

**Executive Council**  
**Natural Resources**  
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### **Premier, Prime Minister Announce Agreement on Loan Guarantee**

The Honourable Kathy Dunderdale, Premier of Newfoundland and Labrador, today announced the agreement on the terms for a federal loan guarantee for the Muskrat Falls hydroelectric project with the Governments of Canada and Nova Scotia. Premier Dunderdale was joined in Happy Valley-Goose Bay by the Honourable Stephen Harper, Prime Minister of Canada; the Honourable Peter MacKay, Minister of National Defence; the Honourable Peter Penashue, Minister of Intergovernmental Affairs and President of the Queen's Privy Council for Canada; and the Honourable Darrell Dexter, Premier of Nova Scotia.

"It's no exaggeration to say that the Muskrat Falls project is the key to a sustainable, prosperous future with an economy based on energy self-sufficiency. It is the next step forward as we transition our province to a renewable economy, able to sustain itself year after year, decade upon decade," said Premier Dunderdale. "This announcement is a significant advancement in that process, and we thank the Prime Minister for fulfilling his commitment to the people of Newfoundland and Labrador and recognizing the importance of the Muskrat Falls project to this province, the Atlantic region and the nation."

The Honourable Jerome Kennedy, Minister of Natural Resources, was also on hand for today's announcement, along with the Honourable Nick McGrath, Minister of Service NL, Minister Responsible for Labrador Affairs and MHA for Labrador West, and Keith Russell, MHA for Lake Melville.

"The Muskrat Falls project is not only a good project for Newfoundland and Labrador, but it is a financially-sound development that is good for the Atlantic region and the country," said Minister Kennedy. "Today's announcement confirms what we have always known and I want to thank the provincial and federal negotiating teams for their hard work and commitment to finalizing the loan guarantee. Our government has worked from the outset to ensure the project represents the best interests of Newfoundlanders and Labradorians."

The Innu, residents of Labrador and other residents of the province will be the primary beneficiaries of any employment opportunities associated with the Muskrat Falls Project. The project will result in 9,100 person-years of direct employment including 5,800 in

Labrador across more than 70 occupations, including 3,100 direct jobs at peak. More than 75 per cent of the work for the Muskrat Falls Generation Facility will take place in Labrador including construction of the dam, the powerhouse and transmission lines.

The Federal Government's loan guarantee will reduce the cost of financing for the project through reduced interest rates and this will result in stabilized electricity rates for consumers in the province. Officials from Newfoundland and Labrador, the Federal Government and the Government of Nova Scotia have been in discussions, working out the details of the agreement, since August 2011 when the Memorandum of Agreement was signed.

"Developing good working relationships between governments and partners is critical in any major undertaking," said Minister McGrath. "The Premier's leadership on this file has resulted in direct benefits to the ratepayers of the province."

"This project will bring many benefits for the people of Labrador, particularly with people from Labrador receiving first consideration for jobs during construction," said MHA, Keith Russell.

The New Dawn Agreements, including the Land Claims and Self-Government Agreement in Principle signed by the Governments of Canada, Newfoundland and Labrador and the Innu of Labrador, recognize the Aboriginal rights and title of the Innu, provide redress for the Upper Churchill development, and deal with the impact and benefits of the Lower Churchill Development.

Muskrat Falls, Phase One of the Lower Churchill Project, includes construction of the 824 megawatt generation station, the Labrador-Island Transmission Link, the Labrador Transmission Interconnection, and the Maritime Link from the Island of Newfoundland to Nova Scotia.

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Media contacts:

Lynn Hammond  
Director of Communications  
Office of the Premier  
709-729-3960  
lynnhammond@gov.nl.ca

Debbie Marnell  
Press Secretary  
Office of the Premier  
709-729-4304, 697-3128  
debbiemarnell@gov.nl.ca

Heather Maclean  
Director of Communications  
Department of Natural Resources  
709-729-5282, 697-4137  
heathermaclean@gov.nl.ca

Carol Ann Carter  
Director of Communications  
Labrador Affairs  
709-729-1674, 631-9505  
carolanncarter@gov.nl.ca

Tess Burke  
Communications Manager  
Government Members Office  
709-729-3551  
tessburke@gov.nl.ca