

PROPOSAL

Presented To:

Nour Energy / Nour Communication

for

**Operations & Maintenance at the
Al Hamra 2 x LM 2500 Facility**

By



Proposal No. 110-3957

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Nour Energy / Nour Communication.**

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1.0 Executive Summary

ProEnergy Services International, Inc. (“ProEnergy”) is pleased to offer this proposal to Nour Energy / Nour Communication (“Nour”) for Operation and Maintenance (‘O&M’) Services for the Al Hamra facility (2 x LM 2500) located in the United Arab Emirates for a period of seventeen and one half (17 ½) years.

Why select ProEnergy Services?

A compelling rationale exists for Nour to select ProEnergy Services as your O&M services provider:

- ProEnergy is fundamentally different from industry competitors. We aren’t just another contractor; ProEnergy is an extension of your management team. Our integrated collaboration strategy keeps all eight of our comprehensive business units connected which enable us to streamline business processes.
- ProEnergy’s management team has a proven track record providing superior services and leadership in similar plants both domestically and internationally. Additionally, the expertise of our management provides innovative solutions to respond to the challenges of the rapidly changing technology in the power industry.
- Our ***Operations and Maintenance Team*** provides a wide range of services from total care, custody and control to peak season staff augmentation. We operate the plant as if it were our own business enterprise - focusing on safely maximizing plant/equipment reliability, availability, and performance while maintaining a balanced, cost effective approach over an asset’s life, so as to protect its long-term value.
- Our ***Technical Services*** supports plant performance reviews and performs periodic assessments to ensure performance goals are met. Whether your plant requires site specific operating procedure development, training, CMMS implementation, or mobilization services, we can customize services to the specific needs of your project.
- Our ***Field Services*** provides additional technical resources to address critical maintenance issues, both major outages and minor inspections, to ensure effective plant operation.
- Our ***Professional Services*** brings added value by providing specific subject matter experts when required.
- Our ***Equipment and Parts Solutions*** provides a wide variety of Original Equipment Manufacturers and after market parts. Our wide range of power products is supported by our expert technical staff.
- Our ***Fabrication Shop*** can manufacture, install, and retrofit a vast range of steel products using Qualified Welding Procedures which are completed under ASME and NBIC Code Stamps. We also offer independent third party destructive and non-destructive testing and are ISO 9001:2008 Certified.
- ProEnergy has offices in Missouri, Texas, Oklahoma, Colorado, Ghana, Venezuela, Mexico, Argentina, Panama, Pakistan, and Brazil to support worldwide operations.

2.0 Work Scope

ProEnergy's strategic implementation of O&M contracts is based on two phases: Phase one-Mobilization and Phase two-Operation Period.

2.1 Phase One - Mobilization

ProEnergy shall provide skilled personnel, procedures, training, administrative, management and professional/technical services necessary for the safe and reliable operation and maintenance of the Plant. The implementation team will consist of the Plant Manager, Manager of O&M Services, Mobilization Team and Operation's Plant Staff for local site implementation. The Mobilization Team will implement the technical aspects of the mobilization plan. This typically takes three months to complete starting two months prior to COD. The corporate office team provides support for accounting and finance, contracts and insurance, procedures, and training

Implementation Plan

Task

- Administer Implementation Plan
- Hire Plant Staff
- Implement Fitness for Duty Program
- Initiate Office Administration
- Review Licenses and Permits
- Verify/Setup Insurance Coverage
- Assess and Implement O&M Programs
- Procure Plant Tooling and Shop Equipment
- Setup Inventory
- Conduct Training

Mobilization Tasks

Task 1: Administer Implementation Plan

Purpose: Plan the activities required to move from Notice to Proceed, to mobilization, to implementation of ProEnergy Services' policies and procedures at the site. Monitor and manage the time, resources and costs associated with each activity.

Approach: Utilize information available at time of Notice to Proceed to prepare a detailed Implementation Plan.

Meet with Nour to review the Plan. Agree upon the recommended approach to the various activities.

Establish the protocols to be used with the Implementation Plan regarding site access, access to on-site documents, etc.

Task 2: Hire Plant Staff

Purpose: To ensure that qualified plant personnel in adequate numbers are hired for plant operation and maintenance.

Approach: ProEnergy will evaluate benefits, salaries and hire the plant personnel. Evaluate staffing structure, prepare job descriptions, duties, authority and prepare wage and benefits packages.

Conduct interviews and testing.

Recruit and hire personnel as required.

Explain ProEnergy Services' philosophy of operation.

Schedule and conduct group presentations for policies and benefits orientation.

Task 3: Implement Fitness for Duty Program

Purpose: To implement ProEnergy Services' Fitness for Duty Program at the plant site during the initial hiring phase.

Approach: Prepare Fitness for Duty program.

Locate and set up accounts at local facilities for physical exams, drug testing and audiograms to personnel offered employment (when applicable).

Perform physical exams, drug testing and audiograms.

Task 4: Initiate Office Administration

Purpose: To train appropriate plant administrative personnel regarding ProEnergy Services' administrative policies and procedures and assure that the plant's accounting and reporting functions meet Nour's and ProEnergy's requirements.

Approach: Review existing payroll, reporting and accounting functions. Establish Operator programs to assure proper Operator functioning upon Care Custody and Control of the Plant. Determine specific and unique governmental requirements that will impact site administrative requirements. Assess office situation from site visit.

- Prepare for on-site office training.
- Develop Human Resources report requirements.
- Develop Accounting and Budget reporting requirements.
- Develop Plant Operations reporting requirements.
- Conduct training of Plant Manager and Administrative Assistant on reporting requirements.

Task 5: Update Licenses and Permits

Purpose: To revise current licenses and permits to address changes necessitated by the ownership/operating company, as required by law.

Approach: Review and identify licenses and permits for potential revision

Task 6: Verify/Setup Insurance Coverage

Purpose: To ensure that ProEnergy has adequate insurance coverage and that plant personnel understand our insurance requirements and practices.

Approach: Provide required proof of insurance coverage to meet contractual obligations.

- Worker's Compensation Insurance
- Comprehensive Automobile Liability Insurance
- Comprehensive General Liability Insurance
- Employer's Liability
- Umbrella Liability

Arrange for Worker's Compensation package to be sent to site.

Review with plant management the notification procedures to be followed in the event of serious bodily injury or property damage.

Arrange for a site visit by ProEnergy's insurance carrier to review safety practices, inspect the site, and provide training on accident reporting and investigation.

Task 7: Implement O&M Programs

Purpose: To assure that the plant will be operated in accordance with ProEnergy standards in each of the following areas:

- Environmental, Health and Safety
- Administrative
- Operations
- Maintenance
- Chemistry
- Training

Approach: Establish plant environmental reports and reporting functions as well as the safety programs. Establish Operator programs to assure Plant safety and environmental compliance upon Care, Custody and Control of the Plant.

Document Nour-approved changes in the appropriate plant manuals and issue new/revised Manuals as required.

Implement ProEnergy Services' Safety Program at the plant, including development or revision of the Plant Safety Manual.

Implement the Administrative Program at the plant including development or revision of the plant's Administrative Policies and Procedures.

2.2 Phase Two – Operational Period

O&M Strategy

ProEnergy recognizes that a comprehensive, operations-wide maintenance program must be developed and implemented. The O&M program must be tailored to fit the specific process(es) being maintained and integrated into Nour's facilities plan. The ultimate goal of ProEnergy's O&M program is to safely achieve the highest possible plant/equipment availability while maintaining the lowest possible operations and maintenance costs. With this being said,

ProEnergy will operate and maintain the Al Hamra facility to ensure completion of station goals as outlined in Nour's project business and operating plans.

For continuous processes this entails long run times, short downtimes and ever increasing plant/equipment availability. This is augmented with a proactive budgeting, cost control and reduction management emphasis.

ProEnergy has developed, implemented and managed maintenance programs of this caliber and has the processes and corporate support structure to bring to the Al Hamra facility the right combination of the following:

- An integrated, multi-disciplined maintenance management team.
- Environmental, health and safety corporate and facility programs.
- Computerized Maintenance Management System (CMMS).
- Comprehensive strategic predictive and preventative maintenance program.
- Coordinated facility capital improvements program.
- Implement housekeeping program to improve overall sight appearance.
- Corrective maintenance.
- Budgeting, budgeting reviews, cost reduction programs.
- Materials and spare parts management.
- Human resource development and skills-level training.
- Operator/maintenance qualification and training programs.
- Administrative procedures development and management.
- Quality program for continuous improvement, with continuous plant/equipment performance assessment.

Routine O&M

In order for projects to be accomplished on time, within budget, and in accordance with technical, quality and safety requirements, it is imperative that routine operation and maintenance plans and procedures are implemented, communicated and enforced. Only by working within an established system of procedures can consistent quality and on-time performance be achieved. Therefore, it is critical that ProEnergy use effective plans and procedures developed and in place that are consistent with the goals expressed by Nour. These procedures will require modification and enhancement in some cases in order to meet the requirements of Nour. ProEnergy will utilize an integrated operations and maintenance management program for the facility. This program will encompass both centralized and area-dedicated operations and maintenance resources.

During the operations phase, thorough and diligent preventative maintenance is crucial to risk reduction and control. All work will be centrally controlled using CMMS and a formal work management environment that will rely on our early development of work practices, procedures

and execution policies with Nour. Identified work requirements will be entered into CMMS via workstations provided at the Al Hamra facility. All work will be thoroughly planned, estimated and scheduled by the plant management according to pre-established standards.

ProEnergy's corporate and facility management will continuously monitor work execution to ensure continuous improvement performance and mechanical integrity of the processes, practices and procedures utilized. The Manager of O&M Services will make site visits to ensure that the policies and procedures are being utilized. In addition to the site visits, ProEnergy Technical services department will conduct a full plant audit yearly and will share the results with Nour, Manager of O&M Services and the Plant Manager.

ProEnergy will promptly notify Nour in writing of any teardowns and overhauls of major equipment or capital improvements that ProEnergy believes are necessary or advisable together with a proposed schedule for completing such repairs or improvements. If the costs of such teardowns, overhauls or capital improvements have been incorporated into an approved annual Approved Operating Budget or if Nour has otherwise consented in writing to such costs, ProEnergy will schedule, coordinate, contract and oversee the performance of such activities and will be responsible for monitoring and enforcing compliance by the contractor performing such work, including taking such steps, short of litigation, to enforce any warranties granted to Nour by such contractor in accordance with the O&M Agreement.

Operations & Maintenance Overview

The plant staff will follow written procedures for operations and maintenance of facilities:

1. Operations Procedures - These procedures are developed and written during the mobilization phase of the project. ProEnergy uses these procedures to understand and operate the equipment in the safest and most effective manner. These procedures include plant start-up, shut-down, turbine operation, etc.
2. Casualty Procedures - As with the Operations Procedures, these procedures are developed and written during the mobilization phase of the project. ProEnergy uses these procedures to operate the equipment during a time of casualty. These procedures include failed start attempt, emergency shutdown, blackstart operation, full plant blackout condition, etc. Both the Casualty and Operations Procedures are reviewed and kept up to date by the plant operations group.
3. Coordinate power delivery - ProEnergy will timely perform all of the obligations and requirements of Nour which include but not limited to, Power Sales and Transmission, OEM Services Contracts, Natural Gas Acquisition, Transport and Balancing, Environmental Permits, Noise Regulations and all local, state and federal requirement and laws.
4. Preventative and Basic Maintenance - This work will include non-shutdown visual inspections of key operating systems; instrumentation and controls, general housekeeping and the replacement of oil filters, air filter, and igniters.

5. Plant chemistry program - This will include minimizing chemical use and maximizing resin life.
6. Daily logbook - Al Hamra facility operators will collect data at scheduled times during shift. The times of these readings along with any other issues or concerns will be recorded in the facility logbook. Data from the logbook will be analyzed so that remedial actions can be taken immediately to correct off-standard performance.
7. Daily Reports - As described above, operators will collect readings during shift. These readings will then be entered into a database and daily reports generated. ProEnergy and Nour will mutually develop.
8. Weekly Reports - The weekly report will include a summary of the Daily reports. ProEnergy and Nour will mutually develop.
9. Monthly Reports - Within fifteen (15) calendar days after the end of each calendar month, ProEnergy will submit to Nour a monthly progress report in reasonable detail covering activities conducted during such calendar month with respect to operation and maintenance (including, if applicable, information regarding power generation, fuel consumption, starts, trips, availability factor, capacity factor, and Gross Heat Rate and Net Heat Rate), capital improvements, labor relations and other significant matters. ProEnergy and Nour will mutually develop the monthly format. As for the Environmental section of the monthly reporting, the EH&S Manager will visit the sites monthly to ensure that the data gathered is accurate and support the site personnel with any issues that arise.
10. Yearly Reports - The monthly report will include a summary of the Monthly reports. Within forty-five (45) calendar days after the end of each Operating Year, ProEnergy will submit to Nour for each unit a summary report (in such form and substance and with such back-up as Nour may reasonably request) covering the performance of the units during the operating year, and the operation and maintenance activities planned or conducted during the previous Operating Year. ProEnergy and Nour will mutually develop the format for the yearly report.
11. Annual Operating Budgets –ProEnergy will develop yearly operating budgets and submit the budget for review and approval three months prior to operating year’s end.
12. Business and Operation Plans - ProEnergy will develop and execute business and operating plans which will be submitted yearly as per part of the operating budgets process. Nour will work closely with ProEnergy in the development of the plans for Al Hamra facility. The Annual Al Hamra facility Operating Plan will detail maintenance, outage, and overhaul schedules, Al Hamra facility staffing, known capital and expense budget items, operating plans, and will provide the underlying assumptions used in developing the proposed budgets and anticipated availability for the period. ProEnergy will provide a high level 5 year outage plan as part of the Annual Al Hamra facility Operating Plan. Nour will review and approve the Annual Al Hamra facility Operating Plan. Such approval will become the basis for the annual Approved Operating Budget.
13. Shut Down Inspections - These are periodic inspections to ensure the integrity of the equipment that are unable to be performed while the equipment is in operation. These

inspections are coordinated through the CMMS to ensure the highest availability and reliability is achieved.

14. Testing of meters - ProEnergy will schedule, coordinate and implement, as required, calibration/testing of all gauges, meters and recording devices related to the consumption of fuels and water and to the sale of electricity.
15. Qualification Program – This establishes standards for the qualification of personnel for ProEnergy facilities. In addition, this program provides procedures for implementing the Qualification Standards and guidance for providing Orientation to a facility.
16. Technical Library - Maintain a filing system and update all plant manuals and vendor service manuals and arrange for updating plant facilities/system drawings to reflect the plant's current "as-built" configuration
17. Major Inspections, Refurbishment and Overhaul - These will be determined by operating hours/starts and on-condition monitoring. ProEnergy will perform (as an option) or arrange for scheduled inspections and overhauls on major equipment items in accordance with Nour's request. All schedule outage plans will be provided to Nour for review along with parts availability two years prior to the event.

Plant Policies and Programs

ProEnergy's Policies and Program Manuals contains the policies and procedures, including, but not limited to, the following:

- Assuring that operational goals and operating plans are consistent with the Annual Facility Operating Plan.
- Assuring that the plant is operated in accordance with the O&M Agreement and in a safe, reliable, efficient, and prudent manner.
- Assuring that operations and maintenance personnel are trained and qualified for their assigned responsibilities and tasks and that such qualification is maintained.
- Assuring that the plant meets contract, regulatory, and environmental requirements set forth in any or all agreements entered into by Nour with respect to the plant or otherwise identified by ProEnergy or Nour.

ProEnergy Services' Environmental, Health and Safety Manual

ProEnergy Services' Environmental, Health and Safety Manual will be implemented and utilized. This will include such programs as Lockout/Tagout, Confined Space Permitting, Spill Prevention Control and Countermeasure Plan, Hotwork Permitting, etc. The manual will also provide guidance in compliance of environmental permitting such as the air permits and wastewater discharge permit.

ProEnergy's Administrative Manual

As required, ProEnergy's Administrative Manual will be implemented and utilized. This manual includes plant's Administrative Policies and Procedures such as recommended plant improvement processes and supervising contractors, subcontractors and suppliers. Also included are accounting procedures for the plant including payroll, cash disbursements and journals, client accounting, accounts payable, recruiting, hiring, transferring, and fixed asset management.

ProEnergy will conduct a community relations program to include activities coordinated with Nour. An employee relations program will be designed to maintain the positive image of the plant within the community and to maintain good employee relations.

The ProEnergy's Administrative Manual will address the policy for reporting and report formats, including, but not limited to, the following:

- Facility Performance
- Monthly Facility Performance Calculations and Report
- Monthly Fuel Consumption Calculations and Report
- Procedure for preparing supporting documentation, meter readings and information necessary to accurately prepare, justify and support monthly invoices in accordance with the terms and conditions of any and all agreements Nour has executed with respect to the Al Hamra facility.
- Administrative program for establishing specific operating goals for each functional area, for managing resources to minimize personnel turnover, and for qualifying personnel to operate and maintain the Al Hamra facility (including the basis for qualification of personnel).

ProEnergy's Training Manual

As required, ProEnergy Service's Training Manual will be implemented and utilized. The training manual will include classroom training modules and system descriptions. The manual will be used for initial training and continuing on-site training. ProEnergy believes that training, both initial and continuing, is one of the fundamental building blocks to successful project and plant operation. The training of each staff member will be tracked and recorded through the computer maintenance management system (CMMS). Some of the direct benefits to the project are:

- Establishes baseline understanding in all areas of plant operation
- Permits performance assessment on a continuous basis
- Minimizes lost time accidents
- Minimizes the chance of equipment damage
- Motivates personnel by offering a structured path to career development

- Promotes teamwork so that the combined strength, knowledge, and experience of the team are greater than the sum total of each individual's knowledge and experience

Specialty Training – ProEnergy will send new/replacement operations and maintenance personnel to outside specialty schools to maintain the skill levels required for proper operation and maintenance of the plant. ProEnergy's Technical Services department will conduct technical training on yearly basis to all plant personnel.

ProEnergy's Operations Manual

As required, ProEnergy's Operations Manual will be implemented and utilized. The manual will consist of conduct of operational standards such as logbook protocol, shift turnover procedure, equipment rotation procedures, night orders, etc. Step-by-step operational procedures, casualty control procedures, system alignments, check-off lists, safety precautions, and system limitations will also be included. This manual addresses the procedures for System Operations, including, but not limited to, the following:

- Conduct of Operations
- Shift Routines / Operating Practices
- Operating Procedures used to operate the Al Hamra facility as well as monitoring, evaluating, and proposing revisions to such procedures
- Control of Equipment
- Facility Chemistry Control and Water Treatment
- Performing routine surveillance of all equipment routinely used to communicate with the System Operator
- Notifying the System Operator of any routine maintenance activities which will require clearance from the System Operator
- Providing the System Operator and Nour's Customers with all required information regarding the Facility's availability
- Responding to dispatch orders from the System Operator, RTO (Regional Transmission Organization) or Nour's Customers
- Monitoring and adjusting the reactive output of the generators to maintain transmission voltage levels within the capability of the Facility's generators
- Responding to and correcting generator dynamic instability in accordance with instructions from the System Operator

ProEnergy's Maintenance Manual

As required, ProEnergy's Maintenance Manual will be implemented and utilized. The manual will consist of maintenance standards such as precision measurement procedures, bearing handling, alignment procedure, equipment checks, etc. Step-by-step maintenance procedures, safety precautions, tools needed, and outage planning will also be included. This manual

addresses the procedures for the maintenance program, including, but not limited to, the following:

- Maintenance Planning
- Maintenance Procedures
- Preventive Maintenance
- Predictive Maintenance
- Maintenance Training

3.0 **Pricing**

ProEnergy offers a comprehensive O&M program that will include the services detailed in Section 2 of this proposal.

This proposal price is broken down into two phases: phase one is for the mobilization period and phase two is the operational period in which the plant is turned over to ProEnergy.

3.1 **Phase I - Mobilization Period Pricing**

This section identifies the labor and administrative support costs that will occur during the period before COD.

Description	Pricing
3 Month Mobilization Fixed Price	\$1,442,000.00
Initial Inventory Fixed Price	\$1,650,000.00

3.2 **Phase II- Operational Period Pricing**

This section identifies the labor and administrative support costs that will occur during operations.

Description	Pricing
Annual O&M Price Fixed Price	\$2,506,235.00

The 17.5 year O&M cost projection per year for this plant is as follows:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
2,506,233	2,606,483	2,710,743	2,819,173	2,931,940	3,049,218	3,171,187	3,298,035	3,429,957
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
3,567,156	3,709,843	3,858,237	4,012,567	4,173,070	4,339,993	4,513,593	4,694,137	2,440,952

3.3 Assumptions

This proposal is based on the following assumptions:

- Estimate does not include costs associated with fuel, utilities, water, duties, freight, nationalization and insurance (other than workmen's compensation, auto liability, and employer's liability). Costs are subject to change depending on exact location of facility and site conditions. All costs will be finalized only after a complete site evaluation has been conducted by ProEnergy personnel.
- This estimate is valid until December 31, 2010.
- Facilities are assumed to be designed for local conditions with adequate access and safety systems.
- Air filter exchanges are limited to twice per year.
- Facility is assumed to be base loaded.
- Operating hours: 8,000 hours per year.
- Emissions testing is not a requirement.
- Demin/RO system is present
- Natural gas will be the only fuel utilized
- Fuel is assumed to meet specifications from gas turbine manufacturer.
- Shift supervisors are assumed to work twelve-hour shifts.
- Labor for security is not included.
- Mobilization is for three (3) months.
- Major Maintenance costs are not included.

3.3.1 Proposed Staffing

ProEnergy recommends that the plant be staffed as outlined below in Table 1. To reduce labor costs, the Plant Manager will be replaced by a local professional after twenty-four months. Implementation of this plan will reduce Al Hamra facility's operating budget.

Table 1--Staffing

Positions	No. of Employees
Plant Manager	1
Administrative Assistant	1
Shift Supervisor	5
Mechanics	2
Instrument & Electrical Engineer	1
Instrument & Electrical Technician	1
Total	11

During the mobilization period, the Manager of O&M Services will initially be responsible for the mobilization plan in overseeing the mobilization activities described in Section 2.1.

During long-term operations, the Plant Manager will work closely with the Manager of O&M Services and corporate support personnel to assure the safe and efficient operation of the facility. The Manager of O&M Services will be directly involved during the mobilization period and throughout the operation of the facility.

3.3.2 Incentive Payments

ProEnergy's operating philosophy ensures that we operate and maintain the facility as if it were our own business enterprise. ProEnergy adheres to the concept of performance based compensation to third-party O&M providers, and where applicable, we incorporate this philosophy into each of our agreements. ProEnergy also believes that any incentive that is earned through the agreement should be tied to Nour's profitability and the contractor's performance. With this being said, ProEnergy believes that any plant performance incentives earned is shared with its plant employees. Plant personnel will share a percentage of any incentive payment and it is distributed among the plant personnel in accordance to their individual performance based from their quarterly performance evaluations. The Manager of O&M Services and the Plant Manager will direct the distribution of the incentive money among the plant personnel.

4.0 Terms & Conditions

This proposal shall be valid until December 31, 2010; 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 to be mutually agreed upon.

5.0 Follow Up

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

Joaquin Mavares, Director of International Sales
jmavares@proenergyservices.com
Office: 660-829-5100
Cell: 713-992-1790

6.0 Conclusion

Why select ProEnergy Services?

ProEnergy Services is the right teaming partner for Nour! ProEnergy Services has talent, depth of experience and resources unparalleled in the power generation industry. When you succeed, we succeed. Our Service Agreement gives Nour long-term security and confidence that their assets are well built, managed, operated and maintained. ProEnergy Services will win your confidence and your business one job at a time, starting now!