

PROPOSAL

Presented To:

Derwick Associates S.A.

for

2xLM6000 Stacks

By



Proposal No. 910-3542

June 17, 2010

**This document is privileged and contains confidential information intended for use only by
Derwick Associates.**

Table of Contents

1.0	<i>Executive Summary</i>	3
2.0	<i>Scope of Supply</i>	3
3.0	<i>Pricing</i>	3
4.0	<i>Terms & Conditions</i>	3
5.0	<i>Follow Up</i>	3
	<i>Attachment A</i>	<i>Drawings</i>
	<i>Attachment B</i>	<i>Terms and Conditions – Sale of Parts and Materials</i>

1.0 Executive Summary

ProEnergy Services (“ProEnergy”) is pleased to offer this proposal to Derwick Associates S.A. (“Derwick”) for two (2) LM6000PC stacks for the EDC SUR project located in Venezuela.

2.0 Scope of Supply

ProEnergy will supply two (2) LM6000PC stacks including land transportation and ocean freight from Sedalia to the site.

3.0 Pricing

ProEnergy will supply the scope of supply for the following pricing:

Description	Quantity	Each	Total
LM6000PC Stack	2	\$350,000	\$700,000
Freight	1	\$193,200	\$193,200

- Price listed above includes Municipal Tax and Social Tax.
- Price listed above does not include IVA tax.

4.0 Terms & Conditions

This proposal shall be valid for thirty (30) days; provided, however, the obligation to treat this proposal as confidential, and that it cannot be shared with any third party without the prior written consent of ProEnergy, shall survive.

This proposal, and any resulting contract or agreement, shall be subject to the terms and conditions set forth in the attached Supplemental Terms.

5.0 Follow Up

Please contact the following person at ProEnergy for information regarding this proposal:

Omar Petit, Regional Sales Manager – Latin America
opetit@proenergyservices.com
Office: 660-829-5100
Cell: 660-281-8588
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Attachment A
Drawings

GENERAL NOTES

1. DESIGN CRITERIA

ACOUSTIC:
- Exhaust System: 85 DBA - 3FT FROM EQUIPMENT, 5FT ABOVE GRADE
65 DBA - 400 FEET FOR ONE UNIT IN OPERATION

MECHANICAL:
- Exhaust System: EXHAUST INTERNAL DESIGN PRESSURE
DESIGN PRESSURE DUCT +18"/-2" W.C.
DESIGN PRESSURE STACK +12"/-2" W.C.
OPERATING PRESSURE ALL +8"/-2" W.C

STRUCTURAL:
- SEE DRAWING A-9656-001 SHEET 3

FLOW CONDITIONS:
- MAX FLOW RATE 269 LBM/S AT 848 °F
- MAX EXHAUST TEMP - 1,000 °F

2. COMPONENTS / CONSTRUCTION

EXPANSION JOINT :
- 304 STAINLESS STEEL HOT-SIDE FRAME, BACKING BARS AND FLOW LINER
- CHEMFAB 1000BF BELT WITH FIBER GLASS INSULATION AND WIRE-FLEXTRA BACKING CLOTH
- CARBON STEEL COLD SIDE FRAME PAINTED.

STACK BASE, ELBOW & STACK BREECHING:
- 3/8" THICK ASTM A36 CARBON STEEL CASING
- 4" DIA. 304L SS DRAIN PIPE C/W CAP
- 6" THICK 8 LB/CU. FT. DENSITY CERAMIC FIBRE LINING INSULATION
- 12 GA ASTM 240 TYPE 409 STAINLESS STEEL LINING SHEETS
- OVERLAP OF LINING SHEETS IN DIRECTION OF GAS FLOW @ HORIZONTAL DUCTS AND IN DIRECTION OF RAIN FLOW @ VERTICAL STACK
- 24" x 24" CLEAR OPENING ACCESS DOOR.

SILENCER:
- 1/4" THICK ASTM A36 CARBON STEEL CASING
- 2" THICK 8 LB/CU. FT. DENSITY CERAMIC FIBRE LINING INSULATION
- 26 GA 409SS SEPTUM LINER
- 4" THICK 8 LB/CU. FT. DENSITY BASALT WOOL LINING INSULATION
- GLASS SILK CLOTH AND 304 SS MESH RETAINER
- 12 GA ASTM A240 TYPE 409 STAINLESS STEEL LINING SHEETS (PERFORATED AT BAFFLE LOCATION ONLY)

SILENCER SPLITTER CONSTRUCTION :
- 12 GA ASTM A240 TYPE 409 STAINLESS STEEL SILENCING SPLITTER PERFORATED FACING SHEETS
- 12 GA ASTM A240 TYPE 409 STAINLESS STEEL SILENCING SPLITTER FRAMES
- BASALT WOOL WRAPPED WITH GLASS SILK CLOTH AND COVERED WITH 304 STAINLESS STEEL MESH ON GAS FACES

PERSONNEL PROTECTION SCREEN :
- 1 1/2-13F EXPANDED METAL, GALVANIZED.
- 3/8"-16 UNC ZN PL STAND-OFFS (8 1/2" LG APPROX.) FIELD WELDED TO CASING (24" SQ. CENTERS)

HARDWARE :
- FLANGE CONNECTIONS: 3/4" DIA. ASTM A325 HOT DIP GALVANIZED BOLT SETS C/W TWO WASHERS

3. FINISH

EXTERNAL ONLY SURFACES OF SYSTEM:
- CLEAN TO SSPC SP10
- ONE COAT DIMETCOTE 9 INORGANIC ZINC PRIMER

ONE UNIT REQUIRED FOR P.O.# PS4701
ONE UNIT REQUIRED FOR P.O.# PS4703
ONE UNIT REQUIRED FOR P.O.# PS4704

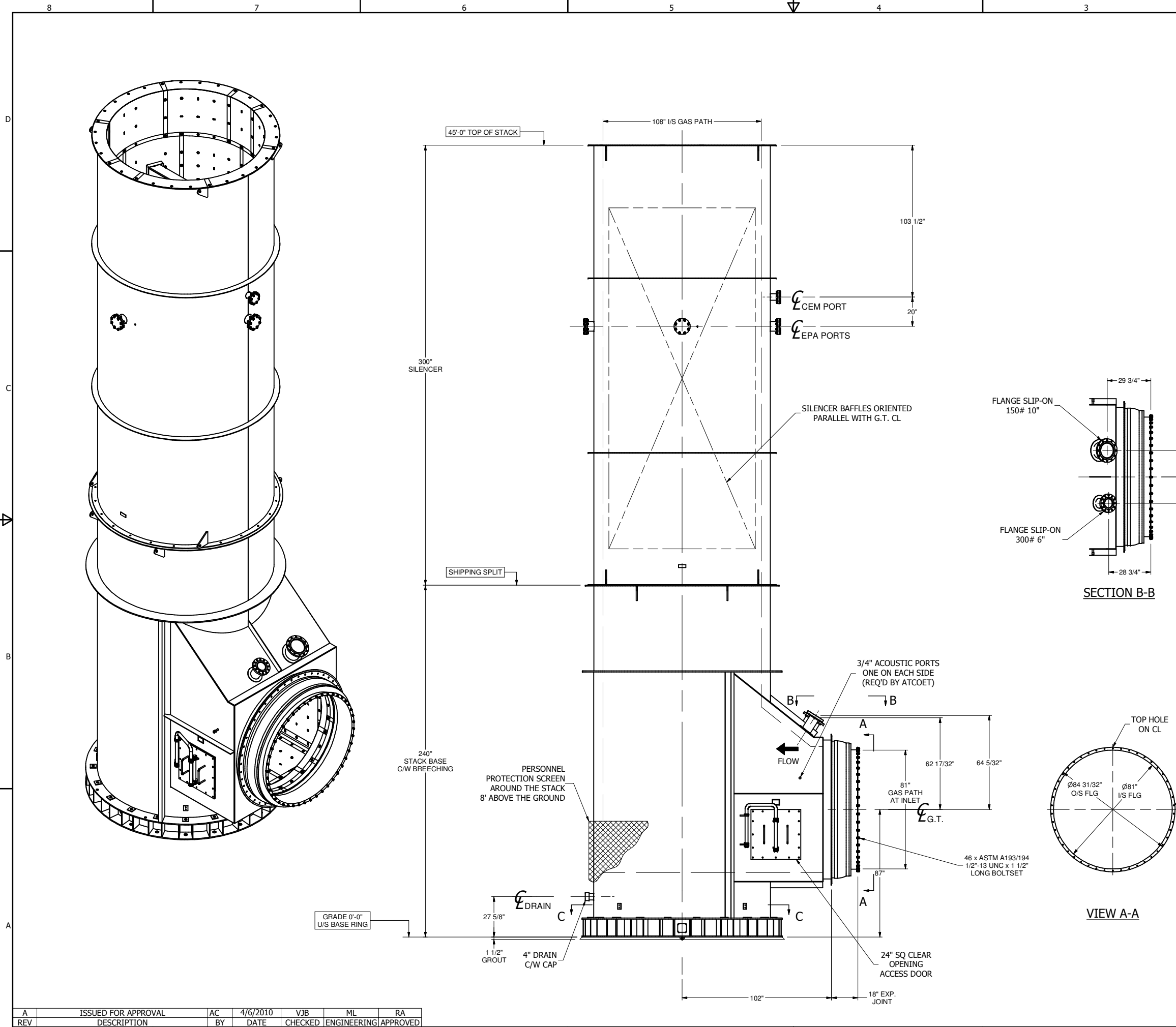


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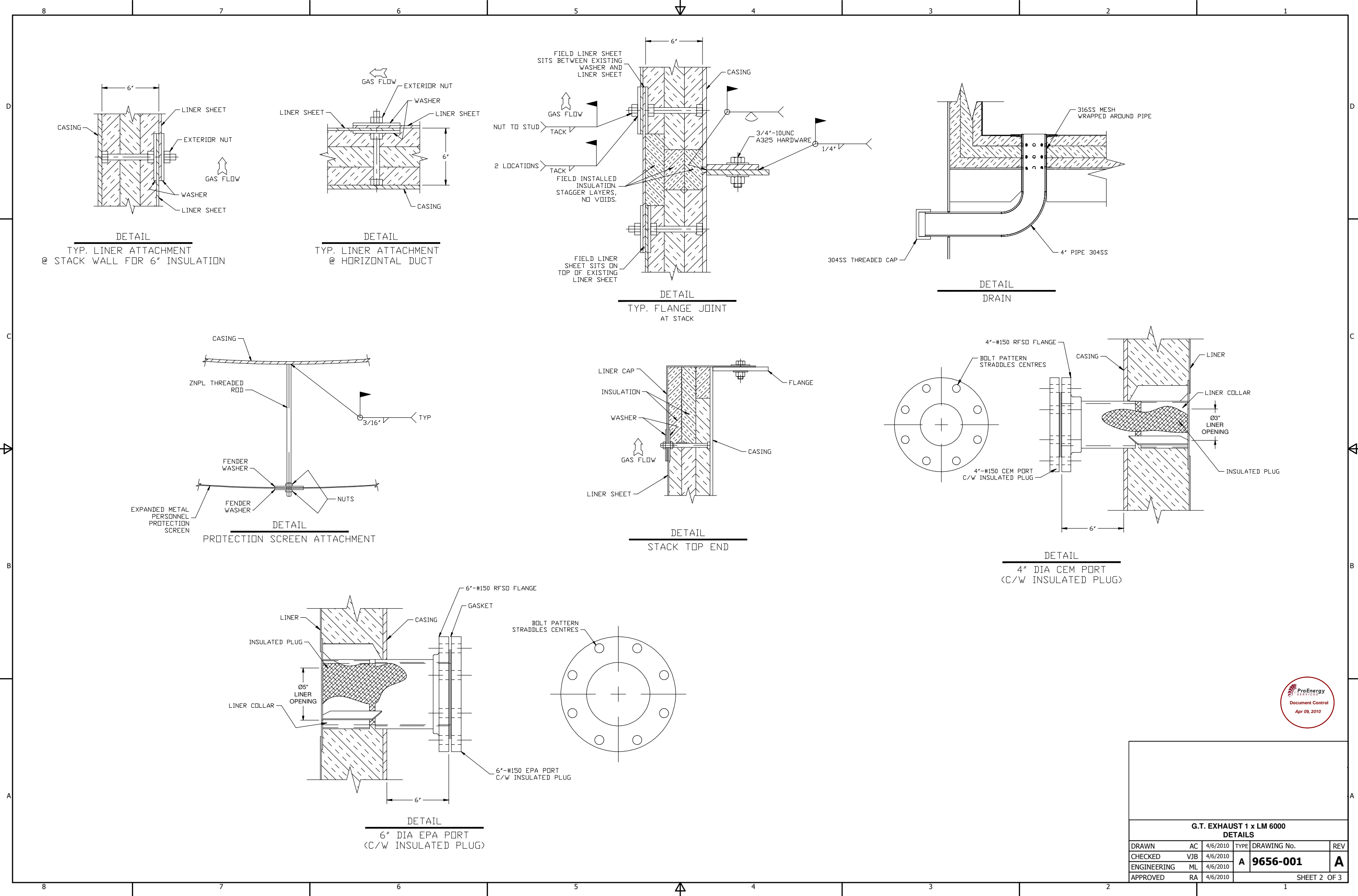
G.T. EXHAUST 1 x LM 6000
GENERAL ARRANGEMENT

DRAWN	AC	4/6/2010	TYPE	DRAWING No.	REV
CHECKED	VJB	4/6/2010	A	9656-001	A
ENGINEERING	ML	4/6/2010			
APPROVED	RA	4/6/2010			

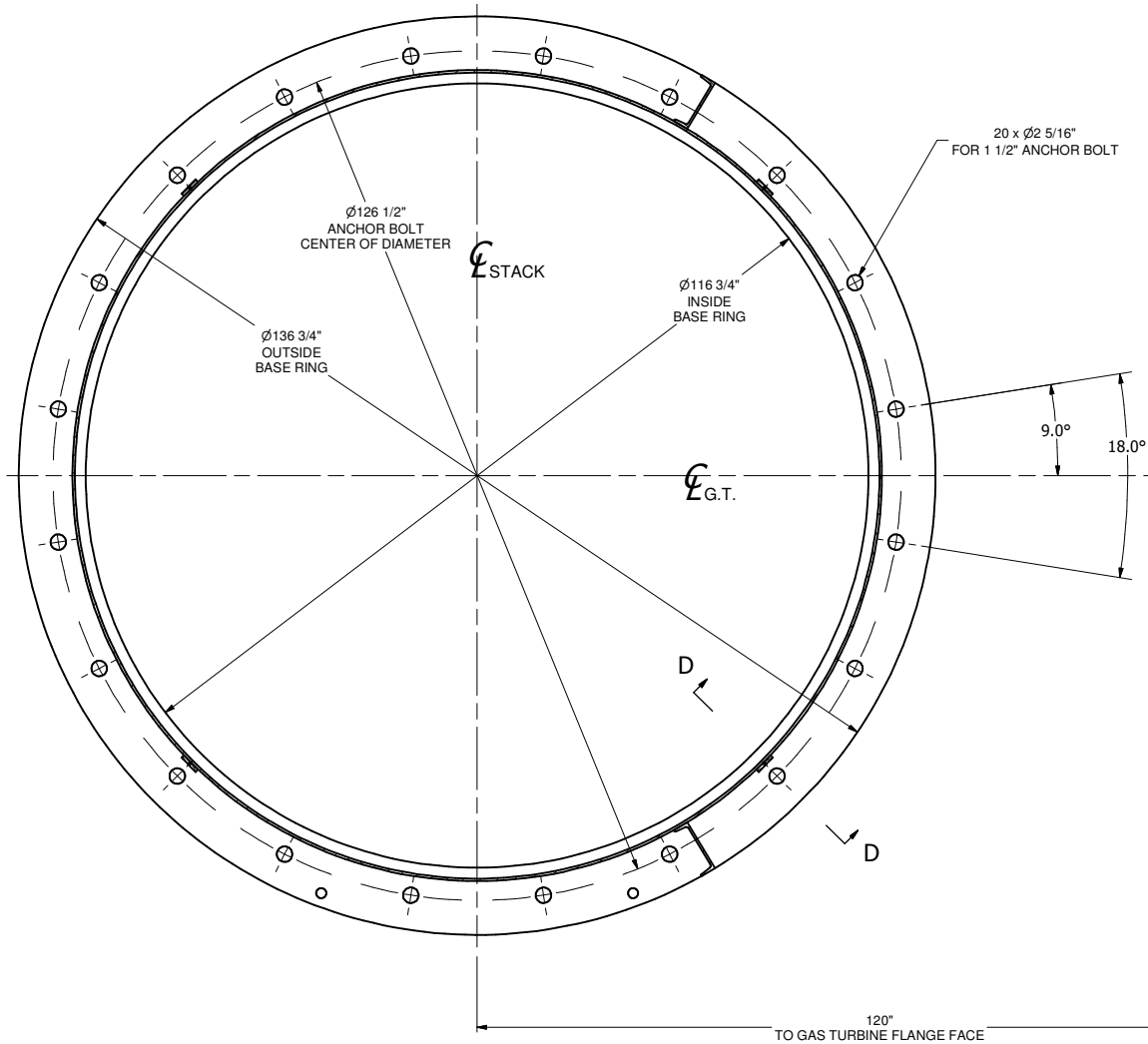
SHEET 1 OF 3



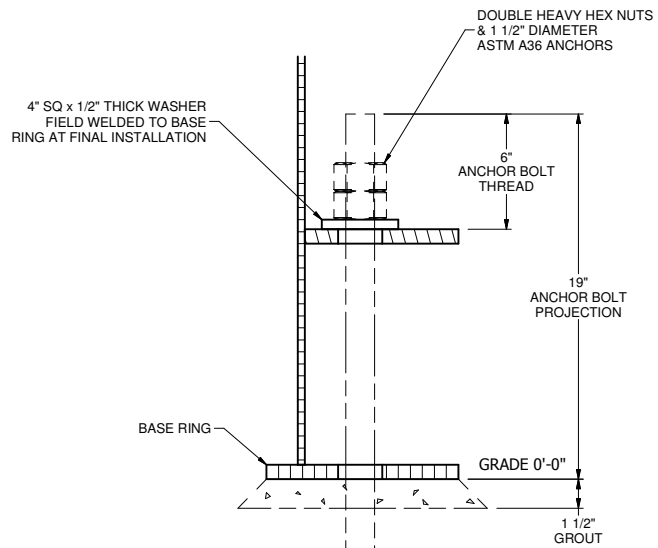
A	ISSUED FOR APPROVAL	AC	4/6/2010	VJB	ML	RA
REV	DESCRIPTION	BY	DATE	CHECKED	ENGINEERING	APPROVED



G.T. EXHAUST 1 x LM 6000 DETAILS					
DRAWN	AC	4/6/2010	TYPE	DRAWING No.	REV
CHECKED	VJB	4/6/2010	A	9656-001	A
ENGINEERING	ML	4/6/2010			
APPROVED	RA	4/6/2010	SHEET 2 OF 3		



SECTION C-C



SECTION D-D

FOUNDATION LOAD TABLE

FOUNDATION LOADS IN KIP (1,000 lb) AND KIP-FT, NOT FACTORED OR COMBINED																		
EXHAUST STACK	DEAD LOAD			FLOOR LIVE LOAD			INTERNAL PRESSURE			SNOW LOAD			WIND LOAD			SEISMIC LOAD		
	Shear	Tension	Moment	Shear	Tension	Moment	Shear	Tension	Moment	Shear	Tension	Moment	Shear	Tension	Moment	Shear	Tension	Moment
TOTAL AT STACK BASE	0	-56.0	0	0	8	0	3.4	-4.0	25	0	-2.6	0	16	0	500	12	0	450
MAXIMUM PER ANCHOR	0	-2.8	0	0	0.4	0	0	0.3	0	0	-0.1	0	0	9.5	0	0	8.5	0

TABLE NOTES:

1. Tension is positive upward, compression is negative.

2. For the purpose of foundation design total vertical loads are acting at the centre of stack base.

LOADS PER IBC 2000

LIVE LOAD

- Uniformly distributed 100 psf on the floor

INTERNAL PRESSURE

- Design +18"/-2" W.G. Duct

- Design +12"/-2" W.G. Stack

- Operating +8"/-2" W.G.

SNOW LOAD

- Ground snow load p_g = 30 psf

- Exposure factor C_e =1.0

- Thermal factor C_t =1.0

- Importance factor I_s =1.1

- Flat-roof snow load p_r = 23.1 psf

WIND LOAD

- Occupancy category II

- Basic wind speed V =110 mph

- Site (soil) class "C"

- Terrain exposure "C"

- Importance factor I_w =1.15

- Topographic factor K_{zt} =1.0

SEISMIC LOAD

- Occupancy category II,

- Site (soil) class "D"

- Importance factor I_e =1.25

- Spectral response acceleration S_s =0.412g, S_1 =0.19g

- Basic seismic-force-resisting system: Steel stack

- Analysis procedure: Equivalent lateral force.



G.T. EXHAUST 1 x LM 6000 FOUNDATION PLAN & LOADING TABLE					
DRAWN	AC	4/6/2010	TYPE	DRAWING No.	REV
CHECKED	VJB	4/6/2010	A	9656-001	A
ENGINEERING	ML	4/6/2010			
APPROVED	RA	4/6/2010	SHEET 3 OF 3		

Attachment B

Terms and Conditions – Sale of Parts and Materials

DEFINITIONS: As used in these Terms and Conditions or associated Purchase Order, the term “Materials” shall mean the parts, materials, equipment and services that Seller agrees to supply; the term “Seller” shall mean PROENERGY SERVICES LLC or any one or more of its subsidiaries; and the term “Buyer” shall mean the person or entity purchasing the Materials.

ENTIRE AGREEMENT: Unless otherwise agreed to in writing by Seller and Buyer, these Terms and Conditions shall apply to the sale of any Materials by Seller and Seller specifically objects to any additional or different terms contained in any form or other document utilized by Buyer. No such additional or different terms shall apply and these may not be varied, supplemented or amended by any such document, conduct, prior representation, course of dealing or usage of trade.

VALIDITY: The price and delivery stated in Seller’s proposal will remain valid for a period of thirty (30) days. If Buyer has not accepted any such proposal by issuing an acceptable Purchase Order within the validity period, the stated price and delivery shall be subject to adjustment by Seller.

TAXES: No amount is included in the price for any excise, privilege, use, sales, or other federal, state or local taxes.

PAYMENT: Payment shall be in U.S. Dollars without offset, back charge, retention or withholding. In the event that payment is due on the occurrence of any milestone event, including the completion of any percentage of the work to be performed, and such occurrence is delayed by Buyer through no fault of Seller, such payments shall be due when the event would have occurred had such delay not intervened. Invoices shall become due upon receipt. Payments made later than ten (10) days from Buyer’s receipt of invoice shall be subject to a late penalty of one and one-half percent (1 ½%) per month.

CHANGES: Buyer shall be entitled to make such changes in the specifications of the Materials as shall be agreed between Seller and Buyer. Within a reasonable time after submission to Seller by Buyer, Seller will advise Buyer of any change in the specified price and shipment date. Seller shall be entitled to proceed with its performance under the original specifications of the proposal until such change is authorized in writing by Buyer and accepted by Seller.

SHIPMENT: Unless otherwise agreed to in writing by Buyer and Seller, the Materials will be shipped ex-Seller’s facility, Sedalia, Missouri, on or about the specified shipment date and delivery to the carrier shall constitute delivery to the Buyer for all purposes including risk of loss. Title to the Materials shall pass to Buyer upon Seller’s receipt of the full payment of the purchase price under the Purchase Order. Any freight charges quoted in this proposal are estimates only and are subject to revision for freight and other transportation charges that are actually incurred by Seller. If Buyer retains Seller to provide transportation to jobsite, Seller will act as Buyer’s agent to contract with qualified carriers and insure the Materials for its full value during shipment. Seller may require Buyer to issue a separate purchase order and require payment of the estimated charges in advance of the shipment. Seller shall refund any underpayment. In no event will Seller be responsible for damages to Buyer caused by transportation delays.

The shipment date specified in any proposal is based on anticipated shop loading at the time of the proposal and is subject to confirmation at the time the proposal is accepted by Buyer. In the event that all of any part of the Materials will be shipped out of the continental limits of the US by Seller, all fees and expenses relating to the export shipment, taxes, tariffs, fees and expenses relating to importation into the country of destination, and all necessary applications, licenses, authorizations and documentation shall be the sole responsibility of Buyer. Seller shall prepare consular documents according to Buyer’s instructions but shall have no liability resulting from any incorrect information furnished by the Buyer.

DELAYS: The shipment date and price specified are subject to adjustment for any delay resulting from: (i) Buyer’s failure to furnish Seller with any Buyer supplied components, data, shipping instructions, approved drawings or change orders as required, (ii) any changes to the specifications made at Buyer’s requests, (iii) Buyer’s delay in paying an invoice, (iv) Buyer’s convenience, or (v) force majeure. In the event of any such delay, the shipment date will be automatically extended for a period not less than the duration of the delay. Buyer shall pay Seller any additional costs incurred by Seller as a result of the delay and a reasonable rate for storage of the Materials during such delay.

WARRANTY: Seller warrants the Materials will be free from defects in materials and workmanship for a period of twelve (12) months from the shipment date. Seller’s obligation under this warranty is limited to the repair or replacement, ex-Seller’s facility, Sedalia, Missouri of any Materials that prove to be defective upon inspection according to manufacturer’s standard and does not cover any cost or expense in gaining access to such defective parts, making Materials available for repair, removing, packing or transportation Materials, and travel and living expenses of field representatives, all of which shall be the sole responsibility of the Buyer. All such repairs or replacements shall be warranted against defects in materials and workmanship for the longer of the remainder of the original warranty or ninety (90) days.

THIS WARRANTY DOES NOT APPLY TO ANY MATERIALS (i) REPAIRED OR ALTERED BY ANY PERSON OTHER THAN SELLER IN A MANNER THAT SELLER DETERMINES ADVERSELY AFFECTS PERFORMANCE OR RELIABILITY OF THE MATERIALS, (ii) SUBJECTED TO MISUSE, NEGLIGENCE, LACK OF MAINTENANCE OR ACCIDENT, OR (iii) REQUIRED TO BE REPAIRED OR REPLACED IN ACCORDANCE WITH THE MANUFACTURER’S RECOMMENDATIONS. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A



PARTICULAR PURPOSE. THE REMEDIES PROVIDED IN THIS WARRANTY ARE IN LIEU OF ANY AND ALL OTHER REMEDIES WHETHER AT LAW OR EQUITY OR ARISING FROM SELLER'S NEGLIGENCE.

PATENTS: Seller will indemnify Buyer from any liability that may incur as a result of infringement of a US patent by any Materials manufactured by Seller or one of its affiliates; provided, however, that Seller receives timely notice of such claimed infringement and Seller is allowed, at Seller's expense, to defend any such claim and Buyer provides all reasonable assistance in the defense of such claim. Seller shall have no liability hereunder for any infringement arising from the use of the Materials in conjunction with other equipment not supplied by Seller or for a purpose other than the purpose intended.

CANCELLATION: Should the Purchase Order be canceled by Buyer for any reason other than the termination for Seller's material breach, Buyer shall pay Seller for all costs and expenses incurred and commitments made, plus an amount equal to Seller's expected profit on such order or, at Seller's option, Seller may retain all amounts paid as of such cancellation date as liquidated damages.

LAW AND VENUE: The Purchase Order will be interpreted according to the laws of the State of Missouri (notwithstanding its choice of laws). Any dispute between the parties shall be resolved in any federal or state court located in Missouri or Texas.

FORCE MAJEURE: Seller shall not be responsible for any failure or delay in delivery due to causes beyond its reasonable control, including but not limited to acts of God, fire, strike, flood, military authority, government regulation or priority rating, embargoes, or shortages of raw materials, components or labor. In the event of such delay, the delivery date shall be extended for a period of time equal to the time of such delay.

CODES AND STANDARDS: Seller specifically takes exception to any requirement to conform to any unidentified state, county, municipal or other local codes or standards. Seller will prepare comments and exceptions to the technical provisions of such codes or standards when accompanied by Buyer's written description of the applicable sections.

LIMITATION OF LIABILITY: In no event shall Seller be liable for any claim, whether based in contract or tort, including the negligence of Seller, in an amount in excess of the Purchase Order price for the Materials. Under no circumstances shall Seller be responsible for any incidental or consequential damages including, but not limited to loss of use, downtime, loss of profits or revenue.