



ASTALDI AND MUSKRAT FALLS CORPORATION REACHED AGREEMENT TERMS FOR COMPLETION OF THE MUSKRAT FALLS PROJECT CIVIL WORKS, CANADA

New contract value at CAD 1830 million

Rome, 21 December 2016 – ASTALDI and MUSKRAT FALLS CORPORATION, A SUBSIDIARY OF NALCOR ENERGY, announced they have negotiated terms for an agreement to complete the construction of the powerhouse and intake civil works for the Muskrat Falls Hydroelectric Project in the Province of Newfoundland and Labrador, Canada. All disputes and outstanding commercial items have been addressed. The terms of the completion agreement are subject to customary approvals and conditions.

The agreement increases the contract value to CAD 1830 million, and sets a new date for the completion of the works that is in alignment with Muskrat Falls Corporation's current completion schedule for the Muskrat Falls Hydroelectric Project.

Filippo Stinellis, Chief Executive Officer of the Astaldi Group, stated: *"The constructive dialogue built and developed with the Client over the past years has allowed us to reach a full understanding over our contract's objectives and timing. The challenging work and its environment have made the negotiation process complex and we are satisfied for having reached this agreement."*

Stan Marshall, Chief Executive Officer of Nalcor Energy, stated: *"This agreement will provide certainty for the completion of the construction of the powerhouse and intake civil works by Astaldi and will ensure the continued progress by Astaldi in fulfilling their full contract."*

Phase One of the Lower Churchill Project is referred to as the Muskrat Falls Project. This includes an 824 megawatt hydroelectric generating facility at Muskrat Falls, Labrador in the Province of Newfoundland and Labrador, Canada. Astaldi is responsible for the construction of the powerhouse, intake and spillway civil works for the Muskrat Falls generation facility.

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ASTALDI GROUP is one of the leading General Contractors in Italy and one of the top 25 at a European level in the Construction sector where it is also a sponsor of project finance initiatives. It has been active for 90 years at an international level and is present on the market, developing complex and integrated projects involving the design, construction and operation of public infrastructures and large-

scale engineering works, mainly in the following segments: Transport Infrastructures, Energy Production Plants, Civil and Industrial Construction and Facility Management, Plant Design and Management of Complex Systems. It has been listed on the Stock Exchange since 2002 and holds 85th place in Global Contractor rankings. It ended 2015 with a total backlog, including additional orders secured and in the process of being finalised, of over EUR 28 billion and a turnover of EUR 2.9 billion. It has approximately 11,000 employees in Italy, Europe (Poland, Romania and Russia) and Turkey, Africa (Algeria), North America (Canada and the USA), Latin America (Chile, Peru, Venezuela and Central America), the Middle East (Saudi Arabia and Qatar) and the Far East (Indonesia).

Muskat Falls Corporation is a subsidiary of Nalcor Energy. Nalcor Energy's business includes the development, generation, transmission and sale of electricity; the exploration, development, production and sale of oil and gas; and industrial fabrication.

FOR MORE INFORMATION:

ASTALDI

Tel. +39 06.41766360

Alessandra Onorati / Anna Forciniti

External Relations and Investor Relations

investor.relations@astaldi.com

www.astaldi.com

Italian Media: **IMAGE BUILDING**

Tel. +39 02.89011300

Simona Raffaelli / Alfredo Mele / Arturo Salerni

astaldi@imagebuilding.it

International Media: **FINSBURY**

Edward Simpkins / Benita Barretto

Tel. +44 20 7251 3801

astaldi@finsbury.com

MUSKRAT FALLS CORPORATION

Tel. +00 1.709.737.1427

Karen O'Neill

Communications Manager

koneill@nalcorenergy.com

musktratfalls.nalcorenergy.com