

AMENDMENT AGREEMENT NUMBER 2

This Agreement is made as of July 5, 2006 between

ONTARIO POWER GENERATION INC., a corporation
existing under the laws of Ontario ("**OPG**"),

and

STRABAG INC., a corporation existing under the laws of Ontario
("**Inc.**").

RECITALS

- A. OPG and Strabag AG ("**AG**") entered into a design/build agreement dated as of August 18, 2005 (the "**Original Agreement**").
- B. AG has assigned the Original Agreement to Inc., its wholly owned subsidiary.
- C. OPG and Inc. (the "**Parties**") have agreed to amend the Original Agreement to allow for certain changes to the Work described in PCD 002 dated December 14, 2005 and pertaining to the excavation of the outlet canal and immediately adjacent section of the diversion tunnel without installation of a grout curtain to control water ingress into the excavation
- D. For value received, the Parties agree as follows.

Interpretation

Any defined term used in this Agreement that is not defined in this Agreement has the meaning given to that term in the Original Agreement.

Change to Section 1.1 - Definitions

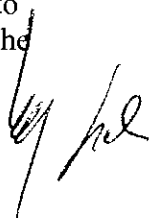
Add a new definition as follows:

(iii)**Outlet Canal Facility** means the outlet canal and the immediately adjacent 50 meters length of diversion tunnel.

Change to Section 5.5 - Differing Subsurface Conditions

Insert a new Section 5.5 (h) as follows:

No request for relief for differing subsurface conditions regarding groundwater flow into the Outlet Canal Facility will be allowed and no change to the Contract Price or Contract Schedule will be made in respect of Work at the Outlet Canal related to groundwater flow. For greater clarity, the Contractor assumes all risk with respect to seepage or inflow of groundwater into the Outlet Canal Facility and is fully responsible, at its cost, for any means or measures necessary to manage, control, prevent, or mitigate the effects of any seepage or inflow of groundwater into the



Outlet Canal Facility. The Contractor shall have no claim against OPG for any costs or damages caused, directly or indirectly, by the seepage or inflow of water into the Outlet Canal Facility, including any associated excavation costs. In the event that there is any conflict between this section 5.5(h) and any other term of this Agreement, the Specifications, or any other Schedule, the provisions of this section 5.5(h) shall prevail.

Change to Appendix 5.4 - Geotechnical Baseline Report

Section 8.3.2.2 is deleted in its entirety.

Change to Appendix 1.1(j) - Contract Price

1. On page 3 under the heading "Unit Rates for Drilling and Grouting" the sub heading "Curtain Grouting Above Ground" is deleted in its entirety and replaced with "Curtain Grouting Above Ground Except at the Outlet Canal Facility".

Change to Appendix 1.1(r) - Preliminary Design and Construction Report

In Document 1921/PR-4003/Rev.0, in Section 7 - Excavation Method and Support Measures, delete the following sentence; "A grout curtain behind the excavation walls is installed prior to excavation in order to avoid excessive water inflow during construction".

Original Agreement Remains in Full Force

Except for changes to the Original Agreement set out in this Agreement and any previous Amendment, the Original Agreement remains in full force, unamended, including the provisions relating to Contract Price and Contract Schedule.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature appears to be "L. J. Lee" or similar, written in a cursive style.

The Parties have duly executed this Agreement.

**ONTARIO POWER GENERATION
INC.**

By: 

Name: Emad Elayed

Title: V.P. Hydroelectric Development

STRABAG INC.

By: 

Name: ERNST OESCHWITZER

Title: PROJECT MANAGER


Robert Radlinger
Finance & Admin. Manager

Strabag AG hereby accepts Amendment Agreement Number 2 as agreed to above by Ontario Power Generation Inc. and Strabag Inc. and acknowledges that it continues to be bound by the Design/Build Agreement between Ontario Power Generation Inc. and Strabag AG dated August 18, 2005, as amended by Amendment Agreement Number 1 dated March 15, 2006 and Amendment Agreement Number 2 above.

DATED this 5th day of JULY, 2006.

STRABAG AG

By: 

Name: ERNST OESCHWITZER

Title: PROJECT MANAGER