



BACKGROUND

Key business performance highlights from 2010

- The company achieved a 50 per cent reduction over 2010 in lost-time injuries, and the severity of these injuries dropped almost 50 per cent — to a rate below the previous five-year average.
- Signed collective agreements with the International Brotherhood of Electrical Workers Locals 1615 and 2351, representing employees from the Hydro and Churchill Falls lines of business respectively.
- Announced the decision to proceed with Phase One of the Lower Churchill Project, Muskrat Falls, plus the Labrador-Island Transmission Link and the Maritime Transmission Link, including the execution of a Term Sheet with Emera.
- Nalcor, the Government of Newfoundland and Labrador, Innu Nation and Innu Band Councils initialled the Lower Churchill Impacts and Benefits Agreement (IBA) and Upper Churchill Redress Agreement.
- The White Rose Growth Project — North Amethyst field, in which Nalcor has a five per cent working interest, commenced production from the first of its subsea wells.
- Churchill Falls made its final debt repayment for the original \$1 billion construction costs in 1969. The company will now focus funds on capital improvements to upgrade the facility and ensure its continued safe and reliable operation.
- Filed a motion against Hydro-Québec in Québec Superior Court seeking to change, as of November 2009, the pricing terms for the remaining term of the 1969 Power Contract between Churchill Falls (Labrador) Corporation and Hydro-Québec for upper Churchill power. Court has set a trial date of fall 2013.



- Bull Arm Fabrication entered into lease finalization discussions with ExxonMobil Canada Properties (ExxonMobil Canada) for the Bull Arm site.
- Awarded more than \$40,000 in scholarships to Newfoundland and Labrador youth; and employees donated more than \$50,000 to charitable organizations, supported by the company's Employee Matching and Volunteer Contribution Programs.