

Annual General Meeting – Finance Update

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Boundless Energy



Overview

- 2012 Financial Results
- 2013 Financial Outlook

2012 Financial Highlights

- Results in Canadian GAAP – deferral of IFRS implementation for regulated utilities available until January 1, 2015
- Net income and cash flow from operations continue to trend upwards
- Strong performance in 2012 but below 2011 (best historical year) primarily due to the following reasons:
 - Lower oil production due to planned maintenance on Sea Rose FPSO
 - Lower electricity prices in US markets due to historically mild winter weather
- Continue to invest in all areas of the business
 - Capital expenditures of \$477 million were the highest level ever
- Federal Loan Guarantee for up to \$5.0 billion negotiated for Lower Churchill financing

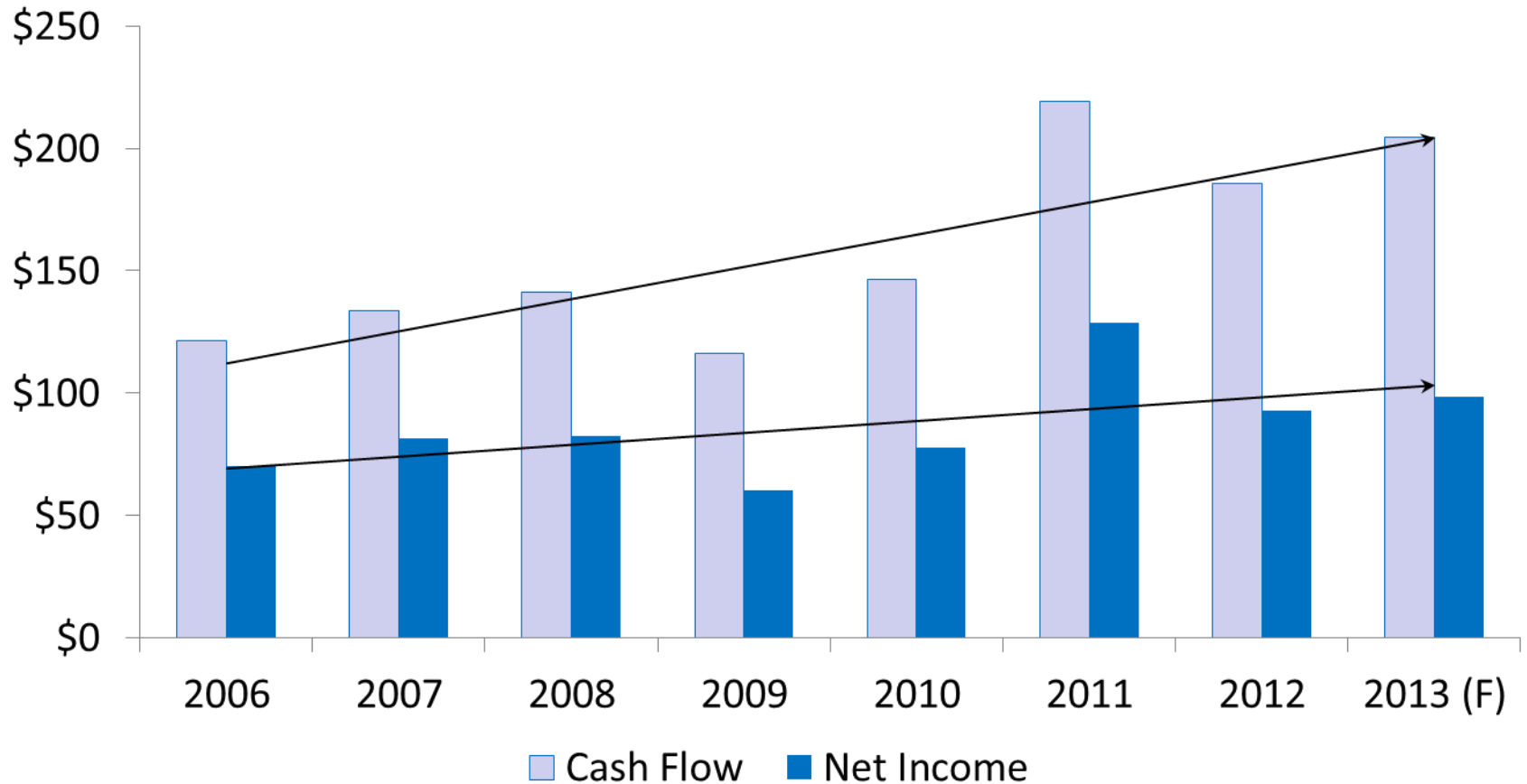
Financial Overview

	2011	2012
Revenue (\$ millions)	714	726
Net Income (\$ millions)	129	93
Total Assets (\$ millions)	3,042	3,447
Cash from Operations (\$ millions)*	219	186
Capital Expenditures (\$ millions)	254	477
Debt / Equity	38% / 62%	39% / 61%

* Before working capital adjustments

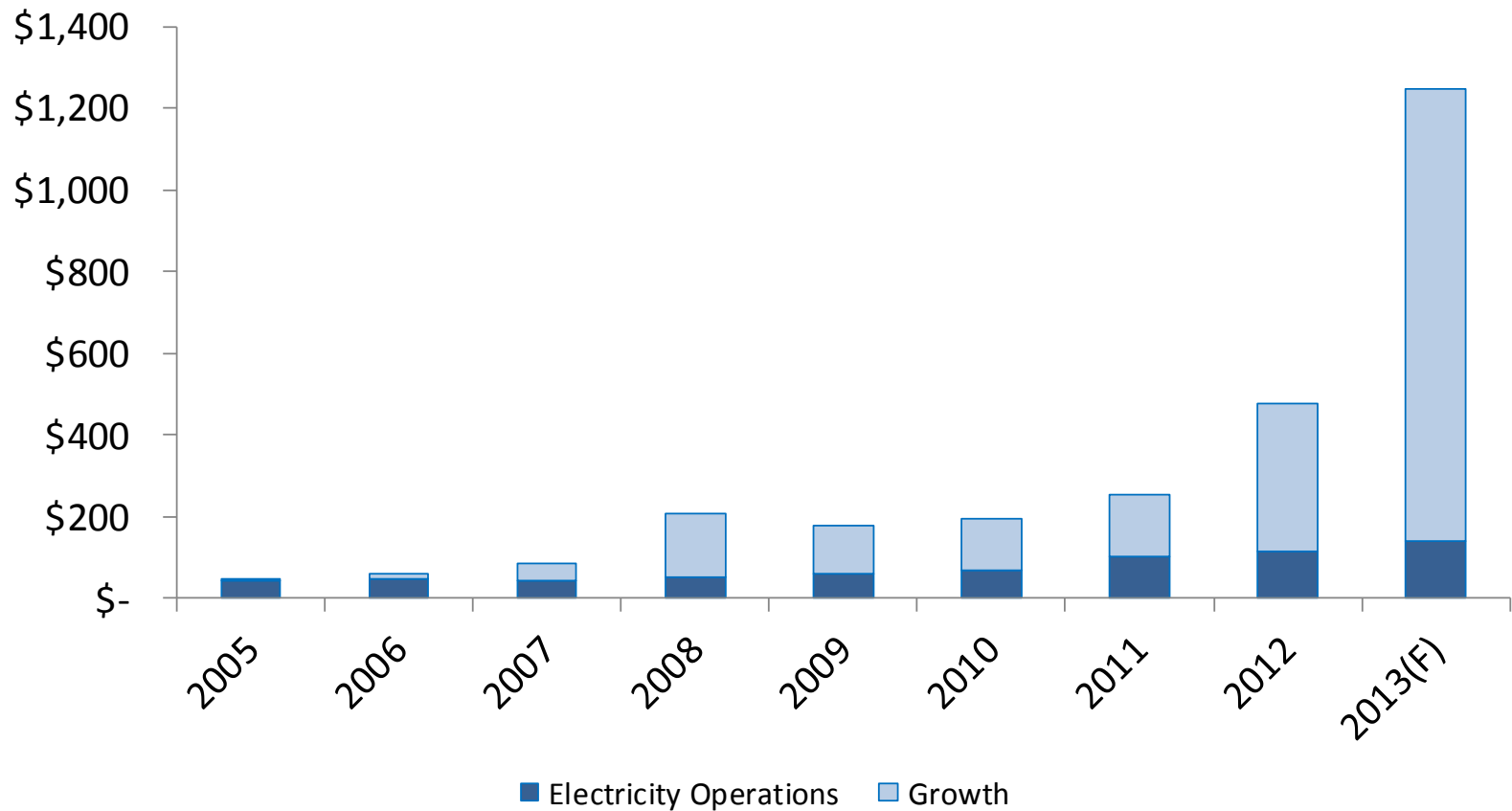
Operating Results

(\$ millions)



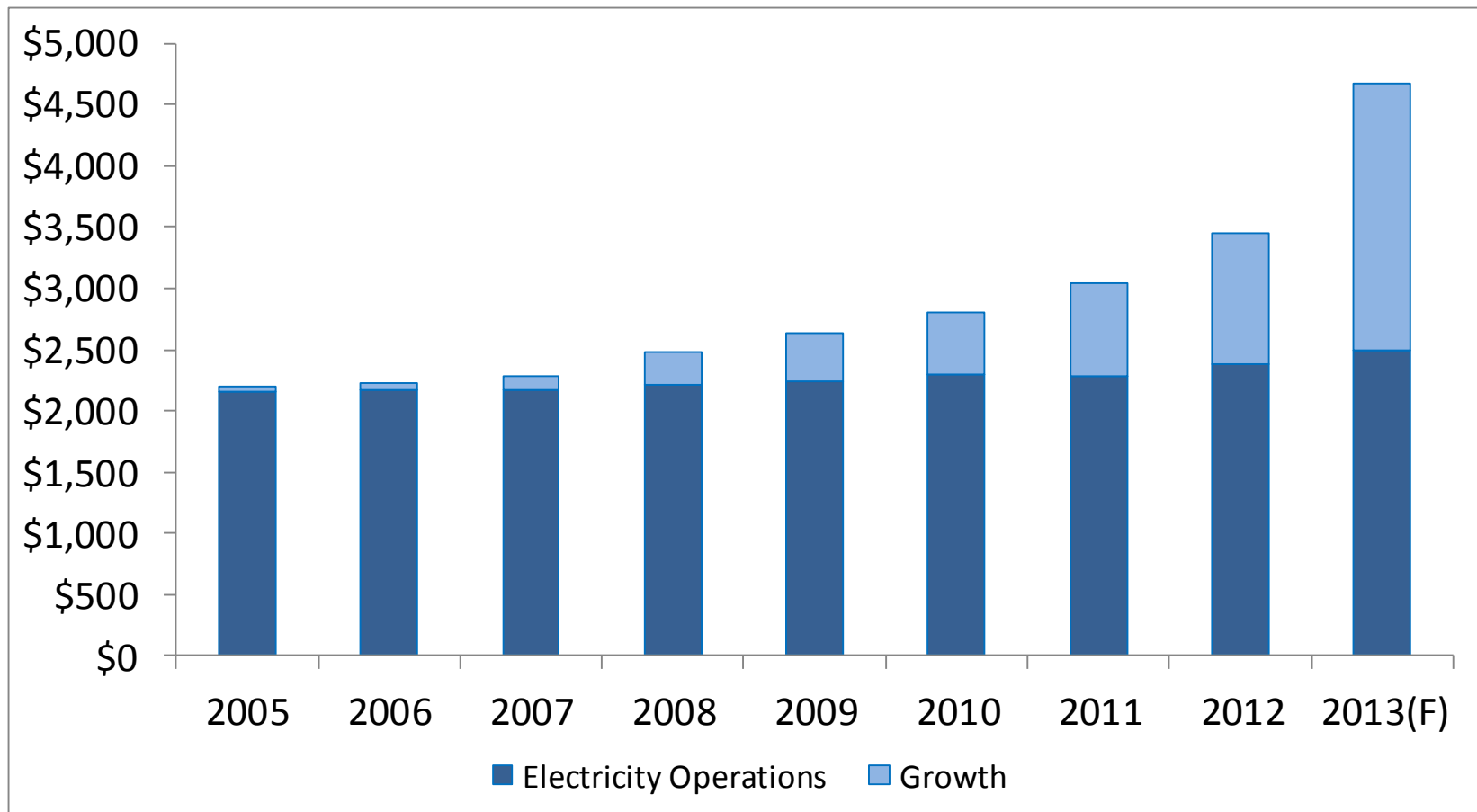
Capital Expenditures

(\$ millions)



Total Assets

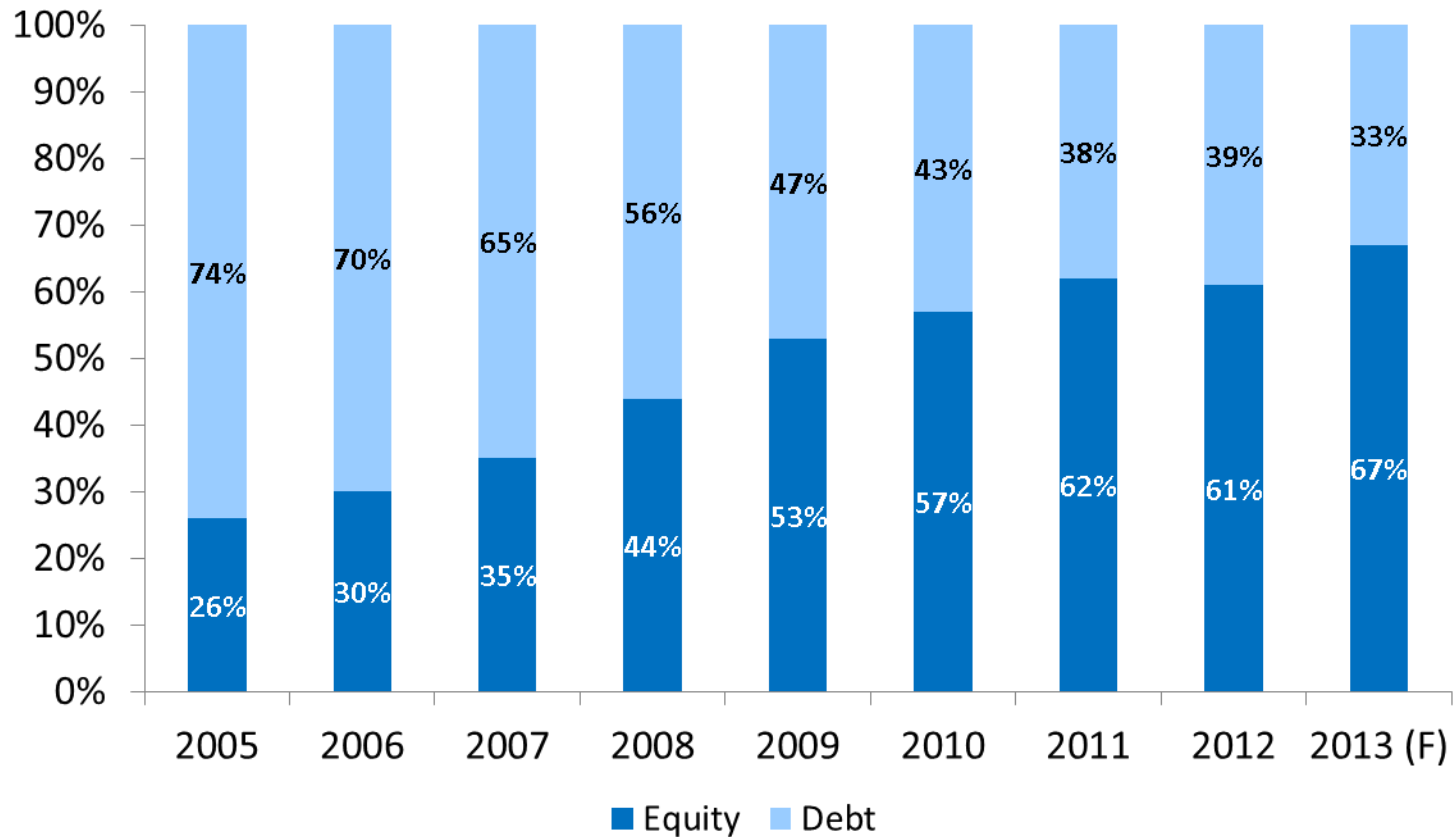
(\$ millions)



Equity

- Equity contribution of \$45 million from shareholder in 2012
- Cumulative contribution of \$421 million from 2008 – 2012
- Subsequent to the end of 2012 we received equity contribution of \$281 million
- Total to date of \$702 million
 - \$100 million used in 2009 to strengthen Hydro's balance sheet
 - Remainder used to help finance LCP and Oil and Gas investments

Capital Structure



2013 Financial Outlook

- Net income anticipated to be higher than 2012
- Forecast capital expenditures \$1.3 billion
 - Sanction of Muskrat Falls and Hebron in late 2012
 - Continued re-investment in Hydro and Churchill Falls
 - Continue to invest in White Rose and Hibernia
- Anticipated equity contributions from NL of \$669 million
- Lower Churchill Financing
 - Obtained AAA credit ratings
 - Request for Financing (RFF) issued on May 31 for up to \$5.0 billion of financing guaranteed by Government of Canada
- General Rate Application (GRA) filing planned

Summary

- Financial position has improved
- New investments starting to produce cash flow
- Capital expenditures at peak levels in each business unit
- Significant focus on finalizing financing for Lower Churchill
- Positioned to finance re-investment and growth