



BACKGROUNDER

Key business performance highlights from 2012

Nalcor Energy

- Reported 7,400 safety-related observations through the Safe Workplace Observation Program (SWOP). Since the introduction of the program in 2007, reporting of conditions and incidents has increased by 54 per cent.
- Many areas of the company achieved zero lost-time injuries and zero medical treatment injuries.
- Completed 97 per cent of environmental leadership targets, exceeding target of 95 per cent.
- Employee recognition programs resulted in over 3,000 peer recognitions and 11 employees presented with prestigious President's Awards.
- Awarded over \$50,000 in scholarships to Newfoundland and Labrador youth.
- More than 220 employees volunteered over 440 hours with community groups and charities throughout the province during Nalcor's annual Acts of Kindness Week.

Newfoundland and Labrador Hydro

- Hydro achieved 99.7 per cent winter generation availability, exceeding its target of 98 per cent.
- Invested \$77 million in the provincial electricity grid, including major upgrades on generating units at the Bay d'Espoir hydroelectric plant and the Holyrood Thermal Generating Station.
- Launched the Isolated System Energy Efficiency Program and directly installed more than 1,300 energy efficiency kits in Labrador communities achieving 1.7 gigawatt hours per year of savings.



Churchill Falls

- Completed capital investments in Churchill Falls of nearly \$55 million. Focused on long-term asset management, the company continued with the replacement of the facility's transformer fleet and major switchyard components in 2012.

Oil and Gas

- Achieved approval of the Hebron Development Plan and Project sanction. Nalcor's investment is expected to contribute \$2.7 billion to Nalcor over the life of the project.
- Entered into a strategic partnership in a seismic survey of offshore Newfoundland and Labrador. Nearly 30,000 km of high-quality seismic data was acquired in 2011 and 2012. This is part of a multi-year program that will significantly add to the offshore 2D seismic data set in this province.

Lower Churchill Project

- Achieved sanction of the Muskrat Falls Project in December 2012.
- Received release from the environmental assessment for the Lower Churchill Hydroelectric Generation Project from the Governments of Newfoundland and Labrador and Canada.
- Completed negotiations with the Government of Canada for the federal loan guarantee.

Bull Arm Fabrication

- Managed a successful leasing relationship with the tenants of Bull Arm. ExxonMobil Canada Properties for construction of the Hebron Project.
- Created a 20-year capital plan for the Bull Arm Fabrication Site.

Energy Marketing

- Delivered 99.8 per cent of available recapture energy to market.