources to allow critical construction activities to proceed. A decision to suspend non-essential work will be taken as we continue to access the status of the protest.

Our Torbay Road EOC is working closely with our emergency operations team at Muskrat Falls, providing support as required.

I will provide an update when further information is available.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris---10/20/2016 08:50:46 AM---Hi everyone, At this time, protestors continue to block the gate to Muskrat Falls site. As a result

From: Mandy Norris/NLHydro
To: CBrown@gov.nl.ca, WParsons@gov.nl.ca, CSnook@gov.nl.ca, DQuinton@gov.nl.ca, LClarke@gov.nl.ca, MSheppard@gov.nl.ca, BCoiffey@gov.nl.ca, EDay@gov.nl.ca, CFoote@gov.nl.ca, SBarfoot@gov.nl.ca, GMercer@gov.nl.ca, ACaddell@gov.nl.ca, MCannizzaro@gov.nl.ca, JHoward@gov.nl.ca, JChippett@gov.nl.ca, DMcCormack@gov.nl.ca, MMay@gov.nl.ca, BPower@gov.nl.ca
Cc: Karen ONeill/NLHydro
Date: 10/20/2016 08:50 AM
Subject: Protest update as of 8:30 pm (NST) Oct 20

Hi everyone,

At this time, protestors continue to block the gate to Muskrat Falls site. As a result, local workers were prevented from going to work this morning. We are anticipating disruptions at the gate to continue throughout the day.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site. The MF team at site is assessing essential resources.

Contractors are in the process of suspending all in bound travel for workers to the Muskrat Falls site.

All travel for the LCP team to the Muskrat Falls site has also been placed on hold.
Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our Torbay Road EOC is continuing to provide support, as required.

I will provide an update as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,
The protesters continue to block the main gate at this time. Local workers were unable...

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbowm@gov.nl.ca
Cc: Karen O’Neill/NLHydro@NLHydro
Date: 10/19/2016 09:38 PM
Subject: Protest update as of 9:30 pm (NST) Oct 19

Hi everyone,
The protesters continue to block the main gate at this time. Local workers were unable to attend night shift and we are anticipating disruptions for the local workers attending day shift in the morning.

The RCMP remains on site and continue to monitor the situation.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls and provide support, as required.

I will provide an update in the morning.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Hi everyone,

The protesters have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy
Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls. 

31(1)(l)

Further information will be provided if the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 05:24:32 PM—Hi everyone, We've been experiencing some disruptive protest activity throughout the day at the cofd

Hi everyone,

We've been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.
We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities. 31(1)(l)

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad.

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 05:04:31 PM—Hi everyone, The protest is continuing at the main gate of Muskrat Falls at this time and access to

Hi everyone,
The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 01:26:11 PM—Hi everyone, I am communications on call and I will be providing the updates as we move forward wit

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbowm@gov.nl.ca
Cc: Karen O’Neill/NLHydro@NLHydro
Date: 10/16/2016 01:26 PM
Subject: Protest at MF main gate as of 12:00 pm (NST) Oct 16

Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.
The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work. [31(1)(l)]

RCMP are still on site and continue to monitor the situation.

Further updates will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Karen O'Neill—10/16/2016 09:12:03 AM—Good morning, Early this morning, about 30 protesters were at the main gate of the Muskrat Falls sit

From: Karen O'Neill/NLHydro
To: DianaQuinton@gov.nl.ca, cbowm@gov.nl.ca
Date: 10/16/2016 09:12 AM
Subject: Fw: Protest at MF main gate as of 6:00 am Oct 16

Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov't.
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Revised
At 2:30PM during a scheduled protest at the Muskrat Falls site entrance about 50 people and several vehicles breached the main gate. Since then I have been in contact with the Innu Nation, the NunatuKavut Community Council, and the Nunatsiavut Government to discuss the situation occurring onsite today. Currently, my priority is the safety of both protesters and workers with this change in events at the site. On Tuesday we have a scheduled meeting with leaders and representatives from the Innu Nation, the NunatuKavut Community Council, as well as the Nunatsiavut Government. Until this meeting has occurred, there will be no action taken to initiate the first phase of impoundment.

We urge protesters to remain peaceful and be respectful in their actions for the safety of both themselves and workers onsite.

From: Coffey, Bernard
Sent: Saturday, October 22, 2016 6:55 PM
To: Cannizzaro, Michelle <MichelleCannizzaro@gov.nl.ca>
Subject: Re: FYI

I'm still on the other call.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Cannizzaro, Michelle
Sent: Saturday, October 22, 2016 6:54 PM
To: Coffey, Bernard
Subject: RE: FYI

Calling you !!

From: Coffey, Bernard
Sent: Saturday, October 22, 2016 6:35 PM
To: Cannizzaro, Michelle <MichelleCannizzaro@gov.nl.ca>
Subject: Fw: FYI

Sorry: 40(1)
At 2:30PM during a scheduled protest at the Muskrat Falls site entrance about 50 people and several vehicles breached the main gate. Currently, my priority is the safety of both protestors and workers with this change in events at the site. On Tuesday we have a scheduled meeting with leaders and representatives from the Innu Nation, the NunatuKavut Community Council, as well as the Nunatsiavut Government. Until this meeting has occurred, there will be no action taken to initiate the first phase of flooding.

People have the right to protest peacefully. However protestors are not entitled to break the law and must comply with it. We urge protesters to comply with the law and to be careful and respectful in their actions for the safety of both themselves and workers onsite.

The RCMP are currently providing security support at the Muskrat Fall site and additional resources are being allocated to the site to help manage the safety of all persons involved.

Kind regards,

Michelle Cannizzaro
Media Relations Manager
Office of the Premier
Executive Council
Government of Newfoundland & Labrador
8th Floor East Block, Confederation Complex
P.O. Box 8700, St. John’s NL A1B 4J6

709-729-3570 mcannizzaro@gov.nl.ca

Newfoundland
Labrador
See below.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Cannizzaro, Michelle  
Sent: Saturday, October 22, 2016 7:09 PM  
To: Coffey, Bernard  
Subject:

At 2:30PM today during a protest at the Muskrat Falls site entrance, about 50 people and several vehicles breached the main gate. Since then I have been in contact with the Innu Nation, the NunatuKavut Community Council, and the Nunatsiavut Government and Labrador MHAs to discuss the situation. Currently, my priority is the safety of both protesters and workers at the site. On Tuesday, there is a scheduled meeting with leaders from the Innu Nation, the NunatuKavut Community Council, as well as the Nunatsiavut Government. Until this meeting has occurred, there will be no increase to water levels above the falls.

We urge protesters to remain peaceful and be respectful in their actions for the safety of both themselves and workers onsite.

Kind regards,

Michelle Cannizzaro  
Media Relations Manager  
Office of the Premier  
Executive Council  
Government of Newfoundland & Labrador  
8th Floor East Block, Confederation Complex  
P.O. Box 8700, St. John's NL A1B 4H6

709-729-3570  michelle.cannizzaro@gov.nl.ca

Newfoundland 
Labrador
October 23, 2016 – Update at 10:30 a.m. (NST)

This morning approximately 50 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. Another group of approximately 10 protestors remains on the protest pad across from the main gate to the Muskrat Falls site. The RCMP is present at the gate and is currently managing access to/from the site.

Non-essential workers are being released from the site. Approximately 600 non-essential workers had been bussed from site as of 10:00 a.m. without incident. Non-essential workers will continue to demobilize on a regular basis as transportation resources are available.

Essential operations are continuing at site; day shift has been cancelled for non-essential operations.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

------ Forwarded by Janine McCarthy/NLHydro on 10/23/2016 10:43 AM ------
Hi Everyone,

As of 10:00 p.m. (NST), there are approximately 40 – 50 protestors occupying the dining area of the Muskrat Falls accommodations complex. Another group of protestors remain outside the main gate to the Muskrat Falls site, restricting access to and from site.

Contractors at Muskrat Falls have begun making plans to release non-essential workers, and those workers previously scheduled to leave at the end of their regular work rotation, from the site to return home.

Nalcor and some contractors will maintain workers at the site to ensure safety and maintenance of critical equipment and the integrity of the construction site.

Protest activity is being closely monitored and is expected to continue through the night. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to monitor the situation on the ground to ensure the safety of workers and protestors.

RCMP officers remain present at the gate.

The Torbay Road EOC team is providing support to the site emergency operations team as required.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project

t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: "Janine McCarthy" <JanineMcCarthy@lowerchurchillproject.ca>
Date: October 22, 2016 at 7:04:59 PM NDT
To: cbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robingfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca, LynnRobinson@gov.nl.ca
October 22, 2016 – Update at 7:00 p.m. (NST)

As of 7:00 p.m. (NST), there are approximately 50-60 protestors occupying the common areas of the Muskrat Falls accommodations complex. An estimated 100 protestors remain outside the main gate to the Muskrat Falls site, restricting access to and from site. The night shift has been cancelled.

Approximately 30 protestors with vehicles were previously at the North Spur, however all protestors have since left the area. Work has also been shut down at that location.

Protest activity is being closely monitored and is expected to continue through the night. The emergency operations team at Muskrat Falls, in coordination with contractors, is managing the situation on the ground to ensure the safety of workers and protestors. RCMP officers are present at the gate, and they have reopened the Trans Labrador Highway at the causeway and at the beginning of Route 510. Additional assistance from the RCMP and security/authorities has also been requested.

The Torbay Road EOC team is providing support to the site emergency operations team as required.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 07:02 PM -----

From: Janine McCarthy/NLHydro
To: slotum@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnow@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacobylnHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfrichtard@gov.nl.ca, lynnRobinson@gov.nl.ca
Cc: Karen O'Neill/NLHydro
Date: 10/22/2016 03:57 PM
Subject: Fw: Protest update as of 10:30 am (NST) October 22

---

October 22, 2016 – Update at 4:00 p.m. NST

This afternoon at approximately 2:15 p.m. (Labrador time), an estimated 50 protestors and several vehicles breached the main gate to the Muskrat Falls site and are walking toward site. The main gate has been closed but appears to be under the control of the protestors. Another 150 protestors (approx.) remain outside the gate, restricting access to and from site.

The emergency operations team at Muskrat Falls, in coordination with contractors at site, is managing the
situation on the ground and have taken a number of measures to secure the site and ensure the safety of workers and infrastructure. Administrative buildings, the accommodations complex and contractor trailers are currently on lock-down. We have requesting assistance from RCMP and RNC to provide assistance and additional security/authorities have been requested.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 03:56 PM -----
October 21, 2016 update at 8:15 p.m.

Good evening,
Protestors continue to block the main gate tonight, restricting access to and from the Muskrat Falls site.

As a result, local workers were unable to attend night shift. The number of protestors has increased this evening. Protest activity is expected to continue over the weekend, and we are anticipating further disruptions for the local workers attending day shift in the morning. Priority and essential work is proceeding with the resources that are currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided throughout the weekend as the situation changes.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

October 21, 2016 update at 2:00 p.m.

Good afternoon,
There are no major changes to protest activity at Muskrat Falls at this time. Protestors continue to block the main gate, restricting access to and from the Muskrat Falls site.

Latest information suggests approximately 50 additional protestors from other areas of Labrador are travelling
to the area to participate in the protest. Protest activity is expected to continue into the evening and weekend.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 02:04 PM -----

From: Janine McCarthy/NLHydro
To: chryn@n.gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnow@gov.nl.ca, DianeQuinton@gov.nl.ca, LesleyClerke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardDoffey@gov.nl.ca, ElizabethDav@gov.nl.ca, CarlaFoyte@gov.nl.ca, ScottBrown@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCarnizzaro@gov.nl.ca, HeatherJI@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca
Cc: Karen O’Neill/NLHydro
Date: 10/21/2016 08:40 AM
Subject: Fw: Protest update as of 8:30 am (NST) Oct 21

October 21, 2016 update at 8:30 a.m.

Protestors continue to block the main gate to the Muskrat Falls site, restricting access to and from site. Protestors are allowing medical and emergency vehicles through the gate.

Work at the site has been impacted by the protest. Local workers were unable to attend day shift this morning, and we are anticipating disruptions at the gate to continue throughout the day. Priority and essential work at the Muskrat Falls site is proceeding with the restricted work resources that are at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

In addition, a number of protestors are at the LCP Torbay Road office in St. John’s. The exact number is unknown at this time. Security measures have been put in place to ensure the safety of LCP personnel at the office.

We will provide further updates as the situation changes and as more details are available.

Thanks,
Janine
Sent from my iPhone

Begin forwarded message:

From: "Mandy Norris" <MandyNorris@lowerchurchillproject.ca>
Date: October 20, 2016 at 8:04:30 PM NDT
To: cbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca
Cc: "Karen O'Neill" <karenoneill@nalcenergy.com>
Subject: Protest update as of 8:00 pm (NST) Oct 20

Hi everyone,

The protesters continue to block the main gate to Muskrat Falls site, restricting access to and from site.

As a result, local workers were unable to attend night shift and we are anticipating further disruptions for the local workers attending day shift in the morning.

The MF site team has made arrangements for essential workers to gain access to site for night shift. Priority and essential work is proceeding with the resources that are currently available at site.

The RCMP remains on site and continues to monitor the situation.

Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

An update will be provided in the morning.

Thanks,
Hi everyone,

Protestors continue to block the gate to Muskrat Falls site at this time. Currently, protestors are not allowing anyone to enter or leave site.

Work at site continues to be impacted by the protest.

We are establishing a plan for the likely demobilization of non-essential site workers, which will be the majority of workers at site, in effort to reserve resources to allow critical construction activities to proceed. A decision to suspend non-essential work will be taken as we continue to access the status of the protest.

Our Torbay Road EOC is working closely with our emergency operations team at Muskrat Falls, providing support as required.

I will provide an update when further information is available.

Thanks,
Mandy
Hi everyone,

At this time, protestors continue to block the gate to Muskrat Falls site. As a result, local workers were prevented from going to work this morning. We are anticipating disruptions at the gate to continue throughout the day.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site. The MF team at site is assessing essential resources.

Contractors are in the process of suspending all in bound travel for workers to the Muskrat Falls site.

All travel for the LCP team to the Muskrat Falls site has also been placed on hold.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our Torbay Road EOC is continuing to provide support, as required.

I will provide an update as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

The protestors continue to block the main gate at this time. Local workers were unable to attend night shift and we are anticipating disruptions for the local workers attending day shift in the morning.

The RCMP remains on site and continue to monitor the situation.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls and provide support, as required.

I will provide an update in the morning.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Hi everyone,

The protestors have blocked the highway area in front of the Muskrat Falls main gate
The protestors have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,
Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 06:34:00 PM—Hi everyone, There have been no further disruptions to operations since my last update at 5:00 pm.

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neil/NLHydro@NLHydro
Date: 10/18/2016 06:34 PM
Subject: Protest update as of 6:15 pm (NST) Oct 18

Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

Further information will be provided if the situation changes.
Hi everyone,

We've been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protestors, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy
Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities. 

We are continuing to monitor the situation. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/17/2016 06:19:12 PM—Hi everyone, Access to the Muskrat Falls Site has remained open since it resumed early this morning

Hi everyone,
Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. \[31(1)(l)\]

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/17/2016 07:52:28 AM—Hi everyone, As a result of the blockade at the Muskrat Falls site, we have been granted an injunction

Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.
Hi everyone,

The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,

Mandy
Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen’s previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.

RCMP are still on site and continue to monitor the situation.

Further updates will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com
Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov’t distribution group yet. We’ll wait and see how long the protest lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov’t.

Thanks
Karen

Karen O’Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427  c. 709.690.2012
e. koneill@nalcorenenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
The NG questions FYI in case you do not have these.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Colleen. We would have liked to have a conversation about our MakeMuskRatRight asks and hopefully options to find a resolution to the impasse we are at before Tuesdays leaders meeting. There are several questions / information we would like from Government of NL or Nalcor. Hopefully you can provide this information to us before Tuesday.

The information request / questions we have is around the first phase impoundment;

1. In past discussions you have indicated that the first phase flooding has to occur this fall because of ice buildup and damage to infrastructure. Can you provide us with the engineering report / science rationale that backs up this requirement to raise the water level to prevent damage to the infrastructure.

2. What is the absolute minimum level the reservoir needs to be raised to prevent ice buildup and impact to the dam structure? Twenty five metres was cited by Nalcor but we would imagine they have built in contingency here. The lower the water level in the reservoir the lower the rise in methylmercury.

3. Can the first phase impoundment level be lowered between ice seasons? If impoundment happens this fall can the water level be lowered again next March?

4. Are there areas in the first phase impoundment area where the soil can be moved up slope from below to above the first phase impoundment area to be dealt with after scientific testing next year?

These are some of the questions we need to consider and it would be helpful to get this information and have this discussion asap and before Tuesday.

We will most likely have further questions on this issue.

This message (including any attachments) is intended only for the use of the individual or entity to which it is addressed and may contain information that is non-public, proprietary, privileged, confidential, and exempt from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication.
Noted.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

Bern;
The following messages were posted by Brad Cabana on Twitter last night.
Charles

@BradCabana: RECEIVED A NICE MESSAGE FOR THE PROTESTERS tonight from a senior member of the dept of Natural Resources NL 1/3 #nlpoli
#cdnpoli https://twitter.com/BradCabana/status/789980774061801472

@BradCabana: "Brad, Thank you for joining the courageous protestors who are in fact fighting for the future of this country. Please let them know"
#nlpoli https://twitter.com/BradCabana/status/789980918656208896

@BradCabana: that many people inside the Department of Natural Resources are rooting for them. With their impending victory may they learn what..
#nlpoli https://twitter.com/BradCabana/status/789980996359905280

@BradCabana: real power feels like and continue the fight well beyond Muskrat Falls. The hope of a just future rides with them." end quote
#nlpoli https://twitter.com/BradCabana/status/7899810628982602016
10:11 AM
<table>
<thead>
<tr>
<th><strong>Subject:</strong></th>
<th>Meeting: Paul Carter re Muskrat Falls Update</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location:</strong></td>
<td>Bernard's Office</td>
</tr>
<tr>
<td><strong>Start:</strong></td>
<td>Fri 10/28/2016 3:30 PM</td>
</tr>
<tr>
<td><strong>End:</strong></td>
<td>Fri 10/28/2016 4:00 PM</td>
</tr>
<tr>
<td><strong>Recurrence:</strong></td>
<td>(none)</td>
</tr>
<tr>
<td><strong>Meeting Status:</strong></td>
<td>Meeting organizer</td>
</tr>
<tr>
<td><strong>Organizer:</strong></td>
<td>Coffey, Bernard</td>
</tr>
<tr>
<td><strong>Required Attendees:</strong></td>
<td>Carter, Paul</td>
</tr>
</tbody>
</table>
At what number can I reach you?

Brrn

Sent from my BlackBerry 10 smartphone on the Bell network.

Berr

I note the telephone number for the Clerk remains the same … Plus ça change … But in those days there was no email, which is a big change and not necessarily for the better.

In case you are not aware, MWH Global, the “Independent Engineer” has been acquired by Stantec, a major contractor to Nalcor. See my note to Minister Coady below.

Is the Oversight Committee still alive?

Regards

Minister
The reports of the independent engineer posted at https://muskatfalls.nalcorenergy.com/newsroom/reports/ follow a template which discloses that the reports are “prepared for both Natural Resources Canada and Nalcor” even though the language of the federal provincial loan guarantee agreement, section 4.9, specifies that

An engineer (the “Independent Engineer” or “IE”) shall have been appointed to permit each Lender and the Guarantor to complete their due diligence and to ensure compliance with the terms of the FLG Agreements and all Financing Documents required to effect Financial Close. The Independent Engineer will represent the Guarantor and the Lenders. The Borrowers shall provide written confirmation, that has been confirmed in writing by the IE, that they have no contractual or other relationship with the IE other than the obligation to pay the fees of the IE.

The IE shall review the Project documents and any information provided in support of any drawdown requested by a Borrower and shall make a recommendation to the Lender by way of an IE certificate. The Independent Engineer shall be assigned a scope of responsibility designed to ensure the Projects are developed, maintained, and operated in a manner which is consistent with Good Utility Practice (as defined herein).

The Independent Engineer shall have full access to all information related to the Projects and access to management and employees of the Proponents or Borrowers as required.

The cost of the Independent Engineer shall be borne by the Borrowers.

My question is whether the “independent engineer” is “independent” of Nalcor, given that the reports are being prepared not only for the Guarantor but also “for Nalcor” (pursuant to the reporting template) while the last sentence of the quote from section 4.9 indicates that Nalcor, the borrower, will bear the cost. The section indicates that the “independent engineer” will represent the Guarantor and the Lenders. Can the “independent engineer” be accountable to the Guarantor and the Lenders while also reporting to Nalcor Energy?

I turn now to another related matter. It has come to my attention that Stantec has acquired MWH Global (see http://www.stantec.com/about-us/news/2016/stantec-to-acquire.html#V9_RwIUrJ1t). This creates the potential for conflict of interest in light of the fact that Stantec has been heavily involved in Muskrat Falls as a contractor, going back at least to the EIS statement made to the joint panel, while Montgomery, Watson and Harza (MWH Global) have been performing the role of “independent engineer” protecting the interest of the guarantor and of lenders under the federal provincial loan guarantee agreement. The logo showing MWH as part of Stantec, found at the MWH homepage, confirms this acquisition (see http://www.mwhglobal.com/about-us?gclid=COagn5Wxm88CFVl9gOodT_MGZQ&gclsrc=aw.ds).

I am writing to bring these matters to your attention and to ask what action has been taken to avoid this conflict of interest, if indeed it is a conflict, as it appears to be. I am also asking what is the term of the agreement with MWH and whether the agreement is voided in the event of a conflict.

Regards

40(1)

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this
information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”
Hi everyone,

At approximately 1:20 p.m. (NST), the group of protestors occupying the common areas of the Muskrat Falls accommodations complex was transported to the main gate and departed the Muskrat Falls site in coordination with the RCMP. The protestors have also left the protest pad across from the Muskrat Falls gate. The RCMP remains at gate and is managing access to and from the site.

Our immediate priority is to resume normal operations at site in order to ensure completion of critical work. Over the next few days, the focus is to restock critical supplies and work on remobilization plans to bring site back to full production. Essential work activities are continuing at site tonight.

We will continue to closely monitor the situation. The emergency operations team at Muskrat Falls continues to manage the situation on the ground.

Further information will be provided as more details are available.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Hi everyone,

This morning, the protestors occupying the common areas of the Muskrat Falls accommodations complex agreed to leave site. The protestors have indicated they will leave the site at 12:30 p.m. Buses are being coordinated by site to ensure protestors are safely escorted from the site and their departure will be managed by the RCMP.

A small group of protestors also remains on the protest pad. The RCMP is managing access to and from the site through the main gate.

Essential work activities are continuing at site today.

The emergency operations team at Muskrat Falls, in coordination with the RCMP, continues to manage the situation on the ground to ensure the safety of everyone. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project

t. 709.570.5952   c. 709.699.2706   f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

----- Forwarded by Mandy Norris/NLHydro on 10/26/2016 10:23 AM -----

Hi everyone,

There has been no change in the protest activity at the Muskrat Falls site since the last update.

Approximately 60 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. Earlier reports suggested another group of approximately 100 protestors were on the protest pad
across from the main gate to the Musrat Falls site but we are estimating about 20 – 30 have since left. The
RCMP is managing access to and from the site through the main gate.

We have not released any additional non-essential workers from site since the last update. We are planning to
continue releasing non-essential workers in a phased approach as transportation and RCMP resources are
available.

Essential work activities are continuing at site tonight.

Protest activity is being closely monitored. The emergency operations team at Musrat Falls, in coordination
with the RCMP and contractors, continues to manage the situation on the ground to ensure the safety of
workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations
team as required.

Further updates will be provided as more details are available.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this
email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if
this email was misdirected to you.
----- Forwarded by Mandy Norris/NLHydro on 10/25/2016 09:17 PM -----

From: Rosanne Williams/NLHydro
To: cbown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianeQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca,
BernardOlfrey@gov.nl.ca, ElizabethDaw@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca,
MichelleCannizzaro@gov.nl.ca, HeatherL@gov.nl.ca, JacquelineHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca,
HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rlpritchard@gov.nl.ca, LynnRobinson@gov.nl.ca
Cc: Karen O’Neill/NLHydro@NLHydro, Rosanne Williams/NLHydro@NLHYDRO, Janine McCarthy/NLHydro@NLHYDRO, Mandy
Norris/NLHydro@NLHYDRO
Date: 10/25/2016 08:23 AM
Subject: Protest update as of 8:00 a.m. (NST) October 25

October 25, 2016 – Update at 8:00 a.m. (NST)

There has been no change in the protest activity at the Musrat Falls site since the last update.

Approximately 60 protestors continue to occupy the common areas of the Musrat Falls accommodations
complex. Another small group of protestors remains on the protest pad across from the main gate to the
Muskat Falls site. The RCMP is managing access to and from the site through the main gate and have closed
highway 510.

As of 8:00 a.m. (NST), approximately 500 people remain on site. We plan to continue releasing non-essential
workers in a phased approach today as transportation and RCMP resources are available.
Day shift and critical operations are commencing today.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with the RCMP and contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Rosanne Williams  
Stakeholder Relations Lead  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709 737-4923  c. 709 691-3257  f. 709 754-0787  
e. RosanneWilliams@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

October 24, 2016 – Update at 9:30 p.m. (NST)

There has been no change in the protest activity at the Muskrat Falls site since the last update.

Approximately 60 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. Another small group of protestors remains on the protest pad across from the main gate to the Muskrat Falls site. The RCMP is managing access to and from the site through the main gate.

As of 9:30 p.m. (NST), an additional 225 non-essential workers had been bused from the site. In total close to 1,100 non-essential workers have been released from the site to date. We plan to continue releasing non-essential workers in a phased approach tomorrow morning as transportation and RCMP resources are available.

All construction activities remain suspended tonight.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with the RCMP and contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Janine McCarthy  
Senior Communication Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709-737-4255  c. 709-631-0056  
e. JanineMcCarthy@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?  
----- Forwarded by Janine McCarthy/NLHydro on 10/24/2016 09:39 PM -----
Hi everyone,

The protest is continuing at the Muskrat Falls site at this time. Approximately 45 protesters continue to occupy the common areas of the Muskrat Falls accommodations complex. Another group of about 10-15 protesters remain on the protest pad across from the main gate to the Muskrat Falls site. The RCMP is present at the gate and is currently managing access to and from the site.

The RCMP has blocked the highway leading to the Muskrat Falls site, restricting individuals from joining the protest at the Muskrat Falls gate.

We have not released any additional non-essential workers from site since my last update. We are planning to continue releasing non-essential workers in a phased approach as transportation and RCMP resources are available.

As a result of the increased level of protest activity today, all construction activities were suspended for the day shift.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to manage the situation on the ground to ensure the safety of workers and protesters. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
Hi everyone,

This morning approximately 50-60 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. Another group of protestors remain on the protest pad across from the main gate to the Muskrat Falls site. Current weather conditions are preventing us from determining the number of protestors near the Muskrat Falls gate at this time. The RCMP is also present at the gate and is currently managing access to/from the site.

A group of protestors (2 adults with 3 children) requested to leave the Muskrat Falls accommodations complex and our site team made arrangements to have them transported to the main gate last night.

We are planning to continue releasing non-essential workers from the site today. Approximately 950 non-essential workers had been bussed from site as of 9:00 a.m. without incident. Non-essential workers will continue to demobilize in a phased approach as transportation and RCMP resources are available.

Essential work activities are continuing at site this morning.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Thanks,
Mandy
Hi everyone,

About 60 protesters currently occupy the common areas of the Muskrat Falls accommodations complex tonight. This number has increased as the result of approximately 20 additional protesters gaining access to site this evening. Another group of approximately 100 protestors also remain near the main gate of the Muskrat Falls site. The RCMP remains present at the gate and is currently managing access to and from the site to ensure the safety of everyone.

As a result of the increased level of protest activity tonight, all construction activities were suspended for the night shift.

Nalcor and contractors will maintain workers at the site to ensure safety and maintenance of critical equipment and the integrity of the construction site.

Our contractors at site are continuing to release non-essential workers, as well as those workers scheduled to conclude their regular work rotation earlier today, in a phased approach in coordination with the RCMP.

Protest activity is being closely monitored and is expected to continue through the night. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to monitor the situation on the ground to ensure the safety of workers and protesters.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: Mandy Norris/NL Hydro
To: cbown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganShedford@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcComack@gov.nl.ca, HeatherMay@gov.nl.ca, tooddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, troywright@gov.nl.ca, LynnRobinson@gov.nl.ca
Cc: Karen O’Neill/NL Hydro
Date: 10/23/2016 10:54 PM
Subject: Protest update as of 10:30 p.m. (NST) October 23
Hi everyone,

About 40 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. At approximately 6:10 p.m. (NST), two RCMP officers entered the accommodations complex and met with the protestors, serving them with the court injunction.

The group of protestors currently occupying the Muskrat Falls site gate has grown since this afternoon with approximately 100 protestors remaining near the gate. At approximately 6:15 p.m (NST), 20 additional protestors breached the site gate and are currently on site. The RCMP remains present at the gate and is currently managing access to/from the site.

As of 7:00 p.m. (NST), approximately 900 non-essential workers have been bussed from site without incident. Non-essential workers will continue to demobilize on a regular basis as transportation resources are available. Essential operations are continuing at site.

The emergency operations team at Muskrat Falls, in coordination with contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: "Janine McCarthy" <JanineMcCarthy@lowerchurchillproject.ca>
Date: October 23, 2016 at 2:39:41 PM NDT
To: chown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca.
October 23, 2016 – Update at 2:30 p.m. (NST)

About 40 protestors continue to occupy the common areas of the Muskrat Falls accommodations complex. Another group of approximately 25 protestors remains near the gate to the Muskrat Falls site. The RCMP is present at the gate and is currently managing access to/from the site.

As of 2:30 p.m. (NST), approximately 900 non-essential workers have been bussed from site without incident. Non-essential workers will continue to demobilize on a regular basis as transportation resources are available. Essential operations are continuing at site.

Protest activity is being closely monitored. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to manage the situation on the ground to ensure the safety of workers and protestors. The Torbay Road EOC team is providing support to the site emergency operations team as required.

Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/23/2016 02:37 PM -----
Hi Everyone,

As of 10:00 p.m. (NST), there are approximately 40 – 50 protestors occupying the dining area of the Muskrat Falls accommodations complex. Another group of protestors remain outside the main gate to the Muskrat Falls site, restricting access to and from site.

Contractors at Muskrat Falls have begun making plans to release non-essential workers, and those workers previously scheduled to leave at the end of their regular work rotation, from the site to return home.

Nalcor and some contractors will maintain workers at the site to ensure safety and maintenance of critical equipment and the integrity of the construction site.

Protest activity is being closely monitored and is expected to continue through the night. The emergency operations team at Muskrat Falls, in coordination with contractors, continues to monitor the situation on the ground to ensure the safety of workers and protestors.

RCMP officers remain present at the gate.

The Torbay Road EOC team is providing support to the site emergency operations team as required.
Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: "Janine McCarthy" <JanineMcCarthy@lowerchurchillproject.ca>  
Date: October 22, 2016 at 7:04:59 PM NDT  
To: cbown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca, LynnRobinson@gov.nl.ca  
Cc: "Karen O'Neill" <karenoneill@nalcorenergy.com>  
Subject: Fw: Protest update as of 7:00 p.m. (NST) October 22

October 22, 2016 – Update at 7:00 p.m. (NST)

As of 7:00 p.m. (NST), there are approximately 50-60 protestors occupying the common areas of the MuskraT Falls accommodations complex. An estimated 100 protestors remain outside the main gate to the MuskraT Falls site, restricting access to and from site. The night shift has been cancelled.

Approximately 30 protestors with vehicles were previously at the North Spur, however all protestors have since left the area. Work has also been shut down at that location.

Protest activity is being closely monitored and is expected to continue through the night. The emergency operations team at MuskraT Falls, in coordination with contractors, is managing the situation on the ground to ensure the safety of workers and protestors. RCMP officers are present at the gate, and they have reopened the Trans Labrador Highway at the causeway and at the beginning of Route 510. Additional assistance from the RCMP and security/authorities has also been requested.

The Torbay Road EOC team is providing support to the site emergency operations team as required.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Janine McCarthy
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 07:02 PM -----

From: Janine McCarthy/NLHydro
To: chown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFootes@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelineHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca, LynnRobinson@gov.nl.ca
Cc: Karen O’Neill/NLHydro
Date: 10/22/2016 03:57 PM
Subject: Fw: Protest update as of 10:30 am (NST) October 22

October 22, 2016 – Update at 4:00 p.m. NST

This afternoon at approximately 2:15 p.m. (Labrador time), an estimated 50 protestors and several vehicles breached the main gate to the Muskrat Falls site and are walking toward site. The main gate has been closed but appears to be under the control of the protestors. Another 150 protestors (approx.) remain outside the gate, restricting access to and from site.

The emergency operations team at Muskrat Falls, in coordination with contractors at site, is managing the situation on the ground and have taken a number of measures to secure the site and ensure the safety of workers and infrastructure. Administrative buildings, the accommodations complex and contractor trailers are currently on lock-down. We have requesting assistance from RCMP and RNC to provide assistance and additional security/authorities have been requested.

Our team continues to monitor the situation closely. Further updates will be provided as more details are available.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 03:56 PM -----
October 22, 2016 - Update at 10:30 a.m. (NST)

Protestors continue to block the main gate to the Muskrat Falls site this morning, restricting access to and from site.

Local workers were unable to attend day shift this morning. We are anticipating disruptions at the gate to continue throughout the day, and the number of protestors is expected to increase this afternoon during a planned rally at the gate for 3:00 p.m. (Labrador time).

Priority and essential work at the Muskrat Falls site is proceeding with the resources currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

----- Forwarded by Janine McCarthy/NLHydro on 10/22/2016 10:32 AM -----

From: Janine McCarthy/NLHydro
To: chown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganShappard@gov.nl.ca, BernadetteCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robfowler@gov.nl.ca, philipOsborne@gov.nl.ca, roffritchard@gov.nl.ca, LynnRobinson@gov.nl.ca
Cc: karenmelli@nalcorenergy.com
Date: 10/21/2016 08:14 PM
Subject: Fw: Protest update as of 8:15 pm (NST) Oct 21

October 21, 2016 update at 8:15 p.m.

Good evening,
Protestors continue to block the main gate tonight, restricting access to and from the Muskrat Falls site.

As a result, local workers were unable to attend night shift. The number of protestors has increased this evening. Protest activity is expected to continue over the weekend, and we are anticipating further disruptions for the local workers attending day shift in the morning. Priority and essential work is proceeding with the resources that are currently available at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided throughout the weekend as the situation changes.
October 21, 2016 update at 2:00 p.m.

Good afternoon,
There are no major changes to protest activity at Muskrat Falls at this time. Protestors continue to block the main gate, restricting access to and from the Muskrat Falls site.

Latest information suggests approximately 50 additional protestors from other areas of Labrador are travelling to the area to participate in the protest. Protest activity is expected to continue into the evening and weekend.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

Further updates will be provided as the situation changes.

thanks,
Janine
October 21, 2016 update at 8:30 a.m.

Protestors continue to block the main gate to the Muskrat Falls site, restricting access to and from site. Protestors are allowing medical and emergency vehicles through the gate.

Work at the site has been impacted by the protest. Local workers were unable to attend day shift this morning, and we are anticipating disruptions at the gate to continue throughout the day. Priority and essential work at the Muskrat Falls site is proceeding with the restricted work resources that are at site.

Our team continues to monitor the situation closely. The emergency operations team at Muskrat Falls is managing the situation on the ground with support from the Torbay Road EOC as required.

In addition, a number of protestors are at the LCP Torbay Road office in St. John's. The exact number is unknown at this time. Security measures have been put in place to ensure the safety of LCP personnel at the office.

We will provide further updates as the situation changes and as more details are available.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255 c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 10/21/2016 08:19 AM -----

From: Mandy Norris/NLHydro
To: Janine McCarthy/NLHydro@nlhydro
Date: 10/20/2016 09:08 PM
Subject: Fwd: Protest update as of 8:00 pm (NST) Oct 20

---forwarded message---

Sent from my iPhone

Begin forwarded message:
From: "Mandy Norris" <MandyNorris@lowerchurchillproject.ca>
Date: October 20, 2016 at 8:04:30 PM NDT
To: cbown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca,
LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherL@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rollfpritchard@gov.nl.ca
Cc: "Karen O'Neill" <karenoneill@nalcorenergy.com>

Subject: Protest update as of 8:00 pm (NST) Oct 20

Hi everyone,

The protesters continue to block the main gate to Muskrat Falls site, restricting access to and from site.

As a result, local workers were unable to attend night shift and we are anticipating further disruptions for the local workers attending day shift in the morning.

The MF site team has made arrangements for essential workers to gain access to site for night shift. Priority and essential work is proceeding with the resources that are currently available at site.

The RCMP remains on site and continues to monitor the situation.

Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John's is continuing to provide support, as required.

An update will be provided in the morning.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/20/2016 01:36:42 PM—Hi everyone, Protesters continue to block the gate to Muskrat Falls site at this time. Currently, p

From: Mandy Norris/NLHydro
To: chown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreyShook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherL@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rollfpritchard@gov.nl.ca
Cc: Karen O'Neill/NLHydro
Date: 10/20/2016 01:36 PM
Subject: Protest update as of 1:00 pm (NST) Oct 20
Hi everyone,

Protestors continue to block the gate to Muskrat Falls site at this time. Currently, protestors are not allowing anyone to enter or leave site.
Work at site continues to be impacted by the protest.

We are establishing a plan for the likely demobilization of non-essential site workers, which will be the majority of workers at site, in effort to reserve resources to allow critical construction activities to proceed. A decision to suspend non-essential work will be taken as we continue to access the status of the protest.

Our Torbay Road EOC is working closely with our emergency operations team at Muskrat Falls, providing support as required.

I will provide an update when further information is available.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/20/2016 08:50:46 AM—Hi everyone, At this time, protestors continue to block the gate to Muskrat Falls site. As a result

From: Mandy Norris/NLHydro
To: CBrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffee@gov.nl.ca, ElizabethDay@gov.nl.ca, CarlaFoots@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizzaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelineHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, BradleyPower@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/20/2016 08:50 AM
Subject: Protest update as of 8:30 pm (NST) Oct 20

Hi everyone,

At this time, protestors continue to block the gate to Muskrat Falls site. As a result, local workers were prevented from going to work this morning. We are anticipating disruptions at the gate to continue throughout the day.
Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site. The MF team at site is assessing essential resources.

Contractors are in the process of suspending all in bound travel for workers to the Muskrat Falls site.

All travel for the LCP team to the Muskrat Falls site has also been placed on hold.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our Torbay Road EOC is continuing to provide support, as required.

I will provide an update as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/19/2016 09:38:32 PM—Hi everyone, The protesters continue to block the main gate at this time. Local workers were unable

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O’Neill/NLHydro@NLHydro
Date: 10/19/2016 09:38 PM
Subject: Protest update as of 9:30 pm (NST) Oct 19

Hi everyone,

The protesters continue to block the main gate at this time. Local workers were unable to attend night shift and we are anticipating disruptions for the local workers attending day shift in the morning.

The RCMP remains on site and continue to monitor the situation.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls and provide support, as required.

I will provide an update in the morning.
Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/19/2016 07:16:15 PM—Hi everyone, The protesters have blocked the highway area in front of the Muskrat Falls main gate t

From: Mandy Norris/NLHydro  
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca  
Cc: Karen O'Neill/NLHydro@NLHydro  
Date: 10/19/2016 07:16 PM  
Subject: Protest update as of 7:00 pm (NST) Oct 19

Hi everyone,

The protesters have blocked the highway area in front of the Muskrat Falls main gate this evening, restricting access to and from site.

The RCMP are on site monitoring the situation.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

I will provide further updates as the situation.

Thanks,  
Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this
Hi everyone,

There have been no further disruptions to operations since my last update at 5:00 pm.

At this time, individuals continue to gather and protest on the protest pad at Muskrat Falls. We have been working with the RCMP to ensure their safety.

Our Torbay Road EOC team will continue to monitor the situation closely with the emergency operations team on the ground at Muskrat Falls.

Further information will be provided if the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 05:24:32 PM—Hi everyone, We've been experiencing some disruptive protest activity throughout the day at the cof

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O'Neill/NLHydro@NLHydro
Date: 10/18/2016 05:24 PM
Subject: Protest update as of 5:00 pm (NST) Oct 18
Hi everyone,

We’ve been experiencing some disruptive protest activity throughout the day at the cofferdam, North Spur and main gate of Muskrat Falls. This has resulted in temporary and limited work stoppages.

We expect that these disruptions will continue throughout the night.

We are working with the RCMP to ensure the safety of the protesters, our team members and the public.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

Further information will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/18/2016 12:44:19 PM—Hi everyone, Protestors have travelled up the river by boat, gained access to area below cofferdam

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen ONeill/NLHydro@NLHydro
Date: 10/18/2016 12:44 PM
Subject: Protest update as of 12:30 pm (NST) Oct 18

Hi everyone,

Protestors have travelled up the river by boat, gained access to area below cofferdam construction and have since left without disruption to construction activities. 31(1)(i)

We are continuing to monitor the situation. Further updates will be provided if the situation changes.
Hi everyone,

Access to the Muskrat Falls Site has remained open since it resumed early this morning and regular operations are continuing.

RCMP remain on site and will continue to monitor the situation. We do note that protestors continue to occupy the protest pad. 

Our team continues to monitor the situation closely in coordination with our emergency operations team at Muskrat Falls. I will connect with updates providing the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com
Hi everyone,

As a result of the blockade at the Muskrat Falls site, we have been granted an injunction against the individuals that established the blockade by the Supreme Court of Newfoundland and Labrador.

Access to the site resumed early this morning and regular operations are continuing at the project site.

Our team continues to monitor the situation closely. Our emergency operations team at Muskrat Falls remains in place managing the situation on the ground and our EOC team in St. John’s is continuing to provide support, as required.

We are continuing to monitor the situation this morning. Further updates will be provided if the situation changes.

Thanks,

Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 05:04:31 PM—Hi everyone, The protest is continuing at the main gate of Muskrat Falls at this time and access to
Hi everyone,

The protest is continuing at the main gate of Muskrat Falls at this time and access to site is being blocked by protesters.

The MF team at site has made arrangements for essential workers to gain access to site for night shift. Contractors made the decision to cancel night shift for their local workers who are not considered essential for construction to continue.

RCMP are still on site and continue to monitor the situation. We are continuing to monitor the situation with the MF team at site.

All travel to our work sites in Happy Valley - Goose Bay has been placed on hold.

Further updates will be provided in the morning unless the situation changes before then.

Thanks,

Mandy

Mandy Norris  
Communications Advisor  
PROJECT DELIVERY TEAM  
Lower Churchill Project  
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787  
e. MandyNorris@lowerchurchillproject.ca  
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Mandy Norris—10/16/2016 01:26:11 PM—Hi everyone, I am communications on call and I will be providing the updates as we move forward wit

From: Mandy Norris/NLHydro
To: DianaQuinton@gov.nl.ca, cbown@gov.nl.ca
Cc: Karen O’Neill/NLHydro@dNLHydro
Date: 10/16/2016 01:28 PM
Subject: Protest at MF main gate as of 12:00 pm (NST) Oct 16

Hi everyone,

I am communications on call and I will be providing the updates as we move forward with the protest. Karen will be managing the media requests.

The protest is continuing at the main gate of Muskrat Falls at this time with no change in status since Karen's
previous update.

Work at the site has been impacted by the protest. Priority and essential work at the Muskrat Fall site is proceeding with the restricted work resources that are at site.

The MF team at site is assessing essential resources. A decision has not been made by contractors regarding local night shift coming to work.

RCMP are still on site and continue to monitor the situation.

Further updates will be provided as the situation changes.

Thanks,
Mandy

**Mandy Norris**
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952  c. 709.699.2706  f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

Karen O'Neill—10/16/2016 09:12:03 AM—-Good morning, Early this morning, about 30 protesters were at the main gate of the Muskrat Falls sit

From: Karen O'Neill/NLHydro
To: DianaQuinton@gov.nl.ca, sbown@gov.nl.ca
Date: 10/16/2016 09:12 AM
Subject: Fw. Protest at MF main gate as of 6:00 am Oct 16

Good morning,

Early this morning, about 30 protesters were at the main gate of the Muskrat Falls site and were refusing access to workers getting to site. The RCMP were called at that time.

The local day shift buses were been denied access and had to turn back to town. The night shift buses were able to leave.

The protest is continuing at this time. There is currently sufficient management and supervision available at site to continue work across LCP and the contractors.

Members of the LCP EOC team are monitoring the situation with the MF team at site.

I have not sent this note out to the wide Gov't distribution group yet. We'll wait and see how long the protest
lasts. Further updates will be provided as the situation changes.

Feel free to notify others within Gov’t.

Thanks
Karen

Karen O’Neill  
Communications Manager  
Lower Churchill Management Corporation  
Nalcor Energy - Lower Churchill Project  
t. 709.737.1427 c. 709.690.2012  
e. koneilli@nalcorenergy.com  
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Heather:

Thanks.

Bern

From: Jacobs, Heather  
Sent: Wednesday, October 26, 2016 1:54 PM  
To: Coffey, Bernard <BernardCoffey@gov.nl.ca>  
Subject: FW: Muskrat Falls Protester Update (1:40 pm)

Bern,

Latest update.

HMJ

From: Jacobs, Heather  
Sent: Wednesday, October 26, 2016 1:51 PM  
To: 'Peter Clark'  
Subject: RE: Muskrat Falls Protester Update (1:40 pm)

Thanks Peter.

From: Peter Clark [mailto:Peter.Clark@rcmp-grc.gc.ca]  
Sent: Wednesday, October 26, 2016 1:48 PM  
To: Jacobs, Heather  
Subject: Muskrat Falls Protester Update (1:40 pm)

Hello Heather

The protesters who had been inside the gate have now been transported out by bus. They will hold a drum ceremony near the front gate and then be bused / driven to town.
No arrests will be made as RCMP / Sheriffs will follow up with individuals as required. All remain peaceful.

RCMP have some assessments to complete before we consider sending resources home. I suspect a contingent of resources will need to remain behind for a period of time to do necessary follow up.

I continue to update as information and decisions are made.

Peter Clark

Assistant Commissioner, Commanding Officer B” Division
Royal Canadian Mounted Police / Government of Canada

Commissaire Adjoint, Commandant Division "B"
Royal Canadian Mounted Police / Gendarmerie royale du Canada

Tel: 709-772-5437 / Fax: 709-772-3139

“This email and any attached files are intended for the sole use of the intended recipient(s) and may contain privileged and/or confidential information. If you received this email in error, please delete it immediately and notify the sender. The distribution, use or copying of this message and / or attachments is prohibited.”
Bern

The joint panel proposed a monitoring and dispute resolution plan, which was ignored. The joint panel report is five years old. It needs to be updated but it is a great starting point.

Why did it take an occupation of the Muskrat Falls site, along with a hunger strike and demonstrations in Ottawa, Labrador and on the Island, to get the attention of government? Will the new Expert Advisory Committee be effective? Where does this agreement leave the North Spur?

Should there not be generic processes in place, which can engage stakeholders on the assessment of remedial measures and resolve disputes. See my article today.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Heather & Paula

We are moving towards a return to our normal operational tempo. I take this opportunity to share with you an update and extend our appreciation for your many communications and availability over the past week, or so.

A more formal forecast of costs will be provided as part of our ongoing reporting, however some preliminary headcounts (to assist in understanding the order of magnitude) is included below.

Here are some bullets which summarize where we are now:

**NALCOR**
Information from Happy Valley Goose Bay Detachment indicates that Nalcor is preparing to resume operations. Any protesters in the vicinity are minimal and limited to cleaning up their camp site. Fuel, supplies and employees are freely coming and going from the gate, which was previously occupied by protesters. RCMP members and Nalcor have completed an examination of the occupied building and contracted security staff have assumed control of the main gate. No new reports of damage or missing property have been brought to my attention.

**HIGH SHERIFF**
The High Sheriff continues to locate and serve identified individuals. I am advised that the process is going well. RCMP has provided the info for those named in the contempt order list, except one individual whose we are working with the sheriff to identify. The RCMP remains available to assist / accompany the High Sheriff and his staff as they perform their duties. We are also able to transport a Sheriff to coastal communities via aircraft, if requested.

**RCMP**
Between Saturday, 2016-10-22, and Monday, 2016-10-24 an estimated RCMP members were deployed to assist the 25 members serving at Happy Valley Goose Bay Detachment. While it will take some time to receive and confirm expense claims, invoices and other costs, the deployment picture is as follows:

RCMP Resources Deployed:

- \[31(1)(a)\] from including a police dog
- Federal Policing Resources from BDiv
- Federal Policing Analysts from BDiv
- uniform members from the island

\[31(1)(a)\]
- 25 members from Happy Valley Goose Bay Detachment, plus a police dog.

Other Contributions:
- Pilatus aircraft - multiple flights
- RCMP Tactical Truck / equipment platform - was driven to HVGB from St. John’s, but not utilized

- A yet unspecified number of BDiv HQ human resources (ie. Division Communications, Emergency Operations Centre Staff, Criminal Operations etc)
- numerous PAL charter flights
- hotel accommodations, rental vehicles

Going forward, the RCMP is monitoring the tone and posture of the community and protesters (both in NL and beyond). Information indicates that the majority view the Muskrat Falls protest to have achieved it’s purpose and no further protests or action has been identified.

On this basis, we are proceeding with a plan to return human resources to their home unit / province. Some resources and equipment, however, will be held at HVGB as the RCMP requires an investigative capacity. Others will work shifts and allow sufficient rest periods before normal shift rotations return.

If you have any further questions, please give me a phone call.

peter

Peter Clark
Assistant Commissioner, Commanding Officer B” Division
Royal Canadian Mounted Police / Government of Canada

Commissaire Adjoint, Commandant Division ”B”
Royal Canadian Mounted Police/Gendarmerie royale du Canada

Tel: 709-772-5437 / Fax: 709-772-3139

“This email and any attached files are intended for the sole use of the intended recipient(s) and may contain privileged and/or confidential information. If you received this email in error, please delete it immediately and notify the sender. The distribution, use or copying of this message and / or attachments is prohibited.”
Greg:

FYI.

Bern

Peter,

I agree that the RCMP will continue to operate under Articles 9.1 and 9.2.

Heather

Heather M. Jacobs, QC
Deputy Minister and Deputy Attorney General (A)
Department of Justice and Public Safety
Government of Newfoundland and Labrador
4th Floor, East Block, Confederation Building
St. John’s, NL A1B 4J6
Telephone: (709) 729-2872
Fax: (709) 729-2129

Heather

From: Peter Clark [mailto:Peter.Clark@rcmp-grc.gc.ca]
Sent: Friday, November 04, 2016 3:24 PM
To: Jacobs, Heather
Subject: ARTICLE 9.1 and 9.2 PPSA - Muskrat Falls Protest

Heather
Further to our telephone conversation yesterday evening and again a few minutes ago.

As per my October 28, 2016 email (below) the RCMP reduced our resources in Muskrat Falls after protesters left the property.

The reductions have been gradual and today, we still maintain an enhanced presence at Happy Valley Goose Bay Detachment. As well there has continued to be a police presence at the Nalcor main gate.

In recent days we have determined that protester intend to renew their efforts.

I write to confirm today's discussion and shared understanding that the RCMP will continue to operate under the Article 9.1 and Article 9.2 letters executed earlier this month.

Please confirm receipt of this message.

Regards

Assistant Commissioner Peter Clark
Commanding Officer
'B' Division (NL)

Peter Clark, Assistant Commissioner
Commanding Officer
Royal Canadian Mounted Police
B Division (Newfoundland and Labrador)

From my mobile

>>> Peter Clark 28/10/2016 6:17:43 AM >>>
Heather & Paula

We are moving towards a return to our normal operational tempo. I take this opportunity to share with you an update and extend our appreciation for your many communications and availability over the past week, or so.

A more formal forecast of costs will be provided as part of our ongoing reporting, however some preliminary headcounts (to assist in understanding the order of magnitude) is included below.

Here are some bullets which summarize where we are now:

**NALCOR**
Information from Happy Valley Goose Bay Detachment indicates that Nalcor is preparing to resume operations. Any protesters in the vicinity are minimal and limited to cleaning up their camp site. Fuel, supplies and employees are freely coming and going from the gate, which was previously occupied by protesters. RCMP members and Nalcor have completed an examination of the occupied building and contracted security staff have assumed control of the main gate. No new reports of damage or missing property have been brought to my attention.

**HIGH SHERIFF**
The High Sheriff continues to locate and serve identified individuals. I am advised that the process is going well. RCMP has provided the info for those named in the contempt order list, except one individual whose we are working with the sheriff to identify. The RCMP remains available to assist / accompany the High Sheriff and his staff as they perform their duties. We are also able to transport a Sheriff to coastal communities via aircraft, if requested.

**RCMP**
Between Saturday, 2016-10-22, and Monday, 2016-10-24 an estimated 31(1)(a) RCMP members were deployed to assist the 25 members serving at Happy Valley Goose Bay Detachment. While it will take some time to receive and confirm expense claims, invoices and other costs, the deployment picture is as follows:
RCMP Resources Deployed:

- from BDiv including a police dog
- Federal Policing Resources from BDiv
- Federal Policing Analysts from BDiv
- uniform members from the island
- 25 members from Happy Valley Goose Bay Detachment, plus a police dog.

TOTAL

Other Contributions:
- Pilatus aircraft - multiple flights
- RCMP Tactical Truck / equipment platform - was driven to HVGB from St. John's, but not utilized
- A yet unspecified number of BDiv HQ human resources (ie. Division Communications, Emergency Operations Centre Staff, Criminal Operations etc)
- numerous PAL charter flights
- hotel accommodations, rental vehicles

Going forward, the RCMP is monitoring the tone and posture of the community and protesters (both in NL and beyond). Information indicates that the majority view the Muskrat Falls protest to have achieved its purpose and no further protests or action has been identified.

On this basis, we are proceeding with a plan to return human resources to their home unit / province. Some resources and equipment, however, will be held at HVGB as the RCMP requires an investigative capacity. Others will work shifts and allow sufficient rest periods before normal shift rotations return.

If you have any further questions, please give me a phone call.

peter

Peter Clark

Assistant Commissioner, Commanding Officer B Division
Royal Canadian Mounted Police / Government of Canada

Commissaire Adjoint, Commandant Division "B"
Royal Canadian Mounted Police / Gendarmerie royale du Canada

Tel: 709-772-5437 / Fax: 709-772-3139

This email and any attached files are intended for the sole use of the intended recipient(s) and may contain privileged and/or confidential information. If you received this email in error, please delete it immediately and notify the sender. The distribution, use or copying of this message and/or attachments is prohibited.
Draft response letter attached.
Charles

---

From: Gover, Aubrey
Sent: Friday, November 04, 2016 7:11 PM
To: Janes, Colleen G; Bown, Charles W.
Subject: FW: Response to Engineering Reports

Aubrey Gover
Deputy Minister
Labrador and Aboriginal Affairs Office
Government of Newfoundland and Labrador

This email is PRIVILEGED and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this email in error, please notify us immediately by return email and delete the original message.

---

From: Bert Pomeroy [mailto:bert.pomeroy@nunatsiavut.com]
Sent: Friday, November 04, 2016 7:10 PM
To: Premier,
Cc: Gover, Aubrey; Trimper, Perry; agupee@innu.ca; Johannes Lampe; Todd Russell; Darryl Shiwak; Carl McLean; Kashkuan Communications; grussell@nunatukavut.ca; Communications; Isabella Pain; Mercer, Rodney; Mercer, Greg
Subject: Response to Engineering Reports

Please see attached the response from the three Indigenous leaders on the independent assessments conducted on the engineering reports provided on Oct. 25, as well as copies of the assessments. The original signed response letter will be forward via regular mail.

Regards,
Bert Pomeroy
Director of Communications
Nunatsiavut Government
(709) 896-8582

This message (including any attachments) is intended only for the use of the individual or entity to which it is addressed and may contain information that is non-public, proprietary, privileged, confidential, and exempt from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication.
Dear President Lampe, Grand Chief Qupee, Mr. Russell:

RE: Muskrat Falls Project Impoundment

Thank you for your letter of November 4, 2016 and copies of your assessment reports respecting the timing and rationale for impoundment of the Muskrat Falls reservoir.

We have reviewed the independent assessment reports prepared by Shawn Clark of the University of Manitoba and Brian Morse of Laval University. It is acknowledged that both are in agreement with the requirement for impoundment to protect project assets against flooding of the site and that water levels should be raised as soon as possible to the level required to allow for installation of the ice boom.

To address the issues raised from the independent reviews, Nalcor will Hatch to use their knowledge, skills and tools to help minimize the amount and duration of the rise in water levels as suggested by your consultant. This will include active monitoring of conditions such as weather, water flow and ice through the Fall and Winter to inform whether the water level can be reduced and ensure that it is always kept at a minimum. Based on this assessment, Government will advise Nalcor that they may proceed with impoundment of the reservoir when in a position to do so.
The health and safety of Labradorians is the utmost priority in the ongoing construction and operation of the Muskrat Falls Project. We remain committed to the agreement we reached on October 26, 2016 and continued active communication between us all.

Sincerely,

DRAFT

SIOBHAN COADY, MHA
St. John’s West
Minister

c. Hon. Dwight Ball, Premier
Cutler, Rachelle

From: Bown, Charles W.
Sent: Friday, November 04, 2016 7:30 PM
To: Gover, Aubrey; Janes, Colleen G; Coady, Siobhan; Coffey, Bernard; ‘GilbertBennett@nalcorenergy.com’
Subject: RE: Response to Engineering Reports
Attachments: MF response re Impoundment reports.docx

Fixed a type-o. another copy attached

From: Bown, Charles W.
Sent: Friday, November 04, 2016 7:28 PM
To: Gover, Aubrey; Janes, Colleen G; Coady, Siobhan; Coffey, Bernard; GilbertBennett@nalcorenergy.com
Subject: RE: Response to Engineering Reports

Draft response letter attached.
Charles

From: Gover, Aubrey
Sent: Friday, November 04, 2016 7:11 PM
To: Janes, Colleen G; Bown, Charles W.
Subject: FW: Response to Engineering Reports

Aubrey Gover
Deputy Minister
Labrador and Aboriginal Affairs Office
Government of Newfoundland and Labrador

This email is PRIVILEGED and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this email in error, please notify us immediately by return email and delete the original message.

From: Bert Pomeroy [mailto:bert.pomeroy@nunatsiavut.com]
Sent: Friday, November 04, 2016 7:10 PM
To: Premier,
Cc: Gover, Aubrey; Trimper, Perry; aqupe@innu.ca; Johannes Lampe; Todd Russell; Darryl Shiwak; Carl McLean; Kashkuan Communications; grussell@nunatukavut.ca; Communications; Isabella Pain; Mercer, Rodney; Mercer, Greg
Subject: Response to Engineering Reports

Please see attached the response from the three Indigenous leaders on the independent assessments conducted on the engineering reports provided on Oct. 25, as well as copies of the assessments. The original signed response letter will be forward via regular mail.

Regards,
Bert Pomeroy
Director of Communications
Nunatsiavut Government
(709) 896-8582

This message (including any attachments) is intended only for the use of the individual or entity to which it is
addressed and may contain information that is non-public, proprietary, privileged, confidential, and exempt from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication.
DRAFT

President Johannes Lampe
Nunatsiavut Government
P. O. Box 70
Nain, NL A0P 1L0

Grand Chief Anastasia Qupee
Innu Nation
P.O. Box 119
Sheshatshiu, NL A0P 1M0

Mr. Todd Russell
President
NunatuKavut Community Council
P.O. Box 460, Station C
Happy Valley-Goose Bay, NL A0P 1C0

Dear President Lampe; Grand Chief Qupee; Mr. Russell:

RE: Muskrat Falls Project Impoundment

Thank you for your letter of November 4, 2016 and copies of your assessment reports respecting the timing and rationale for impoundment of the Muskrat Falls reservoir.

We have reviewed the independent assessment reports prepared by Shawn Clark of the University of Manitoba and Brian Morse of Laval University. It is acknowledged that both are in agreement with the requirement for impoundment to protect project assets against flooding of the site and that water levels should be raised as soon as possible to the level required to allow for installation of the ice boom.

To address the issues raised from the independent reviews, Nalcor will engage Hatch to use their knowledge, skills and tools to help minimize the amount and duration of the rise in water levels as suggested by your consultant. This will include active monitoring of conditions such as weather, water flow and ice through the Fall and Winter to inform whether the water level can be reduced and ensure that it is always kept at a minimum. Based on this assessment, Government will advise Nalcor that they may proceed with impoundment of the reservoir when in a position to do so.
The health and safety of Labradoreans is the utmost priority in the ongoing construction and operation of the Muskrat Falls Project. We remain committed to the agreement we reached on October 26, 2016 and continued active communication between us all.

Sincerely,

DRAFT

SIOBHAN COADY, MHA
St. John’s West
Minister

c. Hon. Dwight Ball, Premier
Bern, Any comments on text below? NR calling. Thanks, Paul

---

From: Carter, Paul  
Sent: Saturday, November 12, 2016 11:18 AM  
To: Coffey, Bernard  
Subject: KM's OC report

Bern, for your consideration. Text attached and inserted below. Paul

Natural Resources  
Muskrat Falls Oversight Committee  
November 14, 2016

Summary:
In early September, Telegram reporter Ashley Fitzpatrick asked for information regarding the expected release for next Oversight Committee report. The department informed Ashley that the report would be released by the end of October. What is the status of the report?

Key messages:
- The Oversight Committee continues to monitor the project, meets on a regular basis and receives detailed project updates from Nalcor officials.

- The Oversight Committee is currently reviewing the June 2016 cost and schedule and performance reporting and plans to release a report for the period between January 1st and September 30th in December 2016.

- Timing of this report coincides with the June 2016 re-baselining of project costs and schedule, Nalcor’s ongoing negotiations with Astaldi, the work disruption at the Muskrat Falls worksite in October due to methyl mercury protests, available information related to methyl mercury environmental monitoring, the Independent Experts Advisory Committee process and the 2.9 billion Federal Loan Guarantee and corresponding effects on project cost and schedule.
Bern, text below re committee report KM revised. Let me know if good and I will send along to NR.

Natural Resources
Muskrat Falls Oversight Committee
November 14, 2016

Summary:
In early September, Telegram reporter Ashley Fitzpatrick asked for information regarding the expected release for next Oversight Committee report. The department informed Ashley that the report would be released by the end of October. What is the status of the report?

Key messages:
- The Oversight Committee continues to monitor the project, meets on a regular basis and receives detailed project updates from Nalcor officials.

- The Oversight Committee is currently reviewing the June 2016 project budget performance reporting for the period ending September 30, 2016.

- Timing of the next oversight committee report will consider the June 2016 re-baselining of project costs and schedule, Nalcor’s ongoing negotiations with Astaldi, the work disruption at the Muskrat Falls worksite in October due to methyl mercury protests, available information related to methyl mercury environmental monitoring, the Independent Experts Advisory Committee process, the $2.9 billion Federal Loan Guarantee, and corresponding impacts of each of these on project cost and schedule.
Cutler, Rachelle

Subject: Muskrat Falls Oversight Committee Meeting
Location: Communications Boardroom, 10th Floor, East Block

Start: Tue 11/15/2016 9:00 AM
End: Tue 11/15/2016 11:00 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Coffey, Bernard
Required Attendees: Bown, Charles W.; Caines, Tina M; Carter, Paul; Earle, Beverly; Grandy, Cory; Khurana, Harman; Martin, Craig; Myrden, Paul; O’Neill, Andrea; Parsons, Walter; Pelletier, Randy; Quinlan, Krista

Importance: High

Materials will be available later this afternoon.
Hi Carolyn,
I am out of town on business and unable to attend tomorrow morning.

Cory

Sent from my BlackBerry 10 smartphone on the Bell network.

Please be advised that the materials for the Muskrat Falls Oversight Committee Meeting scheduled for Tuesday, November 15th, 2016 at 9:00 am is now available in the shared folder.

Thank you,

Carolyn Jarvis
Administrative Assistant to
Clerk of the Executive Council and
Secretary to Cabinet
Cabinet Secretariat, Executive Council
Phone: (709) 729-3490
Fax: (709) 729-5218
E-mail: carolynj@gov.nl.ca
<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
<td>Myrden, Paul</td>
</tr>
<tr>
<td>Sent:</td>
<td>Tuesday, November 15, 2016 8:36 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Coffey, Bernard</td>
</tr>
<tr>
<td>Subject:</td>
<td>Accepted: Muskrat Falls Oversight Committee Meeting</td>
</tr>
</tbody>
</table>
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Tuesday, November 15, 2016 5:50 PM
To: Caddell, Andrew; Cannizzaro, Michelle; Barfoot, Scott; Foote, Carla; Joyce, Luke
Subject: Fw: Press release: Quebec Government is considering reopening the Lower CF contract.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: DeanneFisher@nalcenergy.com
Sent: Tuesday, November 15, 2016 5:44 PM
To: Quinton, Diana
Subject: Fwd: Press release: Quebec Government is considering reopening the Lower CF contract.

Sent from my iPhone

Begin forwarded message:

From: "Chris Kieley" <ChrisKieley@nalcenergy.com>
Date: November 15, 2016 at 5:21:22 PM NST
To: "Peter Hickman" <PHickman@nalcenergy.com>, "Deanne Fisher" <DeanneFisher@nalcenergy.com>, "Michael Roberts" <MichaelRoberts@nalcenergy.com>, "Jim Keating" <JKeating@nalcenergy.com>
Subject: Fwd: Press release: Quebec Government is considering reopening the Lower CF contract.

FYI

This is a translation from Pascal of an article that was in La Presse today

Jim/Deanne

I assume Stan is aware of this or do you want me to bump this along to him.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Bern - FYI minutes from the October 6 OC meeting were posted on the website this morning. Thanks, Paul

From: Walsh, Doris A.
Sent: Wednesday, November 16, 2016 9:45 AM
To: Carter, Paul
Subject: RE: Muskrat Falls OC

Paul,
The minutes have been posted.

Doris

From: Carter, Paul
Sent: Tuesday, November 15, 2016 4:41 PM
To: Walsh, Doris A.
Subject: RE: Muskrat Falls OC

Doris, Corrected. Many thanks. You can let me know when posted. Kindest,
Paul

Paul Q. Carter
Executive Director – Muskrat Oversight Committee
Cabinet Secretariat, Executive Council
Government of Newfoundland and Labrador
PO Box 8700
St. John’s, NL
A1B 2Z8
Phone: 709-729-3681
Email: paulcarter@gov.nl.ca
Hi Charles,

I’m sending along the following note from the MF project team as a heads up in case you receive any inquiries. I understand that has also been some talk on social media this afternoon on this topic.

Yesterday there was an increased water level noticed in between the upstream and downstream cofferdams and additional pumps were brought on to deal with that situation. The pumps are doing their job and levels are back to normal. Our cofferdam experts inspected the cofferdam and noticed there was a slumping or sloughing in one area of the upstream face of the upstream cofferdam, at or around where the final closure point was. It is believed that this may have been the cause of the increased water level between the two cofferdams. We understand that this is a normal feature, when a cofferdam is first put under increased water levels on the upstream side and the pressure differential across the cofferdam is increased.

Our experts advise that the structure is safe and stable and they are working on a repair method. As a precautionary measure, individuals who were working in the area below the upstream cofferdam were asked to move. We took this action as a precautionary safety measure while the cofferdam while we had the expert review.

The leakage rate through the cofferdam is now back to flows as per design and that indicates that there may have been some initial increased leakage. The leakage seems to have been resealed. Today some further cofferdam crest surface cracks running north- south were noticed and our experts also inspected those and have indicated that they are normal and nothing to be concerned about.

Our experts advise that this is not outside of the ordinary when exposing a cofferdam to differential water levels for the first time, the cofferdam is stable and repairs will be carried out. However it does demonstrate that there are factors other than the installation/operation of the ice/log boom that are driving the need to raise levels passed the 21.5m level. The sooner we can gradually expose the cofferdam to water levels past the 21.5 m level the sooner we can be assured of the cofferdam construction and hence protection of the temporary and permanent assets. We may experience further issues and the available time before river conditions prevent rectification of such issues is almost spent.

Thanks
Karen
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Hi Charles,

I'm sending along the following note from the MF project team as a heads up in case you receive any inquiries. I understand that has also been some talk on social media this afternoon on this topic.

Yesterday there was an increased water level noticed in between the upstream and downstream cofferdams and additional pumps were brought on to deal with that situation. The pumps are doing their job and levels are back to normal. Our cofferdam experts inspected the cofferdam and noticed there was a slumping or sloughing in one area of the upstream face of the upstream cofferdam, at or around where the final closure point was. It is believed that this may have been the cause of the increased water level between the two cofferdams. We understand that this is a normal feature, when a cofferdam is first put under increased water levels on the upstream side and the pressure differential across the cofferdam is increased.

Our experts advise that the structure is safe and stable and they are working on a repair method. As a precautionary measure, individuals who were working in the area below the upstream cofferdam were asked to move. We took this action as a precautionary safety measure while the cofferdam while we had the expert review.
The leakage rate through the cofferdam is now back to flows as per design and that indicates that there may have been some initial increased leakage. The leakage seems to have been resealed. Today some further cofferdam crest surface cracks running north-south were noticed and our experts also inspected those and have indicated that they are normal and nothing to be concerned about.

Our experts advise that this is not outside of the ordinary when exposing a cofferdam to differential water levels for the first time, the cofferdam is stable and repairs will be carried out. However it does demonstrate that there are factors other than the installation/operation of the ice/log boom that are driving the need to raise levels passed the 21.5m level. The sooner we can gradually expose the cofferdam to water levels past the 21.5m level the sooner we can be assured of the cofferdam construction and hence protection of the temporary and permanent assets. We may experience further issues and the available time before river conditions prevent rectification of such issues is almost spent.

Thanks
Karen

Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project

t. 709.737.1427  c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Greg:

FYI.

Bern

-----Original Message-----
From: Jacobs, Heather
Sent: Wednesday, November 16, 2016 7:14 PM
To: Coffey, Bernard <BernardCoffey@gov.nl.ca>; Bown, Charles W. <cbown@gov.nl.ca>; Gover, Aubrey <aubreygover@gov.nl.ca>
Cc: Parsons, Andrew <AndrewParsons@gov.nl.ca>; Samms, John <JohnSamms@gov.nl.ca>; Walsh, Paula (Justice) <PaulaWalsh@gov.nl.ca>; Fowler, Robin <RobinFowler@gov.nl.ca>
Subject: Muskrat Falls

Bern, Charles and Aubrey,
Please see the below the query from the RCMP. At this time the CO is determining if a sustained police presence at Muskrat Falls is warranted. Any insight that I can share with the RMP would be appreciated.
Heather

-----Original Message-----
From: Jacobs, Heather
Sent: Wednesday, November 16, 2016 7:04 PM
To: 'Peter Clark'
Subject: RE: Muskrat Falls

Peter,
I will reach out to my contacts in government to determine if there are any plans / progress by either GNL or Nalcor to engage with the protesters regarding their concerns or enhance aspects of security at Muskrat Falls. Thanks.
Heather

-----Original Message-----
From: Peter Clark [mailto:Peter.Clark@rcmp-grc.gc.ca]
Sent: Wednesday, November 16, 2016 6:03 PM
To: Jacobs, Heather
Subject: Muskrat Falls

Hello Heather
By way of update, RCMP members continue their deployment in HVGB in response to the protest at Nalcor. Overall, the protest has been peaceful and generally absent violence or property damage. A review the continued police deployment is ongoing as police adjust our posture and deployment based on the public safety issues identified.

I am aware that the protesters are holding meetings, have organized and appear to have identified their leaders. Based on the information available to me, I am not aware of Nalcor engaging with the protesters or planning any outreach. Likewise, I am not aware of significant enhancements to the security footprint or plans to secure the facility.

There are other policing pressures in our province and, under the current circumstances, I will need to determine if a sustained police presence at Muskrat Falls is warranted.

I write to enquire if you are aware of any plans / progress by either GNL or Nalcor to engage with the protesters regarding their concerns or enhance aspects of security at Muskrat Falls.

Any insight you have in these issues, or others, will inform the RCMP strategy in the coming days and weeks.

Thanks in advance

Peter Clark, Assistant Commissioner
Commanding Officer
Royal Canadian Mounted Police
B Division (Newfoundland and Labrador)

From my mobile
If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Bern, Speaking materials for Nalcor Q3 update

From: Quinton, Diana
Sent: Tuesday, November 15, 2016 4:38 PM
To: Carter, Paul
Subject: Nalcor's Q3 material

FYI

From: MarkKing@nalcenergy.com [mailto:MarkKing@nalcenergy.com]
Sent: Tuesday, November 15, 2016 10:42 AM
To: Quinton, Diana
Cc: DeanneFisher@nalcenergy.com
Subject: Q3 material

Hi Diana, here is all the final material from Nalcor’s Q3 update.

- Report
- News Release
- Webcast deck
- Stan’s webcast speaking notes
- Q&As

I expect the recording of the webcast, including question session, will be uploaded to our website within the next couple of hours.

If you have any questions or need anything else, please let me know.

Regards,
Mark

Mark King
Shareholder & Government Relations
Corporate Communications & Shareholder Relations
Nalcor Energy
t. 709.733.5301  c. 709.725.6055
e. MarkKing@nalcenergy.com
w. nalcenergy.com
Nalcor reports financial results for third quarter

November 14, 2016, St. John’s, NL – Nalcor Energy released its financial results update for the third quarter (ended September 30, 2016).

“Nalcor’s financial position to the end of the third quarter 2016 is very sound. Construction of the Muskrat Falls Project did suffer a major disruption in October due to protests. We are focused on getting back on track and completing as much work as possible before the onset of winter. We remain committed to executing the construction of the project in an effective and responsible manner in the interest of ratepayers and all residents of Newfoundland and Labrador.”
— Stan Marshall, CEO

Third Quarter Highlights

- $37.5 million profit for the quarter, an increase of $38.7 million over the same period in 2015.
- Year-to-date profit of $73.9 million, an increase of $53.6 million over the same period in 2015.
- YTD operating profit of $80.9 for the quarter, an increase over the same period in 2015 of $60.6 million.
- YTD capital expenditures (excluding the Maritime Link) were approximately $2.0 billion, an increase of $271.5 million over the same period in 2015.
- Total assets grew by $1.4 billion during the first three quarters of 2016 to $13.7 billion.

Third Quarter Earnings and Capital Expenditures

Profit for the three months ended September 30, 2016 was $37.5 million, compared to a $1.2 million loss for the same period in 2015. This increase was driven largely by higher oil production and reduced operating costs, partially offset by lower commodity prices and higher expenses related to depreciation, depletion and amortization.

Year-to-date profit to September 30, 2016 was $73.9 million, compared to $20.3 million for the same period in 2015, an increase of $53.6 million, attributable mainly to interim rates in Hydro Regulated, higher oil production, reduced operating costs and favourable settlement on forward exchange contracts. These increases were partially offset by lower commodity prices, higher combustion turbine fuel, increased oil production costs and higher depreciation, depletion and amortization. Operating profit year-to-date 2016 of $80.9 million was $7.0 million higher than year-to-date profit due to a prudence order adjustment in Hydro Regulated in the first quarter of 2016.
Capital expenditures (excluding the Maritime Link) for the three and nine months ended September 30, 2016 totaled approximately $0.9 billion and $2.0 billion, respectively. The increase in capital expenditures is mainly a result of the ongoing Lower Churchill Project. Forecasted total capital expenditures for 2016 are $2.9 billion (excluding the Maritime Link).

Total assets also continued to grow, up $1.4 billion year-to-date to $13.7 billion as at September 30, 2016. The company’s Statement of Financial Position remains strong, with a debt to equity ratio of 61.5 per cent as at the end of the third quarter.

Other Recent Developments

Hydro is awaiting a final General Rate Application (GRA) order from the Public Utilities Board in response to Hydro’s filing of final arguments during the first quarter of 2016. An order is anticipated before the end of the year, and the outcome of this application may have a significant financial impact for Hydro Regulated in 2016.

During the quarter, Churchill Falls’ 1969 Power Contract with Hydro-Québec expired. A Renewal Contract commenced on September 1, 2016 that provides for the sale of Continuous Energy from Churchill Falls to Hydro-Québec through to August 31, 2041 and results in a difference between energy billed and energy delivered for the quarter and year-to-date 2016 results.

In the Oil and Gas business, Nalcor continues to advance its multi-year offshore exploration strategy. During the quarter, the results of a resource assessment of the 2016 license round in the West Orphan Basin were publicly released and the 2016 2D seismic programs reached 80% planned acquisition. On November 9, the Canada-Newfoundland and Labrador Offshore Petroleum Board announced the results of bid calls for the Eastern Newfoundland Region and the Jeanne d’Arc Region, with a total work commitment of close to $758 million.

In August 2016, the Bull Arm Fabrication sublease with ExxonMobil Canada Properties was extended for an additional year, to March 7, 2018.

On November 3, 2016, the Government of Canada announced a commitment to provide additional loan guarantees of up to $2.9 billion to support additional borrowings for the components of the Lower Churchill projects led by Nalcor. The specific conditions of this support will be finalized by Canada, the Government of Newfoundland and Labrador and Nalcor in the near future.

Nalcor’s third quarter webcast will take place today at 11:00 a.m. NST. A copy of the quarterly report and a recording of the webcast will be available at www.nalcorenergy.com.

Nalcor Energy’s business includes the development, generation, transmission and sale of electricity; the exploration, development, production and sale of oil and gas; industrial fabrication and energy marketing. Focused on sustainable growth, the company is leading the
development of the province's energy resources and has a corporate-wide framework which facilitates the prudent management of its assets while continuing an unwavering focus on the safety of its workers and the public. Nalcor has six lines of business: Newfoundland and Labrador Hydro, Churchill Falls, Oil and Gas, Lower Churchill Project, Bull Arm Fabrication and Energy Marketing.

Media Contact:
Deanne Fisher
Corporate Communications and Stakeholder Engagement
t: 709.733.5299
c: 709.697.3418
e: deannefisher@nalcorenergy.com
Key Highlights

For the period ended September 30 (millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (millions of dollars)</td>
<td>154.1</td>
<td>129.7</td>
<td>123.6</td>
<td>596.7</td>
<td>591.8</td>
<td>589.8</td>
</tr>
<tr>
<td>Profit (loss) (millions of dollars)</td>
<td>37.5</td>
<td>(1.2)</td>
<td>(2.2)</td>
<td>73.9</td>
<td>20.3</td>
<td>45.1</td>
</tr>
<tr>
<td>Operating profit (loss) (millions of dollars)¹</td>
<td>37.5</td>
<td>(1.2)</td>
<td>(2.2)</td>
<td>80.9</td>
<td>20.3</td>
<td>45.1</td>
</tr>
<tr>
<td>Funds from operations (FFO) (millions of dollars)¹</td>
<td>74.5</td>
<td>23.5</td>
<td>20.0</td>
<td>183.3</td>
<td>93.3</td>
<td>119.3</td>
</tr>
<tr>
<td>Earnings before interest, taxes, depreciation, depletion, amortization and accretion (EBITDA) (millions of dollars)¹</td>
<td>89.9</td>
<td>39.0</td>
<td>34.8</td>
<td>230.0</td>
<td>140.2</td>
<td>167.1</td>
</tr>
<tr>
<td>Return on capital employed (ROCE)²</td>
<td></td>
<td></td>
<td></td>
<td>6.65%</td>
<td>3.19%</td>
<td>5.44%</td>
</tr>
<tr>
<td>Capital expenditures (millions of dollars)</td>
<td>1,032.5</td>
<td>801.1</td>
<td>598.0</td>
<td>2,411.4</td>
<td>2,004.0</td>
<td>1,345.0</td>
</tr>
<tr>
<td>Oil production (bbls)</td>
<td>659,992</td>
<td>104,153</td>
<td>117,741</td>
<td>1,493,586</td>
<td>299,035</td>
<td>544,604</td>
</tr>
<tr>
<td>Realized oil price (CAD/bbl)</td>
<td>61.51</td>
<td>86.47</td>
<td>113.11</td>
<td>61.12</td>
<td>91.72</td>
<td>119.40</td>
</tr>
<tr>
<td>Electricity sales (GWh):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>1,298</td>
<td>1,300</td>
<td>1,226</td>
<td>5,658</td>
<td>5,839</td>
<td>5,635</td>
</tr>
<tr>
<td>Export – Hydro Québec (billed)</td>
<td>5,857</td>
<td>4,586</td>
<td>4,197</td>
<td>20,693</td>
<td>20,593</td>
<td>19,222</td>
</tr>
<tr>
<td>Export – other markets</td>
<td>500</td>
<td>495</td>
<td>534</td>
<td>1,249</td>
<td>1,195</td>
<td>1,203</td>
</tr>
<tr>
<td>Realized electricity price – Other Export Markets (CAD/MWh)</td>
<td>35.09</td>
<td>34.20</td>
<td>32.42</td>
<td>29.07</td>
<td>37.66</td>
<td>45.88</td>
</tr>
</tbody>
</table>

As at

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
<th>December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (millions of dollars)</td>
<td>13,695.9</td>
<td>12,321.7</td>
<td>10,643.1</td>
</tr>
<tr>
<td>Capital assets, net (millions of dollars)</td>
<td>10,645.6</td>
<td>8,317.6</td>
<td>5,658.8</td>
</tr>
<tr>
<td>Long-term debt (net of sinking funds) (millions of dollars)</td>
<td>5,873.3</td>
<td>6,008.1</td>
<td>6,240.5</td>
</tr>
<tr>
<td>Shareholder’s equity (millions of dollars)</td>
<td>4,025.9</td>
<td>3,455.6</td>
<td>2,722.0</td>
</tr>
<tr>
<td>Debt to capital</td>
<td>61.5%</td>
<td>64.6%</td>
<td>69.3%</td>
</tr>
</tbody>
</table>

¹See Section 8 - Non-GAAP Financial Measures
²Rolling 12 month average

---

Financial Overview

- Profit for the quarter increased $38.7 million compared to the same period in 2015. This increase is primarily due to higher oil production and reduced operating costs. These increases to profit were partially offset by lower commodity prices and higher depreciation, depletion and amortization expense.
- Year-to-date profit increased by $53.6 million compared to the same period in 2015, largely due to interim rates in Hydro Regulated, higher oil production, reduced operating costs and favourable settlement on forward exchange contracts. These increases to profit were partially offset by lower commodity prices, higher combustion turbine fuel, increased oil production costs and higher depreciation, depletion and amortization.
- Operating profit year-to-date 2016 was $7.0 million higher than year-to-date profit for 2016 due to a $7.0 million prudence order adjustment which occurred in Q1 2016.
- Continued execution of Nalcor’s capital plan. Capital expenditures, excluding Maritime Link, for the period totaled $2.0 billion, a 17.6% increase over the same period in 2015 primarily related to the Lower Churchill Project.
- Total assets continue to grow; $13.7 billion as at September 30, 2016, an increase of $1.4 billion over December 31, 2015 primarily due to capital expenditures associated with the Lower Churchill Project.
- FFO year-to-date was $183.3 million, an improvement of $90.0 million compared to the same period in 2015 primarily due to higher operating profit, as well as increased depreciation, depletion and amortization.
- EBITDA year-to-date was $230.0 million, an improvement of $89.8 million compared to the same period in 2015, primarily due to higher operating profit, as well as increased depreciation, depletion and amortization.
Our vision is to build a strong economic future for successive generations of Newfoundlanders and Labradorians.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 1: CORPORATE OVERVIEW

Nalcor Energy (Nalcor or the Company) is a Crown corporation established in 2007 under a special act of the Legislature of the Province of Newfoundland and Labrador (the Province). Nalcor’s business includes the development, generation, transmission and sale of electricity; the exploration, development, production and sale of oil and gas; energy marketing; and, industrial fabrication site management. Nalcor’s legal structure as at September 30, 2016 included the entities listed below:

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Description of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland and Labrador Hydro (Hydro)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Nalcor Energy - Oil and Gas Inc. (Oil and Gas)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Nalcor Energy – Bull Arm Fabrication Inc. (Bull Arm Fabrication)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Nalcor Energy Marketing Corporation (Energy Marketing)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Muskrat Falls Corporation (Muskrat Falls)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Labrador Transmission Corporation (Labrador Transco)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Labrador-Island Link Holding Corporation (LIL Holdco)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Labrador-Island Link General Partner Corporation (LIL LP)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Labrador-Island Link Operating Corporation (LIL OpCo)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Lower Churchill Management Corporation (LCMC)</td>
<td>Wholly owned subsidiary</td>
</tr>
<tr>
<td>Churchill Falls (Labrador) Corporation Limited (Churchill Falls)</td>
<td>65.8% owned joint operation of Hydro</td>
</tr>
<tr>
<td>Twin Falls Power Corporation Limited (Twin Falls)</td>
<td>33.3% owned joint venture of Churchill Falls</td>
</tr>
<tr>
<td>Labrador-Island Link Limited Partnership (LIL LP)</td>
<td>Limited partnership in which Nalcor, through LIL Holdco, owns</td>
</tr>
<tr>
<td>Gull Island Power Corporation (GiPco)</td>
<td>100% of the 75 Class A limited partnership units</td>
</tr>
<tr>
<td>Lower Churchill Development Corporation (LCDC)</td>
<td>51% owned subsidiary (inactive)</td>
</tr>
</tbody>
</table>

Nalcor is leading the development of the province’s energy resources and has a corporate-wide framework that facilitates the prudent management of its assets while continuing an unwavering focus on the safety of its employees, contractors and the public.

Nalcor has segregated its business into seven reporting segments. Segregation of business segments allows Management to evaluate operational performance and assess the overall contribution of each segment to Nalcor’s long-term objectives. The designation of segments has been based on a combination of regulatory status and management accountability. The following summary provides a brief overview of the nature of the operations included in each of the Company’s business segments.

1. **Hydro Regulated** generates, transmits and distributes electricity to customers within Newfoundland and Labrador.
2. **Churchill Falls** owns and operates the Churchill Falls Generating Station, one of the largest power generation plants in the world.
3. **Oil and Gas** holds and manages both onshore and offshore oil and gas interests and conducts exploration in Newfoundland and Labrador.
4. **Energy Marketing** markets and trades the province’s surplus energy in markets in Canada and the United States (US).
5. **Bull Arm Fabrication** consists of an industrial fabrication site which is currently leased for a major construction project.
6. **Phase 1 Lower Churchill Project** (Lower Churchill Project, LCP) includes construction of the Muskrat Falls hydroelectric plant, the Labrador Transmission Assets, the Labrador-Island Link and the Maritime Link between the island of Newfoundland and Nova Scotia.
7. **Corporate and Other Activities** encompasses corporate support functions, shared services, business development activities and certain development projects not yet sanctioned, including Phase 2 of the Lower Churchill Project (Gull Island).

Nalcor maintains appropriate systems of internal control, policies and procedures which provide Management with reasonable assurance that assets are safeguarded and its financial information is reliable. The following discussion and analysis is the responsibility of Management, has been approved by the Board of Directors, and is as at November 10, 2016.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of Nalcor for the three and nine months ended September 30, 2016 and Nalcor’s annual audited consolidated financial statements for the year ended December 31, 2015.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Basis of Presentation
Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

All financial information is reported in Canadian dollars (CAD), unless otherwise noted.

Non-GAAP Financial Measures
Certain financial measures in this MD&A are not prescribed by IFRS as contained within Part I of the Chartered Professional Accountants of Canada Handbook. These non-generally accepted accounting principles (Non-GAAP) financial measures are defined in Section 8 - Non-GAAP Financial Measures.

Forward-Looking Information
Certain statements in this MD&A are forward-looking statements, based on Nalcor’s current expectations, estimates, projections and assumptions, which are subject to risks and uncertainties. Statements containing words such as “could”, “expect”, “may”, “anticipate”, “believe”, “intend”, “estimate”, “plan” and similar expressions constitute forward-looking statements. By their nature, forward-looking statements require Management to make assumptions and are subject to important unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. While Management considers these assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. Nalcor assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.

SECTION 2: SIGNIFICANT ITEMS AND RECENT DEVELOPMENTS

SIGNIFICANT ITEMS

Key Profit Drivers
Key profit drivers vary across each of Nalcor’s seven business segments as there is a combination of regulated operations, operations with long-term and medium-term supply contracts and operations in markets where revenues are driven entirely by commodity prices (electricity and oil). In addition to the effect that oil prices have on Oil and Gas’ operations, Oil and Gas may incur impairment expenses and future reversal of such expenses due to the nature of oil price fluctuations. Any impairment expense or reversal of such expense is reflected in Nalcor’s results, and can lead to large fluctuations in profit or loss between financial reporting periods. Also, in the case of the Oil and Gas segment, cash flow and results of operations are significantly influenced by oil production levels in offshore developments in which Nalcor holds equity interests. As a result, it is necessary to consider the underlying key profit drivers and performance of each business segment to understand Nalcor’s consolidated performance.

Nalcor profitability is also impacted by exchange rate fluctuations for a number of foreign currencies, the most significant being the CAD/United States Dollar (USD) exchange rate. Nearly all revenue generated by the Oil and Gas, Energy Marketing and Bull Arm business segments are denominated in USD. Volatility is partially mitigated through USD hedging. However, in general, any fluctuations in the USD exchange rate have a direct impact on Nalcor’s profit. Various expenses, capital expenditures and Statement of Financial Position balances include amounts denominated in USD, particularly Hydro’s fuel purchases for the Holyrood Thermal Generating Station (HTGS). Cost variances for these fuel purchases as a result of exchange rate fluctuations are captured in the Rate Stabilization Plan (RSP) and do not impact Nalcor’s profit. The average exchange rate for the first nine months of 2016 was $1.31 CAD per USD as compared to $1.33 CAD per USD for the same period in 2015, before the impact of Nalcor’s foreign exchange hedging program.

Hydro Regulated is regulated by the Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) and operates under a cost of service regulation, whereby it is entitled to the opportunity to recover, through customer rates, all reasonable and prudent costs incurred in providing electricity service to its customers, in addition to a just and reasonable return on rate base, in accordance with Section 80 of the Public Utilities Act. Failure to obtain acceptable rate orders on a timely basis as applied for may adversely affect the profit of Hydro Regulated.
Nalcor’s total assets and regulatory deferrals as at September 30, 2016 were $13.7 billion, an increase of $1.4 billion from December 31, 2015. The composition of the Company’s assets as at September 30, 2016 included property, plant and equipment of $10.6 billion (December 31, 2015 - $8.3 billion), investments and restricted cash from the proceeds of the Lower Churchill Project financing of $2.0 billion (December 31, 2015 - $3.0 billion), and other assets and regulatory deferrals totaling $1.1 billion (December 31, 2015 - $1.0 billion). The change in assets during 2016 was primarily the result of capital expenditures related to the Lower Churchill Project, offset by a reduction in investments and restricted cash used to fund these expenditures. Additional details on Nalcor’s capital expenditures are provided in Section 5 - Liquidity and Capital Resources.

Q3 2016 Profit
Nalcor’s profit for the three months ended September 30, 2016 was $37.5 million and $73.9 million year-to-date, an increase of $38.7 million for the quarter and $53.6 million year-to-date compared to 2015.

Hydro Regulated’s $3.1 million profit for the third quarter of 2016 is greater than the 2015 third quarter loss of $10.1 million, by $13.2 million. This is primarily due to reduced operating costs. Hydro’s $2.7 million year-to-date loss is less than the 2015 year-to-date loss of $32.4 million, an increase of $29.7 million. This is primarily due to reduced operating costs and revenue from interim rates, offset by higher costs associated with combustion turbine fuel and adjustments related to the Prudence Order.

Churchill Falls’ profit was $1.8 million higher for the quarter as compared to the same period in 2015 resulting primarily from higher energy sales combined with lower operating costs and lower asset removal costs, partially offset by higher depreciation expense. Churchill Falls’ profit was $1.2 million lower year-to-date as compared to the same period in 2015 primarily due to lower energy sales and higher depreciation expense, partially offset by lower asset disposal costs.

In the Oil and Gas segment, higher production volumes at Hibernia South Extension (HSE) were the primary driver for increased profit for the quarter of $18.2 million and $27.0 million year-to-date, partially offset by lower oil prices, increased production costs and depletion expense.

Energy Marketing experienced an increase in profit for the quarter of $2.4 million, primarily due to increased revenue associated with higher export market prices and favourable foreign exchange fluctuations, partially offset by the absence of commodity contracts during
the quarter. The $5.9 million decrease in Energy Marketing’s profit year-to-date was primarily due to a decrease in export market prices partially offset by realized gains on congestion contracts and favourable foreign exchange fluctuations.

Profit in Bull Arm increased $0.9 million for the quarter and $2.1 million year-to-date over the same period in 2015 due to higher realized foreign exchange rates on USD.

A detailed discussion of the performance of each of Nalcor’s segments is contained in Section 4 - Segmented Results and Analysis.

HYDRO REGULATED

General Rate Application
Hydro filed a General Rate Application (GRA) in July 2013, using a 2013 test year, requesting a rate adjustment effective January 1, 2014. Due to the length of time the GRA process required and the delay in obtaining a rate change, in November 2014 Hydro filed an amended GRA based on 2014 and 2015 Test Years. The amended GRA filing requested new rates for Industrial Customers (IC) effective January 1, 2015 and the remainder of customer rates effective February 1, 2015.

The public hearing of Hydro’s GRA concluded at the end of November, 2015. The PUB approved interim rates effective July 1, 2015. Final arguments were filed at the end of January, 2016 and Hydro is now awaiting the PUB’s final GRA order. Regulatory risk remains until the PUB provides its final GRA order, which is anticipated in the fourth quarter of 2016.

Prudence Review
In 2015, the PUB informed Hydro that they would be conducting a “prudence” review of certain Hydro expenditures as part of the PUB’s review of Hydro’s GRA. The review addressed issues that were initially part of an investigation and hearing into supply issues and power outages on the Island interconnected system (the Supply Outage inquiry), as well as outstanding rate base and cost recovery requests.

On April 28, 2016, Hydro received Order No. P.U. 13 (2016) which outlines the results of a Prudence Review of certain projects and expenditures of Hydro. Hydro has recorded its best estimate of the impact of the Prudence Review in its financial results, based upon Management’s initial interpretation of the Order. Hydro filed its compliance application with the PUB on May 25, 2016. The PUB’s financial consultants have completed their report on Hydro’s compliance application and found Hydro in compliance with the Prudence Order. Additional adjustments may be required after the PUB release of the final GRA order in the fourth quarter of 2016.

Standby Fuel Deferral
On June 22, 2016, the PUB issued Order No. P.U. 24 (2016) which denied Hydro’s requested deferral of 2016 Standby fuel costs as a result of an increase in combustion turbine generation. Currently, Hydro has no approved deferral mechanism to recover additional CT fuel consumed in the provision of service to customers. However, the majority of the additional fuel costs that would have been recovered through the proposed 2016 Standby Fuel Deferral may be approved for recovery if the PUB approves the proposed Energy Supply Cost Variance Deferral Account, as requested in Hydro’s General Rate Application. At the end of the third quarter, this amount would have been $19.0 million.

RSP Surplus Refund
In July 2016, Hydro filed an application with the PUB for approval of a plan to refund the balance in the RSP Surplus to Newfoundland Power and Hydro’s Island Interconnected Rural customers. Newfoundland Power also filed an application to refund their portion of the RSP Surplus balance to their customers. The RSP Surplus to be refunded is approximately $140.0 million. The PUB has approved both applications. The timing of disposition is expected in late 2016 or early 2017.

Supplemental Capital
Hydro filed seven supplemental capital applications in 2016. The largest related to the replacement of lower reheater boiler tubes on Units 1 and 2 of the HTGS for $11.8 million. All applications have been approved by the PUB.
In October, Hydro identified two additional unforeseen capital projects, one related to the Bay d’Espoir Penstock in the amount of $12.9 million and a project that resulted from damage sustained from Hurricane Matthew, Bay d’Espoir Access Roads Refurbishment of $4.6 million.

**Other Regulatory Activity**
The Phase Two investigation and hearing into supply issues and power outages on the Island Interconnected System is ongoing. The focus of this proceeding is the interconnection with Muskrat Falls on the reliability and adequacy of the Island Interconnected System. The schedule for the proceeding has not yet been finalized and the timing of the hearing has not been determined.

**CHURCHILL FALLS**
The 1969 Power Contract expired August 31, 2016. A Renewal Contract commenced September 1, 2016 that provides for the sale of Continuous Energy from Churchill Falls to Hydro-Québec and expires August 31, 2041. The Renewal Contract and Continuous Energy result in a difference between energy billed versus energy delivered for the quarter and year-to-date 2016 results.

In August 2016, Churchill Falls received judgment from the Québec Court of Appeal upholding the 2014 Québec Superior Court ruling on the motion filed by Churchill Falls to address the inequities of the pricing terms of the 1969 Power Contract between Churchill Falls and Hydro-Québec. The Court ruled against Churchill Falls and the ruling requires Churchill Falls to pay court costs of $1.4 million to Hydro-Québec. Churchill Falls has filed an Application for Leave to Appeal with the Supreme Court of Canada.

In addition, Churchill Falls received judgment from the Québec Superior Court regarding a Motion for Declaratory Judgment filed by Hydro-Québec relating to the interpretation of the 1969 Power Contract between Churchill Falls and Hydro-Québec and the associated Renewal Contract, which commenced September 1, 2016. The Court ruled in favour of Hydro-Québec and the ruling requires Churchill Falls to pay costs of $0.5 million to Hydro-Québec. Churchill Falls has filed a Notice of Appeal with the Québec Court of Appeal.

As a result of the sub-lease between Twin Falls and Churchill Falls regarding the right to develop hydroelectric power on the Unknown River expiring, a further sub-lease was signed between Hydro, Churchill Falls and Twin Falls, naming Hydro as the lessee of the transmission lines and related assets. The lease term was originally for a six-month period but has been subsequently extended until December 31, 2016.

**OIL AND GAS**
Drilling at the White Rose field continued in Q3 2016 with the Henry Goodrich drill rig, including the completion of the North Amethyst producer in the Hibernia formation and the continuation of the South White Rose Extension scope.

At HSE, drilling and completion operations continue on the remaining subsea water injectors to support production from new and existing oil producers. This scope includes two Unit BNA subsea water injectors completed in Q3, and additional reservoir injectors to be drilled in Q4.

During the quarter, the resource assessment of the 2016 license round in the West Orphan Basin was completed in collaboration with Beicip Franlab in Paris, France. Results were publicly announced in early August, well in advance of the closing of the 2016 Call for Bids in November as part of the Schedule Land Tenure System. Also in Q3, acquisition of data for the 2016 2D seismic programs continued with approximately 80% of planned acquisition completed by the end of the quarter. This year’s program targets areas within the South Coast, Orphan Basin and Labrador regions of Newfoundland and Labrador’s offshore. The data acquisition phase of the 2016 sea bed coring program was also conducted during the quarter, and the geochemical analysis phase will commence in Q4 and continue through Q1 2017. These programs will provide the data to inform the scientific assessment of oil and gas resource potential in future frontier license round areas.

**BULL ARM FABRICATION**
On August 31, 2016, the existing sublease between ExxonMobil Canada Properties and Bull Arm Fabrication for the use of the Bull Arm Fabrication site and assets was extended for one-year. The new termination date of the sublease is March 7, 2018.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 3: CONSOLIDATED FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT AND COMPREHENSIVE INCOME HIGHLIGHTS

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Variance</th>
<th>Nine months ended</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>154.1</td>
<td>129.7</td>
<td>24.4</td>
<td>596.7</td>
</tr>
<tr>
<td>Fuels</td>
<td>17.4</td>
<td>20.3</td>
<td>2.9</td>
<td>117.6</td>
</tr>
<tr>
<td>Power purchased</td>
<td>13.5</td>
<td>13.1</td>
<td>(0.4)</td>
<td>46.4</td>
</tr>
<tr>
<td>Operating costs</td>
<td>53.1</td>
<td>67.3</td>
<td>14.2</td>
<td>171.6</td>
</tr>
<tr>
<td>Production Costs</td>
<td>6.3</td>
<td>4.0</td>
<td>(2.3)</td>
<td>17.8</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>35.2</td>
<td>23.3</td>
<td>(11.9)</td>
<td>96.7</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
<td>18.3</td>
<td>18.0</td>
<td>(0.3)</td>
<td>55.8</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>0.6</td>
<td>1.2</td>
<td>1.8</td>
<td>(9.0)</td>
</tr>
<tr>
<td>Other income expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of loss of joint arrangement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Profit (loss) before regulatory adjustments</td>
<td>10.9</td>
<td>(17.8)</td>
<td>28.7</td>
<td>99.6</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>(26.6)</td>
<td>(16.6)</td>
<td>10.0</td>
<td>25.7</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>37.5</td>
<td>(1.2)</td>
<td>38.7</td>
<td>73.9</td>
</tr>
<tr>
<td>Other comprehensive income (loss) for the period</td>
<td>1.1</td>
<td>(0.3)</td>
<td>1.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Total comprehensive income (loss) for the period</td>
<td>38.6</td>
<td>(1.5)</td>
<td>40.1</td>
<td>79.7</td>
</tr>
</tbody>
</table>

Non-GAAP Operating Profit (Loss) Disclosure
Reconciliation of Nalcor’s profit (loss) to operating profit (loss) for the three and nine months ended September 30 is as follows:

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Variance</th>
<th>Nine months ended</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (loss) for the period</td>
<td>37.5</td>
<td>(1.2)</td>
<td>38.7</td>
<td>73.9</td>
</tr>
<tr>
<td>Prudence Order adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7.0</td>
</tr>
<tr>
<td>Operating profit (loss) for the period</td>
<td>37.5</td>
<td>(1.2)</td>
<td>38.7</td>
<td>80.9</td>
</tr>
</tbody>
</table>

Revenue
The increase in revenue for the quarter was primarily due to an increase in Oil and Gas revenues due to increased HSE production volumes, offset partially by decreases in Hydro revenues resulting from customer rate reductions associated with normal operation of the RSP.

The increase in revenue year-to-date was due primarily to increased HSE production volumes in Oil and Gas, partially offset by customer rate reductions associated with normal operation of the RSP and lower utility sales in Hydro, and lower revenue in Energy marketing caused by lower prices on export electricity sales. The impact of decreased revenue related to the RSP and lower utility sales is primarily offset in the regulatory adjustments line.

Fuels
The decrease in fuel costs for the quarter and year-to-date was primarily due to a lower price per barrel of No. 6 fuel as a result of lower oil prices. The majority of this variance is offset through the RSP in the regulatory adjustments line. The decrease on a year-to-date basis is partially offset by increased combustion turbine fuel costs related to the operation of the Holyrood Combustion Turbine (CT).

Power purchased
The increase in power purchased for the quarter was due to increased wind production compared to the same quarter in the prior year, while power purchased year-to-date was comparable to the same period in 2015.

Operating costs
The decrease in operating costs for the quarter and year-to-date is primarily due to lower salaries and benefits expense, professional
fees, system equipment maintenance and equipment rentals.

Production costs
The increase in production costs for the quarter and year-to-date was primarily due to an increase in oil production volumes and project operating costs.

Depreciation, depletion and amortization
The increase in depreciation, depletion and amortization for the quarter and year-to-date was primarily due to an increase in depletion associated with higher HSE production volumes as well as increased levels of investment in property, plant and equipment.

Exploration and evaluation
The decrease in exploration and evaluation for the quarter and year-to-date relates to the timing of expenses related to two government-sponsored programs, the Petroleum Exploration Enhancement Program and the Offshore Geoscience Data Program.

Net finance (income) expense
The unfavourable variance in net finance (income) expense for the quarter and year-to-date was primarily related to increased accretion associated with higher estimated decommissioning liabilities in Oil and Gas.

Other (income) expense
The favourable variance in other (income) expense for the quarter was primarily due to favourable mark-to-market on commodity swaps, favourable variance on the settlement of foreign exchange forward contracts, reduced costs associated with asset disposals, and favourable foreign exchange. Offsetting this favourable variance were lower gains on the settlement of commodity swaps and unfavourable mark-to-market on foreign exchange forward contracts.

The favourable variance in other (income) expense year-to-date was largely a result of favourable mark-to-market on foreign exchange forward contracts and commodity swaps, favourable variance on the settlement of foreign exchange forward contracts, and a reduction in asset disposal costs. Partially offsetting this variance were lower gains on the settlement of commodity swaps and unfavourable foreign exchange.

Regulatory adjustments
Regulatory adjustments for the quarter were favourable primarily due to RSP amortization and adjustment to rural rates, partially offset by RSP interest. Year-to-date, regulatory adjustments were favourable primarily due to RSP amortization and adjustments to rural rates, partially offset by higher deferred fuel costs as a result of the normal operation of the RSP, an allowance for prudence order adjustments and RSP interest.
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS**

Significant changes in the Consolidated Statement of Financial Position between September 30, 2016 and December 31, 2015 include:

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Increase (Decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>(13.1)</td>
<td>Decreased due to LCP funding activity from cash held in accounts administered by the Collateral Agent. The balance of these accounts vary on a monthly basis as cash is drawn down to fund construction costs and replenished with monthly funding requests.</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>(71.5)</td>
<td>Decreased due to redemptions and reclassifications of structured deposit notes to restricted cash related to LCP, partially offset by additions in Churchill Falls.</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>(773.3)</td>
<td>Decreased due primarily to a decrease in contractor advances, a decrease in the receivable from Newfoundland Power in Hydro Regulated as a result of decreased kWh usage due to seasonal variations as well as a decrease in the RSP adjustment in Hydro.</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(52.3)</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>15.2</td>
<td>Increased primarily due to an increase in the Hebron prepayments balance.</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,328.0</td>
<td>Increased primarily due to capital expenditures related to LCP, Oil and Gas and additions to the Maritime Link; less depreciation and depletion.</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>15.8</td>
<td>Increased primarily as a result of Oil and Gas seismic acquisition, less amortization.</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>(90.6)</td>
<td>Decreased as a result of amounts maturing within one year.</td>
</tr>
<tr>
<td>Sinking funds</td>
<td>27.5</td>
<td>Increased primarily due to contributions, earnings and favourable mark-to-market adjustments of Hydro's sinking funds. See Note 6 - unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.</td>
</tr>
</tbody>
</table>

**LIABILITIES AND EQUITY**

<table>
<thead>
<tr>
<th>Liabilities and Equity</th>
<th>Increase (Decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>21.0</td>
<td>Increased due to an increase in promissory notes in Hydro, based on funding requirements.</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>243.0</td>
<td>Increased primarily due to increased capital accruals related to construction costs for LCP and Hydro.</td>
</tr>
<tr>
<td>Class B limited partnership units</td>
<td>118.0</td>
<td>Increased due to contributions of $101.8 million and interest of $16.2 million on the Class B limited partnership units.</td>
</tr>
<tr>
<td>Deferred credits (current and long-term)</td>
<td>396.8</td>
<td>Increased primarily due to deferred energy sales related to the Maritime Link. See Note 10 - unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.</td>
</tr>
<tr>
<td>Shareholder contributions</td>
<td>490.6</td>
<td>Increased primarily due to Oil and Gas and LCP equity injections from Province.</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>73.9</td>
<td>Increased due to profit for the period.</td>
</tr>
<tr>
<td>Regulatory deferrals</td>
<td>25.2</td>
<td>Increased primarily due to normal operation of the RSP.</td>
</tr>
</tbody>
</table>
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 4: SEGMENTED RESULTS AND ANALYSIS

The following presents an overview of the Company’s profit (loss) for the three and nine months ended September 30, 2016, by business segment, in comparison to the three and nine months ended September 30, 2015. This discussion should be read in conjunction with Note 24 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro Regulated</td>
<td>3.1 (10.1)</td>
<td>(2.7) (32.4)</td>
</tr>
<tr>
<td>Churchill Falls</td>
<td>2.7 0.9</td>
<td>28.7 29.9</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>20.1 1.9</td>
<td>32.7 5.7</td>
</tr>
<tr>
<td>Energy Marketing</td>
<td>10.0 7.6</td>
<td>16.1 22.0</td>
</tr>
<tr>
<td>Bull Arm Fabrication</td>
<td>5.1 4.2</td>
<td>14.9 12.8</td>
</tr>
<tr>
<td>Phase 1 Lower Churchill Project</td>
<td>(0.3) (0.2)</td>
<td>0.3 (0.5)</td>
</tr>
<tr>
<td>Corporate and Other Activities</td>
<td>(3.2) (5.4)</td>
<td>(15.9) (17.1)</td>
</tr>
<tr>
<td>Intersegment</td>
<td>- (0.1)</td>
<td>0.2 (0.1)</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>37.5 (1.2)</td>
<td>73.9 20.3</td>
</tr>
</tbody>
</table>

HYDRO REGULATED

The operations of Hydro are influenced by many external factors including regulation, performance of the domestic economy, weather patterns and fuel costs. The demand for electricity is met through a combination of hydroelectric generation, thermal generation and power purchases including wind generation. Hydro uses the RSP, as directed by the PUB, to annually adjust customer rates, both as a means to smooth rate impacts for island electricity consumers and to protect Hydro Regulated profit from the majority of variations related to the HTGS fuel costs. Fuel costs fluctuate as a result of variations in electricity sales, fuel prices and hydraulic production.

As Hydro is still awaiting a final order on its GRA, and final rates have not been approved, the electricity rates in effect for the nine months of 2016 reflect interim rates which were implemented on July 1, 2015. Hydro’s rates are also adjusted annually, on July 1, for the cost of fuel consumed at the HTGS which occurs through the normal operation of the RSP. However, this recovery is limited to the cost of No. 6 fuel only. Hydro’s cost of diesel and gas turbine fuel for standby generation currently has no deferral protection. Hydro has applied in its GRA for deferral of costs in excess of test year amounts which is currently pending approval.

Financial Highlights

<table>
<thead>
<tr>
<th>Segment</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>71.2 82.3</td>
<td>384.3 429.2</td>
</tr>
<tr>
<td>Fuels</td>
<td>17.4 20.3</td>
<td>117.6 137.9</td>
</tr>
<tr>
<td>Power purchased</td>
<td>13.1 12.8</td>
<td>45.8 46.0</td>
</tr>
<tr>
<td>Operating costs</td>
<td>29.3 40.0</td>
<td>92.0 113.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>17.2 15.6</td>
<td>51.0 46.4</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>17.9 18.1</td>
<td>55.0 54.8</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.2) 2.2</td>
<td>(0.1) 4.1</td>
</tr>
<tr>
<td>(Loss) profit for the period</td>
<td>(23.5) (26.7)</td>
<td>23.0 26.3</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>(26.6) (16.6)</td>
<td>25.7 58.7</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>3.1 (10.1)</td>
<td>(2.7) (32.4)</td>
</tr>
</tbody>
</table>
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Non-GAAP Operating Profit Disclosure
Reconciliation of Hydro's profit (loss) to operating profit (loss) for the period is as follows:

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>3.1</td>
<td>(10.1)</td>
</tr>
<tr>
<td>Prudence Order adjustment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit (loss) for the period</td>
<td>3.1</td>
<td>(10.1)</td>
</tr>
</tbody>
</table>

Revenue
The decrease in revenue for the quarter was primarily due to customer rate reductions associated with the normal operation of the RSP. On a year-to-date basis the decrease was primarily due to customer rate reductions associated with the normal operation of the RSP and lower utility energy sales, partially offset by increased revenue as a result of the implementation of interim rates combined with higher demand revenue. The impact of decreased revenue related to the RSP and lower utility energy sales is primarily offset in the regulatory adjustments line.

Fuels
The decrease in fuel costs for the quarter and year-to-date was primarily due to a lower price per barrel of No. 6 fuel as a result of lower oil prices. The majority of this variance is offset through the RSP in the regulatory adjustments line. The decrease on a year-to-date basis is partially offset by increased combustion turbine fuel costs related to the operation of the Holyrood CT.

The following tables summarize fuel consumed and average price:

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 6 fuel consumption: Millions of barrels</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Average price (CAD/bbl)</td>
<td>$45.70</td>
<td>$68.81</td>
</tr>
<tr>
<td>Gas Turbine fuel consumption: Millions of liters</td>
<td>1.9</td>
<td>4.3</td>
</tr>
<tr>
<td>Average price (CAD/liter)</td>
<td>$0.60</td>
<td>$0.71</td>
</tr>
<tr>
<td>Diesel fuel consumption: Millions of liters</td>
<td>3.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Average price (CAD/liter)</td>
<td>$0.89</td>
<td>$1.00</td>
</tr>
</tbody>
</table>

Fuel costs are summarized below:

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 6 fuel and other</td>
<td>13.2</td>
<td>13.6</td>
</tr>
<tr>
<td>Gas Turbine Fuel</td>
<td>1.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Diesel</td>
<td>3.1</td>
<td>3.7</td>
</tr>
</tbody>
</table>

1 The RSP primarily provides for the deferral of fuel expense variances resulting from changes in No. 6 fuel prices, hydrology, load and associated interest. Items not stabilized through the RSP include demand revenue, rural sales volume, customer rate, diesel fuel, gas turbine fuel, power purchases, fuel efficiency and transmission loss variances.
Energy supply is summarized below:

<table>
<thead>
<tr>
<th>Generation</th>
<th>2016</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the period ended September 30 (GWh)</td>
<td>2015</td>
<td>2014</td>
<td>2016</td>
</tr>
<tr>
<td>Generation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydraulic generation(^1)</td>
<td>815.3</td>
<td>872.5</td>
<td>787.2</td>
</tr>
<tr>
<td>Holyrood generation</td>
<td>164.0</td>
<td>111.5</td>
<td>139.3</td>
</tr>
<tr>
<td>Standby generation(^2,(^3),(^4)</td>
<td>2.3</td>
<td>8.1</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Thermal diesel generation</td>
<td>10.9</td>
<td>11.5</td>
<td>11.1</td>
</tr>
<tr>
<td>Purchases(^5)</td>
<td>305.5</td>
<td>296.4</td>
<td>289.7</td>
</tr>
<tr>
<td></td>
<td>1,298.0</td>
<td>1,300.0</td>
<td>1,225.9</td>
</tr>
</tbody>
</table>

\(^1\) Includes Hydro generation only.
\(^2\) Includes Gas Turbine and Diesel generation.
\(^3\) Purchases include generation from Exploits, recall energy for use in Labrador, wind and other sources.
\(^4\) Negative standby generation is a result of higher energy consumption at the unit/plant relative to production in times of lower generation requirements.

Energy sales are summarized below:

<table>
<thead>
<tr>
<th>For the period ended September 30 (GWh)</th>
<th>2016</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland Power</td>
<td>945.0</td>
<td>951.0</td>
<td>919.0</td>
</tr>
<tr>
<td>Hydro Rural</td>
<td>172.4</td>
<td>146.4</td>
<td>154.9</td>
</tr>
<tr>
<td>Industrials</td>
<td>130.8</td>
<td>122.5</td>
<td>87.8</td>
</tr>
<tr>
<td>Losses</td>
<td>49.8</td>
<td>80.1</td>
<td>64.2</td>
</tr>
<tr>
<td></td>
<td>1,298.0</td>
<td>1,300.0</td>
<td>1,225.9</td>
</tr>
</tbody>
</table>

**Power purchased**

The increase in power purchased for the quarter was higher due to increased wind production compared to the same quarter in 2015 and the decrease in power purchased year-to-date was primarily due to fewer purchases from Exploits resulting from lower hydrology production, partially offset by higher co-generation purchases.

**Operating costs**

The decrease in operating costs for the quarter and year-to-date is primarily due to lower costs associated with salary and benefits, professional fees, equipment maintenance and additional required maintenance work in 2015. In 2016 there was also a reduction in professional fees associated with the GRA which occurred in 2015, as well as a reduction of equipment rental expense.

**Depreciation and amortization**

The increase in depreciation and amortization for the quarter and year-to-date was due to increased levels of investment in property, plant and equipment.

**Net finance (income) expense**

The favourable variance in net finance (income) expense for the quarter was primarily due to additional capitalized interest. Year-to-date, the unfavourable variance was primarily due to additional capitalized interest costs in 2015 related to the Holyrood CT partially offset by additional interest earned in 2016 related to sinking fund balances.

**Other (income) expense**

The favourable variance in other (income) expense for the quarter was primarily due to lower asset removal costs and foreign exchange gains associated with No. 6 fuel. The year-to-date favourable variance primarily relates to the outcome of a legal claim settlement and foreign exchange gains associated with No. 6 fuel purchases. Variances associated with foreign exchange gains and losses on No. 6 fuel are offset through the regulatory adjustment line.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Regulatory adjustments
Regulatory adjustments for the quarter were favourable primarily due to RSP amortization and adjustment to rural rates, partially offset by RSP interest. Year-to-date, regulatory adjustments were favourable primarily due to RSP amortization and adjustments to rural rates, partially offset by higher deferred fuel costs deferred as a result of the normal operation of the RSP, an allowance for Prudence Order adjustments and RSP interest.

CHURCHILL FALLS
Churchill Falls is the owner and operator of the Churchill Falls Generating Station, with a rated capacity of 5,428 MW. The 1969 Power Contract, and a Renewal Contract that commenced September 1, 2016 and expiring August 31, 2041, provide for the sale of electricity from this facility to Hydro-Québec. In addition, two power purchase agreements effective March 9, 1998 and January 1, 2015, provide for the sale of electricity to Hydro for use domestically and for resale in export markets.

For the three months ended September 30, 2016, Churchill Falls derived 56.3% of its revenue from sales to Hydro-Québec under the Power Contract (2015 – 51.6%) and 43.7% from other revenue (2015 – 48.4%). Other revenue includes the sale of energy to Hydro pursuant to the 2015 Hydro PPA.

For the nine months ended September 30, 2016, Churchill Falls derived 48.4% of its revenue from sales to Hydro-Québec under the Power Contract (2015 – 48.8%), 20.1% from the GWAC (2015 – 20.3%) and 31.5% from other revenue (2015 – 30.9%). Other revenue includes the sale of energy to Hydro pursuant to the 2015 Hydro PPA.

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Revenue</td>
<td>16.0</td>
<td>14.8</td>
</tr>
<tr>
<td>Operating costs</td>
<td>10.4</td>
<td>11.2</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>(0.1)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.2)</td>
<td>0.7</td>
</tr>
<tr>
<td>Share of loss of joint venture</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preferred dividends</td>
<td>(0.9)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>2.7</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Revenue
The increase in revenue for the quarter was primarily due to higher energy sales to Hydro-Québec partially offset with lower energy sales to Hydro. The decrease in revenue year-to-date was primarily due to lower energy sales to Hydro-Québec and reduced GWAC revenue, partially offset by additional energy sales to Hydro.

Operating costs
The decrease in operating costs for the quarter is primarily due to a decrease in professional fees and in system equipment maintenance cost. The year-to-date decrease is related to lower system equipment maintenance, training and travel costs, partially offset by higher salary and benefit expenses.

Depreciation and amortization
The increase in depreciation and amortization for the quarter and year-to-date was due to increased levels of investment in property, plant and equipment.

Net finance (income) expense
The decrease in net finance (income) expense for the quarter and year-to-date is primarily due to higher interest expense.

Other (income) expense
The decrease in other (income) expense for the quarter and year-to-date primarily relates to lower asset removal and disposal costs.
Preferred dividends
The decrease in preferred dividends for the quarter and year-to-date is due to lower anticipated profit over the same periods in the prior year.

OIL AND GAS
Oil and Gas is currently a joint venture working interest partner in three developments in the Newfoundland and Labrador offshore. It manages a 4.9% working interest in the Hebron oil field, the Province’s fourth offshore oil project which was sanctioned for development on December 31, 2012; a 5.0% working interest in the White Rose Extension, which produced first oil from the North Amethyst field in May 2010; and a 10.0% working interest in the HSE, which produced first oil in June 2011.

The following table presents net profit for the period as well as Nalcor’s non-GAAP measure EBITDA, which consists of earnings before interest, depreciation, depletion, amortization, taxes and accretion (EBITDA).

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Variance</th>
<th>Nine months ended</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Revenue</td>
<td>42.4</td>
<td>10.1</td>
<td>32.3</td>
<td>87.7</td>
</tr>
<tr>
<td>Operating costs</td>
<td>1.6</td>
<td>2.6</td>
<td>1.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Production costs</td>
<td>6.3</td>
<td>4.0</td>
<td>(2.3)</td>
<td>17.8</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>13.8</td>
<td>4.0</td>
<td>(9.8)</td>
<td>33.0</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
<td>-</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>0.9</td>
<td>0.2</td>
<td>(0.7)</td>
<td>2.5</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.3)</td>
<td>(2.9)</td>
<td>(2.6)</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>20.1</td>
<td>1.9</td>
<td>18.2</td>
<td>32.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>34.7</td>
<td>6.1</td>
<td>28.6</td>
<td>68.2</td>
</tr>
</tbody>
</table>

Revenue
The increase in revenue for the quarter and year-to-date was primarily due to an increase in HSE production volumes as a result of continued increase in water injection support. Oil production for the quarter increased by 555,839 barrels compared to Q3 2015 and oil production year-to-date increased by 1,194,551 barrels compared to 2015. The quarter and year-to-date increase in production was partially offset by a reduction in seismic sales and a lower average Dated Brent price per barrel.

Oil price data for the quarter and year-to-date with 2015 comparatives are summarized in the table below. The average Dated Brent price reflects prices available in the market. The Realized Price (USD) includes the impact of oil commodity price hedges, and Realized Price (CAD) also includes the impact of foreign exchange.

<table>
<thead>
<tr>
<th>For the period ended September 30</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Dated Brent Price (USD/bbl)</td>
<td>46.46</td>
<td>47.73</td>
<td>101.93</td>
<td>44.05</td>
<td>54.03</td>
<td>108.81</td>
</tr>
<tr>
<td>Realized Price (USD/bbl)</td>
<td>46.60</td>
<td>66.27</td>
<td>103.86</td>
<td>46.24</td>
<td>72.66</td>
<td>108.86</td>
</tr>
<tr>
<td>Realized Price (CAD/bbl)</td>
<td>61.51</td>
<td>86.47</td>
<td>113.11</td>
<td>61.12</td>
<td>91.72</td>
<td>119.40</td>
</tr>
<tr>
<td>Oil Production (bbls)</td>
<td>659,992</td>
<td>104,153</td>
<td>117,741</td>
<td>1,493,586</td>
<td>299,035</td>
<td>544,604</td>
</tr>
</tbody>
</table>

Operating costs
The decrease in operating costs for the quarter and year-to-date was primarily due to lower salary and benefit expense, lower professional fees, partially offset by an increase in insurance premiums.

Production costs
The increase in production costs for the quarter and year-to-date was primarily due to an increase in production volumes and project operating costs.
Depreciation, depletion and amortization
The increase in depreciation, depletion and amortization for the quarter and year-to-date was primarily due to an increase in depletion associated with higher HSE production volumes.

Exploration and evaluation
The decrease in exploration and evaluation for the quarter and year-to-date relates to the timing of expenses related to two government-sponsored programs, the Petroleum Exploration Enhancement Program and the Offshore Geoscience Data Program.

Net finance (income) expense
The unfavourable variance in net finance (income) expense for the quarter and year-to-date was primarily related to an increase in accretion expense associated with higher decommissioning liabilities.

Other (income) expense
The unfavourable variance in other (income) expense for the quarter is primarily due to lower gains on settlement of oil commodity contracts compared to Q3 2015. The unfavourable variance year-to-date is due to unfavourable foreign exchange fluctuations, along with lower gains on settlement of oil commodity contracts compared to 2015.

ENERGY MARKETING
The revenue and earnings in this segment are derived primarily from the sale of available Recapture as well as 225 MW of power and energy available from the PPA between Hydro and Churchill Falls. The Recapture is sold to markets in eastern Canada and the northeastern United States, as well as to the iron ore industry in Labrador. The energy available under the PPA between Hydro and Churchill Falls is sold in Labrador West at rates determined by the Labrador Industrial Rates policy. In addition, revenue is generated through the 18.7 MW Menihek Generating Station.

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Revenue</td>
<td>28.4</td>
<td>26.5</td>
</tr>
<tr>
<td>Power purchased</td>
<td>10.4</td>
<td>10.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>8.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.3)</td>
<td>0.6</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>10.0</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Revenue
The increase in revenue for the quarter is due to higher electricity prices on export market sales and favourable foreign exchange on USD dollar sales. Year-to-date revenue is lower due to lower electricity prices on export market sales. The decrease in price was partially offset by increased volumes as mild weather in Labrador increased available energy for export. This was further offset by favourable foreign exchange on US dollar sales.

For the nine months ended 2016, approximately 43.5% of revenue related to sales to industrial customers (2015 - 38.9%), 49.0% related to export sales (2015 - 55.3%) and 7.5% of revenues were derived from other sources (2015 - 5.8%).

Prices and volumes for the quarter for sales in export markets are summarized in the table below. The Average Market Price reflects prices realized in the export market. The Realized Price (USD) includes the impact of electricity commodity price hedges, and Realized Price (CAD) also includes the impact of foreign exchange.

---

2 Recapture refers to the block of electricity pursuant to the Power Contract which Churchill Falls has agreed to sell and deliver to Hydro pursuant to the PPA between Hydro and Churchill Falls.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

For the period ended September 30

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Export Electricity Price (USD/MWh)</td>
<td>26.41</td>
<td>23.94</td>
<td>29.97&lt;sup&gt;1&lt;/sup&gt;</td>
<td>20.08</td>
<td>27.33</td>
<td>43.73&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Realized Export Electricity Price (USD/MWh)</td>
<td>26.41</td>
<td>29.50</td>
<td>29.92&lt;sup&gt;1&lt;/sup&gt;</td>
<td>22.08</td>
<td>32.27</td>
<td>42.01&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Realized Export Electricity Price (CAD/MWh)</td>
<td>35.09</td>
<td>34.20</td>
<td>32.42&lt;sup&gt;1&lt;/sup&gt;</td>
<td>29.07</td>
<td>37.66</td>
<td>45.88&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Export sales (GWh)</td>
<td>500</td>
<td>495</td>
<td>534</td>
<td>1,249</td>
<td>1,195</td>
<td>1,203</td>
</tr>
</tbody>
</table>

<sup>1</sup>Colder than usual winter temperatures resulted in higher 2014 export market prices.

The following table depicts the prices and volumes for energy sales related to industrial customers:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Average Industrial Customer Price (CAD/MWh)</td>
<td>22.7</td>
<td>22.4</td>
</tr>
<tr>
<td>Industrial Customer sales (GWh)</td>
<td>400</td>
<td>416</td>
</tr>
</tbody>
</table>

Power purchased
Power purchased for the quarter was comparable to the same period in 2015. The increase in power purchased year-to-date was a result of an increase in the price of power purchased under the Churchill Falls - Hydro PPA and sold to Labrador West customers.

Operating costs
The increase in operating costs for the quarter and year-to-date was primarily due to an increase in purchase of transmission rights and salaries and benefits; partially offset by a decrease in market fees and legal expenses.

Depreciation and amortization
The increase in depreciation and amortization for the quarter and year-to-date was primarily due to amortization of the Energy Trading and Risk Management system.

Net finance (income) expense
Net finance (income) expense for the quarter and year-to-date is comparable with the same periods in 2015.

Other (income) expense
The favourable variance for the quarter and year-to-date was primarily due to favourable fluctuations in foreign exchange, partially offset by the unfavourable variance in commodity contract settlements.

BULL ARM FABRICATION
Bull Arm Fabrication is an important asset for the Province for the development of the oil and gas industry in Newfoundland and Labrador and the advancement of the Province’s fabrication capacity. The Bull Arm Fabrication site provides extensive benefits for existing and future generations through its infrastructure, technology, and the continual development of an experienced labour force and related knowledge transfer.

Revenue is primarily generated through leasing arrangements associated with large construction projects. The site is currently under lease to ExxonMobil Canada Properties until completion of the Hebron Project. Site project work consists of construction of the GBS platform, fabrication of the Living Quarters module, as well as other construction and fabrication activities related to the Hebron project.

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Revenue</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Operating costs</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.1)</td>
<td>0.7</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5.1</td>
<td>4.2</td>
</tr>
</tbody>
</table>
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Revenue
Revenue for the quarter was comparable to the same period in 2015. The increase in revenue year-to-date was due to favourable foreign exchange on USD lease revenue.

Operating costs
Operating costs for the quarter and year-to-date were comparable with the same periods in 2015.

Other (income) expense
The favourable variance in other (income) expense for the quarter is primarily due to gains associated with settlement of forward exchange contracts. The favourable variance in other (income) expense year-to-date is primarily due to lower losses associated with settlement of forward exchange contracts compared to the same period in 2015.

PHASE 1 LOWER CHURCHILL PROJECT
The Lower Churchill Project was sanctioned on December 17, 2012. The development of the Lower Churchill Project will provide a clean, renewable source of electricity to meet the province's growing energy demands. The costs included in the Lower Churchill Project comprise costs incurred by Nalcor’s subsidiaries in the construction of the Muskrat Falls Generation Facility, the Labrador-Island Link and the Labrador Transmission Assets. The current capital cost estimate is $9.1 billion plus capitalized interest and financing costs, for a total of $11.4 billion. The cost of the Maritime Link, which is owned and financed by a subsidiary of Emera Inc. (for 35 years at which time ownership will transfer to Nalcor), is also included as capital expenditures in the audited consolidated annual financial statements.

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Variance</th>
<th>Nine months ended</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Operating costs</td>
<td>0.5</td>
<td>0.3</td>
<td>(0.2)</td>
<td>0.9</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>(0.5)</td>
<td>(0.1)</td>
<td>0.4</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>0.3</td>
<td>-</td>
<td>(0.3)</td>
<td>0.2</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Operating costs
The increase in operating costs for the quarter was primarily due to increased overhead labour. On a year-to-date basis, operating costs were comparable to 2015.

Net finance (income) expense
The favourable variance in net finance (income) expense for the quarter and year-to-date is primarily due to additional interest earned on cash contributions to meet pre-funded equity requirements associated with the Project Finance Agreements.

Other (income) expense
The unfavourable variance in other (income) expense for the quarter and year-to-date is due to unfavourable foreign exchange fluctuations.

Capital expenditures
Capital expenditures increased by $199.6 million for the quarter and $375.1 million year-to-date compared to the same periods in 2015. The breakdown by each component of Phase 1 of the Lower Churchill Project is as follows:
For the period ended September 30 (millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Nine months ended</th>
<th>Total To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Muskrat Falls</td>
<td>296.1</td>
<td>248.5</td>
<td>695.7</td>
</tr>
<tr>
<td>Labrador Transmission Assets</td>
<td>40.2</td>
<td>58.9</td>
<td>121.8</td>
</tr>
<tr>
<td>Labrador-Island Link</td>
<td>326.9</td>
<td>280.1</td>
<td>734.6</td>
</tr>
<tr>
<td>Nalcor facilities capital costs</td>
<td>663.2</td>
<td>587.5</td>
<td>1,552.1</td>
</tr>
<tr>
<td>Capitalized interest and financing costs</td>
<td>43.6</td>
<td>39.4</td>
<td>127.4</td>
</tr>
<tr>
<td>Class B Limited Partnership Unit Interest</td>
<td>5.9</td>
<td>2.4</td>
<td>16.2</td>
</tr>
<tr>
<td>Transition to Operations</td>
<td>2.9</td>
<td>-</td>
<td>2.9</td>
</tr>
<tr>
<td>Total capital costs for Nalcor project components</td>
<td>715.6</td>
<td>629.3</td>
<td>1,698.6</td>
</tr>
<tr>
<td>Maritime Link</td>
<td>177.8</td>
<td>64.5</td>
<td>394.1</td>
</tr>
<tr>
<td>Total capital expenditures</td>
<td>893.4</td>
<td>693.8</td>
<td>2,092.7</td>
</tr>
</tbody>
</table>

¹Total to date excludes $63.0 million of allowance for funds used during construction on Nalcor’s Class A limited partnership units in the LIL LP that are eliminated upon consolidation.

CORPORATE AND OTHER ACTIVITIES

Financial Highlights

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>-</td>
<td>(0.1)</td>
<td>0.1</td>
</tr>
<tr>
<td>Operating costs</td>
<td>3.0</td>
<td>5.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>0.2</td>
<td>(0.1)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(3.2)</td>
<td>(5.4)</td>
<td>2.2</td>
</tr>
</tbody>
</table>

For the quarter and year-to-date, Corporate and Other activities were comparable with the same period in 2015 with the exception of operating costs. The decrease in operating costs for the quarter and year-to-date was largely due to lower professional fees, lower travel costs and increased cost recoveries, partially offset by higher salary costs.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 5: LIQUIDITY AND CAPITAL RESOURCES

Nalcor’s capital resources consist primarily of cash and cash equivalents, short-term investments, long-term investments and equity from the Province. These capital resources are used to fund the Company’s consolidated capital resource requirements, which continue to include working capital needs, capital expenditures, development costs and the servicing and repayment of consolidated debt. Additional liquidity is available through a $250.0 million committed credit facility that Nalcor maintains with its primary banker. As at September 30, 2016, there were no amounts drawn on the facility (2015 - $nil); however, $38.2 million of the borrowing limit has been used to issue 14 irrevocable letters of credit (2015 - $12.0 million).

While cash from operations depends on a number of factors, including commodity prices, foreign exchange rates and production volumes, Management believes existing capital resources and credit lines will be sufficient to fund all capital expenditures and working capital requirements in 2016.

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td>148.5</td>
</tr>
<tr>
<td>Net cash provided from operating activities</td>
<td>171.7</td>
</tr>
<tr>
<td>Net cash (used in) provided from investing activities</td>
<td>(872.5)</td>
</tr>
<tr>
<td>Net cash provided from (used in) financing activities</td>
<td>687.7</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of period</td>
<td>135.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Net cash provided from operating activities</td>
<td>171.7</td>
</tr>
</tbody>
</table>

Cash provided from operating activities year-to-date was $171.7 million, a decrease of $17.5 million compared to the same period in 2015. The decrease was due primarily to unfavourable working capital variances, offset by increased profit.

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Additions to property, plant and equipment and intangible assets</td>
<td>(2,024.2)</td>
</tr>
<tr>
<td>Decrease in long-term receivables</td>
<td>3.3</td>
</tr>
<tr>
<td>Decrease in investments (including short-term)</td>
<td>863.9</td>
</tr>
<tr>
<td>Changes in non-cash working capital balances</td>
<td>294.4</td>
</tr>
<tr>
<td>Other</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Net cash (used in) provided from investing activities</td>
<td>(872.5)</td>
</tr>
</tbody>
</table>

Cash used in investing activities for the first nine months of 2016 is largely due to redemptions and reclassifications of structured deposit notes to restricted cash related to LCP, additions to property, plant and equipment and intangible assets, unfavourable working capital variances and a decrease in long-term receivables.

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Decrease (increase) in restricted cash</td>
<td>71.5</td>
</tr>
<tr>
<td>Class B limited partnership unit contributions</td>
<td>101.8</td>
</tr>
<tr>
<td>Increase in short-term borrowings</td>
<td>21.0</td>
</tr>
<tr>
<td>Increase in shareholder contributions</td>
<td>490.6</td>
</tr>
<tr>
<td>Other</td>
<td>2.8</td>
</tr>
<tr>
<td>Net cash provided from (used in) financing activities</td>
<td>687.7</td>
</tr>
</tbody>
</table>

During 2016, $687.7 million was provided from financing activities, compared to $134.3 million used during the same period in 2015,
primarily due to a decrease in restricted cash, increased Class B limited partnership unit contributions, higher short-term borrowings and higher shareholder contributions which were used to fund Nalcor’s capital expenditures.

CAPITAL STRUCTURE
Nalcor’s consolidated capital structure and associated performance indicators are shown in the table below:

<table>
<thead>
<tr>
<th>As at (millions of dollars)</th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>118.0</td>
<td>97.0</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>367.8</td>
<td>233.4</td>
</tr>
<tr>
<td>Long-term debt (net of sinking funds)</td>
<td>5,606.6</td>
<td>5,765.5</td>
</tr>
<tr>
<td>Class B limited partnership units</td>
<td>325.4</td>
<td>207.4</td>
</tr>
<tr>
<td>Total debt</td>
<td>6,417.8</td>
<td>6,303.3</td>
</tr>
<tr>
<td>Total shareholder’s equity</td>
<td>4,025.9</td>
<td>3,455.6</td>
</tr>
<tr>
<td>Debt to capital</td>
<td>61.5%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Fixed rate debt as a percentage of total indebtedness</td>
<td>93.1%</td>
<td>95.2%</td>
</tr>
</tbody>
</table>

The above noted ratios are Non-GAAP financial measures. Please refer to Section 8: Non-GAAP Financial Measures.

Capital structure is managed at the subsidiary level. As a result, Nalcor’s consolidated capital structure is driven largely by the long-term funding decisions made at the subsidiary level. When capital resource requirements exceed cash from operations for a particular subsidiary, the difference is funded with long-term debt and/or equity contributions from Nalcor. The use of long-term debt to fund capital resource requirements is limited to cases where there is reasonable certainty that operating cash flows will be sufficient to service the debt while maintaining an appropriate level of stand-alone creditworthiness.
As at September 30, 2016 and December 31, 2015, total consolidated liquidity is as follows:

<table>
<thead>
<tr>
<th>As at (millions of dollars)</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Credit Facilities</td>
<td>Borrowings Outstanding</td>
</tr>
<tr>
<td>Hydro Regulated:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents/Short-term investments</td>
<td>300.0</td>
<td>118.0</td>
</tr>
<tr>
<td>Promissory notes program</td>
<td>50.0</td>
<td>-</td>
</tr>
<tr>
<td>Demand operating facility</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>232.8</td>
<td></td>
</tr>
</tbody>
</table>

| Churchill Falls:            |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 48.3 |               |                                |                 |                  |                    |                   |                                |                 |
| Demand operating facility   | 10.0              | -                 | 1.0                           | 9.0             | 10.0              | -                 | 1.0                           | 9.0             |
|                            |                    |                   |                                |                 |                  |                    |                   |                                |                 |
|                            | 57.3               |                   |                                |                 |                  |                    |                   |                                |                 |

| Oil and Gas:                |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 32.9 |               |                                |                 |                  |                    |                   |                                |                 |
| Demand operating facility   | 5.0                | -                 | 0.5                           | 4.5             | 5.0                | -                 | 0.5                           | 5.0             |
|                            |                    |                   |                                |                 |                  |                    |                   |                                |                 |
|                            | 37.4               |                   |                                |                 |                  |                    |                   |                                |                 |

| Energy Marketing:           |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 20.0 |               |                                |                 |                  |                    |                   |                                |                 |
| Demand operating facility   | 20.0              | -                 | -                             | 20.0            | 20.0              | 8.2               | -                 | 11.8            |
|                            |                    |                   |                                |                 |                  |                    |                   |                                |                 |
|                            | 23.0               |                   |                                |                 |                  |                    |                   |                                |                 |

| Bull Arm:                  |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 2.1 |               |                                |                 |                  |                    |                   |                                |                 |
|                            | 2.1                |                   |                                |                 |                  |                    |                   |                                |                 |

| LCP:                       |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 8.3  |               |                                |                 |                  |                    |                   |                                |                 |
| MFLTA working capital reserve account | 61.6 |               |                                |                 |                  |                    |                   |                                |                 |
| LIL working capital revolving facility | 75.0 |               |                                |                 |                  |                    |                   |                                |                 |
|                            | 61.6               |                   | 75.0                          | -               | 75.0              | -                 | 75.0                          |
|                            | 144.9              |                   |                                |                 |                  |                    |                   |                                |                 |

| Nalcor:                    |                    |                   |                                |                 |                  |                    |                   |                                |                 |
| Cash and cash equivalents/Short-term investments | 56.3 |               |                                |                 |                  |                    |                   |                                |                 |
| Revolving term facility    | 250.0              | -                 | 38.2                          | 211.8           | 250.0             | -                 | 12.0                          | 238.0         |
|                            | 268.1              |                   |                                |                 |                  |                    |                   |                                |                 |
| Total consolidated liquidity | 765.6           |                   |                                |                 |                  |                    |                   |                                |                 |

|                            |                    |                   |                                |                 |                  |                    |                   |                                |                 |

|                            | 236.8              |                   |                                |                 |                  |                    |                   |                                |                 |
HYDRO REGULATED
Capital resource requirements for Hydro Regulated consist primarily of working capital needs, capital expenditures and debt servicing and repayment. Hydro funds capital resource requirements through a combination of cash from operations, sinking funds and long-term debt issuances.

Capital expenditures in excess of cash from operations are funded with proceeds from short-term debt issued under Hydro’s provincially guaranteed $300.0 million promissory note program. Management will refinance promissory notes with proceeds from long-term debt as required. As at September 30, 2016, there were $118.0 million in promissory notes outstanding (2015 - $97.0 million). In addition, Hydro has a $50.0 million demand operating facility with its primary bank. As at September 30, 2016, 2016, there were no amounts drawn on the facility (2015 - $nil), however, $0.3 million of the borrowing limit has been used to issue irrevocable letters of credit (2015 - $0.3 million).

Sinking funds were established for four of Hydro’s debt issues. These four debt issues have a par value of $875.0 million. The remaining two debt issues, with par value of $425.0 million, will be refinanced in the capital markets at maturity.

CHURCHILL FALLS
Capital resource requirements for Churchill Falls consist primarily of working capital needs and capital expenditures, which Churchill Falls funds mainly through cash from operations. Churchill Falls also has a $75.0 million reserve fund which can be drawn upon in certain circumstances to fund capital expenditures, subject to the terms and conditions as established in the Shareholders’ Agreement. As at September 30, 2016, $28.4 million has been withdrawn from the reserve fund and will be replaced in future periods in accordance with Article 5.6 of the Shareholders’ Agreement.

To ensure sufficient liquidity, Churchill Falls targets a minimum cash balance of $20.0 million (2015 - $20.0 million) and has a $10.0 million demand operating facility with its primary banker. As at September 30, 2016, there were no amounts drawn on the facility (2015 - $nil), however $1.0 million of the borrowing limit has been used to issue irrevocable letters of credit (2015 - $1.0 million).

OIL AND GAS
Capital resource requirements for Oil and Gas consist primarily of capital expenditures and working capital needs. While cash from operations is sufficient to meet working capital needs and fund a portion of Oil and Gas’ capital expenditures, the primary source of long-term financing for capital expenditures in the near term will continue to be equity from the Province. Equity contributions from the Province totaled $166.0 million for the nine months ended September 30, 2016 (December 31, 2015 - $192.7 million). Liquidity is provided through a $5.0 million demand operating facility Oil and Gas has with its primary banker. As of September 30, 2016, there were no amounts drawn on the facility (2015 - $nil), however $0.5 million of the borrowing limit has been used to issue one irrevocable letter of guarantee (2015 - $nil).

ENERGY MARKETING
Capital resource requirements for Energy Marketing are limited to working capital needs. Energy Marketing has a $20.0 million demand operating facility with its primary banker. As at September 30, 2016, there were no amounts drawn on the facility (2015 - $8.2 million).

BULL ARM FABRICATION
Capital resource requirements for Bull Arm Fabrication are limited to working capital needs, which will continue to be funded through cash from operations. Historically, cash from operations has exceeded Bull Arm’s working capital requirements. Under the existing dividend policy, cash and cash equivalents in excess of $1.0 million are distributed to Nalcor as a dividend at Management’s discretion.

LOWER CHURCHILL PROJECT
Capital resource requirements for LCP consist primarily of capital expenditures in connection with construction of the Lower Churchill Project. The primary source of financing for Muskrat Falls, Labrador Transco and LIL LP will continue to be the credit facilities and equity contributions from the Province as well as Emera Newfoundland and Labrador-Island Link Inc. relating to its limited partnership interest in the LIL LP. Muskrat Falls and Labrador Transco have access to a $61.6 million working capital reserve account which can be used to meet any short-term funding requirements that may arise between drawdowns under the MF/LTA Project Finance Agreement. LIL LP has access to a $75.0 million working capital revolving facility which can be used to meet any short-term funding requirements that may arise between drawdowns under the LIL Project Finance Agreement.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

CAPITAL EXPENDITURES
Capital expenditures, which significantly impact the cash used in investing activities, increased by $231.4 million for the quarter and $407.4 million year-to-date as compared with the same period in 2015.

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Hydro Regulated</td>
<td>71.7</td>
<td>31.7</td>
</tr>
<tr>
<td>Churchill Falls1</td>
<td>17.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>47.2</td>
<td>56.7</td>
</tr>
<tr>
<td>Energy Marketing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Phase 1 Lower Churchill Project</td>
<td>715.6</td>
<td>629.3</td>
</tr>
<tr>
<td>Corporate and Other Activities</td>
<td>3.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Inter-segment</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Expenditures before the following:</td>
<td>854.7</td>
<td>736.6</td>
</tr>
<tr>
<td>Maritime Link - Non-Cash Additions</td>
<td>177.8</td>
<td>64.5</td>
</tr>
<tr>
<td>Total Capital Expenditures</td>
<td>1,032.5</td>
<td>801.1</td>
</tr>
</tbody>
</table>

1 Reflects Nalcor’s 65.8% ownership interest

OBLIGATIONS AND COMMITMENTS
Outstanding commitments for capital projects to be incurred in the next five years, excluding those related to Oil and Gas, totaled $1.9 billion (December 31, 2015 - $2.8 billion). Outstanding commitments related to pre-funded equity requirements associated with the Project Finance Agreements total approximately $3.5 billion as at September 30, 2016 (December 31, 2015 - $0.7 billion). Commitments primarily relate to the Phase 1 Lower Churchill Project, Hydro Regulated and Churchill Falls. Oil and Gas recognizes its share of obligations and commitments in relation to its interests in the joint operations as the information becomes available. Additional information about Nalcor’s obligations and commitments can be found in Note 22 of the unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.

SECTION 6: RISK MANAGEMENT PROCESS
Nalcor operates in various industry segments that have a variety of risk factors and uncertainties. The risks and uncertainties that could materially affect the business, financial condition and results of operations are described in Nalcor’s annual MD&A for the year ended December 31, 2015.

There were no material changes in the Nalcor’s significant business risks during Q3 2016 from those disclosed in the MD&A for the year ended December 31, 2015.

SECTION 7: ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

ACCOUNTING POLICIES
Nalcor’s significant accounting policies are described in Note 2 of the unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
Significant accounting estimates are those that require Management to make assumptions about matters that are highly uncertain at the time the estimate is made. Significant accounting estimates are also those estimates which, where a different estimate could have been used or where changes in the estimate that are reasonably likely to occur, would have a material impact on the Company’s financial condition or financial performance. A description of Nalcor’s significant accounting estimates is provided in Note 3 of the annual audited consolidated financial statements for the year ended December 31, 2015.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 8: NON-GAAP FINANCIAL MEASURES

Certain financial measures in the MD&A are not prescribed by GAAP. These non-GAAP financial measures are included because they provide MD&A users with enhanced understanding and clarity of Nalcor’s financial performance, condition, leverage and liquidity. These non-GAAP financial measures do not have any standardized meaning and cannot necessarily be compared to similar measures presented by other companies.

**NON-GAAP FINANCIAL MEASURES**

- **Debt to capital**
  - Total debt (promissory notes, long-term debt including current portion less sinking funds), divided by total debt plus shareholder’s equity

- **EBIT**
  - Operating profit (loss) excluding interest and taxes

- **EBITDA**
  - Operating profit (loss) excluding interest, taxes, depreciation, depletion, amortization, impairment and accretion

- **Fixed rate debt as a percentage of total indebtedness**
  - Long-term debt divided by total debt

- **Funds from operations (FFO)**
  - Profit (loss) excluding depreciation, depletion, amortization, impairment and accretion

- **Return on capital employed (ROCE)**
  - EBIT/Capital Employed, excluding assets that are under development

**Disclosure of Operating Profit (Loss)**

The term “operating profit (loss)" is a non-GAAP measure that encompasses profit (loss) excluding extraordinary and non-recurring items that are not indicative of Nalcor’s future financial performance. This non-GAAP financial measure provides a more accurate reflection of Nalcor’s operating performance and analysis against prior periods.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 9: SUMMARY OF QUARTERLY RESULTS

The following table outlines Nalcor’s unaudited quarterly results for the eight quarters ended December 31, 2014 through September 30, 2016. The quarterly information has been obtained from Nalcor’s unaudited condensed consolidated interim financial statements for the periods ended March 31, 2015, June 30, 2015, September 30, 2015, March 31, 2016, June 30, 2016 and September 30, 2016 and the annual audited consolidated financial statements for the years ended December 31, 2014 and December 31, 2015. These quarterly results are historical in nature and should not be used to estimate or project future performance of Nalcor.

<table>
<thead>
<tr>
<th>For the period ended (millions of dollars)</th>
<th>Revenue</th>
<th>Profit (loss)</th>
<th>ROCE (%)(^1)</th>
<th>FFO</th>
<th>Capital Expenditures(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2016</td>
<td>154.1</td>
<td>37.5</td>
<td>6.65</td>
<td>74.5</td>
<td>854.7</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>179.6</td>
<td>8.4</td>
<td>5.17</td>
<td>42.3</td>
<td>706.7</td>
</tr>
<tr>
<td>March 31, 2016</td>
<td>263.0</td>
<td>28.0</td>
<td>4.45</td>
<td>66.5</td>
<td>455.9</td>
</tr>
<tr>
<td>December 31, 2015</td>
<td>219.4</td>
<td>(39.5)</td>
<td>4.20</td>
<td>114.0</td>
<td>685.0</td>
</tr>
<tr>
<td>September 30, 2015</td>
<td>130.0</td>
<td>(1.2)</td>
<td>3.19</td>
<td>23.5</td>
<td>736.6</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>176.1</td>
<td>(7.8)</td>
<td>3.21</td>
<td>16.3</td>
<td>614.8</td>
</tr>
<tr>
<td>March 31, 2015</td>
<td>286.0</td>
<td>29.3</td>
<td>4.10</td>
<td>53.5</td>
<td>394.4</td>
</tr>
<tr>
<td>December 31, 2014</td>
<td>206.2</td>
<td>69.8</td>
<td>4.55</td>
<td>94.4</td>
<td>555.4</td>
</tr>
</tbody>
</table>

\(^1\) Excludes assets under development
\(^2\) Excludes Maritime Link

The financial performance of several of Nalcor’s business segments are impacted by seasonality. Specifically, electricity sales in Hydro Regulated and Churchill Falls are typically highest during the first quarter and lowest during the summer months. In contrast, Energy Marketing has the highest level of energy available to sell in export markets during the summer months and the least available to sell in winter months. Electricity prices in the export markets tend to peak in winter and summer periods, but can vary by year depending on temperatures, the specific market and other factors.

September 2016/September 2015
2016 third quarter profit increased $38.7 million over the same period in 2015. The largest contributors to the increase were higher oil production, decreased operating costs, reduced fuel costs and favourable foreign exchange. Higher levels of depreciation, amortization and depletion and increased production costs offset the increase in profit.

June 2016/June 2015
Profit for the quarter increased $16.2 million compared to the same period in 2015. This increase was primarily due to interim rates in Hydro Regulated, higher oil production and reduced operating costs. These increases to profit were partially offset by lower commodity prices, higher depreciation, depletion and amortization expense, and a reduction in other income.

March 2016/March 2015
2016 first quarter profit decreased by $1.3 million compared to the same period in 2015, largely due to increased loss in Hydro Regulated of $1.2 million as a result of higher costs associated with gas turbine fuel and Prudence Order adjustments, as well as a consolidated increase in depreciation, amortization and depletion. The decrease in profit was partially offset by lower operating costs, increased gains on the settlement of commodity swaps and significant oil production, despite lower oil prices.

December 2015/December 2014
Nalcor incurred a loss in the fourth quarter of 2015, a decrease of $109.3 million compared to 2014 fourth quarter profit. The largest contributors to the decrease in profit were a $61.7 million impairment expense related to White Rose Extension (WRRX), a $41.7 million reduction regulatory deferrals in Hydro Regulated, lower commodity prices and an increase in fuel and operating costs.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

SECTION 10: SUBSEQUENT EVENTS

On October 12, 2016, Nalcor borrowed $225.0 million from the Province by way of a promissory note, and these funds were then loaned to Hydro. The proceeds of this loan, which matures on January 11, 2017 and carries an interest rate of 0.90%, were used to repay Hydro's Series AE long-term debentures. Hydro intends to refinance this loan in the coming months, with a long-term debt issuance in the capital markets.

On October 18, 2016, an irrevocable letter of credit in the amount of $4.9 million, issued by Nalcor on behalf of Oil and Gas, was cancelled by the beneficiary as it was no longer required.

In October 2016, Hydro identified two additional unforeseen capital projects, one related to the Bay d'Espoir penstock in the amount of $12.9 million, and a project that resulted from damage sustained from Hurricane Matthew, the Bay d'Espoir Access Roads Refurbishment project in the amount of $4.6 million.

On October 31, 2016, Nalcor, on behalf of Energy Marketing, issued an irrevocable letter of credit in the amount of $0.3 million to a counterparty, as credit support for obligations under a Master Power Purchase and Sale Agreement.

On November 3, 2016, the Government of Canada announced a commitment to provide additional loan guarantees of up to $2.9 billion to support additional borrowings for the components of the Lower Churchill projects led by Nalcor. The specific conditions of this support will be finalized by Canada, the Government of Newfoundland and Labrador and Nalcor in the near future.

On November 7, 2016, the maturity date of Nalcor’s $250.0 million revolving term credit facility was extended to January 31, 2018.

SECTION 11: OUTLOOK

Hydro anticipates a final regulatory decision on the GRA in Q4, 2016. Without a final order from the PUB, there continues to be regulatory risk that could materially impact forecasted 2016 profit. The current forecasted profit assumes that all costs and deferrals proposed in the GRA will be approved.

Churchill Falls’ 2016 forecasted profit is lower than 2015 mainly due to decreased revenue resulting from a 20% decrease in the power rate effective September 1, 2016 as per the 2016 Renewal Contract.

Oil and Gas is forecasting higher annual 2016 operating profit over 2015, primarily due to an increase in revenue associated with higher forecast production in 2016. Oil price continues to fluctuate and any significant price change will impact profitability as only 5% of Q4 forecast production is hedged. For the remaining three months of 2016, Oil and Gas has entered into commodity price swaps to mitigate price exposure on 27,716 bbls at an average price of $51.66 USD.

Energy Marketing’s 2016 forecasted profit is lower than 2015 primarily due to a decrease in revenue associated with lower forecasted prices.

Bull Arm is forecasting higher profit in 2016 over 2015 largely due to higher forecasted realized foreign exchange rates on USD.

2016 total forecasted capital expenditures (excluding those related to the Maritime Link) are forecasted to be $2.9 billion. The largest component of capital expenditures, $2.4 billion, relates to the Lower Churchill Project.
NALCOR ENERGY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
September 30, 2016
# NALCOR ENERGY

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Unaudited)

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>Notes</th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>135.4</td>
<td>148.5</td>
</tr>
<tr>
<td>Restricted cash</td>
<td></td>
<td>1,764.8</td>
<td>1,836.3</td>
</tr>
<tr>
<td>Short-term investments</td>
<td></td>
<td>252.9</td>
<td>1,026.2</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>218.6</td>
<td>270.9</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>88.6</td>
<td>77.9</td>
</tr>
<tr>
<td>Current portion of sinking funds</td>
<td>6</td>
<td>71.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>29.3</td>
<td>14.1</td>
</tr>
<tr>
<td>Derivative assets</td>
<td></td>
<td>1.4</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>2,562.8</td>
<td>3,384.6</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3</td>
<td>10,645.6</td>
<td>8,317.6</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4</td>
<td>72.0</td>
<td>56.2</td>
</tr>
<tr>
<td>Investment property</td>
<td></td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Investment in joint arrangement</td>
<td></td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>7</td>
<td>-</td>
<td>90.6</td>
</tr>
<tr>
<td><strong>Other long-term assets</strong></td>
<td>6</td>
<td>275.9</td>
<td>326.2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>13,558.5</td>
<td>12,177.4</td>
</tr>
<tr>
<td>Regulatory deferrals</td>
<td>5</td>
<td>137.4</td>
<td>144.3</td>
</tr>
<tr>
<td><strong>Total assets and regulatory deferrals</strong></td>
<td></td>
<td>13,695.9</td>
<td>12,321.7</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND EQUITY**          |       |              |             |
| Current liabilities                 |       |              |             |
| Short-term borrowings               | 8     | 118.0        | 97.0        |
| Trade and other payables            |       | 1,240.1      | 997.1       |
| Current portion of long-term debt   | 8     | 367.8        | 233.4       |
| Derivative liabilities              |       | -            | 5.2         |
| Current portion of other liabilities| 10,11,12 | 5.5         | 6.1         |
| **Total current liabilities**       |       | 1,731.4      | 1,338.8     |
| Non-current liabilities             |       |              |             |
| Long-term debt                      | 8     | 5,873.3      | 6,008.1     |
| Class B limited partnership units   | 9     | 325.4        | 207.4       |
| Deferred credits                    | 10    | 1,067.7      | 670.3       |
| Deferred contributions              | 11    | 12.2         | 11.6        |
| Decommissioning liabilities         | 12    | 113.0        | 102.0       |
| Long-term payables                  |       | 61.0         | 62.6        |
| Employee future benefits            |       | 137.7        | 135.3       |
| **Total liabilities**               |       | 9,321.7      | 8,536.1     |
| **Shareholder’s equity**            |       |              |             |
| Share capital                       | 15    | 122.5        | 122.5       |
| Shareholder contributions           | 15    | 2,694.4      | 2,203.8     |
| Reserves                            |       | 8.1          | 2.3         |
| Retained earnings                   |       | 1,200.9      | 1,127.0     |
| **Total equity**                    |       | 4,025.9      | 3,455.6     |
| **Total liabilities and equity**    |       | 13,347.6     | 11,991.7    |
| Regulatory deferrals                | 5     | 348.3        | 330.0       |
| **Total liabilities, equity and regulatory deferrals** | 13,695.9 | 12,321.7 |

Commitments and contingencies (Note 22)
Subsequent events (Note 26)

See accompanying notes

NALCOR ENERGY 2016 Q3 FINANCIAL REPORT
## NALCOR ENERGY
### CONSOLIDATED STATEMENT OF PROFIT AND COMPREHENSIVE INCOME
(Unaudited)

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of Canadian dollars)</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy sales</td>
<td></td>
<td>141.8</td>
<td>117.3</td>
<td>565.5</td>
<td>556.2</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>12.3</td>
<td>12.4</td>
<td>31.2</td>
<td>35.6</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>154.1</td>
<td>129.7</td>
<td>596.7</td>
<td>591.8</td>
</tr>
<tr>
<td>Fuels</td>
<td></td>
<td>17.4</td>
<td>20.3</td>
<td>117.6</td>
<td>137.9</td>
</tr>
<tr>
<td>Power purchased</td>
<td></td>
<td>13.5</td>
<td>13.1</td>
<td>46.4</td>
<td>46.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>16</td>
<td>53.1</td>
<td>67.3</td>
<td>171.6</td>
<td>195.6</td>
</tr>
<tr>
<td>Production costs</td>
<td>17</td>
<td>6.3</td>
<td>4.0</td>
<td>17.8</td>
<td>10.2</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>3,4</td>
<td>35.2</td>
<td>23.3</td>
<td>96.7</td>
<td>68.8</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
<td></td>
<td>-</td>
<td>0.3</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>18</td>
<td>18.3</td>
<td>18.0</td>
<td>55.8</td>
<td>54.5</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>19</td>
<td>(0.6)</td>
<td>1.2</td>
<td>(9.0)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Share of loss of joint arrangement</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Profit (loss) before regulatory adjustments</strong></td>
<td></td>
<td>10.9</td>
<td>(17.8)</td>
<td>99.6</td>
<td>79.0</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>5</td>
<td>(26.6)</td>
<td>(16.6)</td>
<td>25.7</td>
<td>58.7</td>
</tr>
<tr>
<td><strong>Profit (loss) for the period</strong></td>
<td></td>
<td>37.5</td>
<td>(1.2)</td>
<td>73.9</td>
<td>20.3</td>
</tr>
</tbody>
</table>

### Other comprehensive income (loss)

Total items that may or have been reclassified to profit or loss:

<table>
<thead>
<tr>
<th>Regulatory adjustment</th>
<th>0.2</th>
<th>-</th>
<th>0.5</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net fair value gains (losses) on available-for-sale financial instrument</td>
<td>4.2</td>
<td>(0.5)</td>
<td>16.2</td>
<td>8.3</td>
</tr>
<tr>
<td>Net fair value (losses) gains on cash flow hedges</td>
<td>(1.1)</td>
<td>5.7</td>
<td>2.8</td>
<td>6.2</td>
</tr>
<tr>
<td>Reclassification adjustments related to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale financial instruments</td>
<td>(2.6)</td>
<td>(2.5)</td>
<td>(7.6)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>Cash flow hedges recognized in profit or loss</td>
<td>0.4</td>
<td>(3.0)</td>
<td>(6.1)</td>
<td>(7.5)</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss) for the period</strong></td>
<td>1.1</td>
<td>(0.3)</td>
<td>5.8</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Total comprehensive income (loss) for the period</strong></td>
<td>38.6</td>
<td>(1.5)</td>
<td>79.7</td>
<td>19.9</td>
</tr>
</tbody>
</table>

See accompanying notes
# NALCOR ENERGY

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(UNAUDITED)

### (millions of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Share Capital</th>
<th>Shareholder Contributions</th>
<th>Fair Value Reserve</th>
<th>Employee Benefit Reserve</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2016</strong></td>
<td></td>
<td>122.5</td>
<td>2,203.8</td>
<td>38.7</td>
<td>(36.4)</td>
<td>1,127.0</td>
<td>3,455.6</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of available-for-sale financial instruments</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of cash flow hedges</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of financial instruments reclassified to profit or loss</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory adjustment</td>
<td>5,14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholder contributions</strong></td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at September 30, 2016</strong></td>
<td></td>
<td>122.5</td>
<td>2,694.4</td>
<td>44.0</td>
<td>(35.9)</td>
<td>1,200.9</td>
<td>4,025.9</td>
</tr>
</tbody>
</table>

**Balance at January 1, 2015**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Share Capital</th>
<th>Shareholder Contributions</th>
<th>Fair Value Reserve</th>
<th>Employee Benefit Reserve</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>122.5</strong></td>
<td></td>
<td>1,469.1</td>
<td></td>
<td>40.5</td>
<td>(56.3)</td>
<td>1,146.2</td>
<td>2,722.0</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of available-for-sale financial instruments</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of cash flow hedges</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of financial instruments reclassified to profit or loss</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive (loss) income for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholder contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at September 30, 2015</strong></td>
<td></td>
<td>122.5</td>
<td>1,690.3</td>
<td>40.1</td>
<td>(56.3)</td>
<td>1,166.5</td>
<td>2,963.1</td>
</tr>
</tbody>
</table>

See accompanying notes.
NALCOR ENERGY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

For the period ended September 30 (millions of Canadian dollars)

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of Canadian dollars)</th>
<th>Notes</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Cash provided from (used in)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td></td>
<td>37.5</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Adjusted for items not involving a cash flow:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>3,4</td>
<td>35.2</td>
<td>23.3</td>
</tr>
<tr>
<td>Amortization of deferred contributions</td>
<td>11</td>
<td>(0.3)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Amortization of deferred credits</td>
<td>10</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Accretion</td>
<td>18</td>
<td>1.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td>1.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>19</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Share of loss of joint arrangement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>5</td>
<td>(26.8)</td>
<td>(16.6)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>(1.4)</td>
<td>(1.4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in non-cash working capital balances</td>
<td>23</td>
<td>(64.9)</td>
<td>1.6</td>
</tr>
<tr>
<td>Net cash (used in) provided from operating activities</td>
<td></td>
<td>(17.1)</td>
<td>9.5</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>24</td>
<td>(848.8)</td>
<td>(734.2)</td>
</tr>
<tr>
<td>Additions to intangible assets</td>
<td>4</td>
<td>(8.7)</td>
<td>(20.3)</td>
</tr>
<tr>
<td>(Increase) decrease in long-term receivables</td>
<td>6</td>
<td></td>
<td>(3.0)</td>
</tr>
<tr>
<td>Decrease (increase) in other long-term assets</td>
<td></td>
<td></td>
<td>0.2</td>
</tr>
<tr>
<td>Contributions to sinking fund</td>
<td></td>
<td>(5.8)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Additions to financial transmission rights</td>
<td></td>
<td>(0.2)</td>
<td></td>
</tr>
<tr>
<td>Decrease in short-term investments</td>
<td></td>
<td>174.3</td>
<td>207.4</td>
</tr>
<tr>
<td>Decrease in long-term investments</td>
<td></td>
<td>61.6</td>
<td>235.9</td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td></td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>Changes in non-cash working capital balances</td>
<td>23</td>
<td>104.0</td>
<td>228.5</td>
</tr>
<tr>
<td>Net cash (used in) provided from investing activities</td>
<td></td>
<td>(523.6)</td>
<td>(88.6)</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement of long-term debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in restricted cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B limited partnership unit contributions</td>
<td>9</td>
<td>36.7</td>
<td>59.0</td>
</tr>
<tr>
<td>Increase in short-term borrowings</td>
<td>8</td>
<td>84.0</td>
<td>43.0</td>
</tr>
<tr>
<td>Decrease in long-term payables</td>
<td></td>
<td>(1.2)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Increase in shareholder contributions</td>
<td>15</td>
<td>200.1</td>
<td>124.2</td>
</tr>
<tr>
<td>Increase (decrease) in deferred contributions</td>
<td>11</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Increase in deferred credits</td>
<td></td>
<td>3.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Net cash provided from (used in) financing activities</td>
<td></td>
<td>544.5</td>
<td>116.5</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td></td>
<td>3.8</td>
<td>37.4</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td></td>
<td>131.6</td>
<td>92.8</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of period</td>
<td></td>
<td>135.4</td>
<td>130.2</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>5.9</td>
<td>10.4</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>34.4</td>
<td>34.1</td>
</tr>
</tbody>
</table>

See accompanying notes
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS

Nalcor Energy (Nalcor or the Company) is incorporated under a special act of the Legislature of the Province of Newfoundland and Labrador (the Province) as a Crown corporation and its business includes the development, generation, transmission and sale of electricity, oil and gas, industrial fabrication and energy marketing. Nalcor’s head office is located at 500 Columbus Drive in St. John’s, Newfoundland and Labrador A1B 0C9, Canada.

1.1 Subsidiaries

Nalcor holds interests in the following subsidiaries:

A 100% interest in Newfoundland and Labrador Hydro (Hydro), whose principal activity is the generation, transmission and sale of electricity. Hydro’s operations include both regulated and non-regulated activities.

A 100% interest in Nalcor Energy – Oil and Gas Inc. (Oil and Gas), Oil and Gas has a mandate to engage in the upstream and downstream sectors of the oil and gas industry. Upstream includes exploration, development, and production activities, while downstream includes transportation and processing activities.

A 100% interest in Nalcor Energy – Bull Arm Fabrication Inc. (Bull Arm Fabrication), an industrial fabrication site with a fully integrated infrastructure to support large-scale fabrication and assembly. Its facilities include onshore fabrication halls and shops, a dry-dock and a deep water site.

A 100% interest in Nalcor Energy Marketing Corporation (Energy Marketing), a subsidiary established to market Nalcor’s energy throughout North America.

A 100% interest in Muskrat Falls Corporation (Muskrat Falls), created to develop, construct, finance and operate the Muskrat Falls plant, an 824 megawatt (MW) hydroelectric generating facility in Labrador.

A 100% interest in Labrador Transmission Corporation (Labrador Transco), created to develop, construct, finance and operate transmission assets connecting the Muskrat Falls plant to the existing hydroelectric generating facility in Churchill Falls.

A 100% interest in Labrador-Island Link General Partner Corporation (LIL GP) and LIL Holdco, created to control, manage and hold Nalcor’s 65.0% interest in the Labrador-island Link Limited Partnership (LIL LP).

A 100% interest in Labrador-Island Link Operating Corporation (LIL Opcos), created to operate and maintain the LIL.

A 100% interest in Lower Churchill Management Corporation (LCMC), created to carry out the project development and management functions for Phase 1 of the Lower Churchill Project (LCP) including planning, engineering and design management, construction management, risk management, finance, procurement and supply chain management.

A limited partnership interest in the LIL LP, created to develop, construct, finance and operate the assets and property constituting the Labrador-Island Link (LIL), a transmission link to be constructed between the Muskrat Falls plant and the Newfoundland and Labrador Island Interconnected System. Labrador-Island Link Holding Corporation (LIL Holdco) holds 100% of the Class A and Class C limited partnership units.

Nalcor also holds a 100% interest in Gull Island Power Corporation (GIPC) and a 51.0% interest in Lower Churchill Development Corporation (LDC), both of which are inactive.

1.2 Investment in Joint Arrangement

Nalcor holds a 65.8% beneficial interest (through Hydro) in Churchill Falls (Labrador) Corporation Limited (Churchill Falls), a joint
operation that owns and operates a hydroelectric generating plant and related transmission facilities situated in Labrador with a rated capacity of 5,428 MW.

Nalcor holds a 33.33% beneficial interest (through Churchill Falls) in Twin Falls Power Corporation (Twin Falls).

1.3 Special Purpose Entities
Nalcor consolidates the results of special purpose entities (SPEs) in which it holds a financial interest and is the primary beneficiary. Nalcor has determined that it is the primary beneficiary of the LIL Construction Project Trust (Project Trust) and as a result has included the financial statements of the Project Trust in these condensed consolidated interim financial statements. Nalcor has determined that it is not the primary beneficiary of the Muskrat Falls/Labrador Transmission Assets (MF/LTA) Funding Trust or the LIL Funding Trust and therefore the operations of these trusts are not reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Measurement
These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and have been prepared using accounting policies consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2015.

These condensed consolidated interim financial statements do not include all of the disclosures normally found in Nalcor’s annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements. Interim results will fluctuate due to the seasonal nature of electricity demand and water flows, as well as timing and recognition of regulatory items. Due to higher electricity demand during the winter months, revenue from electricity sales is higher during the first and fourth quarters.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss and available-for-sale financial assets which have been measured at fair value. The condensed consolidated interim financial statements are presented in Canadian Dollars (CAD) and all values rounded to the nearest million, except when otherwise noted. The condensed consolidated interim financial statements were approved by Nalcor’s Board of Directors on November 10, 2016.

2.2 Basis of Consolidation
The condensed consolidated interim financial statements include the financial statements of Nalcor, its subsidiary companies and its share of investments in joint arrangements. In addition, the financial statements of all SPEs for which Nalcor has been determined the primary beneficiary are included in these condensed consolidated interim financial statements. Intercompany transactions and balances have been eliminated upon consolidation.

Effective June 18, 1999, Hydro, Churchill Falls, and Hydro-Québec entered into a shareholders’ agreement (the Shareholders’ Agreement) which provided, among other matters, that certain of the strategic operating, financing and investing policies of Churchill Falls be subject to approval jointly by representatives of Hydro and Hydro-Québec on Churchill Falls’ Board of Directors. Although Hydro holds a 65.8% ownership interest, the agreement changed the nature of the relationship between Hydro and Hydro-Québec, with respect to Churchill Falls, from that of majority and minority shareholders, respectively, to that of a joint operation. Accordingly, Hydro has recognized its share of assets, liabilities and profit or loss in relation to its interest in Churchill Falls subsequent to the effective date of the Shareholders’ Agreement.

The investment in Twin Falls is accounted for using the equity method.

Substantially all of Oil and Gas’ activities are conducted jointly with others and, accordingly, these condensed consolidated interim financial statements reflect only Nalcor’s proportionate interest in such activities.
### 3. Property, Plant and Equipment

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Generation Plant</th>
<th>Transmission and Distribution</th>
<th>Petroleum and Natural Gas Properties</th>
<th>Other</th>
<th>Construction in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1, 2015</td>
<td>1,527.5</td>
<td>718.2</td>
<td>837.2</td>
<td>207.9</td>
<td>3,016.4</td>
<td>6,307.2</td>
</tr>
<tr>
<td>Additions</td>
<td>(0.2)</td>
<td>-</td>
<td>221.2</td>
<td>-</td>
<td>2,538.8</td>
<td>2,759.8</td>
</tr>
<tr>
<td>Disposals</td>
<td>(3.0)</td>
<td>(3.1)</td>
<td>-</td>
<td>(3.6)</td>
<td>-</td>
<td>(9.7)</td>
</tr>
<tr>
<td>Transfers</td>
<td>179.1</td>
<td>58.7</td>
<td>-</td>
<td>23.6</td>
<td>(261.4)</td>
<td>-</td>
</tr>
<tr>
<td>Decommissioning liabilities and revisions</td>
<td>0.5</td>
<td>(0.3)</td>
<td>58.4</td>
<td>-</td>
<td>-</td>
<td>58.6</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>190.9</td>
<td>(111.6)</td>
<td>79.3</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2015</strong></td>
<td><strong>1,703.9</strong></td>
<td><strong>773.5</strong></td>
<td><strong>1,116.8</strong></td>
<td><strong>418.8</strong></td>
<td><strong>5,182.2</strong></td>
<td><strong>9,195.2</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>0.1</td>
<td>156.7</td>
<td>0.7</td>
<td>2,253.9</td>
<td>2,411.4</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.3)</td>
<td>(0.8)</td>
<td>-</td>
<td>(1.3)</td>
<td>-</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Transfers</td>
<td>2.9</td>
<td>1.4</td>
<td>-</td>
<td>0.7</td>
<td>(5.0)</td>
<td>-</td>
</tr>
<tr>
<td>Decommissioning liabilities and revisions</td>
<td>-</td>
<td>-</td>
<td>8.6</td>
<td>-</td>
<td>-</td>
<td>8.6</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(0.2)</td>
<td>-</td>
<td>(1.3)</td>
<td>-</td>
<td>(1.5)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2016</strong></td>
<td><strong>1,706.3</strong></td>
<td><strong>774.2</strong></td>
<td><strong>1,282.1</strong></td>
<td><strong>417.6</strong></td>
<td><strong>7,431.1</strong></td>
<td><strong>11,611.3</strong></td>
</tr>
</tbody>
</table>

#### Depreciation, depletion and impairment

<table>
<thead>
<tr>
<th></th>
<th>Generation Plant</th>
<th>Transmission and Distribution</th>
<th>Petroleum and Natural Gas Properties</th>
<th>Other</th>
<th>Construction in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2015</td>
<td>369.6</td>
<td>118.6</td>
<td>95.9</td>
<td>64.3</td>
<td>-</td>
<td>648.4</td>
</tr>
<tr>
<td>Depreciation and depletion</td>
<td>44.1</td>
<td>21.9</td>
<td>14.8</td>
<td>12.0</td>
<td>-</td>
<td>92.8</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>-</td>
<td>61.7</td>
<td>-</td>
<td>-</td>
<td>61.7</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1.5)</td>
<td>(0.8)</td>
<td>-</td>
<td>(2.3)</td>
<td>-</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>79.3</td>
<td>-</td>
<td>79.3</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2015</strong></td>
<td><strong>412.2</strong></td>
<td><strong>139.7</strong></td>
<td><strong>172.4</strong></td>
<td><strong>153.3</strong></td>
<td><strong>877.6</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Depreciation and depletion</td>
<td>35.4</td>
<td>17.4</td>
<td>27.1</td>
<td>9.5</td>
<td>-</td>
<td>99.4</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>-</td>
<td>(1.0)</td>
<td>-</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2016</strong></td>
<td><strong>447.5</strong></td>
<td><strong>156.9</strong></td>
<td><strong>199.5</strong></td>
<td><strong>161.8</strong></td>
<td><strong>965.7</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### Carrying value

<table>
<thead>
<tr>
<th></th>
<th>Generation Plant</th>
<th>Transmission and Distribution</th>
<th>Petroleum and Natural Gas Properties</th>
<th>Other</th>
<th>Construction in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2015</td>
<td>1,157.9</td>
<td>599.6</td>
<td>741.3</td>
<td>143.6</td>
<td>3,016.4</td>
<td>5,658.8</td>
</tr>
<tr>
<td>Balance at December 31, 2015</td>
<td>1,291.7</td>
<td>633.8</td>
<td>944.4</td>
<td>265.5</td>
<td>5,182.2</td>
<td>8,317.6</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2016</strong></td>
<td><strong>1,258.8</strong></td>
<td><strong>617.3</strong></td>
<td><strong>1,082.6</strong></td>
<td><strong>255.8</strong></td>
<td><strong>7,431.1</strong></td>
<td><strong>10,645.6</strong></td>
</tr>
</tbody>
</table>
### 4. Intangible Assets

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Computer Software</th>
<th>Feasibility Studies</th>
<th>Exploration Assets</th>
<th>Intellectual Property</th>
<th>Assets Under Development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1, 2015</td>
<td>11.4</td>
<td>1.8</td>
<td>13.0</td>
<td>8.6</td>
<td>-</td>
<td>34.8</td>
</tr>
<tr>
<td>Additions</td>
<td>3.2</td>
<td>-</td>
<td>27.6</td>
<td>-</td>
<td>0.4</td>
<td>31.2</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.1)</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2015</td>
<td>13.6</td>
<td>1.8</td>
<td>40.6</td>
<td>8.6</td>
<td>0.3</td>
<td>64.9</td>
</tr>
<tr>
<td>Additions</td>
<td>0.3</td>
<td>-</td>
<td>16.3</td>
<td>-</td>
<td>6.5</td>
<td>23.1</td>
</tr>
<tr>
<td>Balance at September 30, 2016</td>
<td>13.9</td>
<td>1.8</td>
<td>56.9</td>
<td>8.6</td>
<td>6.8</td>
<td>88.0</td>
</tr>
</tbody>
</table>

| Amortization                  |                   |                     |                    |                       |                          |       |
|-------------------------------|                   |                     |                    |                       |                          |       |
| Balance at January 1, 2015    | 3.0               | 1.0                 | -                  | -                     | -                        | 4.0   |
| Amortization                  | 1.4               | 0.2                 | 3.1                | -                     | -                        | 4.7   |
| Balance at December 31, 2015  | 4.4               | 1.2                 | 3.1                | -                     | -                        | 8.7   |
| Amortization                  | 1.4               | 0.2                 | 5.7                | -                     | -                        | 7.3   |
| Balance at September 30, 2016| 5.8               | 1.4                 | 8.8                | -                     | -                        | 16.0  |

| Carrying value                |                   |                     |                    |                       |                          |       |
|-------------------------------|                   |                     |                    |                       |                          |       |
| Balance at January 1, 2015    | 8.4               | 0.8                 | 13.0               | 8.6                   | -                        | 30.8  |
| Balance at December 31, 2015  | 9.2               | 0.6                 | 37.5               | 8.6                   | 0.3                      | 56.2  |
| Balance at September 30, 2016| 8.1               | 0.4                 | 48.1               | 8.6                   | 6.8                      | 72.0  |

### 5. Regulatory Deferrals

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>January 1 2016</th>
<th>Regulatory activity</th>
<th>September 30 2016</th>
<th>Remaining Recovery Settlement Period (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory asset deferrals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>56.2</td>
<td>(1.6)</td>
<td>54.6</td>
<td>25.25</td>
</tr>
<tr>
<td>Foreign exchange on fuel</td>
<td>0.7</td>
<td>(1.1)</td>
<td>(0.4)</td>
<td>n/a</td>
</tr>
<tr>
<td>Deferred lease costs</td>
<td>5.1</td>
<td>1.5</td>
<td>6.6</td>
<td>n/a</td>
</tr>
<tr>
<td>2014 cost deferral</td>
<td>38.6</td>
<td>(4.6)</td>
<td>34.0</td>
<td>n/a</td>
</tr>
<tr>
<td>2015 cost deferral</td>
<td>27.8</td>
<td>(0.7)</td>
<td>27.1</td>
<td>n/a</td>
</tr>
<tr>
<td>Phase Two hearing costs</td>
<td>-</td>
<td>0.7</td>
<td>0.7</td>
<td>n/a</td>
</tr>
<tr>
<td>Fuel supply deferral</td>
<td>9.6</td>
<td>(1.7)</td>
<td>7.9</td>
<td>n/a</td>
</tr>
<tr>
<td>Deferred energy conservation costs</td>
<td>6.3</td>
<td>0.6</td>
<td>6.9</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>144.3</td>
<td>(6.9)</td>
<td>137.4</td>
<td></td>
</tr>
<tr>
<td>Regulatory liability deferrals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate stabilization plan (RSP)</td>
<td>(324.6)</td>
<td>(18.8)</td>
<td>(343.4)</td>
<td>n/a</td>
</tr>
<tr>
<td>Insurance amortization and proceeds</td>
<td>(5.0)</td>
<td>0.5</td>
<td>(4.5)</td>
<td>n/a</td>
</tr>
<tr>
<td>Deferred power purchase savings</td>
<td>(0.4)</td>
<td>-</td>
<td>(0.4)</td>
<td>10.75</td>
</tr>
<tr>
<td></td>
<td>(330.0)</td>
<td>(18.3)</td>
<td>(348.3)</td>
<td></td>
</tr>
</tbody>
</table>
### 5.1 Regulatory Adjustments Recorded in the Consolidated Statement of Profit and Comprehensive Income

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of Canadian dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>RSP amortization</td>
<td>(12.4)</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Rural rate adjustment</td>
<td>(1.8)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>RSP fuel deferral</td>
<td>(19.3)</td>
<td>(19.2)</td>
</tr>
<tr>
<td>RSP interest</td>
<td>6.6</td>
<td>5.8</td>
</tr>
<tr>
<td><strong>Total RSP activity</strong></td>
<td>(26.9)</td>
<td>(16.3)</td>
</tr>
<tr>
<td>2014 cost deferral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 cost deferral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel supply deferral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of deferred foreign exchange losses</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Deferred foreign exchange on fuel</td>
<td>0.3</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Deferred energy conservation</td>
<td>(0.4)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Deferred purchased power savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits actuarial loss</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Phase Two hearing costs</td>
<td>(0.2)</td>
<td></td>
</tr>
<tr>
<td>Insurance amortization and proceeds</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Deferred lease costs</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(26.6)</td>
<td>(16.6)</td>
</tr>
</tbody>
</table>

The following section describes Hydro’s regulatory deferrals which will be, or are expected to be, reflected in customer rates in future periods and have been established through the rate setting process. In the absence of rate regulation, these amounts would be reflected in operating results in the year and profit for the period ended September 30, 2016 would have increased by $25.7 million (2015 - $58.7 million).

### 5.2 Fuel Supply Deferral

Pursuant to Order No. P.U. 56 (2014), Hydro received approval in 2014 to defer $9.6 million as a regulatory asset in additional capacity related supply costs incurred during the three months ended March 31, 2014. Recovery of this balance is subject to a future Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) Order. In April 2016, Hydro received Order No. P.U. 13 (2016) which outlines the results of a Prudence Review of certain projects and expenditures of Hydro. As a result, Hydro recorded in regulatory adjustments an expense of $1.7 million and a corresponding reduction to the Fuel Supply Deferral.

### 5.3 2014 Cost Deferral

As per Order No. P.U. 58 (2014), Hydro received approval in 2014 to defer $45.9 million in relation to Hydro’s proposed 2014 revenue requirement with recovery subject to a future PUB Order. In 2015, Hydro decreased this regulatory asset by $7.3 million to recognize an allowance for adjustments to certain costs that were discussed through the General Rate Application (GRA) process. In April 2016, Hydro received Order No. P.U. 13 (2016) which outlines the results of a Prudence Review of certain projects and expenditures of Hydro. As a result, Hydro recorded an expense of $4.6 million and a corresponding reduction to the 2014 Cost Deferral.

### 5.4 2015 Cost Deferral

As per Order No. P.U. 36 (2015), Hydro received approval to defer $30.2 million in relation to Hydro’s proposed 2015 net profit deficiency with recovery subject to a future PUB Order. Accordingly, these costs have been recognized as a regulatory asset. In 2015, Hydro decreased the regulatory asset by $2.4 million to recognize an allowance for adjustments to certain costs that were discussed through the GRA process. In April 2016, Hydro received Order No. P.U. 13 (2016) which outlines the results of a Prudence Review of certain projects and expenditures of Hydro. As a result, Hydro recorded an expense of $0.7 million and a corresponding reduction to the 2015 Cost Deferral.

### 5.5 Deferred Lease Costs

Pursuant to Order No. P.U. 38 (2013), Order No. P.U. 17 (2016) and P.U. 23 (2016), Hydro deferred lease costs of $1.6 million...
(2015 - $1.4 million) for diesel plants and other necessary infrastructure to ensure black start capability at the Holyrood Thermal Generating Station (HTGS). In Order No. P.U. 17 (2016) and No. P.U. 23 (2016), the Board also approved the amortization of $1.6 million of the balance over a period of 5 years with $1.6 million to be included in rate base. This was partially mitigated by amortization of $0.1 million (2015 - $nil) of the deferred lease costs. The recovery of the remaining $5.1 million of the regulatory asset is subject to a future PUB Order.

5.6 Phase Two Hearing Costs

In April 2016, Hydro received Order No. P.U. 13 (2016) which approves the deferral of consulting fees, salary transfers and overtime costs for 2014, 2015 and subsequent years relating to Phase Two of the investigation into the reliability and adequacy of power on the Island interconnected system after the interconnection with the Muskrat Falls generating station. As a result, Hydro recorded a regulatory asset of $0.7 million.

6. OTHER LONG-TERM ASSETS

<table>
<thead>
<tr>
<th></th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>0.3</td>
<td>3.6</td>
</tr>
<tr>
<td>Long-term prepayments</td>
<td>4.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>30.9</td>
<td>30.9</td>
</tr>
<tr>
<td>Sinking funds</td>
<td>311.1</td>
<td>283.6</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Other long-term assets, end of period</td>
<td>347.7</td>
<td>327.8</td>
</tr>
<tr>
<td>Less: current portion of sinking funds</td>
<td>(71.8)</td>
<td>(1.6)</td>
</tr>
<tr>
<td></td>
<td>275.9</td>
<td>326.2</td>
</tr>
</tbody>
</table>

The sinking funds consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Sinking funds, beginning of period</td>
<td>283.6</td>
<td>268.6</td>
</tr>
<tr>
<td>Contributions</td>
<td>8.2</td>
<td>8.1</td>
</tr>
<tr>
<td>Earnings</td>
<td>10.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Mark-to-market adjustment</td>
<td>8.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Sinking funds, end of period</td>
<td>311.1</td>
<td>283.6</td>
</tr>
<tr>
<td>Less: current portion</td>
<td>(71.8)</td>
<td>(1.6)</td>
</tr>
<tr>
<td></td>
<td>239.3</td>
<td>282.0</td>
</tr>
</tbody>
</table>
7. LONG-TERM INVESTMENTS

Long-term investments consist of structured deposit notes of $238.6 million (2015 - $1,115.8 million) related to Muskrat Falls, Labrador Transco and the Lil Partnership.

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>Year of Maturity</th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Muskat Falls</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$75.0 million Floating Rate Deposit Note, with interest paid at the one-month Canadian Dealer Offered Rate (CDOR) plus 0.38%.</td>
<td>2017</td>
<td>48.1</td>
<td>57.0</td>
</tr>
<tr>
<td>$478.2 million Amortizing Floating Rate Deposit Note, with interest paid at the one-month CDOR plus 0.38%.</td>
<td>2016</td>
<td>4.0</td>
<td>53.6</td>
</tr>
<tr>
<td>$1,912.7 million Amortizing Fixed Rate Deposit Note, with interest paid at a rate of 1.5937% per annum.</td>
<td>2016</td>
<td>16.2</td>
<td>214.2</td>
</tr>
<tr>
<td><strong>Labrador Transco</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$75.0 million Floating Rate Deposit Note, with interest paid at the one-month CDOR plus 0.38%.</td>
<td>2017</td>
<td>13.6</td>
<td>18.0</td>
</tr>
<tr>
<td>$478.2 million Amortizing Floating Rate Deposit Note, with interest paid at the one-month CDOR plus 0.38%.</td>
<td>2016</td>
<td>1.1</td>
<td>16.9</td>
</tr>
<tr>
<td>$1,912.7 million Amortizing Fixed Rate Deposit Note, with interest paid at a rate of 1.5937% per annum.</td>
<td>2016</td>
<td>4.6</td>
<td>67.6</td>
</tr>
<tr>
<td><strong>Lil LP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$75.0 million Floating Rate Deposit Note, with interest paid at the one-month CDOR plus 0.38%.</td>
<td>2017</td>
<td>75.0</td>
<td>75.0</td>
</tr>
<tr>
<td>$883.5 million Amortizing Floating Rate Deposit Note, with interest paid at the one-month CDOR plus 0.38%.</td>
<td>2016</td>
<td>30.4</td>
<td>245.4</td>
</tr>
<tr>
<td>$1,325.3 million Amortizing Fixed Rate Deposit Note, with interest paid at a rate of 1.6182% per annum.</td>
<td>2016</td>
<td>45.6</td>
<td>368.1</td>
</tr>
<tr>
<td>Long-term investments, end of period</td>
<td></td>
<td>238.6</td>
<td>1,115.8</td>
</tr>
<tr>
<td>Less: redemptions to be received within the next year</td>
<td>(a)</td>
<td>(238.6)</td>
<td>(1,025.2)</td>
</tr>
</tbody>
</table>

(a) Redemptions to be received within one year have been reclassified to short-term investments.

8. DEBT

8.1 Short-term Borrowings

Nalcor maintains a $250.0 million CAD or USD equivalent committed revolving term credit facility with its banker, with a maturity date of January 31, 2017. There were no amounts drawn on this facility as at September 30, 2016 (2015 - $nil), however $38.2 million of the borrowing limit has been used to issue 14 irrevocable letters of credit (2015 - $12.0 million). Borrowings in CAD may take the form of Prime Rate Advances, Bankers' Acceptances (BAs) and letters of credit. Borrowings in USD may take the form of Base Rate Advances, London Interbank Offer Rate (LIBOR) Advances and letters of credit. The facility also provides coverage for overdrafts on Nalcor's bank accounts, with interest calculated at the Prime Rate.

Three letters of credit, totaling $30.6 million, are on behalf of Oil and Gas to ensure compliance with regulations relating to petroleum and natural gas exploration and production activities. Another eleven letters, totaling $7.6 million, are on behalf of Energy Marketing and relate to collateral requirements in the Quebec, Ontario, New York, New England, Midwest United States
and PJM (Pennsylvania-New Jersey-Maryland) electricity markets.

Hydro maintains a $50.0 million CAD or USD equivalent unsecured demand operating credit facility with its banker and as at September 30, 2016, there were no amounts drawn on this facility (2015 - $nil), however $0.3 million of the borrowing limit has been used to issue irrevocable letters of credit (2015 - $0.3 million). Borrowings in CAD may take the form of Prime Rate Advances, Bankers’ Acceptances and letters of credit, with interest calculated at the Prime Rate or prevailing Government BA fee. Borrowings in USD may take the form of Base Rate Advances, LIBOR Advances and letters of credit. The facility also provides coverage for overdrafts on Hydro’s bank accounts, with interest calculated at the Prime Rate. Hydro has issued one irrevocable letter of credit, for $0.3 million, as a performance guarantee in relation to the Department of Fisheries and Oceans Fish Habitat Compensation Program.

In addition, Hydro utilized promissory notes to fulfil its short-term funding requirements. As at September 30, 2016, there were $118.0 million in short-term borrowings outstanding with a maturity date of October 6, 2016 bearing an interest rate of 0.68% (2015 - $97.0 million). Upon maturity, the promissory notes were reissued.

Churchill Falls maintains a $10.0 million CAD or USD equivalent unsecured demand operating credit facility with its primary banker. There were no amounts drawn on this facility as at September 30, 2016 (2015 - $nil), however $1.0 million of the borrowing limit has been used to issue irrevocable letters of credit (2015 - $1.0 million). Borrowings in CAD may take the form of Prime Rate Advances, BAs, or letters of credit, with interest calculated at the Prime Rate or prevailing Government BA fee. Borrowings in USD may take the form of Base Rate Advances. The facility also provides coverage for overdrafts on Churchill Falls bank accounts, with interest calculated at the Prime Rate. Churchill Falls has issued three irrevocable letters of credit, totaling $2.0 million, to ensure satisfactory management of its waste management and compliance with a certificate of approval for the transportation of special hazardous wastes granted by the Department of Environment and Conservation.

Oil and Gas maintains a $5.0 million USD or CAD equivalent unsecured credit facility with its banker and as at September 30, 2016, there were no amounts drawn on this facility (2015 - $nil). Borrowings in CAD may take the form of Prime Rate Advances and letters of credit. Borrowings in USD may take the form of Base Rate Advances and letters of credit. During the quarter, Oil and Gas issued an irrevocable letter of guarantee in the amount of $0.5 million to the Canada-Newfoundland and Labrador Offshore Petroleum Board, to satisfy liability requirements related to seabed mapping and geochemical sample acquisition work being carried out by a third party.

Energy Marketing maintains a $20.0 million CAD or USD equivalent demand operating credit facility with its banker, and as at September 30, 2016, there were no amounts drawn on this facility (2015 - $8.2 million). This facility has an unconditional and irrevocable guarantee from Nalcor. Borrowings in CAD may take the form of Prime Rate Advances, BAs and letters of credit. Borrowings in USD may take the form of Base Rate Advances, LIBOR Advances and letters of credit.
8.2 Long-term Debt
The following table represents the value of long-term debt measured at amortized cost:

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>Face Value</th>
<th>Coupon Rate %</th>
<th>Year of Issue</th>
<th>Year of Maturity</th>
<th>September 30 2016</th>
<th>December 31 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>0.2</td>
<td>10.50</td>
<td>1989</td>
<td>2014</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>X</td>
<td>150.0</td>
<td>10.25</td>
<td>1992</td>
<td>2017</td>
<td>149.9</td>
<td>149.8</td>
</tr>
<tr>
<td>Y</td>
<td>300.0</td>
<td>8.40</td>
<td>1996</td>
<td>2026</td>
<td>294.9</td>
<td>294.7</td>
</tr>
<tr>
<td>AB</td>
<td>300.0</td>
<td>6.65</td>
<td>2001</td>
<td>2031</td>
<td>305.5</td>
<td>305.7</td>
</tr>
<tr>
<td>AD</td>
<td>125.0</td>
<td>5.70</td>
<td>2003</td>
<td>2033</td>
<td>123.8</td>
<td>123.8</td>
</tr>
<tr>
<td>AE</td>
<td>225.0</td>
<td>4.30</td>
<td>2006</td>
<td>2016</td>
<td>225.0</td>
<td>224.8</td>
</tr>
<tr>
<td>AF</td>
<td>200.0</td>
<td>3.60</td>
<td>2014</td>
<td>2045</td>
<td>197.2</td>
<td>197.1</td>
</tr>
<tr>
<td>LIL LP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tranche A</td>
<td>725.0</td>
<td>3.76</td>
<td>2013</td>
<td>2033</td>
<td>725.3</td>
<td>725.3</td>
</tr>
<tr>
<td>Tranche B</td>
<td>600.0</td>
<td>3.86</td>
<td>2013</td>
<td>2045</td>
<td>600.1</td>
<td>600.1</td>
</tr>
<tr>
<td>Tranche C</td>
<td>1,075.0</td>
<td>3.85</td>
<td>2013</td>
<td>2053</td>
<td>1,075.2</td>
<td>1,075.2</td>
</tr>
<tr>
<td>Labrador Transco/Muskrat Falls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tranche A</td>
<td>650.0</td>
<td>3.63</td>
<td>2013</td>
<td>2029</td>
<td>650.2</td>
<td>650.2</td>
</tr>
<tr>
<td>Tranche B</td>
<td>675.0</td>
<td>3.83</td>
<td>2013</td>
<td>2037</td>
<td>675.1</td>
<td>675.1</td>
</tr>
<tr>
<td>Tranche C</td>
<td>1,275.0</td>
<td>3.86</td>
<td>2013</td>
<td>2048</td>
<td>1,275.2</td>
<td>1,275.2</td>
</tr>
<tr>
<td>Total debentures</td>
<td>6,300.2</td>
<td></td>
<td></td>
<td></td>
<td>6,297.6</td>
<td>6,297.3</td>
</tr>
<tr>
<td>Less: Sinking fund investments in own debentures</td>
<td>56.5</td>
<td>55.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,241.1</td>
<td>6,241.5</td>
</tr>
<tr>
<td>Less: payments due within one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>367.8</td>
<td>233.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,873.3</td>
<td>6,008.1</td>
</tr>
</tbody>
</table>

*Sinking funds have been established for these issues.

Hydro’s promissory notes and debentures are unsecured and unconditionally guaranteed as to principal and interest and, where applicable, sinking fund payments, by the Province. The Province charges Hydro a guarantee fee of 25 basis points annually on the total debt (net of sinking funds) with a remaining term to maturity less than 10 years and 50 basis points annually on total debt (net of sinking funds) with a remaining term to maturity greater than 10 years. The fee for the three and nine months ended September 30, 2016 was $1.1 million and $3.4 million, respectively (2015 - $1.1 million and $3.4 million).

9. CLASS B LIMITED PARTNERSHIP UNITS

Debt and equity instruments issued by LIL LP are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Class B limited partnership units represent Emera NL’s ownership interest in the Partnership. As described in the Partnership Agreement, these units have certain rights and obligations, including mandatory distributions, that indicate that the substance of the units represent a financial liability and are measured at amortized cost using the effective interest method. The return on the units is classified as a finance expense. All finance expenses associated with the units have been capitalized.
10. DEFERRED CREDITS

Deferred credits consist of Hydro and Oil and Gas funding from the Province, deferred energy sales to Emera NL and deferred lease revenue.

\[
\begin{array}{|c|c|c|c|}
\hline
\text{(millions of Canadian dollars)} & \text{Hydro} & \text{Oil and Gas} & \text{Deferred} \\
 & \text{Wind} & \text{Program} & \text{Lease} & \text{Total} \\
 & \text{Funding} & \text{Funding} & \text{Energy} & \text{Revenue} \\
& \text{Overlift} & \text{and} & \text{Sales} & \\
\hline
\text{Deferred credits, beginning of period} & 0.5 & 5.9 & 659.0 & 8.9 & 674.3 \\
\text{Additions} & 0.4 & - & 394.1 & 5.2 & 399.7 \\
\text{Amortization} & (0.4) & (2.3) & - & (0.2) & (2.9) \\
\text{Deferred credits, end of period} & 0.5 & 3.6 & 1,053.1 & 13.9 & 1,071.1 \\
\text{Less: current portion} & (0.5) & (1.1) & - & (1.8) & (3.4) \\
\hline
\end{array}
\]

Hydro has received funding from the Province for wind feasibility studies in Labrador. The funding is recognized as other revenue when the related expenditures are incurred.

Oil and Gas has received funding, from the Province, towards two initiatives. The first is the Petroleum Exploration Enhancement Program which is designed to boost new petroleum exploration in Western Newfoundland through acquisition and assessment of seismic data. The second is the Offshore Geoscience Data Project which is designed to encourage new offshore petroleum exploration in Newfoundland and Labrador through the acquisition and assessment of seismic data. The funding is recognized as other revenue when the related expenditures are incurred. Also, the over-lift position associated with Oil and Gas’ net working interest of petroleum and natural gas produced and facility packs which represent the fair value of oil inventory held at the Newfoundland Transshipment site are included as deferred credits.

Nalcor has recorded deferred energy sales of $1,053.1 million (2015 - $659.0 million) which equals the construction costs to date incurred by Emera related to the Maritime Link. Nalcor has determined that it controls the Maritime Link asset for financial reporting purposes, and as such, has recorded the costs as a component of property, plant and equipment under construction.

Deferred lease revenue includes prepaid rent received from Bull Arm Fabrication’s lessee and deferred lease revenue related to the Menihek plant.

11. DEFERRED CONTRIBUTIONS

Nalcor has received contributions in aid of construction of property, plant and equipment. These contributions are deferred and amortized to other revenue over the life of the related property, plant and equipment asset.
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

12. DECOMMISSIONING LIABILITIES

Nalcor has recognized liabilities associated with the retirement of portions of the HTGS, disposal of Polychlorinated Biphenyls and decommissioning liabilities resulting from its net ownership interests in petroleum and natural gas properties and related well sites.

The reconciliation of beginning and ending carrying amounts of decommissioning liabilities as at September 30, 2016 and December 31, 2015 are as follows:

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>September 30 2016</th>
<th>December 31 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decommissioning liabilities, beginning of period</td>
<td>103.0</td>
<td>43.2</td>
</tr>
<tr>
<td>Liabilities settled</td>
<td>(0.4)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Accretion</td>
<td>2.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Revisions</td>
<td>8.6</td>
<td>58.6</td>
</tr>
<tr>
<td>Decommissioning liabilities, end of period</td>
<td>114.0</td>
<td>103.0</td>
</tr>
<tr>
<td>Less: current portion</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td></td>
<td>113.0</td>
<td>102.0</td>
</tr>
</tbody>
</table>

13. EMPLOYEE FUTURE BENEFITS

13.1 Pension Plan
Employees participate in the Province’s Public Service Pension Plan, a multi-employer defined benefit plan. The employer’s contributions of $8.8 million (2015 - $8.6 million) are expensed as incurred.

13.2 Other Benefits
Nalcor provides group life insurance and health care benefits on a cost shared basis to retired employees, and in certain cases, their surviving spouses, in addition to a severance payment upon retirement. In 2016, cash payments to beneficiaries for its unfunded other employee future benefits were $6.4 million (2015 - $2.5 million). An actuarial valuation was performed as at December 31, 2015, with an extrapolation to December 31, 2016.

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of Canadian dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Component of benefit cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current service cost</td>
<td>1.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Total benefit expense for the period</td>
<td>3.1</td>
<td>3.2</td>
</tr>
</tbody>
</table>
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

14. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of, and changes in, accumulated other comprehensive income (loss) are as follows:

**Items that may or have been reclassified to profit or loss:**

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee future benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1</td>
<td>(36.4)</td>
<td>(56.3)</td>
</tr>
<tr>
<td>Regulatory adjustment</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Balance at September 30</td>
<td>(35.9)</td>
<td>(56.3)</td>
</tr>
<tr>
<td>Available-for-sale financial instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1</td>
<td>45.0</td>
<td>44.6</td>
</tr>
<tr>
<td>Net fair value gain on available-for-sale during the period</td>
<td>16.2</td>
<td>8.3</td>
</tr>
<tr>
<td>Amounts reclassified to profit (loss)</td>
<td>(7.6)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>Balance at September 30</td>
<td>53.6</td>
<td>45.5</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1</td>
<td>(6.3)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Fair value gains during the period</td>
<td>2.8</td>
<td>6.2</td>
</tr>
<tr>
<td>Amounts reclassified to profit (loss)</td>
<td>(6.1)</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Balance at September 30</td>
<td>(9.6)</td>
<td>(5.4)</td>
</tr>
</tbody>
</table>

15. SHAREHOLDER’S EQUITY

15.1 Share Capital

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares of par value $1 each</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized - unlimited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and outstanding - 122,500,000</td>
<td>122.5</td>
<td>122.5</td>
</tr>
</tbody>
</table>

15.2 Shareholder Contributions

<table>
<thead>
<tr>
<th>As at (millions of Canadian dollars)</th>
<th>September 30</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholder contributions</td>
<td>2,694.4</td>
<td>2,203.8</td>
</tr>
</tbody>
</table>

During 2016, Nalcor’s shareholder contributed capital in the amount of $490.4 million (2015 - $734.6 million) in relation to Nalcor’s capital expenditures.

During 2016, the Churchill Falls (Labrador) Corporation Trust (the Trust) contributed capital in the amount of $0.2 million (2015 - $0.1 million).
16. **OPERATING COSTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Salaries and benefits expense</td>
<td>29.4</td>
<td>34.3</td>
</tr>
<tr>
<td>Transmission rental</td>
<td>5.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Maintenance and materials</td>
<td>8.8</td>
<td>13.0</td>
</tr>
<tr>
<td>Professional services</td>
<td>4.1</td>
<td>8.2</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>1.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Rental and royalty expense</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>0.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>3.0</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>53.1</td>
<td>67.3</td>
</tr>
</tbody>
</table>

17. **PRODUCTION COSTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Processing and marketing expense</td>
<td>1.8</td>
<td>0.3</td>
</tr>
<tr>
<td>Transportation and transshipment expense</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Project operating costs</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>6.3</td>
<td>4.0</td>
</tr>
</tbody>
</table>

18. **NET FINANCE (INCOME) EXPENSE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on sinking fund</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Interest on reserve fund</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>1.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Interest on restricted cash</td>
<td>3.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Other interest income</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>9.6</td>
<td>13.8</td>
</tr>
<tr>
<td>Finance expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>68.7</td>
<td>68.7</td>
</tr>
<tr>
<td>Class B limited partnership units</td>
<td>5.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Debt guarantee fee</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Accretion</td>
<td>1.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Other</td>
<td>0.7</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>78.2</td>
<td>73.8</td>
</tr>
<tr>
<td>Interest capitalized during construction</td>
<td>(50.3)</td>
<td>(42.0)</td>
</tr>
<tr>
<td></td>
<td>27.9</td>
<td>31.8</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>18.3</td>
<td>18.0</td>
</tr>
</tbody>
</table>
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

19. OTHER (INCOME) EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
<th>Nine months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Mark-to-market commodity swaps</td>
<td>-</td>
<td>3.1</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Mark-to-market foreign exchange forward contracts</td>
<td>-</td>
<td>(0.5)</td>
<td>(0.7)</td>
<td>1.2</td>
</tr>
<tr>
<td>Settlement of commodity swaps</td>
<td>(0.1)</td>
<td>(7.1)</td>
<td>(9.6)</td>
<td>(14.5)</td>
</tr>
<tr>
<td>Settlement of foreign exchange forward contracts</td>
<td>(0.5)</td>
<td>3.0</td>
<td>0.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Financial transmission rights income and amortization</td>
<td>0.1</td>
<td>-</td>
<td>(0.9)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Hedge ineffectiveness</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>0.2</td>
<td>0.7</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Asset disposal costs</td>
<td>0.1</td>
<td>1.7</td>
<td>0.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Unrealized foreign exchange (gain) loss</td>
<td>(0.8)</td>
<td>0.1</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Realized foreign exchange loss (gain)</td>
<td>0.3</td>
<td>0.1</td>
<td>0.5</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>0.1</td>
<td>(1.0)</td>
<td>0.1</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.6)</td>
<td>1.2</td>
<td>(9.0)</td>
<td>(1.7)</td>
</tr>
</tbody>
</table>

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

20.1 Fair Value

The estimated fair values of financial instruments as at September 30, 2016 and December 31, 2015 are based on relevant market prices and information available at the time. Fair value estimates are based on valuation techniques which are significantly affected by the assumptions used including the amount and timing of future cash flows and discount rates reflecting various degrees of risk. As such, the fair value estimates below are not necessarily indicative of the amounts that Nalcor might receive or incur in actual market transactions.

As a significant number of Nalcor’s assets and liabilities do not meet the definition of a financial instrument, the fair value estimates below do not reflect the fair value of Nalcor as a whole.

Establishing Fair Value

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1, 2 and 3 for the period ended September 30, 2016 and the year ended December 31, 2015.
### Financial assets

<table>
<thead>
<tr>
<th>Level</th>
<th>Carrying Value</th>
<th>Fair Value</th>
<th>Carrying Value</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2016</td>
<td>December 31, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative assets</td>
<td>2,3</td>
<td>1.4</td>
<td>1.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Sinking funds - investments in Hydro debt issue</td>
<td>2</td>
<td>56.5</td>
<td>71.2</td>
<td>55.8</td>
</tr>
<tr>
<td>Sinking funds - other investments</td>
<td>2</td>
<td>311.1</td>
<td>311.1</td>
<td>283.6</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>90.6</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>2</td>
<td>30.9</td>
<td>30.9</td>
<td>30.9</td>
</tr>
<tr>
<td>Long-term receivables¹</td>
<td>2</td>
<td>0.3</td>
<td>0.3</td>
<td>3.6</td>
</tr>
</tbody>
</table>

### Financial liabilities

<table>
<thead>
<tr>
<th>Level</th>
<th>Carrying Value</th>
<th>Fair Value</th>
<th>Carrying Value</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2016</td>
<td>December 31, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>5.2</td>
</tr>
<tr>
<td>Long-term debt including amount due within one year</td>
<td>2</td>
<td>6,297.6</td>
<td>7,969.4</td>
<td>6,297.3</td>
</tr>
<tr>
<td>(before sinking funds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B limited partnership units</td>
<td>3</td>
<td>325.4</td>
<td>325.4</td>
<td>207.4</td>
</tr>
<tr>
<td>Long-term payables²</td>
<td>2</td>
<td>61.0</td>
<td>78.2</td>
<td>70.0</td>
</tr>
</tbody>
</table>

¹As at March 31, 2016, the long-term receivable relating to the Annual Energy Base of $2.6 million (fair value - $2.8 million) was classified to trade and other receivables.

²As at June 30, 2015, Oil and Gas’ long-term payable balance of $7.1 million was reclassified to trade and other payables. At December 31, 2015, Churchill Falls’ long-term payable balance of $0.3 million was reclassified to trade and other payables.

The fair value of cash and cash equivalents, restricted cash, short-term investments, trade and other receivables, short-term borrowings and trade and other payables approximates their carrying values due to their short-term maturity.

The fair values of Level 2 financial instruments are determined using quoted prices in active markets, which in some cases are adjusted for factors specific to the asset or liability. Level 2 derivative instruments are valued based on observable commodity future curves, broker quotes or other publicly available data. Level 2 fair values of other risk management assets and liabilities and long-term debt are determined using observable inputs other than unadjusted quoted prices, such as interest rate yield curves and currency rates.

The following table summarizes quantitative information about the valuation techniques and unobservable inputs used in the fair value measurement of Level 3 financial instruments as at September 30, 2016.

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Carrying Value</th>
<th>Valuation Techniques</th>
<th>Significant Unobservable Input(s)</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative asset (Financial transmission rights)</td>
<td>1.1</td>
<td>Modelled pricing</td>
<td>Price, seasonality and market factors</td>
<td>23-29%</td>
</tr>
</tbody>
</table>

Methodologies for calculating the fair values of financial transmission rights are determined by using underlying contractual data as well as observable and unobservable inputs. Fair value methodologies are reviewed by Management on a quarterly basis to assess the reasonability of the assumptions made and models are adjusted as necessary for significant expected changes in fair value due to changes in key inputs. As at September 30, 2016, the effect of using reasonably possible alternative assumptions regarding the unobservable implied volatilities may have resulted in $244.5 thousand to $314.1 thousand change in the carrying value of the financial transmission rights.
The table below sets forth a summary of changes in fair value of Nalcor’s Level 3 financial liabilities given a one percent change in the discount rate while holding other variables constant:

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>1% increase in discount rate</th>
<th>1% decrease in discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class B limited partnership units</td>
<td>(4.7)</td>
<td>4.6</td>
</tr>
</tbody>
</table>

### 20.2 Risk Management

Nalcor is exposed to certain credit, liquidity and market price risks through its operating, financing and investing activities. Financial risk is managed in accordance with a Board-approved policy, which outlines the objectives and strategies for the management of financial risk, including the use of derivative contracts. Permitted financial risk management strategies are aimed at minimizing the volatility of Nalcor’s expected future cash flows.

#### Market Risk

In the course of carrying out its operating, financing and investing activities, Nalcor is exposed to possible market price movements that could impact expected future cash flow and the carrying value of certain financial assets and liabilities. Market price movements to which Nalcor has significant exposure include those relating to prevailing interest rates, foreign exchange rates, most notably USD/CAD, and current commodity prices, most notably the spot prices for oil and electricity. These exposures are addressed as part of the Financial Risk Management Strategy. Tactics for addressing foreign exchange rates and commodity prices include the use of forward rate agreements and fixed price commodity swaps. The components of change impacting the carrying value of derivative assets and liabilities for the periods ended September 30, 2016 and 2015 are as follows:

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Commodity and forward contracts</th>
<th>Other derivatives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level II</td>
<td>Level II</td>
<td>Level III</td>
</tr>
<tr>
<td>Balance at January 1, 2016</td>
<td>1.6</td>
<td>0.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Purchases</td>
<td>-</td>
<td>-</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>1.6</td>
<td>0.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Changes to profit (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>-</td>
<td>-</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>5.5</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>Settlements</td>
<td>(2.8)</td>
<td>-</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Total</td>
<td>2.7</td>
<td>(0.1)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Changes in other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>2.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Realized in (profit) loss</td>
<td>(6.8)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(4.0)</td>
<td>-</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Balance at September 30, 2016</td>
<td>0.3</td>
<td>-</td>
<td>1.1</td>
</tr>
</tbody>
</table>

### Balance at January 1, 2015

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Commodity and forward contracts</th>
<th>Other derivatives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level II</td>
<td>Level II</td>
<td>Level III</td>
</tr>
<tr>
<td>Balance at January 1, 2015</td>
<td>7.6</td>
<td>2.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Purchases</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>7.6</td>
<td>2.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Changes to profit (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>-</td>
<td>-</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>2.5</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Settlements</td>
<td>(5.1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(2.6)</td>
<td>(0.2)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Changes in other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>6.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Realized in profit (loss)</td>
<td>(8.1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(1.9)</td>
<td>-</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Balance at September 30, 2015</td>
<td>3.1</td>
<td>2.3</td>
<td>0.4</td>
</tr>
</tbody>
</table>
Foreign Currency and Commodity Exposure

As at September 30, 2016, Oil and Gas has three remaining commodity price swaps with a notional value of $1.5 million USD. These contracts will provide an average fixed price of $51.66 USD per barrel on 29,716 barrels of production. As the outstanding contracts have been designated as hedged instruments, changes in fair value have been recorded in other comprehensive income. During 2016, $6.1 million in gains have been included in other (income) expense related to commodity price swaps and $0.1 million in unrealized gains remain in other comprehensive income. As at September 30, 2016, the fair value of Oil and Gas’ derivative assets presented on the Statement of Financial Position was $0.1 million (December 31, 2015 - $6.9 million).

As at September 30, 2016, Bull Arm Fabrication has five remaining foreign exchange forward contracts, with a notional value of $6.7 million USD and an average rate of $1.33 CAD per USD. As these contracts have all been designated as hedged instruments, changes in fair value have been recorded in other comprehensive income. During 2016, $0.2 million in losses have been included in other (income) expense related to the forward contracts and $1.3 million in unrealized gains have been included in other comprehensive income. As at September 30, 2016, Bull Arm Fabrication’s fair value of the derivative assets as presented on the Statement of Financial Position was $0.1 million. As at December 31, 2015, the fair value of the derivative liabilities was $1.1 million.

As at September 30, 2016, Energy Marketing has three remaining foreign exchange forward contracts, with a notional value of USD $6.4 million, and an average rate of $1.34 CAD per USD. During 2016, $0.1 million in losses have been included in other (income) expense related to foreign exchange forward contracts. As at September 30, 2016, $0.2 million in unrealized gains remained in other comprehensive income related to the remaining contracts.

As at September 30, 2016, Energy Marketing had no remaining fixed price commodity price swaps. During 2016, $3.5 million in gains have been included in other (income) expense related to settled contracts.

During 2016, additional financial transmission rights with notional values of $1.4 million USD were purchased to mitigate risk on congestion for the remainder of 2016 and a significant portion of 2017. As the rights have not been designated as hedging instruments, changes in fair value have been recorded in other (income) expense.

21. RELATED PARTY TRANSACTIONS

Nalcor enters into various transactions with its shareholder and other affiliates. These transactions occur within the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties. Related parties with which Nalcor transacts are as follows:

<table>
<thead>
<tr>
<th>Related Party</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Province</td>
<td>100.0% shareholder of Nalcor</td>
</tr>
<tr>
<td>Churchill Falls</td>
<td>Joint arrangement of Hydro</td>
</tr>
<tr>
<td>Hydro-Québec</td>
<td>34.2% shareholder of Churchill Falls</td>
</tr>
<tr>
<td>Twin Falls</td>
<td>Joint venture of Churchill Falls</td>
</tr>
<tr>
<td>The Trust</td>
<td>Created by the Province with Churchill Falls as the beneficiary</td>
</tr>
<tr>
<td>LIL LP</td>
<td>Partnership in which Nalcor holds 75 Class A Partnership Units</td>
</tr>
<tr>
<td>PUB</td>
<td>Agency of the Province</td>
</tr>
</tbody>
</table>

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.
22. COMMITMENTS AND CONTINGENCIES

(a) Nalcor and its subsidiaries have received claims instituted by various companies and individuals with respect to power delivery claims and other miscellaneous matters. Although the outcome of such matters cannot be predicted with certainty, Management believes Nalcor’s exposure to such claims and litigation, to the extent not covered by insurance or otherwise provided for, is not expected to materially affect its financial position or results of operations.

(b) Outstanding commitments for capital projects, excluding those related to Oil and Gas, total approximately $1.9 billion as at September 30, 2016 (2015 - $2.8 billion). Outstanding commitments related to pre-funded equity requirements associated with the Project Finance Agreements total approximately $3.5 billion as at September 30, 2016 (2015 - $0.7 billion).

(c) As part of the LIL Project Finance Agreement (PFA), LIL LP has pledged its current and future assets as security to the Collateral Agent. Under the terms and conditions of the Project Trust PFA, LIL LP has also provided a guarantee of the Project Trust’s payment obligations to the Collateral Agent for the benefit of the Labrador-Island Link Funding Trust. LIL LP has pledged the escrow account, where the pre-funded equity contribution has been deposited, as security to the Collateral Agent.

(d) As part of the Muskrat Falls/Labrador Transmission Assets PFA, Muskrat Falls and Labrador Transco have pledged its present and future assets as security to the Collateral Agent.

(e) On August 31, 2016, a one-year extension, commencing March 7, 2017, was signed between Bull Arm Fabrication and the site’s current tenant. The remaining minimum lease payments associated with the lease arrangement of Bull Arm Fabrication’s assets and facilities over the next five years will be as follows:

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum lease payments</td>
<td>5.3</td>
<td>21.2</td>
<td>3.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

23. SUPPLEMENTARY CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th>For the period ended September 30 (millions of Canadian dollars)</th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(60.5)</td>
<td>13.5</td>
</tr>
<tr>
<td>Prepayments</td>
<td>(11.8)</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>(11.8)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>123.2</td>
<td>217.5</td>
</tr>
<tr>
<td>Changes in non-cash working capital balances</td>
<td>39.1</td>
<td>230.1</td>
</tr>
</tbody>
</table>

Related to:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>(64.9)</td>
<td>(20.6)</td>
</tr>
<tr>
<td></td>
<td>1.6</td>
<td>37.2</td>
</tr>
<tr>
<td>Investing activities</td>
<td>104.0</td>
<td>294.4</td>
</tr>
<tr>
<td></td>
<td>228.5</td>
<td>358.4</td>
</tr>
<tr>
<td></td>
<td>39.1</td>
<td>273.8</td>
</tr>
<tr>
<td></td>
<td>230.1</td>
<td>395.6</td>
</tr>
</tbody>
</table>
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

24. SEGMENT INFORMATION

Nalcor operates in seven business segments. Hydro Regulated activities encompass sales of electricity to customers within the Province. Churchill Falls operates a hydroelectric generating facility which sells electricity to Hydro-Québec and Hydro. Oil and Gas activities include exploration, development, production, transportation and processing sectors of the oil and gas industry. Energy Marketing includes the sale of electricity to markets outside the Province and other non-regulated electricity sales. Bull Arm Fabrication consists of an industrial fabrication site which is leased for major construction of development projects. Phase 1 of the Lower Churchill Project includes investments in the Muskrat Falls hydroelectric plant, the Labrador-Island Link and the Labrador Transmission Assets. Corporate and other activities encompass development activities including Phase 2 of the Lower Churchill Project and corporate activities. The segments’ accounting policies are the same as those described in Note 2 of the annual audited consolidated financial statements. The designation of segments has been based on a combination of regulatory status and management accountability.

\[
\begin{array}{lccccccccc}
\text{(millions of Canadian dollars)} & \text{Hydro Regulated} & \text{Churchill Falls} & \text{Oil and Gas} & \text{Energy Marketing} & \text{Bull Arm} & \text{Phase 1 Lower Churchill Project} & \text{Corporate and Other Activities} & \text{Inter-Segment} & \text{Total} \\
\hline
\text{Energy sales} & 381.4 & 69.4 & 84.0 & 62.2 & - & - & - & (31.5) & 565.5 \\
\text{Other revenue} & 2.9 & 0.4 & 3.7 & 5.1 & 16.0 & - & - & 3.1 & 31.2 \\
\text{Revenue} & 384.3 & 69.8 & 87.7 & 67.3 & 16.0 & - & - & (28.4) & 596.7 \\
\hline
\text{Fuels} & 117.6 & - & - & - & - & - & - & - & 117.6 \\
\text{Power purchased} & 45.8 & - & - & 31.9 & - & - & - & (31.3) & 46.4 \\
\text{Operating costs} & 92.0 & 32.9 & 6.1 & 23.6 & 0.9 & 0.9 & 15.2 & - & 171.6 \\
\text{Production costs} & - & - & 17.8 & - & - & - & - & - & 17.8 \\
\text{Depreciation, depletion and amortization} & 51.0 & 12.1 & 33.0 & 0.3 & - & - & 0.3 & - & 96.7 \\
\text{Exploration and evaluation} & - & - & 0.2 & - & - & - & - & - & 0.2 \\
\text{Net finance (income) expense} & 55.0 & (0.7) & 2.5 & 0.2 & - & (1.4) & 0.2 & - & 55.8 \\
\text{Other (income) expense} & (0.1) & (0.1) & (4.6) & (4.8) & 0.2 & 0.2 & 0.2 & - & (9.0) \\
\text{Preferred dividends} & - & (3.1) & - & - & - & - & - & 3.1 & - \\
\text{Profit (loss) before regulatory adjustments} & 23.0 & 28.7 & 32.7 & 16.1 & 14.9 & 0.3 & (15.9) & (0.2) & 99.6 \\
\text{Regulatory adjustments} & 25.7 & - & - & - & - & - & - & - & 25.7 \\
\text{(Loss) profit for the period} & (2.7) & 28.7 & 32.7 & 16.1 & 14.9 & 0.3 & (15.9) & (0.2) & 73.9 \\
\text{Capital expenditures}^a & 122.8 & 34.5 & 156.6 & - & - & 2,092.7 & 5.3 & (0.5) & 2,411.4 \\
\text{Total assets} & 2,290.7 & 556.2 & 1,222.9 & 19.7 & 4.1 & 9,285.0 & 359.2 & (41.9) & 13,695.9 \\
\end{array}
\]

\(^a\)Capital expenditures include non-cash additions of $394.1 million related to the Maritime Link and $16.2 million related to Class B Limited Partnership Unit accrued interest. Total assets include total-to-date amounts of $1,056.5 million related to the Maritime Link and $37.4 million related to Class B Limited Partnership Unit accrued interest.
# NALCOR ENERGY

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(UNAUDITED)

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Hydro Regulated</th>
<th>Churchill Falls</th>
<th>Oil and Gas</th>
<th>Energy Marketing</th>
<th>Bull Arm</th>
<th>Phase 1 Lower Churchill Project</th>
<th>Corporate and Other Activities</th>
<th>Inter-Segment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy sales</td>
<td>70.2</td>
<td>15.9</td>
<td>39.5</td>
<td>26.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10.0)</td>
<td>141.8</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1.0</td>
<td>0.1</td>
<td>2.9</td>
<td>2.2</td>
<td>5.2</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
<td>12.3</td>
</tr>
<tr>
<td>Revenue</td>
<td>71.2</td>
<td>16.0</td>
<td>42.4</td>
<td>28.4</td>
<td>5.2</td>
<td>-</td>
<td>-</td>
<td>(9.1)</td>
<td>154.1</td>
</tr>
<tr>
<td>Fuels</td>
<td>17.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17.4</td>
</tr>
<tr>
<td>Power purchased</td>
<td>13.1</td>
<td>-</td>
<td>-</td>
<td>10.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10.0)</td>
<td>13.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>29.3</td>
<td>10.4</td>
<td>1.6</td>
<td>8.1</td>
<td>0.2</td>
<td>0.5</td>
<td>3.0</td>
<td>-</td>
<td>53.1</td>
</tr>
<tr>
<td>Production costs</td>
<td>-</td>
<td>-</td>
<td>6.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.3</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>17.2</td>
<td>4.1</td>
<td>13.8</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35.2</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>17.9</td>
<td>(0.1)</td>
<td>0.9</td>
<td>0.1</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>18.3</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td>(0.1)</td>
<td>0.3</td>
<td>0.2</td>
<td>-</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Preferred dividends</td>
<td>-</td>
<td>(0.9)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>(Loss) profit before regulatory adjustments</td>
<td>(23.5)</td>
<td>2.7</td>
<td>20.1</td>
<td>10.0</td>
<td>5.1</td>
<td>(0.3)</td>
<td>(3.2)</td>
<td>-</td>
<td>10.9</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>(26.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(26.6)</td>
<td>-</td>
</tr>
<tr>
<td>Profit (loss) for the period</td>
<td>3.1</td>
<td>2.7</td>
<td>20.1</td>
<td>10.0</td>
<td>5.1</td>
<td>(0.3)</td>
<td>(3.2)</td>
<td>-</td>
<td>37.5</td>
</tr>
<tr>
<td>Capital expenditures(^a)</td>
<td>71.7</td>
<td>17.1</td>
<td>47.2</td>
<td>-</td>
<td>-</td>
<td>893.4</td>
<td>3.2</td>
<td>(0.1)</td>
<td>1,032.5</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,290.7</td>
<td>556.2</td>
<td>1,222.9</td>
<td>19.7</td>
<td>4.1</td>
<td>9,285.0</td>
<td>359.2</td>
<td>(41.9)</td>
<td>13,695.9</td>
</tr>
</tbody>
</table>

\(^a\)Capital expenditures include non-cash additions of $177.8 million related to the Maritime Link and $5.9 million related to Class B Limited Partnership Unit accrued interest. Total assets include total-to-date amounts of $1,056.5 million related to the Maritime Link and $37.4 million related to Class B Limited Partnership Unit accrued interest.
**NALCOR ENERGY**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(Unaudited)

<table>
<thead>
<tr>
<th>(in millions of Canadian dollars)</th>
<th>Hydro Regulated</th>
<th>Churchill Falls</th>
<th>Oil and Gas</th>
<th>Energy Marketing</th>
<th>Bull Arm</th>
<th>Phase 1 Lower Churchill Project</th>
<th>Corporate and Other Activities</th>
<th>Inter-Segment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy sales</td>
<td>426.7</td>
<td>70.1</td>
<td>19.7</td>
<td>70.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(31.0)</td>
<td>556.2</td>
</tr>
<tr>
<td>Other revenue</td>
<td>2.5</td>
<td>0.4</td>
<td>9.9</td>
<td>4.2</td>
<td>15.1</td>
<td>-</td>
<td>-</td>
<td>3.5</td>
<td>35.6</td>
</tr>
<tr>
<td>Revenue</td>
<td>429.2</td>
<td>70.5</td>
<td>29.6</td>
<td>74.9</td>
<td>15.1</td>
<td>-</td>
<td>-</td>
<td>(27.5)</td>
<td>591.8</td>
</tr>
<tr>
<td>Fuels</td>
<td>137.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>137.9</td>
</tr>
<tr>
<td>Power purchased</td>
<td>46.0</td>
<td>-</td>
<td>-</td>
<td>31.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(30.9)</td>
<td>46.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>113.7</td>
<td>33.1</td>
<td>7.6</td>
<td>23.2</td>
<td>0.8</td>
<td>0.9</td>
<td>16.3</td>
<td>-</td>
<td>195.6</td>
</tr>
<tr>
<td>Production costs</td>
<td>-</td>
<td>-</td>
<td>10.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.2</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>46.4</td>
<td>10.8</td>
<td>11.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
<td>68.8</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
<td>54.8</td>
<td>(0.8)</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>(0.4)</td>
<td>0.4</td>
<td>-</td>
<td>54.5</td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>4.1</td>
<td>0.9</td>
<td>(6.3)</td>
<td>(1.7)</td>
<td>1.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Share of loss of joint arrangement</td>
<td>-</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Preferred dividends</td>
<td>-</td>
<td>(3.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.5</td>
<td>-</td>
</tr>
<tr>
<td>Profit (loss) before regulatory adjustments</td>
<td>26.3</td>
<td>29.9</td>
<td>5.7</td>
<td>22.0</td>
<td>12.8</td>
<td>(0.5)</td>
<td>(17.1)</td>
<td>(0.1)</td>
<td>79.0</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>58.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>58.7</td>
</tr>
<tr>
<td>(Loss) profit for the period</td>
<td>(32.4)</td>
<td>29.9</td>
<td>5.7</td>
<td>22.0</td>
<td>12.8</td>
<td>(0.5)</td>
<td>(17.1)</td>
<td>(0.1)</td>
<td>20.3</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>91.1</td>
<td>24.6</td>
<td>163.7</td>
<td>0.1</td>
<td>-</td>
<td>1,717.6</td>
<td>6.9</td>
<td>-</td>
<td>2,004.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,154.5</td>
<td>521.4</td>
<td>968.8</td>
<td>7.9</td>
<td>4.0</td>
<td>7,617.0</td>
<td>360.4</td>
<td>(14.7)</td>
<td>11,619.3</td>
</tr>
</tbody>
</table>

*Capital expenditures include non-cash additions of $258.2 million related to the Maritime Link and $5.8 million related to Class B Limited Partnership Unit accrued interest. Total assets include total-to-date amounts of $590.5 million related to the Maritime Link and $17.5 million related to Class B Limited Partnership Unit accrued interest.
NALCOR ENERGY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

(millions of Canadian dollars)

<table>
<thead>
<tr>
<th>(For the three months ended September 30, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro Regulated</td>
</tr>
<tr>
<td>Energy sales</td>
</tr>
<tr>
<td>Other revenue</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Fuels</td>
</tr>
<tr>
<td>Power purchased</td>
</tr>
<tr>
<td>Operating costs</td>
</tr>
<tr>
<td>Production costs</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
</tr>
<tr>
<td>Net finance (income) expense</td>
</tr>
<tr>
<td>Other (income) expense</td>
</tr>
<tr>
<td>Preferred dividends</td>
</tr>
<tr>
<td>(Loss) profit before regulatory adjustments</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
</tr>
<tr>
<td>(Loss) profit for the period</td>
</tr>
<tr>
<td>Capital expenditures</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
</tbody>
</table>

*Capital expenditures include non-cash additions of $64.5 million related to the Maritime Link and $2.4 million related to Class B Limited Partnership Unit accrued interest.
Total assets include total-to-date amounts of $590.5 million related to the Maritime Link and $37.4 million related to Class B Limited Partnership Unit accrued interest.
25. **COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform to the basis of presentation adopted during the current reporting period. The changes have been summarized as follows:

<table>
<thead>
<tr>
<th>(millions of Canadian dollars)</th>
<th>Previously reported</th>
<th>Curtailed energy presentation</th>
<th>Production cost reclassification</th>
<th>Reclassified balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy sales</td>
<td>556.9</td>
<td>(0.7)</td>
<td>-</td>
<td>556.2</td>
</tr>
<tr>
<td>Power purchased</td>
<td>47.2</td>
<td>(0.7)</td>
<td>-</td>
<td>46.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>205.8</td>
<td>-</td>
<td>(10.2)</td>
<td>195.6</td>
</tr>
<tr>
<td>Production costs</td>
<td>-</td>
<td>-</td>
<td>10.2</td>
<td>10.2</td>
</tr>
</tbody>
</table>

26. **SUBSEQUENT EVENTS**

On October 12, 2016, Nalcor borrowed $225.0 million from the Province by way of a promissory note, and these funds were then loaned to Hydro. The proceeds of this loan, which matures on January 11, 2017 and carries an interest rate of 0.90%, were used to repay Hydro's Series AE long-term debentures. Hydro intends to refinance this loan in the coming months, with a long-term debt issuance in the capital markets.

On October 18, 2016, an irrevocable letter of credit in the amount of $4.9 million, issued by Nalcor on behalf of Oil and Gas, was cancelled by the beneficiary as it was no longer required.

In October 2016, Hydro identified two additional unforeseen capital projects; a project related to the Bay d'Espoir penstock in the amount of $12.9 million, and a project that resulted from damage sustained from Hurricane Matthew, the Bay d'Espoir Access Roads Refurbishment project in the amount of $4.6 million.

On October 31, 2016, Nalcor, on behalf of Energy Marketing, issued an irrevocable letter of credit in the amount of $0.3 million to a counterparty, as credit support for obligations under a Master Power Purchase and Sale Agreement.

On November 3, 2016, the Government of Canada announced a commitment to provide additional loan guarantees of up to $2.9 billion to support additional borrowings for the components of the Lower Churchill projects led by Nalcor. The specific conditions of this support will be finalized by Canada, the Government of Newfoundland and Labrador and Nalcor in the near future.

On November 7, 2016, the maturity date of Nalcor’s $250.0 million revolving term credit facility was extended to January 31, 2018.
Stan Marshall, CEO  
Speaking Notes  
Nalcor Energy Q3 2016 Webcast  
November 14, 2016

- Thank you for joining us today.

- Derrick is going to talk in more detail about our financial results in a few moments.

- We continued to see growth overall in the Nalcor business in the third quarter 2016. For the three months ended September 30, Nalcor’s profit was $37.5 million, to a total year-to-date of almost $74 million. That represents an increase of $38.7 million for the quarter and $53.6 million year-to-date compared to the same period in 2015. The increase in profit for the quarter is due mainly to higher oil production and reduced operating costs (which was offset in part by lower commodity prices.)
• The revenue increase for the quarter was due mainly to an increase in oil and gas revenues, with production volumes up at Hibernia Southern Extension.

• On the cost side, we’ve seen decreased operating costs for both Q3 and year-to-date.

• The value of Nalcor’s assets increased this year by $1.4 billion to the end of September.

**MUSKRAT FALLS**

• We remain focused on the execution of the Muskrat Falls Project.

• Work at the site was disrupted for a period by recent protests. However, it has now resumed and we look forward to making further progress before winter.

• We are continuing to work towards the schedule and targets outlined this past June. But we now anticipate that further adjustments will be necessary to the cost and schedule.
• We are currently engaged in discussions with our principal contractors, Astaldi, which will be material to this.

• Substantial progress was achieved on the Project in the third quarter and at the beginning of the fourth quarter.

• We achieved several milestones, including substantial completion of the spillway and river diversion.

• All of the work on the North Spur that was required prior to impoundment of the reservoir this winter is complete.

• The Transmission line between Muskrat Falls and Churchill Falls is substantially completed with all towers and transmission wire installed.

• Transmission construction for the Labrador-Island Link is progressing well. In Labrador, almost all of the foundations are installed and over 90% of the towers are assembled and in place.

• All three subsea cables for the Strait of Belle Isle crossing have been laid. Installation of the rock berms over the cables is ongoing and is expected to be completed this year.
• We were also pleased that the Province was able to secure an additional $2.9 billion loan guarantee from the federal government. At this point, we have not been provided specifics.

**HYDRO**

• Looking briefly at the regulated utility business, Newfoundland and Labrador Hydro continues to make critical investments in the province’s electricity system with an eye to delivering reliable service to customers. It is completing its annual maintenance program to ensure generation and transmission is ready to go for this Winter.

• Hydro is still awaiting a final order from the Public Utilities Board on its 2013 General Rate Application. The order is expected soon, and it will certainly have significant bearing on Hydro’s financial result. The electricity rates currently in place reflect the interim rates implemented as of July 2015.

**OIL AND GAS**

• As for Nalcor’s Oil and Gas business, we are continuing to see promising potential even in the face of lower global commodity prices.

• The results of the latest offshore Calls for Bids were announced by the CNLOPB on November 9th. The total value of the bids was just shy of $758 million, for 8 parcels.
• Of those eight parcels awarded, four are in the newly identified West Orphan Basin, two are in the Flemish Pass Basin, and two are in the Jeanne D’Arc Basin.

• Just a few short years ago, the West Orphan Basin was underexplored. Now, because of new geoscience data and scientific knowledge, it’s an area that is attracting investment from global industry players.

• Nalcor, with the support of the Provincial Government, have continued to lead a comprehensive data acquisition program that is contributing greatly to defining the potential we have offshore Newfoundland and Labrador.

• In the third quarter, the results of the latest independent resource assessment were released, which showed a potential 25.5 billion barrels of oil and 20.6 trillion cubic feet of gas in the West Orphan Basin. So, this is what’s capturing the interest of global exploration and production companies and driving the land sales and types of investments we saw last week.

• Oil prices are not strong and exploration activity is down on a global basis. But, we continue to see investment, which speaks to this jurisdiction’s offshore potential.

**CONCLUDE**

• I’ll conclude by saying that Nalcor remains focused on finishing 2016 strong -- at the Muskrat Falls Project, at Hydro, at our Churchill Falls operation, and across the company.
• I’ll hand it over now to Derrick to speak more to our financial results to the end of the quarter and the outlook for year-end.
Agenda

• Stan Marshall, CEO

• Derrick Sturge, CFO

• Questions
Forward-Looking Information

Certain statements in this presentation are “forward-looking statements” based on Nalcor’s current expectations, estimates, projections and assumptions, subject to risks and uncertainties. Statements containing words such as “could”, “expect”, “may”, “anticipate”, “believe”, “intend”, “estimate”, “plan” and similar expressions constitute forward-looking statements. By their nature, forward-looking statements require Management to make assumptions and are not subject to important unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. While Management considers these assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. Nalcor assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.
Take a Moment for Safety
Stan Marshall, CEO
Derrick Sturgeon, VP Finance and CFO
Q3 Earnings Update
Outline

- Q3 2016 Financial Results
- 2016 Financial Outlook
## Key Metrics

<table>
<thead>
<tr>
<th>As at:</th>
<th>Dec 31, 2015</th>
<th>Sept 30, 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets ($ billions)</td>
<td>$12.3</td>
<td>$13.7</td>
<td>$1.4</td>
</tr>
<tr>
<td>Income Producing Assets ($ billions)</td>
<td>$3.4</td>
<td>$3.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Capital Structure (Debt / Equity)</td>
<td>64.6%</td>
<td>61.5%</td>
<td>3.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the period ended September 30:</th>
<th>YTD 2015</th>
<th>YTD 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit ($ millions)(^1)</td>
<td>$20.3</td>
<td>$80.9</td>
<td>$60.6</td>
</tr>
<tr>
<td>Profit ($ millions)</td>
<td>$20.3</td>
<td>$73.9</td>
<td>$53.6</td>
</tr>
<tr>
<td>Funds from operations ($ millions)</td>
<td>$93.3</td>
<td>$183.3</td>
<td>$90.0</td>
</tr>
<tr>
<td>Capital Expenditures ($ millions)(^2)</td>
<td>$1,745.8</td>
<td>$2,017.3</td>
<td>$271.5</td>
</tr>
<tr>
<td>Electricity Sales (GWh):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>5,839</td>
<td>5,658</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Export — Hydro Québec (HQ)</td>
<td>20,593</td>
<td>20,693</td>
<td>0.5%</td>
</tr>
<tr>
<td>Export — Other Markets</td>
<td>1,195</td>
<td>1,249</td>
<td>4.5%</td>
</tr>
<tr>
<td>Realized Oil Price ($CAD/bbl)</td>
<td>$92</td>
<td>$61</td>
<td>($31)</td>
</tr>
<tr>
<td>Oil Production (000 bbls)</td>
<td>299</td>
<td>1,494</td>
<td>1,195</td>
</tr>
<tr>
<td>Realized Electricity Export Price ($CAD/MWh)(^3)</td>
<td>$38</td>
<td>$29</td>
<td>($9)</td>
</tr>
</tbody>
</table>

\(^1\) Non-GAAP measure that encompasses profit (loss) excluding extraordinary and non-recurring items

\(^2\) Excludes Maritime Link

\(^3\) Excludes sales to HQ under Power Contract
# Business Segment Profit

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>YTD 2015</th>
<th>YTD 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro Regulated</td>
<td>(32.4)</td>
<td>4.3</td>
<td>36.7</td>
</tr>
<tr>
<td>Churchill Falls¹</td>
<td>29.9</td>
<td>28.7</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>5.7</td>
<td>32.7</td>
<td>27.0</td>
</tr>
<tr>
<td>Energy Marketing</td>
<td>22.0</td>
<td>16.1</td>
<td>(5.9)</td>
</tr>
<tr>
<td>Bull Arm</td>
<td>12.8</td>
<td>14.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Shared Services &amp; Other, Inter-segment</td>
<td>(17.7)</td>
<td>(15.8)</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Operating Profit ²</strong></td>
<td>20.3</td>
<td>80.9</td>
<td>60.6</td>
</tr>
<tr>
<td><strong>Prudence Order Adjustment</strong></td>
<td>-</td>
<td>(7.0)</td>
<td>(7.0)</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>20.3</td>
<td>73.9</td>
<td>53.6</td>
</tr>
</tbody>
</table>

¹ Represents Nalcor’s 65.8% ownership
² Non-GAAP measure that encompasses profit (loss) excluding extraordinary and non-recurring items
YTD Electricity Export Prices

![Chart showing YTD electricity export prices from Q3 2014 to Q3 2016.](chart)

- **Q3 2014**:
  - Realized Export Price (CAD/MWh): $46
  - Average Market Price (USD/MWh): $44

- **Q3 2015**:
  - Realized Export Price (CAD/MWh): $38
  - Average Market Price (USD/MWh): $27

- **Q3 2016**:
  - Realized Export Price (CAD/MWh): $29
  - Average Market Price (USD/MWh): $20
YTD Oil Price & Production

- Realized Price (CAD/bbl)
- Average dated Brent Price (USD/bbl)

Q3 2014: 544,604 bbls
Q3 2015: 299,035 bbls
Q3 2016: 1,493,586 bbls

$119, $109, $92, $54, $61, $44
Total Assets
(as at September 30, 2016)

- LCP Debt Proceeds and Restricted Cash: 15%
- Maritime Link: 8%
- Other: 2%
- Regulated Hydro: 17%
- Churchill Falls: 4%
- Oil & Gas: 9%
- Lower Churchill: 45%

Assets Under Development: 74%
Income Producing Assets: 26%
## YTD Business Segment Capital Expenditures

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 2015</th>
<th>Q3 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro Regulated</td>
<td>91.1</td>
<td>122.8</td>
<td>31.7</td>
</tr>
<tr>
<td>Churchill Falls (^1)</td>
<td>24.6</td>
<td>34.5</td>
<td>9.9</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>163.7</td>
<td>156.6</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Lower Churchill Project (^2)</td>
<td>1,459.4</td>
<td>1,698.6</td>
<td>239.2</td>
</tr>
<tr>
<td>Energy Marketing</td>
<td>0.1</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Corporate &amp; Other</td>
<td>6.9</td>
<td>4.8</td>
<td>(2.1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,745.8</td>
<td>2,017.3</td>
<td>271.5</td>
</tr>
</tbody>
</table>

\(^1\) Represents Nalcor's 65.8% ownership  
\(^2\) Excludes Maritime Link
## YTD Lower Churchill Project Capital Expenditures

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Q3 2015</th>
<th>Q3 2016</th>
<th>Change</th>
<th>Total To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muskrat Falls</td>
<td>566.3</td>
<td>695.7</td>
<td>129.4</td>
<td>2,740.9</td>
</tr>
<tr>
<td>Labrador Transmission Assets</td>
<td>199.6</td>
<td>121.8</td>
<td>(77.8)</td>
<td>715.8</td>
</tr>
<tr>
<td>Labrador-Island Link</td>
<td>577.2</td>
<td>734.6</td>
<td>157.4</td>
<td>2,114.7</td>
</tr>
<tr>
<td><strong>Nalcor Facilities Capital Costs</strong></td>
<td>1,343.1</td>
<td>1,552.1</td>
<td>209.0</td>
<td>5,571.4</td>
</tr>
<tr>
<td>Capitalized Interest &amp; Financing Costs</td>
<td>116.3</td>
<td>143.6</td>
<td>27.3</td>
<td>499.4¹</td>
</tr>
<tr>
<td>Transition to Operations</td>
<td>-</td>
<td>2.9</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total Capital Costs for Nalcor Components</strong></td>
<td>1,459.4</td>
<td>1,698.6</td>
<td>239.2</td>
<td>6,073.7</td>
</tr>
</tbody>
</table>

¹ Excludes $63.0 million of allowance for funds used during construction on Nalcor’s Class A limited partnership units in the LIL LP that are eliminated upon consolidation
YTD Q3 2016 Financing Activities

- LCP Debt Proceeds: 61%
- Cash from Operations: 9%
- Equity/Partnership Contributions: 30%
Capital Structure

![Bar Chart](chart.png)

- **Equity**
- **Debt**

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>2007</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>2008</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>2009</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>2010</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>2011</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2012</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>2013</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>2014</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>2015</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>38%</td>
<td>62%</td>
</tr>
</tbody>
</table>
2016 Financial Outlook

- Anticipate final decision on Hydro’s GRA from the regulator in Q4 2016
  - Decision could materially impact 2016 profit
- Churchill Falls’ 2016 forecasted profit is lower than 2015 mainly due to decreased revenue resulting from a 20% decrease in the power rate effective September 1, 2016
- Oil and Gas is forecasting higher 2016 profit over 2015 primarily due to increased revenue as a result of higher forecasted production
- Energy Marketing’s 2016 forecasted profit is lower than 2015 largely due to a decrease in forecasted prices
- Bull Arm is forecasting higher profit in 2016 over 2015 largely due to favourable forecasted foreign exchange
- 2016 forecasted capital expenditures (excluding Maritime Link) of $2.9 billion
Absolutely.

Todd Stanley, QC
Special Counsel
Human Resource Secretariat
Government of Newfoundland and Labrador
Tel 709.729.3559 | Fax 709.729.2129
This e-mail (including any attachments) is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and/or be covered by various forms of privilege, including solicitor/client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Department of Justice and Public Safety, Government of Newfoundland and Labrador and delete all versions of same. Thank you.

From: Coffey, Bernard
Sent: Thursday, November 17, 2016 12:25 PM
To: Stanley, Todd
Subject: Re: message from Bern Coffey

Todd:

Thanks.

Would 1:00 PM in my office work for you?

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stanley, Todd
Sent: Thursday, November 17, 2016 12:22 PM
To: Coffey, Bernard
Subject: RE: message from Bern Coffey

I have meetings from 2-4:30 but none I cannot reschedule to get out of so really am at your convenience.

Todd Stanley, QC
Special Counsel
Human Resource Secretariat
Government of Newfoundland and Labrador
Tel 709.729.3559 | Fax 709.729.2129
This e-mail (including any attachments) is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and/or be covered by various forms of privilege, including solicitor/client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Department of Justice and Public Safety, Government of Newfoundland and Labrador and delete all versions of same. Thank you.

From: Coffey, Bernard
Sent: Thursday, November 17, 2016 12:22 PM
To: Stanley, Todd
Subject: Re: message from Bern Coffey

Todd:
What's your schedule like this afternoon?

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stanley, Todd  
Sent: Thursday, November 17, 2016 12:12 PM  
To: Coffey, Bernard  
Subject: RE: message from Bern Coffey

I am back.

Todd Stanley, QC
Special Counsel
Human Resource Secretariat
Government of Newfoundland and Labrador
t.709.729.3559 f.709.729.2129

This e-mail (including any attachments) is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and / or be covered by various forms of privilege, including solicitor/client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Department of Justice and Public Safety, Government of Newfoundland and Labrador and delete all versions of same. Thank you.

From: Coffey, Bernard  
Sent: Thursday, November 17, 2016 9:09 AM  
To: Stanley, Todd  
Subject: Re: message from Bern Coffey

Todd:

Thanks.

Let me know when you're back.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stanley, Todd  
Sent: Thursday, November 17, 2016 8:31 AM  
To: Coffey, Bernard  
Subject: RE: message from Bern Coffey

- I will call up once I return? Should be 1145 – 12?

Todd Stanley, QC
Special Counsel
Human Resource Secretariat
Government of Newfoundland and Labrador
t.709.729.3559 f.709.729.2129

This e-mail (including any attachments) is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and / or be covered by various forms of privilege, including solicitor/client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Department of Justice and Public Safety, Government of Newfoundland and Labrador and delete all versions of same. Thank you.

From: Coffey, Bernard  
Sent: Wednesday, November 16, 2016 10:00 PM  
To: Stanley, Todd  
Subject: message from Bern Coffey
Todd:

Do you have any time tomorrow morning after 10:30 AM to meet with me? The topic is the FLG for Muskrat Falls.

Bern
Earlier this morning, increased water seepage was observed through the upstream temporary cofferdam at Muskrat Falls. The cofferdam was immediately inspected by the Muskrat Falls site engineering team, who recommended that upstream water levels be reduced to mitigate risk associated with the increased flow and to maintain the integrity of the cofferdam.

Based on these conditions, Nalcor Energy took action to lower the water levels in the reservoir by opening the spillway gates. Opening the spillway gates has increased water flows and levels downstream of Muskrat Falls. There is no risk of flooding in any of the surrounding communities from this situation and water levels and flow rates in the river will be consistent with spring flow conditions.

Nalcor followed its Emergency Preparedness Plan prepared for the impoundment process for the project and notified communities and stakeholders in the area of the potential for increased water flows associated with this condition.

Further inspections of the cofferdam will be undertaken once reservoir levels have been reduced.

Nalcor will continue to update stakeholders on the water levels and flows of the river until conditions return to normal.
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Friday, November 18, 2016 6:44 AM
To: Coady, Siobhan; Bown, Charles W.; Parsons, Walter; Clarke, Lesley; Carter, Paul
Subject: Fw: Statement from Nalcor Energy about increased water levels at Muskrat Falls

This statement was just issued to media by Nalcor.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: karenoneill@nalcorenergy.com
Sent: Friday, November 18, 2016 8:12 AM
To: karenoneill@nalcorenergy.com
Subject: Statement from Nalcor Energy about increased water levels at Muskrat Falls

Earlier this morning, increased water seepage was observed through the upstream temporary cofferdam at Muskrat Falls. The cofferdam was immediately inspected by the Muskrat Falls site engineering team, who recommended that upstream water levels be reduced to mitigate risk associated with the increased flow and to maintain the integrity of the cofferdam.

Based on these conditions, Nalcor Energy took action to lower the water levels in the reservoir by opening the spillway gates. Opening the spillway gates has increased water flows and levels downstream of Muskrat Falls. There is no risk of flooding in any of the surrounding communities from this situation and water levels and flow rates in the river will be consistent with spring flow conditions.

Nalcor followed its Emergency Preparedness Plan prepared for the impoundment process for the project and notified communities and stakeholders in the area of the potential for increased water flows associated with this condition.

Further inspections of the cofferdam will be undertaken once reservoir levels have been reduced.

Nalcor will continue to update stakeholders on the water levels and flows of the river until conditions return to normal.
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Charles:

My revision of the draft is attached. I’ve not shared it with anyone other than you.

When convenient, please give me a call.

Bern

Bern;
I attached a draft response to Minister Carr for your review and comment.

Charles
Honourable Jim Carr
Minister of Natural Resources

Minister Carr:

I would like to thank you for your letter of November 10, 2017 regarding additional loan guarantee support for the Lower Churchill (Muskrat Falls) projects. As you have noted, we have a shared interest in ensuring the completion and success of the projects and I appreciate your commitment to a strong partnership on development.

Our response is provided herein and reflects the spirit and intent of our discussions to-date and your announcement on November 3, 2016.

We acknowledge your approval of our requests for $2.9 billion in additional loan guarantee support for the projects.

34(1)(a)(i), 35(1)(f), 34(1)(a)(i), 35(1)(f), 34(1)(a)(i), 35(1)(f), 34(1)(a)(i), 35(1)(g)
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Fyi
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Walsh, Paula (Justice) <PaulaWalsh@gov.nl.ca>
Sent: Saturday, November 19, 2016 12:28 PM
To: Jacobs, Heather; Parsons, Andrew
Cc: Samms, John; Fowler, Robin; Pritchard, Rolf
Subject: Fw: Muskrat Falls Protest

Important....activity again in Muskrat Falls. As you know, I will continue to advise as any additional information comes available.

Paula
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stephanie Sachsse <Stephanie.Sachsse@rcmp-grc.gc.ca>
Sent: Saturday, November 19, 2016 11:50 AM
To: Walsh, Paula (Justice)
Cc: Peter Clark
Subject: Muskrat Falls Protest

Hi Paula, just a quick note to let you know that the protest activity appears to be escalating at the gate to the Nalcor site. We are mobilizing resources now to support our team on the ground that we had planned to send up tomorrow as part of our weekly rotation in to HVGB. We continue to take a measured approach in our response. Steph

Sent from my BlackBerry 10 smartphone on the Bell network.
Good afternoon,
As of 1:45 p.m. (NST) approximately 15-20 protestors are gathered at the main gate to the Muskrat Falls site in Labrador and are currently blocking traffic and equipment from entering the site.

A small group of protestors (approx. 5-10) are also protesting at the North Spur. Quarry work has been suspended at the North Spur as a result of the protest activity, however other work (the placement of stockpiled material) is continuing at that location.

Work is continuing at the Muskrat Falls site.

We are monitoring the situation closely, and our team at Muskrat Falls is managing the situation on the ground with support from team members at the Torbay Road office.

Further updates will be provided as the situation changes.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
f.y.i
Sent from my BlackBerry 10 smartphone on the Bell network.

Good afternoon,
As of 1:45 p.m. (NST) approximately 15-20 protestors are gathered at the main gate to the Muskrat Falls site in Labrador and are currently blocking traffic and equipment from entering the site.

A small group of protestors (approx. 5-10) are also protesting at the North Spur. Quarry work has been suspended at the North Spur as a result of the protest activity, however other work (the placement of stockpiled material) is continuing at that location.

Work is continuing at the Muskrat Falls site.

We are monitoring the situation closely, and our team at Muskrat Falls is managing the situation on the ground with support from team members at the Torbay Road office.

Further updates will be provided as the situation changes.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Thanks Heather. I expect a further Nalcor update around 11 pm.

Fyi
Sent from my BlackBerry 10 smartphone on the Bell network.

Protest activities concluded at 7 pm for the day.
Our Critical Incident Commander has made every effort to engage both Nalcor and the protesters to facilitate access to the site while ensuring public safety. Protesters to date have been peaceful and cooperative with our CIC. We anticipate protest activities to continue tomorrow. Resources schedule to deploy tomorrow are now in HVGB. Steph
Sent from my BlackBerry 10 smartphone on the Bell network.

Stephanie.

Thank-you for this. I have received your copied message from the DM HJ indicating the deployment is as per the continued operation of Article 9.1 and 9.2 and her Nov. 4th email exchange with A/Comm. Clark.

I would appreciate if we can ensure the communication loop includes all four parties (Peter, Heather, yourself and I) to ensure we are all informed as we continue to move forward and avoid the necessity for duplication of discussions.
Regards,
Paula

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stephanie Sachsse
Sent: Saturday, November 19, 2016 4:17 PM
To: Walsh, Paula (Justice)
Cc: Peter Clark
Subject: Re: Muskrat Falls Protest

Paula, as I mentioned to Heather on the phone when she called me, protesters were slowing access to the main gate and it's my understanding that when a truck tried to gain entry and "bumped" a protester as it tried to gain access, the protesters moved to block access fully. Members on the ground negotiated with the protesters to move the truck out negotiations are ongoing. We continue to take a measured approach. Steph

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Walsh, Paula (Justice)
Sent: Saturday, November 19, 2016 2:50 PM
To: Stephanie Sachsse
Subject: Re: Muskrat Falls Protest

Stephanie,

Can you please provide me an update on the situation at this time?
Thanks,
Paula

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Walsh, Paula (Justice)
Sent: Saturday, November 19, 2016 12:31 PM
To: Stephanie Sachsse
Subject: Re: Muskrat Falls Protest

Thank-you for this, Stephanie. I will continue to monitor messages so you can provide updates today. If you need to reach me by phone I can be contacted at 709-682-1084.

Regards,
Paula

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Stephanie Sachsse
Sent: Saturday, November 19, 2016 11:50 AM
To: Walsh, Paula (Justice)
Cc: Peter Clark
Subject: Muskrat Falls Protest

Hi Paula, just a quick note to let you know that the protest activity appears to be escalating at the gate to the Nalcor site. We are mobilizing resources now to support our team on the ground that we had planned to send up
tomorrow as part of our weekly rotation in to HVGB. We continue to take a measured approach in our response.
Steph

Sent from my BlackBerry 10 smartphone on the Bell network.

â€œThis email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.â€

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”
Protest Update – November 21, 2016 – 3:30 PM

Good afternoon,

As of 3:00 pm NST, we have been advised by the RCMP that the protesters have discontinued their protest activities at the main gate for the remainder of the day. Traffic appears to be flowing to and from site at this time.

While disruptions by the protesters have ceased, the site remains at a high state of alert. At this time, there continues to be a small number of individuals occupying the protest pad.

The RCMP continue to have a presence at the main gate and are monitoring activity.

No further updates will be provided unless there is a material development.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952 c. 709.699.2706 f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.
Good Morning,

As of 10:30 am (NST), a few protesters were blocking the main gate for about 30-45 minutes and not allowing any traffic in or out of the site. At about 11:15 am (NST), they allowed all backed up traffic to pass through.

Last night, all traffic with the exception of buses used to transport local workers were prevented from entering or exiting the site until approximately 7:30 pm (NST). At that time, traffic was able to resume. Local workers were able to work their normal night shift.

The RCMP continue to have a presence at the main gate and are monitoring activity.

Additional information will be provided as the day progresses.

Our team at Muskrat Falls continues to monitor the situation on the ground closely with support from team members at the Torbay Road office. Further updates on the protest will be provided as the situation changes.

Thanks,
Mandy

Mandy Norris
Communications Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709.570.5952   c. 709.699.2706   f. 709.754.0787
e. MandyNorris@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

This email communication is confidential and legally privileged. Any unauthorized reproduction, distribution or disclosure of this email or any attachments is strictly prohibited. Please destroy/delete this email communication and attachments and notify me if this email was misdirected to you.

From: Janine McCarthy/NLHydro
To: cbrown@gov.nl.ca, WalterParsons@gov.nl.ca, CoreySnook@gov.nl.ca, DianaQuinton@gov.nl.ca, LesleyClarke@gov.nl.ca, MeganSheppard@gov.nl.ca, BernardCoffey@gov.nl.ca, ElizabethDav@gov.nl.ca, CarlaFoote@gov.nl.ca, ScottBarfoot@gov.nl.ca, GregMercer@gov.nl.ca, AndrewCaddell@gov.nl.ca, MichelleCannizaro@gov.nl.ca, HeatherJ@gov.nl.ca, JacquelynHoward@gov.nl.ca, JamieChippett@gov.nl.ca, DavidMcCormack@gov.nl.ca, HeatherMay@gov.nl.ca, toddstanley@gov.nl.ca, robinfowler@gov.nl.ca, philipOsborne@gov.nl.ca, rolfpritchard@gov.nl.ca, BradleyPower@gov.nl.ca
Cc: Karen O’Neill/NLHydro
Date: 11/19/2016 09:25 PM
Subject: Protest Update - November 19, 9 p.m.

Update as of 9 p.m., November 19, 2016

Good evening,
As of 9:00 p.m. (NST), a small group of protesters remains at the main gate to the Muskrat Falls site. While there were some delays at the gate that impeded traffic from entering and exiting the site, traffic and equipment has been able to enter and exit the site this evening.

Regular night shift operations are ongoing at the Muskrat Falls site.

RCMP are on site and monitoring activity at the main gate.
Our team at Muskrat Falls continues to monitor the situation on the ground closely with support from team members at the Torbay Road office. Further updates on the protest will be provided tomorrow as the situation changes.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
----- Forwarded by Janine McCarthy/NLHydro on 11/19/2016 08:19 PM -----

Good afternoon,
As of 1:45 p.m. (NST) approximately 15-20 protestors are gathered at the main gate to the Muskrat Falls site in Labrador and are currently blocking traffic and equipment from entering the site.

A small group of protestors (approx. 5-10) are also protesting at the North Spur. Quarry work has been suspended at the North Spur as a result of the protest activity, however other work (the placement of stockpiled material) is continuing at that location.

Work is continuing at the Muskrat Falls site.

We are monitoring the situation closely, and our team at Muskrat Falls is managing the situation on the ground with support from team members at the Torbay Road office.

Further updates will be provided as the situation changes.

Thanks,
Janine

Janine McCarthy
Senior Communication Advisor
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709-737-4255  c. 709-631-0056
e. JanineMcCarthy@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
The Muskrat Falls Oversight Committee meeting has been confirmed for this morning at 10:00 am, Communications Boardroom, 10th Floor, East Block.

Thank you,

Carolyn Jarvis  
Administrative Assistant to  
Clerk of the Executive Council and  
Secretary to Cabinet  
Cabinet Secretariat, Executive Council  
Phone: (709) 729-3490  
Fax: (709) 729-5218  
E-mail: carolynj@gov.nl.ca

A Muskrat Falls Oversight Committee Meeting has been tentatively scheduled for Wednesday, November 23rd, 2016 at 10:00 a.m., Communications Boardroom, 10th Floor, East Block. Please see document in shared folder confirming meeting will follow early in the morning.

Thank you,

Carolyn Jarvis  
Administrative Assistant to  
Clerk of the Executive Council and  
Secretary to Cabinet  
Cabinet Secretariat, Executive Council  
Phone: (709) 729-3490  
Fax: (709) 729-5218  
E-mail: carolynj@gov.nl.ca
Hi Charles,

Please see attached the approved Carr letter. Can you please email back the signed copy once it is transmitted to Minister Carr.

Cheers,

Greg

Sent from my BlackBerry 10 smartphone on the Bell network.

Greg
I’ve attached a re-draft based on comments received from Bern. The content is the same but the language is much tighter.

Charles
Honourable Jim Carr  
Minister of Natural Resources  

Minister Carr:  

Thank you for your letter of November 10, 2017 regarding additional loan guarantee support for the Lower Churchill (Muskrat Falls) projects. We have a shared interest in ensuring the completion and success of the projects, and I appreciate your commitment to a strong partnership on development.  

Our response herein reflects the spirit and intent of our discussions to-date and your announcement on November 3, 2016.  

We acknowledge your approval of our requests for $2.9 billion in additional loan guarantee support for the project:  

34(1)(a)(i), 35(1)(f), 34(1)(a)(j), 35(1)(f), 34(1)(a)(i), 35(1)(g)
The Lower Churchill projects are significant for Newfoundland and Labrador in terms of both creating new economic opportunities for our natural resources and the projects’ financial burden and risks, particularly in light of our current fiscal situation. I trust that will be an important consideration for the Government of Canada in our forthcoming discussions.

Siobhan Coady
Good Day Bern.
I understand from Paul Carter that you would like to speak with me regarding the planned IE visit next week. I am booked to attend the Muskrat Falls site visit on Wednesday Nov 30.

I can call you at a time convenient for you, or you can reach me at 6991426.

Thanks
Cory

Sent from my BlackBerry 10 smartphone on the Bell network.
Bern,

Draft Summary for your consideration attached and embedded below. Let me know if you are good with it. Thanks Paul

Draft

Chronology

- A July 2016 Independent Engineer (IE) Site Visit Report (the Report) was prepared and sent to Nalcor for fact checking by the IE on September 20, 2016. The draft Report was also sent to NRCan at the same time.

- On October 5, 2016 Nalcor received an access to information request for the following records:

  “Please provide me with a copy of the report of the visit to the Muskrat Falls by the Independent Engineer (MWH Global) which took place in July and was submitted in draft form in September. Natural Resources Canada has advised that the report was received September 20, 2016.”

- On November 2, 2016 Nalcor declined to provide the Report on the basis that it was incomplete in accordance with section 29(1)(b) of the Act (still in draft).

- The IE revised the Report based on fact checking and resubmitted to Nalcor on November 2, 2016. IE again made additional edits and resubmitted the report to Nalcor as final on November 21, 2016. The date on the Final report is November 2, 2016.

- An appeal was filed with the Privacy Commissioner and Nalcor understands that they must respond to the appeal by December 2, 2016

- The Oversight Committee requested a copy of the Report form Nalcor on November 23, 2016 and was advised that the report would be posted on the Nalcor website on that day. The Report was received by the Oversight Committee as requested.

Oversight Committee

- The Oversight Committee had not been informed of or provided a copy of the Report. Reports of the IE are supposed to be provided to the Province in addition to Nalcor and NRCan. In this instance this did not occur. The Oversight Committee reminded Nalcor of this requirement to provide reports to the Province.
• Formal Oversight Committee meetings have been held on August 30th, October 6th, and November 15th, 2016 with Nalcor officials including: Gilbert Bennett, Paul Harrington, Jim Meaney, and Steve Pellerin at differing times based up availabilities. Receipt of the IE Report or its contents was not raised with the Oversight Committee.

Next Steps:
• The Oversight Committee has asked Nalcor to prepare detail responses to matters raised by the IE in the Report.

• Nalcor will work with the Oversight Committee and IE to ensure that site visit reports are provided to the Province at the same time Nalcor and NRCan are receiving reports.

• Oversight Committee members will be participating in site visits and meetings with NRCan and the IE during the week of November 28, 2016. Matters raised in the Report will be discussed with the IE.

• The Oversight Committee has also requested detailed information from Nalcor on repairs and procedures that are taking place to slow/stop water leakage through the temporary cofferdam.
Chronology

- A July 2016 Independent Engineer (IE) Site Visit Report (the Report) was prepared and sent to Nalcor for fact checking by the IE on September 20, 2016. The draft Report was also sent to NRCan at the same time.

- On October 5, 2016 Nalcor received an access to information request for the following records:

  “Please provide me with a copy of the report of the visit to the Muskrat Falls by the Independent Engineer (MWH Global) which took place in July and was submitted in draft form in September. Natural Resources Canada has advised that the report was received September 20, 2016.”

- On November 2, 2016 Nalcor declined to provide the Report on the basis that it was incomplete in accordance with section 29(1)(b) of the Act (still in draft).

- The IE revised the Report based on fact checking and resubmitted to Nalcor on November 2, 2016. IE again made additional edits and resubmitted the report to Nalcor as final on November 21, 2016. The date on the Final report is November 2, 2016.

- An appeal was filed with the Privacy Commissioner and Nalcor understands that they must respond to the appeal by December 2, 2016.

- The Oversight Committee requested a copy of the Report from Nalcor on November 23, 2016 and was advised that the report would be posted on the Nalcor website on that day. The Report was received by the Oversight Committee as requested.
Oversight Committee

- The Oversight Committee had not been informed of or provided a copy of the Report. Reports of the IE are supposed to be provided to the Province in addition to Nalcor and NRCan. In this instance this did not occur. The Oversight Committee reminded Nalcor of this requirement to provide reports to the Province.

- Formal Oversight Committee meetings have been held on August 30th, October 6th, and November 15th, 2016 with Nalcor officials including: Gilbert Bennett, Paul Harrington, Jim Meaney, and Steve Pellerin at differing times based up availabilities. Receipt of the IE Report or its contents was not raised with the Oversight Committee.

Next Steps:

- The Oversight Committee has asked Nalcor to prepare detail responses to matters raised by the IE in the Report.

- Nalcor will work with the Oversight Committee and IE to ensure that site visit reports are provided to the Province at the same time Nalcor and NRCan are receiving reports.

- Oversight Committee members will be participating in site visits and meetings with NRCan and the IE during the week of November 28, 2016. Matters raised in the Report will be discussed with the IE.

- The Oversight Committee has also requested detailed information from Nalcor on repairs and procedures that are taking place to slow/stop water leakage through the temporary cofferdam.
Got it thanks. I will adjust accordingly and keep you posted.

Paul:

My suggested edits are below in the revised text of your email to me.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

Bern,

Draft Summary for your consideration attached and embedded below. Let me know if you are good with it. Thanks Paul

Draft

Chronology

- A July 2016 Independent Engineer (IE) Site Visit Report (the Report) was prepared and sent to Nalcor for fact checking by the IE on September 20, 2016. The draft Report was also sent to NRCan at the same time.

- On October 5, 2016 Nalcor received an access to information request for the following records:

  “Please provide me with a copy of the report of the visit to the Muskrat Falls by the Independent Engineer (MWH Global) which took place in July and was submitted in draft form in September. Natural Resources Canada has advised that the report was received September 20, 2016.”

- On November 2, 2016 Nalcor declined to provide the Report on the basis that it was incomplete in accordance with section 29(1)(b) of the Act (still in draft).
• The IE revised the Report based on fact checking and resubmitted it to Nalcor on November 2, 2016. IE again made additional edits and resubmitted the report to Nalcor as 'final' on November 21, 2016. The date on the Final report is November 2, 2016.

• An appeal was filed with the Privacy Commissioner, and Nalcor understands that they must respond to the appeal by December 2, 2016.

• The Oversight Committee requested a copy of the IE Report from Nalcor on November 22, 2016, and Nalcor at that time advised Paul Carter that it planned to post the Report on the Nalcor website that day. The Oversight Committee received the IE Report on November 22, 2016.

Oversight Committee
• The Oversight Committee had not prior to November 22, 2016 been informed about the content of or provided a copy of the IE Report. Reports of the IE are supposed to be provided to the Province in addition to Nalcor and NRCan. In this instance that did not occur. Nalcor has not explained why it failed to give the Oversight Committee a copy of the IE Report. The Oversight Committee reminded Nalcor of the requirement to provide reports to the Province.

• Formal Oversight Committee meetings were held on August 30th, October 6th, and November 15th, 2016 with Nalcor officials including: Gilbert Bennett, Paul Harrington, Jim Meaneey, and Steve Pellerin in attendance at differing times based up availabilities. Neither Nalcor’s receipt of the IE Report concerning the July 2016 site visit nor the Report's contents were raised with the Oversight Committee.

Next Steps:
• The Oversight Committee on November 23, 2016 asked Nalcor to prepare detailed responses to matters raised by the IE in the Report.

• Nalcor is to be directed to ensure that IE site visit reports are provided to the Province at the same time Nalcor and NRCan receives those reports.

• Oversight Committee members will be participating in site visits and meetings with NRCan and the IE during the week of November 28, 2016. Matters raised in the Report will be discussed with the IE.
• The Oversight Committee on November 23, 2016 also requested detailed information from Nalcor on repairs and procedures that are currently taking place to slow/stop water leakage through the cofferdam.
Cell number, please.
Charles

Sent from my BlackBerry 10 smartphone on the Bell network.

Thanks.
Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

Will call immediately after.
Charles

Sent from my BlackBerry 10 smartphone on the Bell network.

Charles:

Please call me about this.
Bern

Sent from my BlackBerry 10 smartphone on the Bell network.

FYI
Ok. Note is completed and attached. Betty has the copy.

From: Bown, Charles W.
Sent: Wednesday, November 23, 2016 7:20 PM
To: Carter, Paul
Subject: Re: briefing

No. it's not an NR note. I'll send it to her when it's done. I briefed her on the meeting this morning.

Get Outlook for iOS

On Wed, Nov 23, 2016 at 7:15 PM -0330, "Carter, Paul" <PaulCarter@gov.nl.ca> wrote:

Has minister reviewed the note before we move along

From: Bown, Charles W.
Sent: Wednesday, November 23, 2016 7:14 PM
To: Carter, Paul
Subject: Re: briefing

No; definitely not

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Carter, Paul
Sent: Wednesday, November 23, 2016 7:11 PM
To: Bown, Charles W.
Cc: Quinlan, Krista
Subject: briefing

Charles, is there any chance briefing will take place tonight?
Chronology

- A July 2016 Independent Engineer (IE) Site Visit Report (the Report) was prepared and sent to Nalcor for fact checking by the IE on September 20, 2016. The draft Report was also sent to NRCan at the same time. The Oversight Committee was not provided a copy or advised of the reports existence.

- On October 5, 2016 Nalcor received an access to information request for the following records:
  “Please provide me with a copy of the report of the visit to the Muskrat Falls by the Independent Engineer (MWH Global) which took place in July and was submitted in draft form in September. Natural Resources Canada has advised that the report was received September 20, 2016.”

- On November 2, 2016 Nalcor declined to provide the Report to the access to information request on the basis that the it was incomplete in accordance with section 29(1)(b) of the Access to Information and Protection of Privacy Act (still in draft).

- The IE revised the Report based on fact checking and resubmitted it to Nalcor on November 2, 2016. The IE again made additional edits and resubmitted the report to Nalcor as 'final' on November 21, 2016. The date on the final Report is November 2, 2016.

- An appeal was filed with the Privacy Commissioner, and Nalcor understands that they must respond to the appeal by December 2, 2016

- The Oversight Committee became aware of the Report through a Blog site posting. A copy of the IE Report was requested from Nalcor on November 22, 2016, and Nalcor at that time advised Paul Carter that it planned to post the Report on the Nalcor website that day. The Oversight Committee received the IE Report on November 22, 2016.

Oversight Committee

- The Oversight Committee had not prior to November 22, 2016 been informed about the content of or provided a copy of the IE Report. Reports of the IE are supposed to be provided to the Province in addition to Nalcor and NRCan. In this instance that did not occur. Nalcor has not explained why it failed to give the Oversight Committee a copy of the IE Report. The Oversight Committee reminded Nalcor of the requirement to provide reports to the Province.
• Formal Oversight Committee meetings were held on August 30th, October 6th, and November 15th, 2016 with Nalcor officials including: Gilbert Bennett, Paul Harrington, Jim Meaney, and Steve Pellerin in attendance at differing times based up availabilities. Neither Nalcor’s receipt of the IE Report concerning the July 2016 site visit nor the Report’s contents were raised with the Oversight Committee.

**Next Steps**

• The Oversight Committee on November 23, 2016 asked Nalcor to prepare detailed responses to matters raised by the IE in the Report.

• Nalcor is to be directed to ensure that IE site visit reports are provided to the Province at the same time Nalcor and NRCan receives those reports.

• Oversight Committee members will be participating in site visits and meetings with NRCan and the IE during the week of November 28, 2016. Matters raised in the Report will be discussed with the IE.

• The Oversight Committee on November 23, 2016 also requested detailed information from Nalcor on repairs and procedures that are currently taking place to slow/stop water leakage through the cofferdam.
Betty:

Please proofread the attached revised Briefing Note, and make any necessary corrections. The revisions 'tighten' the Note's language.

Bern

Sent from my BlackBerry 10 smartphone on the Bell network.
Chronology

- On September 20, 2016, the Independent Engineer (IE) sent a draft July 2016 Site Visit Report (the "Report") to Nalcor for fact checking. The IE at the same time sent the draft Report to NRCAN. The Oversight Committee was neither given a copy nor advised of the Report's existence.

- On October 5, 2016, Nalcor received an access to information request for the following records:
  "Please provide me with a copy of the report of the visit to the Muskrat Falls by the Independent Engineer (MWH Global) which took place in July and was submitted in draft form in September. Natural Resources Canada has advised that the report was received September 20, 2016."

  On November 2, 2016, Nalcor declined to provide the Report in response to the access to information request on the basis that the it was incomplete, citing paragraph 29(1)(b) of the Access to Information and Protection of Privacy Act, 2015 (still in draft).

- The IE revised the Report based on fact checking and resubmitted it to Nalcor on November 2, 2016. The IE then made additional edits and resubmitted the report to Nalcor as 'final' on November 21, 2016. The date on the final Report is November 2, 2016.

- An appeal was filed with the Privacy Commissioner, and Nalcor understands it must respond to the appeal by December 2, 2016.

- The Oversight Committee became aware of the Report through a blog site posting. A copy of the Report was requested from Nalcor on November 22, 2016. At that time Nalcor advised Paul Carter that it planned to post the Report on the Nalcor website that day. The Oversight Committee received the Report on November 22, 2016.

Oversight Committee

- The Oversight Committee was prior to November 22, 2016 neither informed about the Report's content nor given a copy of it. Nalcor is supposed to give the Province copies of IE reports. In this instance, that did not occur. Nalcor has not explained why it failed to give a copy of the Report to the Oversight Committee. The Oversight Committee reminded Nalcor of the requirement for Nalcor to provide IE reports to the Province.
The Oversight Committee held formal meetings with Nalcor on August 30th, October 6th, and November 15th, 2016; Nalcor officials who participated included Gilbert Bennett, Paul Harrington, Jim Meaney and Steve Pellerin; their attendance differed based on their availability. Neither Nalcor’s receipt of the Report nor the Report’s content was raised with the Oversight Committee during those formal meetings.

Next Steps

• The Oversight Committee on November 23, 2016 asked Nalcor to prepare detailed responses to matters raised by the IE in the Report.

• Nalcor is to be directed to ensure that the Province receives IE site visit reports at the same time Nalcor and NRCan receive those reports.

• Oversight Committee members will participate in site visits and meetings with NRCan and the IE during the week of November 28, 2016. Matters raised in the Report will be discussed with the IE.

• The Oversight Committee on November 23, 2016 also requested detailed information from Nalcor concerning ongoing activity intended to slow/stop water leakage through the cofferdam.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.