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October 09, 2008

John R. Demaree
Marson Energy
1312 Laurel Lake Road
Brackney, Pa 18812

Attn: Mr. Demaree

Dear Mr. Demaree,

Subject: Budgetary Proposal for EPC and Long Term Service Agreement at New Guinea Power Facility

ProEnergy Services, is pleased to provide this Budgetary proposal for the Engineering, Procurement, and Construction ("EPC") of two (2) GE Frame 7B gas turbine generator sets for your Power Plant and for a 6 year term maintenance agreement following the commercial operation date.

At ProEnergy Services, our goal is to be your long-term partner. One of our strengths is our ability to provide flexible structures that allow you to meet your objective for an economical and reliable supply of power.

Performance

The performance is based on the site conditions and will be included in the Performance Tab of the Technical Proposal. (As soon as we receive the site conditions). Performance correction curves will be also included.

Price

- **EPC (including Equipment) \$89,400,000.00 USD**

Equipment

Two (2) heavy duty, single shaft, simple cycle Refurbished Frame 7B Gas Turbine Generator Packages.

EPC

- Major Equipment (not inclusive):
 - Two (2) Refurbished Frame 7B Gas Turbine Generator (“GTG”) Sets (50 megawatts of nominal capacity for each GTG)
 - Two (2) 11.5kV/33 kV GSU’s and associated switchgear
 - Plant DCS System
 - Oil/Water Separator
 - Switchgear Building
 - Control Room Building
 - Instrument Air Compressor
- Engineering, Design, Procurement, Construction Management (project management, safety – QA/QC, scheduling), Subcontracting for local equipment rental, civil, mechanical and electrical labor and material, commissioning, training, start-up, and testing.
- Schedule: Commercial Operation Date (“COD”) is estimated to be 09-12 months from contract execution.

Term Maintenance

- Includes all maintenance and operations as well as planned Combustion Inspections (“CI”), Hot Gas Path Inspections (“HGPI”), and Major Inspections (“MI”), parts replacement and fallout coverage, and parts repair for the two (2) GTG’s.
- Term: From COD though 42,040 Factored Fired Hours (“FFH”) or six year (whatever happens first for each unit).
- Pricing: \$7.5MM (US Dollars) each year. (Escalation clause may apply)

Note: fuel is based on a max of vanadium content equal or minor than.5ppm

Parts Supply

Parts supplied by PES may be new or refurbished (operated in a gas turbine other than those at the Facility and repaired) and may be manufactured by the OEM or by PES or a third party with an alternative design to the OEM.

Initial Spares cost

To maintain the reliability and availability you desire at the Facility, ProEnergy Services will supplement the current spare parts at the facility, within the Proposed Costs, to maintain one set of spare parts of the following hardware, estimate cost:

- 1,500,000.00 USD

Mobilization Payment:

- Upfront payment of \$ 1,200,000.00 USD, paid one time upon the contract effective date.

Terms of Payment EPC-EQUIPMENT

First Payment	Due at Contract Signing to Secure Major Equip	(50%)
Second Payment	Due When BOP Equipment at US Port	(20%)
Third Payment	Due When GT on Pad at Site	(5.0%)
Fourth Payment	Due When GSU on Pad at Site	(5.0%)
Fifth Payment	Due Upon Mechanical Completion	(10%)
Sixth Payment	Due Upon 1st Fire of	(2.5%)
Seventh Payment	Due Upon Readiness to Export Power	(5.0%)
Final Payment	Due Upon Final Completion of Plant	(2.5%)

Taxes/Duties/Bank Expenses

All taxes, VAT, custom duties, and bank expenses due are for the purchaser's account.

Proposal Validity

This budgetary proposal is valid for thirty (30) days. The equipment described herein is subject to prior sale.

Delivery

Proposed delivery for the two (2) heavy duty, single shaft, simple cycle Frame 7B Gas Turbine Generator Package and associated skids is 6 to 9 months from contract signing.

Terms and Conditions

This proposal is based on PES standard Terms and Conditions. Title transfer will occur Ex-works delivery.

Confidentiality

This Proposal is submitted in confidence for evaluation by Buyer. Its contents are proprietary to Seller. By taking receipt of this Proposal, Buyer agrees not to reveal its contents in whole or in part beyond those persons in its own organization necessary to properly evaluate this Proposal or to perform any resulting contract. Buyer shall not reveal the contents of this Proposal to a third party or make copies of this Proposal without the prior written consent of Seller. Buyer shall return this entire Proposal to the undersigned, if Buyer does not accept this Proposal.

We sincerely appreciate this opportunity to provide you with this offer and are willing to discuss any issues and resolve them on a mutually acceptable basis as you progress through your overall proposal preparation.

Give me a call should you have any questions.

We look forward to meeting you to determine what refinements are necessary to move this to the next stage.

Sincerely,

A handwritten signature in blue ink, reading "Joaquin S. Mavares". The signature is fluid and cursive, with a large initial "J" and "M".

Joaquin S. Mavares
Director International Sales