October 09, 2008

Manning Industries

Kingwood, Texas

Attn: Mr. Miles Manning

Dear Sir:

ProEnergy Services (ProEnergy) proposes to provide engineering, design, procurement, transportation of equipment and material including two (2) Rolls Royce RB 211 Gas Turbine Generators complete with Balance of Plant equipment.

The attached Technical Proposal is in response with your request. It describes what will be supplied by ProEnergy. ProEnergy will also provide Technical Proposal drawings, Process Flow Diagrams and Electrical One Lines, will also provide guidance in the required mechanical pipe, valves and fittings and electrical wire, cable and cable tray required for the project.

ProEnergy has the ability to deliver the major equipment to the Houston Port within (4) months from date of contract and receipt of down payment. During this time we can perform engineering and prepare the site and foundations for the equipment once it arrives. The facility should be operational within three months after delivery to site.

ProEnergy Price including two (2) refurbished RB211 Generators is as follows:

(2) RB211 Gas Turbine price $17,900,000

Balance of Plant Equipment

Construction, Installation & Commissioning $16,596,000

Our price includes a (12) month warranty on all equipment supplied by ProEnergy as well as and experienced technical representative on call during the warranty period.

Our pricing is valid for 30 days and the major equipment offered in this proposal is subject to prior sale

ProEnergy EPC Services appreciates the opportunity to submit this proposal and looks forward to the receipt of an expression of interest from you. Please feel free to contact me at (713 992-1790) if you have questions in regard to this proposal or need more information.

Thank you for your consideration.

Sincerely,

ProEnergy

Joaquin S. Mavares

International Sales Director

# SCOPE OF SUPPLY

## Basic Scope Description

### Gas Turbine

General Electric gas turbine model LM6000 is a two-shaft/two-spool engine consisting of a five-stage low pressure compressor, a fourteen-stage high pressure compressor, a two-stage high pressure turbine, and a five-stage low pressure turbine. The engine is equipped with a stainless steel mesh screen in the inlet air stream for "last chance" protection against foreign object damage. The engine is shock mounted and shipped in position, with the exception of the coupling spacer, which is removed and shipped in a separate container

### Generator

Air cooled, 2-pole generator operating at 13.8 kV, 60 Hz. Generator is capable of handling customer power requirement throughout a wide ambient temperature range. The generator includes a brushless excitation system with permanent magnet generator. Neutral and line side cubicles are included.

### Unit Enclosure

The package is supplied with weatherproof, acoustic enclosures. The enclosures are designed to achieve noise abatement to an average of 85 dB(A) at 3 ft. (1.0 m) away and 5 ft. (1.5 m) above grade during full load operations. The enclosures are completely assembled and mounted over the equipment prior to testing and shipment. Both turbine and generator compartments are fully ventilated with redundant fans (one running, one stand-by). Explosion-proof lighting is provided in both compartments.

### Gas Turbine / Generator Baseplate

The package is supplied with the support structures for the gas turbine generator set consisting of a two-piece skid assembly, which is sectioned between the gas turbine and the generator. The full depth, bolted section is designed to provide the full structural properties of the wide flange I-beams. Full depth cross members are utilized to provide for a rigid design that is suitable for installation in earthquake areas (IBC2000) as well as providing a convenient structure for transportation.

### Air Inlet System

The package is supplied with a modular, multi-stage filtration system consisting of inlet screens, a prefilter and a final barrier filter. All air for ventilation systems is filtered to the same level as turbine combustion air. An anti-ice, an evaporative cooling, a combustion air heating or a chilling system is available as an option. Filtered air is silenced before entering the turbine plenum. This design results in a compact arrangement and eliminates the need for customer supplied inlet ducting when the standard design is utilized. Internal lighting of the filter house is provided to facilitate inspection and service. Package is also supplied with platforms and ladders to service the inlet filter.

### Turbine Exhaust

The package is supplied with a circular, axial exhaust outlet with connection flange to facilitate in-line mounting of an HRSG or simple cycle exhaust stack.

### Fuel System

The package is supplied with a natural gas fuel system that utilizes an electronically controlled fuel-metering valve. For full-load operation, the gaseous fuel must be supplied to the baseplate at 675 psig±20 (4,654 ±138 kPag). Gas fuel must meet General Electric specification MID-TD-0000-1 (See Section ).

### Lube Oil Systems

The package is supplied with two separate lube oil systems: one synthetic for the gas turbine and one mineral for the generator. The oil reservoirs and piping are all stainless steel, and the lube oil system valves have stainless steel trim. The turbine coolers, oil reservoir, and filters are mounted on the auxiliary equipment module. The mineral lube coolers, reservoir and filters are located on the main skid baseplate. The auxiliary equipment module provides simplified piping connections and reduces customer's installation time and costs. Customer must supply cooling water to the shell and tube coolers. Turbine lube oil must meet MID-TD-0000-6 (See Section ).

### Electro-Hydraulic Start System

The package is supplied with an electric motor driven hydraulic pump assembly, filters, cooler and controls, mounted on the auxiliary equipment module. A hydraulic motor is also mounted on the gas turbine accessory gearbox. Hydraulic hoses are furnished to connect the auxiliary equipment module and the main baseplate.

### Fire Protection System

The package is supplied with a factory installed fire protection system complete with optical flame detection, hydrocarbon sensing and thermal detectors, piping and nozzles in both the generator and the turbine compartments. The fire protection system includes cylinders containing CO2 mounted on a separate skid. A 24 V DC battery and charger to power the fire protection system is also included. All alarms and shutdowns are annunciated at the turbine control panel (TCP). An alarm sounds at the turbine if the gas detectors detect high gas levels, or if the system is preparing to release the CO2. When the system is activated, the package shuts down, and the primary CO2 cylinders are discharged into the turbine and generator compartments via multiple nozzles, and the ventilation dampers automatically close. After a time delay and if required, the reserve supply of CO2 is discharged.

### Digital Control System

The package is supplied with a free-standing control panel suitable for mounting in an indoor, non-hazardous area. The control system features an integrated Woodward MicroNet Plus turbine control system, vibration monitor, digital meter, digital generator protective relay module and an HMI (human machine interface) display of key discrete and analog data. The operator selects HMI displays with convenient touch screen control. Alarm and shutdown events are displayed on the HMI automatically. An Ethernet TCP/IP EGD or RS485 Modbus Port is provided to transmit unit conditions (status, pressures, temperature, etc.) to the customer's distributed control system. Power for the control panel is provided by a dedicated 24V DC battery system with dual 100% capacity chargers, which are shipped separately for installation by others.

### Generator Protective Relays

The package is supplied with a microprocessor-based generator protective relay module, mounted in the TCP. The protective relay system includes functions necessary for protection of the generator.

### Soak Wash System

The package is supplied with a turbine cleaning system, which allows customers to clean the compressor section of the turbine during full power operation. The same system reservoir and piping are utilized for off-line soak washing. Auxiliary skid connections are provided for customer supplied purified water at a maximum of 50 psig (345 kPag) and air at 100 – 120 psig (689 – 827 kPag). Customer is required to provide water meeting MID-TD-0000-4 (See Section ), detergent meeting MID-TD-0000-5 (See Section ), and air filtered to ISA S7.3 standards.

### Component Testing and Package Test

Every new gas turbine is performance tested under load in a GE Test Cell, using procedures developed for flight turbine reliability. The generator is tested to ANSI C50.14 or IEC 34.3 standards at its factory of manufacture.

All gas turbine generator sets receive a static test including:

* Switch State (N.O. or N.C., actuation, wiring, and set point)
* Temperature element output, and wiring
* Transmitter range, output, and wiring
* Solenoid operation
* Control valve torque motor, excitation, and return signal
* Fire system continuity, and device actuation
* System flushing verification
* Tubing integrity

### Drawings, Data and Manuals

The package is supplied with a customer drawing package that includes general arrangement drawings, flow and instrument diagrams, electrical one-line drawings and interconnection plan drawings. Additional electrical schematic diagrams and logic drawings are provided for record. See for a detailed typical list and typical drawing delivery.

Maintenance manuals are provided and are printed in English. The manuals cover operating concepts for power generating equipment, guides to troubleshooting, basic information on components, and equipment within the turbine generator set.

GE Energy provides all engineering drawings on a secure server www.project-net.com. Each customer can enter this database and view, print or annotate project drawings. Project Net provides the customer with immediate access to the latest drawing revisions. Project Net speeds job completion and saves weeks of time mailing drawings back and forth.

### Training

The base scope of supply includes hands-on training for up to 10 operators and supervisors, where students are assumed to have at least a journeyman's knowledge of electrical generating plant operation and to be proficient in reading piping flow and instrument drawings, mechanical drawings, and have a working knowledge of electrical generators, and gas turbines. The course is designed around an eight-hour day, five consecutive day schedule. Instructors, using specially developed training materials, provide a firm groundwork of basic theory, plus advanced concepts with classroom and hands-on training. Training includes Gas Turbine Familiarization plus System Design & Operations and Maintenance.

The trainer conducts the course in a lecture/seminar format where each major topic is supported by literature with detailed descriptions and associated engineering drawings. A student-training manual is given to each student and the client’s turbine-generator system is used for hands-on training to supplement the classroom instruction. At the completion of several related topics the students are given a progressive examination to measure the effectiveness of the presentation and as a tool to identify if any student has not grasped the material. At the completion of the course a final examination is given which covers the entire course material and students are given a certificate of completion.

Training is conducted at the customer facility. The Customer would be responsible for providing all necessary training equipment for classes not held at the location.

### Improvements and Changes

It is understood that the Seller has the right to make changes in product design and add improvements to products or services at any time without incurring any obligations to install the same on or in connection with the Equipment or Services provided hereunder.

## Optional Equipment and Services Checklist and Descriptions

(I) Included (S) Quoted Separately

### Factory Options

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### Factory Options Descriptions

1. Variable Inlet Guide Vanes (VIGV)

GE Energy furnishes the LM6000 engine with variable inlet guide vanes (VIGV).

This option is included with and .

1. LM6000PD - Dry Low Emissions System (DLE)

A dry low emissions system can be provided for use on gaseous fuel. This system reduces emissions over the entire power range without water or steam. NOx emissions can be guaranteed at 25 ppm (Ref. 15% O2).

This option includes . A gas chromatograph is also included to monitor the heating value of the gas fuel and adjust combustor flame temperature.

1. LM6000PF - Dry Low Emissions System (DLE)

A dry low emissions system can be provided for use on gaseous fuel. This system reduces emissions over the entire power range without water or steam. The main components of this system include a premixed combustor, compressor rear frame, compressor diffuser, high pressure turbine nozzle, control system, fuel supply system and calorimeter.

The LM6000PF can be operated in two ways as follows:

* 1. With SPRINT – Higher power, lower heat rate and 25 ppm NOx (Ref. 15% O2).
  2. Without SPRINT – Lower power, higher heat rate, and 15 ppm NOx (Ref. 15% O2).

This option includes . A gas chromatograph is also included to monitor the heating value of the gas fuel and adjust combustor flame temperature.

1. SPRINT® Power Augmentation

SPRINT® boosts engine performance up to 50.0 MW (ISO conditions) using a spray intercooling design that increases the mass flow by cooling the air during the compression process. The system is based on an atomized water spray injected through spray nozzles placed at two locations, one between the high pressure and low pressure compressors, and the second at inlet bellmouth. Water is atomized using high pressure air taken off of the eighth stage bleed. The water flow rate is metered, using the appropriate engine control schedules and at the inlet bellmouth. Bellmouth and inter-stage portions on SPRINT® alternate operation based on turbine inlet temperature. Customer supplies 22 gpm (83 lpm) of demineralized water to the connection on the unit. Water must meet GE specification MID-TD-0000-3 (See Section )

1. Liquid Fuel System

The gaseous fuel system is deleted and replaced by a liquid fuel system. Typical liquid fuels include DF1, DF2, JP4, Naptha or kerosene. Customer must supply liquid fuel to the connection at the GE Energy fuel boost module at 20-50 psig (138-345 kPag) at a minimum of 20 °F (11 °C) above the wax point temperature. Customer supplied fuel must be clean, filtered and meet the GE Specification MID-TD-0000-2 (See Section ). Customer must provide supply piping.

1. Dual Fuel System

When specified, the package is furnished complete with two independent fuel systems. This could include two gaseous fuels, two liquid fuels or one gaseous and one liquid fuel. Changeover is initiated manually at the unit control panel, or automatically, if the operating fuel supply pressure should gradually decrease.

Base dual fuel system requires a reduction in power for fuel transfer. An optional water cooled full load transfer system is available.

1. NOx Control - Water Injection System

Water injection reduces NOx emissions to 25 ppm (51 mg/N m3) (Ref. 15% O2) on gaseous fuel and 42 ppm (86 mg/N m3) (Ref. 15% O2) on liquid fuel. Customer must provide a supply of up to 55 gpm (208 lpm) on gas fuel and up to 78 gpm (295 lpm) on liquid fuel of purified water at 5-25 psig (34-172 kPag). Water must meet GE specification MID-TD-0000-3 (See Section ). The minimum customer supply pressure and temperature is determined by the water injection rate required and the type of fuel nozzle utilized.

1. NOx Control - Steam Injection System

A steam injection metering system is available for NOx reduction on gaseous fuel systems only and can reduce exhaust NOx emissions to 25 ppm (Ref. 15% O2). The system consists of an inlet strainer, valves, piping and controls mounted on the auxiliary equipment module. Customer must supply purified steam at 650 °F (343 °C), 525 – 670 psig (3,275 – 4,620 kPag), nominal to the flange connection on auxiliary equipment module.

1. Combustion Air Cooling – Evaporative Cooling

For applications when high dry bulb temperatures are common at low relative humidity, evaporative cooling can be utilized to lower entering dry bulb temperature, thus increasing power output of the LM6000 equipment.

This system is designed for recirculation of evaporative cooling water from a sump in the bottom of the inlet air filter. Customer must supply filtered, potable water to a flanged connection on the filter house and must dispose of wastewater from the blowdown valve. Flow rates will vary based on blow down.

1. Combustion Air Cooling – Chiller Coil

Lowering the combustion air inlet temperature can increase the power output of the LM6000 generator set. When specified, GE Energy can furnish high performance inlet air chilling coils as an integral part of the air inlet system. Customer provides adequate quantities of chilled water and interconnecting piping to GE Energy furnished chilling coils at the filter house. The same coils can be used for anti-icing.

1. Combustion Air Heating – Exhaust Heat Recovery

GE Energy recommends an anti-ice system for safe operation during icing conditions and provides several anti-ice options. With this option, exhaust heat is utilized to heat a water-glycol mixture, which is sent to the inlet coils. This option is not available for combined cycle or cogen applications. Coils from either or must be used with this option. The three major components of this system are as follows.

**Waste Heat Skid**

The waste heat skid utilizes an exhaust gas to fluid heat exchanger. Exhaust gas from the stack is extracted and flows through the plate fin and tube, all stainless steel heat exchanger. Exhaust gases then flow through a blower, which returns the exhaust gas back to the stack. A flow control damper is provided at the blower discharge to control the air temperature rise across the inlet air going to the gas turbine. A water-glycol mixture is heated in the gas-to-fluid heat exchanger with a design duty of 4 MM Btu/hr.

At ambient conditions when the anti-ice system is not required, dampers at the inlet to the waste heat skid and outlet of the blower are closed.

**Fluid Pump Skid**

The heated fluid is pumped through an anti-ice coil located downstream of the static filter to heat the inlet air 15 °F (8.3 °C). The pump skid is designed to circulate 300 gpm (1,136 lpm) of fluid using duplex (2 x 100%) 10 hp (7.5 kW) pumps. The closed system includes a pressurized expansion tank and the entire anti-ice system contains approximately 350 gal (1,325 l) of fluid. Under normal conditions no make-up or discharge is required.

**Anti-Ice Heating Coils**

Anti-ice coils are installed, in the air filter assembly. Coils are plumbed to a common manifold with customer connections on each side of the main skid. If chilling coils are present they will be utilized for both chilling and anti-icing duty.

1. Combustion Air Heating – Customer Heated

With this option, GE Energy installs an anti-ice coil in the static inlet air filter. The customer provides and circulates a heated water-glycol mixture through the coil to heat the inlet air 15 °F (8.3 °C). Check with GE Energy for details.

1. Ventilation Air Heating – Customer Heated

For weather temperatures lower than –21 °F (-29 °C), GE Energy recommends ventilation coils in addition to the combustion coils. For heating the inlet air, GE installs a heat exchanger coil upstream of the air filter to protect the equipment located within the main turbine and generator enclosures. Customer provides and circulates a heated water/glycol mixture. Please consult GE Energy for project specific requirements.

1. Pulse Clean Air Filter

GE Energy can furnish a pulse clean air filter for the gas turbine package in lieu of the standard barrier filter. This two-stage self-cleaning filtration system is a plus for dry, high dust areas (desert-like conditions) as well as cold weather environment hazards such as blowing snow, hoarfrost and ice fog. Filtration elements are pulsed in banks (rows) to clean the filters. The pulsing is repeated until a predetermined value is reached. The required air compressor is part of the customer scope.

1. Winterization to TBD°F (TBD °C)

For equipment operating in cold climates, below 40 °F, a winterization option is recommended. This option may include the following modification:

* Inlet air anti-icing (See , or )
* Heat tracing and insulation of applicable unit mounted piping
* Enclosing and heat exposed instruments and equipment

For ambient temperatures below 0 °F (–17.8 °C), the above modifications plus additional special equipment will be required. Consult GE Energy for details.

1. Lube Oil Cooler - Fin/Fan

This replaces the standard simplex shell and tube coolers for the lube oil systems. A simplex core fin-fan cooler complete with changeover valve mounted on a separate base plate with dual fans is installed on a separate foundation.

1. Power System Stablizer (PSS)

The power system stabilizer (PSS) sends supplementary control signals to the generator’s voltage regulator to control power fluctuations and improve the stability of the power system. A power system study is to be completed by a third party and has been excluded from GE Energy’s scope of supply. With the study complete, GE Energy can assist the customer in programming the PSS with the set points established in the power system study.

1. Left-handed Piping Connections

In the standard LM6000 configuration, the customer's piping connections are on the right side, as viewed from the exciter. As an option, the unit can be built with the customer's piping connections on the left side, as viewed from the exciter. The turbine removal door is placed on the side opposite the piping connections.

1. Left-handed Lineside Cubicle

As viewed from the exciter end of a standard unit, the generator line-side cubicle is on the right-hand side and the neutral cubicle is on the left-hand side. When specified, the location of these cubicles can be reversed. However, the termination box for generator instrument and control wiring box, (MGTB) must remain on the right-hand side, and the turbine main terminal box (MTTB) must remain on the left.

1. Lineside Cubicle Entry Configuration Options

**Top Bus Duct Entry**

The standard lineside cubicle is configured for bottom cable entry. With this option, the lineside cubicle is configured for top bus duct entry.

**Top Cable Entry**

The standard lineside cubicle is configured for bottom cable entry. With this option, the lineside cubicle is configured for top cable entry.

1. Remote Workstation

GE Energy will furnish one Remote Work Station Remote Human Machine Interface, “HMI” for the LM6000 gas turbine package, which shall provide full control of the Gas Turbine Generator Set with the same functions as the local HMI.

The module consists of:

* High Performance Desktop PC System equipped with an Ethernet TCP/IP serial port for communication with the GE Energy Control System (good for communication up to 300’).
* Animated graphical displays of the turbine, generator, and auxiliary system analog and digital parameters.
* Historical logging and trending system that can store/display historical data.
* Includes the capability to provide periodic reports
* Provides the capability to start, stop, and control the gas turbine generator system after a manual switch on the Turbine Control Panel is switched to remote control.

1. Remote Monitoring and Diagnostic Service

Monitoring and Diagnostics Service helps plant operators improve availability, reliability, operating performance, and maintaining effectiveness. Monitoring of key parameters by factory experts may lead to early warning of equipment problems and avoidance of expensive secondary damage. Diagnostic programs seek out emerging trends; prompting proactive intervention to avoid forced outages and extended downtime. The ability for GE engineers to view real-time operation accelerates troubleshooting and sometimes removes the need for service personnel to visit the plant. Remote Monitoring and Diagnostic Service requires a customer supplied communications link (telephone or cell phone). One year of service is included with this option.

1. DC Backup Lighting

GE Energy furnishes DC backup lighting in the turbine and generator enclosures as an option. DC lights turn on if AC power fails.

1. Synchronous Condenser

Corrects system power factor. The LM6000 generator can be used as a synchronous condenser with this option. GE Energy furnishes a fully enclosed synchronous clutch module. The clutch enclosure mounts between the turbine and generator enclosures.

1. Totally Enclosed Water-Air Cooled Generator (TEWAC)

For customers who prefer a closed circuit air system with water/air cooling in place of the filtered air-cooling system normally provided. Customer must supply 571 gpm (2,161 lpm) of treated water, 85 °F (29 °C) or cooler, to the generator at 100 psig (690 kPag), max. If the cooling water is to be reused, a customer supplied circulation water-cooling loop should be sized to reject up to 2 MMBtu/hr (2,110 MJ/hr).

1. Full Load String Test

GE Energy can conduct a full speed, full load string test with the exception of water or steam NOx abatement systems.

GE Energy will provide a full load string test of the generator set and control system, including flushing, and verification of safety alarm and shutdown setpoints in place of the standard non-fired static test. Full load test option may impact delivery schedule. The water and steam systems are not tested.

1. Nickel Cadmium Batteries

GE Energy can furnish nickel-cadmium batteries as an option to replace our standard lead-calcium batteries.

## Limits of GE Energy Scope & Exclusions

### Limits of GE Energy Scope

Listed below are the limits/exclusions to the GE Energy standard Scope of Supply. All piping, wiring, cables, ducts, etc. connecting to these points is furnished by customer (others) unless modified by specification agreement.

|  |  |
| --- | --- |
| **Equipment System** | **Limits of GE Energy Scope** |
| * All piping, including Fuel Gas, Fuel Oil, Steam, Cooling Water, Heating Water, Demineralized Water, Lube Oil, Compressed Air, Instrument Air, Hydraulic Start Oil | * Flanged or threaded connection on GE Energy baseplate. |
| * Inlet Air-to-Filter | * Atmosphere (non-standard duct by others) |
| * Turbine Package Ventilation/Cooling Air | * Atmosphere (non-standard duct by others) |
| * Turbine Exhaust | * Exhaust flange on main baseplate |
| * Instruments on GE Energy’s Baseplate | * Terminal box on baseplate |
| * Instrument wiring in Turbine Control Panel | * Terminal in Turbine Control Panel |
| * High Voltage Connections | * Bus bar in GE Energy Lineside cubicle |
| * Generator Ground Connections | * GE Energy Neutral cubicle |
| * Electric Motors | * Terminal box on individual motor |
| * Ladders and Platforms for Air Filter | * Ladders and Platforms for Inlet Air Filter maintenance only |
| * 24 V DC Batteries and Chargers for Control System and Fire and Gas Systems | * Battery terminals to baseplate (if supplied loose) |

## Design Criteria

The following table outlines the criteria conditions at the proposed jobsite for the design of the equipment:

|  |  |
| --- | --- |
| Location | TBD |
| Elevation | TBD |
| Design Point Ambient Temperature / Relative Humidity | TBD |
| Primary Fuel Source | TBD |
| Secondary Fuel Source | TBD |
| Seismic Design Criteria (BOP Equipment) | TBD |
| Maximum Wind Speed (Wind Load), MPH | TBD |
| Near Field Noise at 3 ft horizontal and 5 ft vertical, dBA NOTE 1 | TBD |
| Far Field Noise, dBA NOTE 1 | TBD at 400 ft / TBD at 700 ft |

NOTE 1: Far field noise is based on single-unit only operation. Multiple units operating at the same time will have an impact on both near and far field noise levels.

# COMMERCIAL TERMS

## Basis of Pricing

### Validity

This proposal is valid until July 15, 2009. Subject to prior Sale.

### Taxes

No sales or use taxes have been included in this quotation. The prices quoted exclude any Federal, State or local taxes, or fees, which may be associated with the purchase equipment and/or services.

## Price

Three (3) GE LM6000 Gas Turbine Generator Set including optional equipment specified as included (I) in Section as described in the scope of supply. All pricing is based on ex-works factory delivery unless otherwise stated.

**GTG UNIT**

Generator set price (each) US$ 17,000,000

## Payment Schedule

This proposal is based upon receipt of the following progress payments and a Contract Agreement by both Parties by the Validity date (See Section ). Seller may request at any time, Purchaser will demonstrate its financial capability to continue to carry out its obligations under this Contract. This demonstration may require that Purchaser furnish adequate payment security.

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| --- | --- | --- |
|  | **Payment Event** | **% of Equipment Price** |
| 1 | Within five days of signature of the Contract Agreement by both Parties, paid against Seller’s invoice. | 20% |
| 2 | In equal monthly installments, commencing thirty days following signature of the Contract Agreement until thirty days before the first scheduled Shipment Date, paid against Seller’s invoices. | 70% |
| 3 | Upon notice of Ready to Ship, pro-rata by shipment (See terms below) | 10% |

On the Notice of Readiness to Ship Milestone, payment must be received at least 5 days before shipment, but no later than 15 or 30 days [depending on terms] from notification of Readiness to Ship.

## Termination Schedule

Termination is to be concurrent with the payment schedule shown in Section .

## Shipment Schedule

Based upon execution of a contract agreement and receipt of Payment Event #1 by the Validity date (See Section ), the following shipment dates are offered, subject to prior sale.

|  |  |  |
| --- | --- | --- |
| **Units** | **Notice of Ready to Ship date** | **Terms** |
| 1 |  | EX-Works Manufactures Facility |
| 2&3 |  |  |