

**Nalcor Energy and Emera Inc.**

**Statement on Nalcor/Emera Term Sheet negotiations**

**January 27, 2012**

**Ed Martin, President and CEO Nalcor Energy**

As you know the Governments of Newfoundland and Labrador and Nova Scotia announced on November 18, 2010 that Nalcor Energy and Emera had signed a Term Sheet to partner on the development of the Muskrat Falls Generating Station, the Labrador Island Link and the Maritime Link.

Since that time, both companies have been progressing work to convert the initial Term Sheet into formal legal and commercial agreements.

We have made significant progress on the agreements and we are nearing completion; however, we will not have all the detailed work completed by January 31 as previously stated.

We do have the majority of agreements completed. This consists of thousands of pages of contract details. Our next steps are to finalize all the detail in the agreements and complete our internal reviews and due diligence.

Both parties are committed to a quality outcome and we want to ensure clarity in these agreements.

**Chris Huskilson, CEO, Emera Inc.**

These are important commercial contracts which link the electricity systems of both Newfoundland and Labrador and Nova Scotia for the first time in history and will bring tremendous benefit to both provinces and indeed, the region.

The principles of the term sheet are still the foundation of all discussions and they have not changed.

We understand that there will be some people who will believe this is more significant than it is and we feel compelled to emphasize that our relationship is strong, the term sheet principles remain and they are guiding our work.

We continue to make progress and we will ensure that people are informed once we have finalized the agreements.