



Nalcor Energy Announces EPCM Contract Decision for Lower Churchill Project

December 22, 2010, St. John's, NL – Nalcor Energy issued a letter of intent today for the engineering, procurement and construction management (EPCM) contract for components of Phase 1 of the Lower Churchill Project to SNC-Lavalin.

“The Project team made its decision following a very thorough decision process based on a number of elements but driven by the value the proponent could bring to the project,” said Gilbert Bennett, vice president, Nalcor Energy – Lower Churchill Project. “SNC-Lavalin offers the world-class engineering, procurement and construction management experience required for a project of this magnitude. Their specialization in hydroelectric developments, transmission, HVdc and civil works will be critical to the successful construction of the Lower Churchill Project.”

The EPCM contract includes the Muskrat Falls Generating Facility and the Labrador – Island Transmission Link. The contract does not include the Strait of Belle Isle subsea crossing or the Maritime Link. Nalcor Energy will conduct the work related to the strait crossing using a specialized contractor and a decision on an EPCM contractor for the Maritime Link will be done in conjunction with Nalcor's partner, Emera Inc.

SNC-Lavalin is a Canadian company with offices across Canada and around the world, including Newfoundland and Labrador. Engineering and procurement for the Lower Churchill Project will be performed primarily from St. John's. As the Project progresses, construction management will occur predominantly at the Muskrat Falls generating site in Labrador, as well as at various transmission locations in Labrador and on the island.

“The EPCM contract aligns with the Project's Benefits Strategy which ensures that Newfoundlanders and Labradorians are the primary beneficiaries of the Lower Churchill Project,” Bennett explained. “Nalcor will have policies and procedures, as well as monitoring and reporting mechanisms to ensure SNC-Lavalin and any sub-contractors adhere to the Benefits Strategy.”

The contract award is an important milestone for the Project and further detailed engineering will move in parallel with other key project elements as Nalcor progresses



through to sanction. “SNC-Lavalin’s specialized expertise is an important addition to the project at this point in time,” noted Bennett.

-30-

About Nalcor Energy

Nalcor Energy is headquartered in St. John’s, NL, Canada. Its 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 currently has five lines of business: Newfoundland and Labrador Hydro, Churchill Falls, Oil and Gas, Lower Churchill Project and Bull Arm Fabrication.

Media Contact:

Dawn Dalley, ddalley@nalcenergy.com

w. 709.737.1315 c. 709.727.7715