

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of SNC-Lavalin Group Inc. at 455 René-Lévesque Blvd. West, Montréal, Québec, H2Z 1Z3 ((514) 393-1000) and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS



June 18, 2009

NEW ISSUE

SNC-LAVALIN GROUP INC.

\$●

●% Debentures due ●

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of \$● aggregate principal amount of ●% debentures due ● (the “**Debentures**”) of SNC-Lavalin Group Inc. (the “**Corporation**”). The Debentures will bear interest at the rate of ●% per annum payable semi-annually in arrears on ● and ● of each year, with the first payment of interest to be computed from the date of issue and to be payable on ●. See “Details of the Offering”.

The Debentures will be unsecured and unsubordinated obligations of the Corporation and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Corporation. Further particulars and certain other features of the Debentures are set out under “Details of the Offering”.

The Debentures will not be listed on any exchange or quotation system and consequently, there is no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this Prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, and the liquidity of the Debentures. See “Risk Factors” for more details.

	Price to Public	Agency Fee	Net Proceeds to the Corporation ⁽¹⁾⁽²⁾
Per \$1,000 principal amount	\$● (●%)	\$● (●%)	\$● (●%)
Total ⁽¹⁾	\$● (●%)	\$● (●%)	\$● (●%)

(1) Before deducting certain expenses of this Offering estimated at \$● which, together with the agency fee, will be paid from the general funds of the Corporation. See “Plan of Distribution”.

(2) Plus accrued interest, if any, from ●, 2009 to the date of delivery.

RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., BNP Paribas (Canada) Securities Inc., National Bank Financial Inc. and Casgrain & Company Limited (collectively, the “**Agents**” and each an “**Agent**”) conditionally offer the Debentures for sale, on a best efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters on behalf of the Corporation by Ogilvy Renault LLP and on behalf of the Agents by Gowling Lafleur Henderson LLP. The Agents will receive a fee of \$●, assuming the full aggregate principal amount of the Debentures offered is sold. In the event such full aggregate principal amount of the Debentures is not sold, the fee paid to the Agents will be prorated accordingly. See “Plan of Distribution”.

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Debentures will be issued in registered form only to the CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on closing of this Offering, which is expected to take place on ●, 2009 and in any event, not later than ●, 2009. A purchaser of the Debentures will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased. See “Details of the Offering”.

The Agents, with the exception of Casgrain & Company Limited, are direct or indirect subsidiaries of certain banks that are among the principal bankers of the Corporation. Accordingly, the Corporation may be considered to be a "connected issuer" to the Agents within the meaning of applicable securities legislation. See "Relationship Between the Corporation and Certain Agents".

The Corporation’s head and registered office is located at 455 René-Lévesque Blvd. West, Montréal, Québec, H2Z 1Z3.

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MEANING OF CERTAIN REFERENCES

In this Prospectus, references to “SNC-Lavalin”, the “Corporation”, “we” and “our” refer, depending on the context, either to SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or to SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures. All dollar amounts herein are stated in Canadian dollars except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

Statements made in this Prospectus, and in the documents incorporated herein by reference, that describe the Corporation’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions or projections of the future may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “anticipates”, “believes”, “estimates”, “expects”, “may”, “plans”, “projects”, “should”, “will”, or the negative thereof or other variations thereon. The Corporation cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

Many factors and assumptions could have an impact on the materialization of the Corporation’s projections, including, but not limited to, project performance, cost overruns, performance of joint venture partners, ability to attract and retain qualified personnel, subcontractors and suppliers, economic and political conditions, and other factors that are beyond its control. The Corporation cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that would cause the Corporation’s actual results to differ from current expectations, please refer to the section “Risks and Uncertainties” and the section “How We Budget and Forecast Our Results and Basis for Providing Financial Guidance”, respectively, in the Corporation’s 2008 Annual Report under “Management’s Discussion and Analysis”, filed with the securities regulatory authorities in Canada, available on SEDAR, www.sedar.com.

Other than as specifically required by law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of SNC-Lavalin Group Inc. at 455 René-Lévesque Blvd. West, Montréal, Québec, H2Z 1Z3 ((514) 393-1000) and are also available electronically at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

- (a) Annual Information Form of the Corporation dated March 13, 2009;
- (b) Management Proxy Circular of the Corporation dated March 9, 2009, prepared in connection with the Corporation’s annual meeting of shareholders held on May 7, 2009;

- (c) Audited Consolidated Financial Statements (including notes) of the Corporation as at and for the years ended December 31, 2008 and 2007 and the Auditors' Report thereon;
- (d) Management's Discussion and Analysis of the Corporation for the years ended December 31, 2008 and 2007;
- (e) Unaudited interim consolidated financial statements (including notes) of the Corporation as at and for the three-month periods ended March 31, 2009 and 2008; and
- (f) Management's discussion and analysis of the Corporation for the three-month periods ended March 31, 2009 and 2008.

Any documents of the type referred to the preceding paragraph or other disclosure documents required to be incorporated by reference into a prospectus filed under National Instrument 44-101 - *Short Form Prospectus Distributions* subsequently filed by the Corporation with the securities regulatory authorities in Canada, after the date of this Prospectus and prior to the completion or withdrawal of this Offering shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

THE CORPORATION

The Corporation was incorporated under the laws of Canada on May 18, 1967, and was continued under the *Canada Business Corporations Act* on March 24, 1980. The Corporation's head and registered office is located at 455 René-Lévesque Blvd. West, Montréal, Québec, H2Z 1Z3.

BUSINESS OF THE CORPORATION

The Corporation is one of the leading engineering and construction firms in the world, and a major player in the ownership of infrastructure, and in the provision of operations and maintenance services.

The Corporation provides engineering, project and construction management, construction, and operations and maintenance expertise through its network of offices located across Canada and in over 35 other countries, and is currently working in some 100 countries. SNC-Lavalin also makes selective investments in infrastructure concessions that are complementary to its other activities.

The Corporation reports its revenues under four categories of activities, which are as follows:

- **Services:** includes contracts in which SNC-Lavalin provides engineering services, feasibility studies, planning, detailed design, contractor evaluation and selection, project and construction management and commissioning. Services revenues are derived primarily from cost-plus reimbursable contracts.
- **Packages:** includes contracts in which SNC-Lavalin takes the responsibility not only for providing one or more of the Services activities listed above, but also undertakes the responsibility for providing

materials/equipment and/or construction activities. Packages revenues are derived primarily from fixed-price contracts.

- **Operations and Maintenance:** consists of providing operations, maintenance and logistics solutions for buildings, power plants, water supply and treatment systems, postal services, broadcasting facilities, highways, bridges, light rail transit systems, airports, military and construction camps and ships. Operations and Maintenance revenues are derived primarily from cost reimbursable with a fixed-fee contracts and from fixed-price contracts.
- **Infrastructure Concession Investments:** regroups SNC-Lavalin's investments in infrastructure concessions. SNC-Lavalin selectively invests in Infrastructure Concession Investments that complement the Corporation's other activities as they provide further opportunities for Services, Packages, and Operations and Maintenance.

The Corporation's results are evaluated by segment. The segments regroup related activities within SNC-Lavalin consistent with the way management performance is assessed and are as follows:

- **Services and Packages** relate to engineering and construction operations and are presented below in the way management performance is assessed by regrouping its projects within the industries they are executed for, and are as follows:
 - **Infrastructure and Environment** includes a full range of infrastructure projects, including airports, bridges, buildings, ports, ferry terminals, flood control systems, healthcare facilities, mass transit systems, railways, roads, and water treatment and distribution infrastructure and facilities, as well as environment projects, including impact assessment and studies, site assessment, remediation and reclamation, ecological and human health risk assessment, waste management, and water and wastewater.
 - **Chemicals and Petroleum** includes projects in gas processing, heavy and conventional oil production, onshore and offshore oil and gas, liquefied natural gas, coal to liquid gas, carbon capture, transportation and sequestration, pipelines, terminals and pump stations, refining and upgrading, bitumen production, petrochemicals, biofuels, chemicals and fertilizers.
 - **Power** includes projects in power generation, transmission and distribution, as well as in energy control systems and sustainable development training programs.
 - **Mining and Metallurgy** includes a full range of services for all mineral and metal recovery processes, including mine development, mineral processing, smelting, refining, mine closure and reclamation.
 - **Other Industries**, formerly labelled as "All Other", combines projects in several industry sectors, namely agrifood, pharmaceuticals and biotechnology, sulphuric acid as well as projects related to other industrial facilities not already identified as part of any other segment above.
- **Operations and Maintenance** consists of providing operations, maintenance and logistics solutions for buildings, power plants, water supply and treatment systems, postal services, broadcasting facilities, highways, bridges, light rail transit systems, airports, military and construction camps and ships.
- **Infrastructure Concession Investments** regroups SNC-Lavalin's investments in infrastructure concessions.

ELIGIBILITY FOR INVESTMENT

In the opinion of Ogilvy Renault LLP, counsel to the Corporation, and Gowling Lafleur Henderson LLP, counsel to the Agents, provided the shares of the Corporation remain listed on a designated stock exchange (which currently includes the Toronto Stock Exchange (the “TSX”)) for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “Tax Act”), the Debentures offered by this Prospectus, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which any of the employers is the Corporation or a person or partnership which does not deal with the Corporation at arm’s length within the meaning of the Tax Act) or a tax-free savings account. Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in section 207.01(4) of the Tax Act) in the Corporation or any person or partnership that does not deal at arm’s length with the Corporation within the meaning of the Tax Act, and provided that such holder deals at arm’s length with the Corporation within the meaning of the Tax Act, the Debentures offered by this Prospectus will not be a prohibited investment for a trust governed by a tax-free savings account.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the loan capital or in the share capital of the Corporation since March 31, 2009, the date of the Corporation’s most recently filed financial statements. After giving effect to this Offering and the use of proceeds discussed herein, \$● aggregate principal amount of Debentures will be issued, assuming the full aggregate principal amount of the Debentures offered is sold, and the Corporation’s 2010 Debentures (as defined below) will be paid off as described under “Use of Proceeds”.

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of Debentures under this Prospectus, after deducting the agency fee and certain other expenses of this Offering, are estimated to be \$●, assuming the full aggregate principal amount of the Debentures offered is sold. The agency fee and the expenses of the Offering will be paid out of the general funds of the Corporation.

The Corporation expects to use the net proceeds of the Offering to fully pay off at maturity its \$105 million principal amount 7.70% unsecured debentures due September 2010 (the “2010 Debentures”), to fund potential investments in Infrastructure Concession Investment opportunities and potential selective business acquisitions, and for general corporate purposes. While the Corporation is regularly involved in discussions with respect to potential investments and acquisitions, it has not currently entered into any material binding commitments with respect to same.

While the Corporation intends to use the net proceeds of the Offering as described above, it is not able to state any specific amount or time period for accomplishment of these objectives. The Corporation has no definitive plans for the portion of the net proceeds of the Offering allocated for funding of potential investments and potential selective business acquisitions and for general corporate purposes, the allocation of which will be at the discretion of management.

Until utilized for these purposes, the net proceeds will be invested in short term investment grade securities or bank deposits.

PLAN OF DISTRIBUTION

Under an agency agreement (the “**Agency Agreement**”) dated ●, 2009 between the Corporation and the Agents, the Agents have agreed to offer for sale, as agents of the Corporation, on a best efforts basis, subject to compliance with all necessary legal requirements and to the conditions contained in the Agency Agreement including the approval of certain legal matters, if, as and when issued by the Corporation, up to \$● aggregate principal amount of Debentures at a price of \$● per \$1,000 principal amount of Debentures, plus accrued interest, if any, from ●, 2009 to the date of delivery, payable in cash against delivery of the Debentures. This Offering is anticipated to close on ●, 2009, or such later date as may be agreed upon, but not later than ●, 2009, subject to the terms and conditions contained in the Agency Agreement. The price for the Debentures offered under this Prospectus was determined by negotiation between the Corporation and the Agents. The Agency Agreement provides that the Agents will be paid a fee of \$● per \$1,000 principal amount of Debentures on account of services rendered in connection with this Offering. The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events. The Agents are entitled under the Agency Agreement to indemnification by the Corporation against certain liabilities and expenses.

While the Agents have agreed to use their best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold. In the event the full aggregate principal amount of the Debentures is not sold, the fee paid to the Agents will be prorated accordingly.

The Agency Agreement provides that the Corporation will not sell, or announce its intention to sell, or authorize or issue, or announce its intention to authorize or issue, any notes, debentures or other debt securities of the Corporation, other than the Debentures, at any time commencing on the date of the Agency Agreement and ending sixty (60) days after the closing date without the prior written consent of RBC Dominion Securities Inc. on behalf of the Agents, such consent not to be unreasonably withheld.

The Debentures offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended or any state securities laws. Accordingly, the Debentures may not be offered, sold or delivered directly or indirectly in or within the United States, or to, or for the account or benefit of, U.S. persons.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers (Québec), the Agents may not, throughout the period of distribution under this Prospectus, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN AGENTS

The Agents, with the exception of Casgrain & Company Limited, are direct or indirect subsidiaries of certain banks that are among the principal bankers of the Corporation (“**Related Banks**”) under its committed long-term recourse revolving lines of credit, totalling \$477.5 million, upon which it may either issue letters of credit, or borrow at variable rates not exceeding the prime rate (the “**Lines of Credit**”). As a result, the Corporation may be considered to be a “connected issuer” of the Agents within the meaning of applicable securities legislation. The decision to offer the Debentures and the determination of the terms of the Offering were made through negotiation between the Corporation and the Agents, without the involvement of any of the Related Banks. None of the Agents will receive any benefit from the Offering other than its respective portion of the fees payable by the Corporation. In addition, none of the net proceeds of this Offering will be used to reduce indebtedness owing to any of the Related Banks. As at June 16, 2009, \$135.4 million of these Lines of Credit remained unused, while the balance of \$342.1 million was exclusively used for the issuance of letters of credit. In addition, the Corporation has other lines of credit specifically available for the issuance of letters of credit. All the

above-mentioned lines of credit are unsecured and subject to negative pledge clauses. As of the date hereof, the Corporation is in compliance with the terms of the agreements governing its bank credit facilities, in all material respects, and the Related Banks have not waived any material breach by the Corporation of such agreements since their execution. The consolidated financial position of the Corporation has not adversely changed since the execution of these bank credit facilities.

EARNINGS COVERAGE RATIO

The following earnings coverage ratios and associated financial information have been calculated based on the Corporation's consolidated financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). These ratios and associated financial information do not purport to be indicative of earnings coverage ratios for any future periods and do not give effect to the issue of any Debentures pursuant to this Prospectus since the aggregate principal amount of Debentures that will be issued hereunder and the terms of issue are not currently known.

The Corporation's consolidated interest requirements amounted to \$120.1 million and \$122.5 million for the 12 months ended March 31, 2009, and December 31, 2008, respectively. These interest requirements have been calculated on a pro forma basis, adjusted to reflect a 12-month interest requirement on non-recourse long-term debt issued and redeemed since the end of these two periods. The Corporation's consolidated earnings before interest and income tax for the 12 months ended March 31, 2009 and December 31, 2008 were \$502.0 million and \$492.1 million, respectively, which is 4.2 and 4.0 times, respectively, the Corporation's consolidated interest requirements for this period.

The earnings coverage ratios above include interest requirements on non-recourse long-term debt from Infrastructure Concession Investments that are accounted for by the full or proportionate consolidation methods under Canadian GAAP. Non-recourse long-term debt results from the ownership of infrastructure assets that are financed mainly with project specific debt by these concessions. In order to provide the reader with a better understanding of its consolidated financial statements, the Corporation presents certain distinct financial information related specifically to its Infrastructure Concession Investments segment throughout its financial statements. Accordingly, the Corporation also provides, as supplementary information below, its earnings coverage ratios calculated excluding its Infrastructure Concession Investments segment. The Corporation's interest requirements, excluding interest requirements from its Infrastructure Concession Investments, amounted to \$8.2 million and \$8.7 million for the 12 months ended March 31, 2009, and December 31, 2008, respectively. There has been no issuance or repayment of recourse long-term debt since the end of these two periods. The Corporation's earnings before interest and income tax, excluding earnings before interest and income tax from its Infrastructure Concession Investments, for the 12 months ended March 31, 2009 and December 31, 2008 were \$354.7 million and \$346.3 million, respectively, which is 43.1 and 39.9 times, respectively, the Corporation's interest requirements, excluding interest requirements from its Infrastructure Concession Investments, for this period.

DETAILS OF THE OFFERING

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. For full particulars, reference should be made to the Indenture (as defined below), a copy of which will be available electronically on www.sedar.com.

General

The Debentures offered hereby will be issued under and pursuant to the provisions of a trust indenture to be dated as of the closing of this Offering (the “**Indenture**”) and made between the Corporation and Computershare Trust Company of Canada, as trustee (the “**Trustee**”), providing for the issuance of Debentures up to an aggregate principal amount of \$●.

Date, Maturity and Interest

The Debentures will be dated as of the date of issue, will mature on ●, ● and will bear interest at the rate of ●% per annum payable semi-annually in arrears on ● and ● of each year, with the first payment of interest to be computed from the date of issue and to be payable on ●, 2009. The principal and interest in respect of the Debentures will be paid, at the option of the Corporation, by way of transfer of funds or by cheque in lawful money of Canada. While the book-entry system is in effect, such payment will be made in the manner indicated under “Form, Denominations and Book-Entry” below.

Form, Denominations and Book-Entry

The Debentures will be issued in “book-entry only” form and must be purchased, transferred, redeemed or exchanged through a participant in the depository service of CDS (a “**Participant**”). On the date of closing of this Offering, the Trustee will cause the Debentures to be delivered to CDS and registered in the name of its nominee, CDS & Co. The Debentures will be evidenced by a single book-entry only certificate. Registration of interests in and transfers of the Debentures will be made only through the depository service of CDS. The ability of a purchaser to pledge Debentures or otherwise take action with respect to such purchaser’s interest therein (other than through a Participant) may be limited due to the lack of a physical certificate.

Except as described below, a purchaser acquiring a beneficial interest in the Debentures (a “**Beneficial Owner**”) will not be entitled to a certificate or other instrument from the Trustee or CDS evidencing that purchaser’s interest therein, and such purchaser will not be shown on the records maintained by CDS, except through a Participant. Such purchaser will receive a confirmation of purchase from the Agent or other registered dealer from whom a beneficial interest in the Debentures is purchased. Neither the Corporation nor the Trustee will assume any liability or responsibility for: (a) records maintained by CDS relating to beneficial ownership interests in the Debentures held by CDS or the book-entry accounts maintained by CDS; (b) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests; or (c) any advice or representation made by or with respect to CDS and contained in the Indenture with respect to the rules and regulations of CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, such Participants must look solely to CDS and Beneficial Owners must look solely to Participants for the payment of the principal and interest on the Debentures paid by or on behalf of the Corporation to CDS.

The Debentures will be issued to Beneficial Owners in fully registered and certificated form (the “**Debenture Certificates**”), in denominations of \$1,000 and integral multiples thereof, only if: (i) the Corporation is required to do so by applicable law; (ii) the book-entry system ceases to exist; (iii) the Corporation or CDS advises the Trustee that CDS is no longer willing, able or qualified to properly discharge its responsibilities as depository with respect to the Debentures and the Corporation is unable to locate a qualified successor; (iv) the Corporation, at its option, decides to terminate its present arrangements with CDS; or (v) after the occurrence of an event of default under the Indenture, Participants acting on behalf of Beneficial Owners, representing, in the aggregate, more than 50% of the aggregate principal amount of the Debentures then outstanding, advise CDS in writing that the continuation of a book-entry system through CDS is no longer in their best interest.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Trustee must notify CDS, for and on behalf of Participants and Beneficial Owners, of the termination of the book-entry system

and of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the certificate(s) representing the Debentures and receipt of instructions from CDS for the new registrations, the Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the Corporation will recognize the holders of such Debenture Certificates as Debentureholders under the Indenture.

Payment of principal and interest on the Debentures will be made through CDS while the book-entry system is in effect. If the book-entry system ceases to be in effect, interest on any Debenture will be made to the person in whose name such Debenture is registered on the appropriate regular record date in respect of such interest. If Debenture Certificates are issued, principal of the Debentures and interest due at maturity will be paid upon surrender thereof at the principal office of the Trustee in Montréal, Toronto, Winnipeg, Calgary or Vancouver in Canada. In such circumstance, the Debentures will be transferable at the principal offices of the Trustee in Montréal, Toronto, Winnipeg, Calgary and Vancouver. No transfer of a Debenture will be required to be registered during the ten days preceding an Interest Payment Date relating thereto.

Rank

The Debentures will be unsecured obligations of the Corporation and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Corporation.

Redemption

The Debentures may be redeemed, prior to maturity, at the Corporation's option, in whole at any time or in part from time to time, on not more than 60 and not less than 30 days' prior notice, at the higher of the Canada Yield Price (as defined below) and the principal amount of such Debentures, together in each case with accrued and unpaid interest to the date fixed for redemption. Debentures so redeemed by the Corporation will be cancelled and will not be reissued.

“**Canada Yield Price**” means the price equal to the net present value of all scheduled payments of interest and principal on the Debentures, using as a discount rate the Canada Yield plus ● basis points, on the business day preceding the date of the resolution of the Board of Directors of the Corporation authorizing the redemption. “Canada Yield” on any date shall mean, in effect, the yield to maturity on such date compounded semi-annually which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity approximately equal to the remaining term to maturity of the Debentures. The Canada Yield will be provided by two major Canadian investment dealers selected in accordance with the terms of the Indenture. Where less than all the outstanding Debentures are to be redeemed, the Debentures so to be redeemed will be selected by the Trustee on a pro rata basis not more than 60 days prior to the date fixed for redemption.

Purchases for Cancellation

The Corporation may, at its option and sole discretion, at any time purchase Debentures in the open market, by tender or by private contract, at any price. Debentures so purchased by the Corporation will be cancelled and will not be reissued.

Restriction on Indebtedness for Borrowed Money of Restricted Subsidiaries

The Corporation will not permit any of its Restricted Subsidiaries to incur Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness) with any person, other than the Corporation or any of its Associates, if the total of all outstanding Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness) of all Restricted Subsidiaries of the Corporation exceeds 15% of the Corporation's consolidated shareholders' equity, as established on the basis of the last audited consolidated financial statements of the Corporation.

Negative Pledge Covenant

The Corporation will not, and will not permit any of the Restricted Subsidiaries to, issue, assume or guarantee any future Indebtedness for Borrowed Money secured by, and will not after the date of the Indenture secure any Indebtedness for Borrowed Money by, a Lien (other than a Permitted Lien) upon any asset of the Corporation or any of the Restricted Subsidiaries (whether now owned or hereafter acquired), without in any such case effectively providing concurrently therewith that the Debentures (together with any other Indebtedness for Borrowed Money of the Corporation which may then be outstanding and entitled to the benefit of a covenant similar in effect to this covenant) shall be secured equally and rateably with such Indebtedness for Borrowed Money.

Repurchase Upon Change of Control Triggering Event

The Indenture will contain provisions to the effect that if a Change of Control Triggering Event (as defined below) occurs, unless the Corporation has exercised its optional right to redeem all of the Debentures, the Corporation will be required to make an offer to repurchase all or, at the option of each Debentureholder, any part (equal to \$1,000 or an integral multiple thereof) of each Debentureholder's Debentures pursuant to the offer described below (the "**Change of Control Offer**"), at a purchase price payable in cash equal to 101% of the outstanding principal amount of Debentures together with accrued and unpaid interest, if any, to the date of purchase.

Within 30 days following any Change of Control Triggering Event, the Corporation will be required to give, or cause the Trustee to give, written notice to holders of the Debentures describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Debentures on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "**Change of Control Payment Date**"). The Corporation must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Debentures as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions described in the Indenture relating to a Change of Control (as defined below), the Corporation will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase the Debentures by virtue of such conflict. The Corporation will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Debentures properly tendered and not withdrawn under its offer.

Events of Default

The Indenture provides that any of the following constitutes an event of default: (i) default in the payment of the principal on any Debenture when the same becomes due and payable and continuation of such default for a period of five days; (ii) default in the payment of any instalment of interest on any Debenture when the same becomes due and payable, and continuation of such default for a period of 30 days; (iii) default in the performance or observance of any covenant of the Corporation in the Indenture and continuation of such default for a period of 30 days after there shall have been given to the Corporation and the Trustee by the holders of at least 25% in principal amount of the outstanding Debentures, a written notice specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default"; (iv) certain events of insolvency or bankruptcy and, in certain cases, continuation of such event for a period of 60 days; and (v) the Corporation or any of the Restricted Subsidiaries (a) fails to pay at maturity any amount in excess of the Cross Default Amount with respect to any Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness), or (b) is in default under or fails to observe or perform any other term, covenant or agreement contained in any agreement by which it is bound and evidencing or securing Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness) in excess of the Cross Default Amount, and which, as a result of such failure or default in (a) or (b), has been

declared by the creditors of such Indebtedness for Borrowed Money to be immediately due and payable before it would otherwise have been due and payable, unless the failure or default is waived or rescinded by the relevant creditor(s). “**Cross Default Amount**” means the higher of \$50,000,000 or an amount equal to 5% of the Corporation’s consolidated shareholders equity (as established on the basis of the last audited consolidated financial statements of the Corporation). If an event of default occurs and is continuing, then and in every such case the Trustee shall, if so requested by the holders of not less than 25% in principal amount of the Debentures outstanding, declare the principal of all the Debentures to be due and payable immediately, by a notice in writing to the Corporation, and upon any such declaration such principal shall become immediately due and payable. However, at any time after such a declaration of acceleration has been made and before a judgement or decree for payment of the moneys due has been obtained by the Trustee, the Debentureholders may, by an Extraordinary Resolution delivered to the Corporation and the Trustee, rescind and annul such declaration and its consequences. No such rescission shall affect any subsequent default or impair any right consequent thereon. “**Extraordinary Resolution**” means any Resolution by the holders of Debentures which has been (a) signed by or for the holders of not less than 66⅔% in principal amount of the Debentures outstanding; or (b) adopted by the holders of not less than 66⅔% in principal amount of the Debentures outstanding voting thereon in person or by proxy at a meeting of the Debentureholders duly called and held.

Consolidation, Merger, Conveyance and Transfer

The Corporation shall not consolidate with, amalgamate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any person, unless (a) the corporation formed by such consolidation or amalgamation or into which the Corporation is merged or the person which acquires, by operation of law or by conveyance or by transfer, the assets of the Corporation substantially as an entirety shall (except where such assumption is deemed to have occurred by the sole operation of law or except where the Corporation is the surviving legal entity) expressly assume the due and punctual payment of the principal of and interest on all the Debentures and the performance of every covenant of the Corporation under the Indenture and (b) immediately after giving effect to such transaction, no event of default, and no event which, after notice or lapse of time, or both, would become an event of default, shall have happened and be continuing under the Indenture.

Modification

Except as regards additional covenants of the Corporation, the granting of security interests for the benefit of Debentureholders or minor or non-material modifications, which will be permitted without the consent of Debentureholders, the Indenture will provide that modifications and alterations thereto and to the Debentures may be made by resolution passed by the affirmative vote of the holders of not less than 66⅔% of the principal amount of all outstanding Debentures represented and voting at a meeting of holders of Debentures or by an instrument or instruments in writing signed by the holders of not less than 66⅔% of the principal amount of all outstanding Debentures. The Indenture will provide that the quorum for meetings of holders of Debentures at which a resolution will be considered shall be holders representing more than 50% of the principal amount of all outstanding Debentures, provided that at any adjourned meeting there is no quorum requirement.

Definitions

For the purposes of the Indenture, capitalized terms are defined substantially as follows:

“**Associates**” means an “associate” of the Corporation or any of the Restricted Subsidiaries within the meaning of the *Canada Business Corporations Act* and includes any person who is in a joint venture relationship with the Corporation or any of the Restricted Subsidiaries.

“**Change of Control**” shall mean the occurrence of any one of the following: (a) the consummation of a direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation,

arrangement or merger), in one or a series of related transactions, of all or substantially all of the property and assets of the Corporation and its Subsidiaries, taken as a whole, to any Person or group of Persons acting jointly or in concert for the purposes of such transaction (other than to the Corporation or one or more of its Subsidiaries); or (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, arrangement, merger or issue of voting shares, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the Voting Shares of the Corporation following the consummation of such transaction, provided that the creation of a holding company, partnership, limited partnership, trust or other entity or a similar transaction that does not involve a change in the ultimate beneficial ownership of the Corporation shall not constitute a Change of Control.

“**Change of Control Triggering Event**” shall mean the occurrence of both a Change of Control and a Rating Event.

“**Indebtedness for Borrowed Money**” of a person means any indebtedness of such person in respect of money borrowed or raised by such person by whatever means, it being understood that operating leases and reimbursement obligations in respect of advanced payments made by clients are not “Indebtedness for Borrowed Money”.

“**Investment Grade Rating**” shall mean a rating equal to or higher than BBB- (or the equivalent of any successor rating category of Standard & Poor’s, a division of The McGraw-Hill Companies (Canada) Corporation (“**S&P**”)) by S&P, BBB (low) (or the equivalent of any successor rating category of DBRS Limited (“**DBRS**”)) by DBRS, or the equivalent investment grade credit rating from any other Specified Rating Agency.

“**Lien**” means a mortgage, hypothec, security interest, lien, charge or other encumbrance, whether fixed or floating.

“**Moody’s**” means Moody’s Investor Service, Inc. and its successors.

“**Non-recourse Indebtedness**” means Indebtedness for Borrowed Money (including the refinancing or increase thereof) incurred or assumed by the Corporation or any of the Restricted Subsidiaries where: (i) the proceeds of such Indebtedness for Borrowed Money are ultimately used (a) for one or more Specific Contracts or the financing or additional financing thereof, or for one or more Projects, or (b) to reduce Indebtedness for Borrowed Money incurred for one or more Projects or for one or more Specific Contracts (or the financing thereof) or reduce the equity (including the stated capital account(s) and retained earnings) of one or more Non-Recourse Vehicles or (c) for any purposes where the recourses of the creditor(s) of such Indebtedness for Borrowed Money are limited to the shares and/or other forms of ownership or participating interest referred to in clause (ii)(c) or the rights referred to in clause (ii)(d) below; and (ii) the recourses of the creditor(s) of such Indebtedness for Borrowed Money are limited to (a) the assets acquired or obtained for or associated solely with one or more Specific Contracts (including amounts due by clients to the Corporation or any of the Restricted Subsidiaries pursuant to any Specific Contract) and/or (b) the assets of one or more Projects, whether such assets are owned by the Corporation or any of the Restricted Subsidiaries or a Non-Recourse Vehicle and/or (c) the shares and/or other forms of ownership or participating interests held directly or indirectly by the Corporation or any of the Restricted Subsidiaries in one or more Non-Recourse Vehicles, which in turn own assets relating to one or more Projects or Specific Contracts and/or (d) the rights of the Corporation or any of the Restricted Subsidiaries against one or more Non-Recourse Vehicles (including Indebtedness for Borrowed Money owed by such Non-Recourse Vehicle(s) to the Corporation or any Restricted Subsidiaries).

“**Non-Recourse Vehicle**” means a corporate entity or an unincorporated entity, whether or not having a legal personality (including a joint-venture, a partnership, a trust, a co-ownership scheme or other business combination or risk-sharing scheme) in which the Corporation or any of the Restricted Subsidiaries owns shares or any other form of ownership or participating interest and which meets all of the following conditions: (i) it was formed to

carry out one or more Projects or Specific Contracts; and (ii) its only assets consist of assets relating to one or more Projects or Specific Contracts.

“Permitted Liens” means

1. Purchase Money Security;
2. over and above all other Permitted Liens, any Lien granted on assets of the Corporation or any Restricted Subsidiary provided that the financial obligations of the Corporation and of the Restricted Subsidiaries in respect of such Liens do not exceed, at any time, in the aggregate an amount equal to 5% of the consolidated shareholders’ equity of the Corporation, as established on the basis of the last audited consolidated financial statements of the Corporation;
3. any Lien to secure obligations under any hedge agreement entered into in the normal course of business;
4. any Lien (including the renewal and extension thereof) over any assets of any person, which exists at the time such person is merged into or acquired by the Corporation or any Restricted Subsidiaries provided that such Lien was not created in anticipation of such merger or acquisition;
5. any Lien to secure Non-recourse Indebtedness;
6. any capital lease entered into by the Corporation or any of the Restricted Subsidiaries in the normal course of business;
7. any Lien granted to the Corporation by any of the Restricted Subsidiaries and any Lien granted to any Restricted Subsidiary by another Restricted Subsidiary;
8. any Lien granted to clients of the Corporation or any of the Restricted Subsidiaries in the normal course of business in relation to contracts made by the Corporation or such Restricted Subsidiary with such clients; and
9. any Lien (including the renewal and extension thereof) in existence at the date of issuance (or arising thereafter pursuant to contractual commitments entered into by the Corporation or any of the Restricted Subsidiaries prior to such issuance) of the Debentures.

“Person” shall mean and include any individual, firm, joint venture, corporation, association, partnership, joint stock company, unincorporated organization, limited liability company, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

“Project” means (i) the acquisition of (a) shares of a corporation or other form of ownership or participating interest in any other kind of entity which, in each case, carries on an ongoing business or (b) assets of such corporation or entity, including, in each case, and for greater certainty, any operation carried on with such assets, and/or (ii) the acquisition, construction, development, expansion or operation of assets forming an economic unit capable (on the basis of reasonable initial assumptions) to generate sufficient cash flow to cover the operating costs and debt service required to finance the undertaking relating to such assets over a period of time which is less than the projected economic life of the assets and includes any commercial operation for which such assets were so acquired, constructed, developed or expanded and which is subsequently carried on with such assets by such economic unit.

“Purchase Money Security” means (i) any Lien created, issued or assumed by the Corporation and/or any of the Restricted Subsidiaries after the date hereof to secure indebtedness assumed as a part of, or issued or incurred to provide funds to pay, the purchase price of any asset, if the indebtedness is incurred within 18 months of acquisition of the asset, provided that such Lien is limited to the asset so acquired and is created, issued or assumed substantially concurrently with the assumption, issue or incurring of the indebtedness so secured; and (ii) any refinancing, renewal or extension of any such Lien on such asset securing indebtedness in a principal amount not in excess of the unpaid principal amount of the indebtedness secured thereby immediately prior to such renewal or extension.

“Rating Event” shall mean the rating on the Debentures is lowered to below an Investment Grade Rating by both of the Specified Rating Agencies, if there are two Specified Ratings Agencies, or by two out of three of the Specified Ratings Agencies, if there are three Specified Ratings Agencies (the **“Required Threshold”**), on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Debentures is

under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Ratings Agencies which have already lowered their ratings on the Debentures as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of the Corporation's intention or agreement to effect a Change of Control; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will be deemed not to have occurred in respect of a particular Change of Control (and thus will be deemed not to be a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Specified Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at the Corporation's or the Trustee's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the rating event).

"Restricted Subsidiary" means any wholly-owned subsidiary of the Corporation.

"Specific Contract" means a contract undertaken by the Corporation or any of the Restricted Subsidiaries in the normal course of business.

"Specified Rating Agencies" shall mean each of S&P and DBRS and, if a rating of the Debentures is obtained from Moody's shall also include Moody's, as long as, in each case, such entity has not ceased to rate the Debentures or failed to make a rating of the Debentures publicly available for reasons outside of the Corporation's control; provided that if one or more of S&P, DBRS or Moody's, as applicable, ceases to rate the Debentures or fails to make a rating of the Debentures publicly available for reasons outside of the Corporation's control, the Corporation may select any other "approved rating organization" within the meaning of National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

"Subsidiary" means, with respect to any Person, any other Person (i) securities of which having ordinary voting power (which can be exercised by such first Person without the concurrence of another Person not controlled by such first Person) to elect a majority of the board of directors (or other persons having similar functions) or (ii) other ownership or participating interests of which ordinarily constituting a majority voting interest (which can be exercised by such first Person without the concurrence of another Person not controlled by such first Person), are at the time, directly or indirectly, owned or controlled by such first Person, or by one or more of its Subsidiaries, or by such first Person and one or more of its Subsidiaries; unless otherwise specified, **"Subsidiary"** means a direct or indirect Subsidiary of the Corporation.

"Voting Shares of the Corporation" means shares of the Corporation which entitle the holders thereof to vote generally in the election of not less than a majority of the directors of the Corporation.

CREDIT RATINGS

The DBRS long-term debt rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to interest and principal commitments. Every DBRS rating is based on quantitative and qualitative considerations relevant to the borrowing entity. Each rating category is denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The Debentures are rated BBB (high) by DBRS. BBB (high) is the eighth highest of twenty-six ratings used by DBRS for long-term debt. DBRS' BBB rating exhibits adequate credit quality. Protection of interest and principal is considered acceptable, but the entity is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the entity and its rated securities.

The S&P long-term issue credit rating scale is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. A rating may be modified by the addition of a plus (+) or minus (-) sign to show its relative standing within the major letter rating categories.

The Debentures are rated BBB+ by S&P. The Corporation's Debentures' rating of BBB+ is the eighth highest of twenty-two ratings used by S&P in its long-term issue credit rating scale. S&P's BBB rating exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Corporation to meet its financial commitment on the Debentures.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. Such ratings do not constitute a recommendation to purchase, hold or sell the securities and may be changed or withdrawn at any time by the rating agencies.

MARKET FOR SECURITIES

The Corporation's common shares are traded on the TSX under the symbol "SNC". The Corporation's common shares are included in the S&P/TSX Composite Index as well as the S&P/TSX 60 Index and the S&P/TSX Canadian Dividend Aristocrats Index. The following table indicates, for the relevant periods, the trading prices and volumes of the Corporation's common shares on the TSX:

Common shares				
	<u>Volume (in 000s)</u>	<u>High⁽¹⁾</u>	<u>Low⁽¹⁾</u>	<u>Close</u>
		(\$)	(\$)	(\$)
June 2008.....	9,424	61.95	54.15	56.02
July 2008.....	8,948	58.50	50.25	55.69
August 2008.....	9,553	57.93	47.18	53.00
September 2008.....	17,616	52.50	34.08	38.48
October 2008.....	20,433	40.50	26.00	31.67
November 2008.....	14,073	36.09	27.00	34.80
December 2008.....	12,047	40.39	31.65	39.69
January 2009.....	9,906	41.69	33.34	34.60
February 2009.....	9,766	37.69	28.26	29.04
March 2009.....	12,304	33.00	26.35	32.05
April 2009.....	8,872	37.41	31.55	34.75
May 2009.....	9,041	41.05	34.73	39.17
June 2009 (until June 17).....	5,926	44.95	39.41	41.62

(1) Source: Intra-day highs and lows during each month.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Ogilvy Renault LLP, counsel to the Corporation, and Gowling Lafleur Henderson LLP, counsel to the Agents, the following is a general summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder of the Debentures acquired as beneficial owner hereunder who, at all relevant times, for the purposes of the Tax Act, is resident or deemed to be resident in Canada, holds such Debentures as capital property, deals at arm's length with the Corporation and is not affiliated with the Corporation (a "**Holder**"). Generally, the Debentures will be considered capital property to a Holder provided that the Holder does not hold the Debentures in the course of carrying on a business and has not acquired them as part of an adventure in the nature of trade. Debentures held by "financial institutions" (as

defined in section 142.2 of the Tax Act) will generally not be capital property to such holders and will generally be subject to special rules contained in the Tax Act. This summary does not take these special rules into account, and holders to whom these rules may be relevant should consult their own tax advisors.

Certain Holders whose Debentures might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making the irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Debentures and every other “Canadian security”, as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, to be capital property. This summary is not applicable to a Holder an interest in which is a “tax shelter investment” or a Holder to whom the “functional currency” reporting rules apply, each as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) made publicly available prior to the date hereof.

This summary also takes in account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Tax Amendments**”). No assurances can be given that the Proposed Tax Amendments will be enacted or will be enacted as proposed. Other than the Proposed Tax Amendments, this summary does not take into account or anticipate any changes in law or the administrative policies or assessing practices of the CRA, whether by judicial, legislative, governmental or administrative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder and no representations with respect to the income tax consequences to any particular holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective investors in Debentures should consult their own tax advisors with respect to their own particular circumstances.

Taxation of Interest on the Debentures

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture that accrues or is deemed to accrue to the Holder to the end of that taxation year, or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such amount was included in the Holder’s income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year any interest on a Debenture that is received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), to the extent that such amount was not otherwise included in the Holder’s income for a preceding taxation year.

Where a Holder is required to include in computing income interest on a Debenture that accrued in respect of the period prior to its date of acquisition by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Debenture will be reduced by the amount which is so deductible.

On a disposition or deemed disposition of a Debenture, including a redemption, a payment on maturity, or a purchase for cancellation, a Holder will generally also be required to include in income the amount of interest accrued on the Debenture to the date of disposition to the extent that such amount has not otherwise been included in the Holder’s income for the taxation year or a preceding taxation year.

Any premium paid by the Corporation to a Holder as a result of the Corporation’s exercise of its optional redemption right or the purchase of Debentures under a Change of Control Offer, or any other premium, will generally be deemed to be interest received by a Holder at the time of the redemption and will be required to be included in computing the Holder’s income as described above to the extent that it can reasonably be considered

to relate to, and does not exceed the value at the time of the redemption of, the interest that would have been paid or payable by the Corporation on the Debenture for a taxation year ending after the redemption.

A Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may also be liable for an additional refundable tax of 6 $\frac{2}{3}$ % on investment income. For this purpose, investment income will generally include interest income.

Disposition of Debentures

In general, a disposition or deemed disposition of a Debenture, including a redemption, payment on maturity or purchase for cancellation, will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any interest accrued to the date of disposition and any other amounts included in the Holder’s income on such disposition or deemed disposition as interest, exceed (or are less than) the adjusted cost base of the Debenture to the Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition.

As discussed above, the amount of interest accrued on the Debenture to the date of disposition (as well as any amounts deemed to be interest) will be generally excluded from proceeds of disposition and will generally be included as interest in computing the Holder’s income for the taxation year in which the disposition takes place except to the extent such amount has otherwise been included in income for that or a preceding taxation year.

Under the current provisions of the Tax Act, one half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Holder in a taxation year generally must be included in the Holder’s income in that year, and, subject to and in accordance with the provisions of the Tax Act, one half of the amount of any capital loss (an “**allowable capital loss**”) realized by a Holder in a taxation year generally must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains in any particular year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. A capital gain realized by an individual or a trust (other than specified trusts) may give rise to a liability for alternative minimum tax. As discussed above, a Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional refundable tax on investment income. For this purpose, investment income will generally include taxable capital gains.

RISK FACTORS

An investment in the Debentures is subject to certain risks. In addition to the risk factors noted below, prospective investors are directed and should consider the risk factors presented under the heading “Management’s Discussion and Analysis – Risks and Uncertainties”, on pages 75-77 of the Corporation’s most recent Annual Report, which discussion is incorporated herein by reference, and all of the other information contained in this Prospectus (including, without limitation, the documents incorporated by reference herein), before purchasing any of the Debentures distributed under this Prospectus. The risks described herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. The Corporation’s most recent Annual Report is available on SEDAR at www.sedar.com or on the Corporation’s Website under the “Investors” section.

Changes in Creditworthiness or Credit Ratings

There is no assurance that the creditworthiness of the Corporation or that any credit rating assigned to the Debentures will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by the relevant rating agency. See “Credit Ratings”. A lowering or withdrawal of such rating may have an adverse effect on the market price or value and the liquidity of the Debentures.

Interest Rate Risk

Prevailing interest rates will affect the market value of the Debentures. The price or market value of the Debentures will decline as prevailing interest rates for comparable securities rise.

Liquidity Risk

The Debentures constitute new issues of securities with no established trading market. In addition, the Corporation does not intend to list the Debentures on any exchange. As a result, the trading market for the Debentures may not be active and liquid. There can be no assurance that an active market for the Debentures will develop or be sustained or that holders of the Debentures will be able to sell their Debentures at any particular price or at all.

Ranking of the Debentures

The Debentures will not be secured by any of the Corporation's assets. Therefore, holders of secured indebtedness would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of the Debentures and would have a claim that ranks equal with the claim of holders of Debentures to the extent that such security did not satisfy the secured indebtedness. Furthermore, although covenants given by the Corporation in various agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred.

Prevailing Economic Conditions

Longer term volatility and continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Corporation's access to the credit needed for its business in the longer term. Such disruptions could require the Corporation to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for its business needs can be arranged. Continued market disruptions could cause broader economic downturns, which may lead to lower demand for certain of its products and services and increased incidence of customers' inability to pay or timely pay for its products and services. Events such as these adversely impact the Corporation's results of operations, cash flows and financial position.

AUDITORS

The independent auditors of the Corporation are Deloitte & Touche LLP, Chartered Accountants, 1 Place Ville Marie, Suite 3000, Montréal, Québec, H3B 4T9.

TRUSTEE

The Trustee is Computershare Trust Company of Canada at its principal offices in Montreal, Québec, Toronto, Ontario and Vancouver, British Columbia.

LEGAL MATTERS AND INTERESTS OF EXPERTS

Certain legal matters relating to the Debentures will be passed upon by Ogilvy Renault LLP on behalf of the Corporation and by Gowling Lafleur Henderson LLP on behalf of the Agents.

As of the date hereof, the partners and associates of Ogilvy Renault LLP and the partners and associates of Gowling Lafleur Henderson LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding common shares of the Corporation or debt securities of the Corporation. Deloitte & Touche LLP have confirmed to the Corporation that they are independent within the meaning of the Code of Ethics of the *Ordre des comptables agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of SNC-Lavalin Group Inc. (the "**Corporation**") dated ●, 2009 qualifying the distribution of Debentures of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the short form prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2008 and 2007 and the consolidated statements of income, shareholders' equity and cash flows for the years then ended. Our report is dated February 19, 2009.

Chartered Accountants

Montréal, Québec

●, 2009

CERTIFICATE OF THE CORPORATION

Dated: June 18, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(signed) Pierre Duhaime
President and Chief Executive Officer

(signed) Gilles Laramée
Executive Vice-President and Chief
Financial Officer

On behalf of the Board of Directors

(signed) David Goldman
Director

(signed) Claude Mongeau
Director

CERTIFICATE OF THE AGENTS

Dated: June 18, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.

By: *(signed)* Alexandre Bergeron

SCOTIA CAPITAL INC.

By: *(signed)* Éric Michaud

BMO NESBITT BURNS INC.

By: *(signed)* Pierre-Olivier Perras

**BNP PARIBAS (CANADA)
SECURITIES INC.**

By: *(signed)* Réjean Desmarais

NATIONAL BANK FINANCIAL INC.

By: *(signed)* Jean-François Calille

CASGRAIN & COMPANY LIMITED

By: *(signed)* Pierre F. Casgrain