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October 6, 2008

Dave Nickerson  
Power Barge Corp  
Houston, Texas

Subject: West Africa 20MW Power Generation Facility  
One (1) each natural dual fueled GE LM 2500 PE (50Hz) Gas Turbine  
Generator and Balance of Plant Equipment

Dear Sirs:

Thanks for thinking of us regarding the West Africa potential project. We presently own the subject LM 2500 GTG that is available, subject to prior sale, meaning it has been offered to other buyers. Please find attached a description of the equipment as well as Budgetary pricing for the installation.

A proposed project schedule provides you and the customer an indication of the timing in which we can provide a Turnkey EPC project and the expected performance. As indicated, in order to provide a more accurate installed cost we would need to discuss with the customer the site conditions and available infra-structure.

If you have any questions in this regard, please give me a call.

Respectfully Submitted

A handwritten signature in blue ink, appearing to read "J. Mavares", with a stylized flourish at the end.

Joaquin Mavares  
Director International Sales

Cc: David Whisenhunt  
WT Stewart  
John Stevens

# BUDGETARY PROPOSAL

## One Simple Cycle – Dual Fueled LM2500PE Gas Turbine Generator Set

TO  
(For Proposed site in West Africa)

Prepared By:  
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Proposal No. T-8043-B

**THIS PROPOSAL IS SUBMITTED WITH THE UNDERSTANDING THAT THE INFORMATION CONTAINED  
HEREIN WILL BE KEPT CONFIDENTIAL AND NOT DISCLOSED TO OTHERS OR DUPLICATION WITHOUT  
THE PRIOR CONSENT OF PROENERGY EPC SERVICES.**

## **I. GAS TURBINE GENERATOR SET SCOPE OF SUPPLY**

We are offering one refurbished LM2500PE gas turbine generator set which includes the following scope of supply:

- LM2500PE gas turbine configured for Dual Fuel operation
- Air Cooled 2 pole 11,200kv electric generator manufactured by Brush Electric Machines
- Coupling for direct drive at 3000 rpm, 50hz operation
- Weatherproof acoustic enclosure for gas turbine and electric generator
- “Single lift” I beam base plate to support turbine and generator
- Air inlet filtration system for GT combustion air, generator cooling air and compartment ventilation systems
- Turbine exhaust system including industrial grade silencer and stack
- Separate lube oil systems for turbine and generator including fin-fan coolers
- Electro hydraulic starting system
- Fire detection and extinguishing system
- Electronic control panel for gas turbine & generator including 24v control batteries and charger
- Gas turbine water wash system
- Neutral and line side cubicles mounted including CT’s and lightning arrestors

## **II. PRICING OF EQUIPMENT**

### **A. BUDGETARY PRICE**

The price quoted is subject to confirmation of scope of work and verification of transportation costs.

### **B. TAXES, DUTIES, FEES**

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

### **C. EQUIPMENT PRICE**

Pricing references the scope of equipment and service work described in Section I of this proposal:

**Equipment Price: US\$ 8,900,000 FAS Port of Houston, Texas or Port of Los Angeles, CA.**

**D. EQUIPMENT PAYMENT**

This proposal and pricing is based upon receipt of the equipment progress payments shown below:

Down Payment: 20% of firm price (\$1,780,000) to initiate procurement for refurbishment and to take unit off the market.

Second payment: 75% of firm price (\$6,675,000) – Upon readiness to ship Gas Turbine Generator from Port of Houston, Texas or Port of Los Angeles, CA.

Third payment: 5% of firm price (\$445,000) upon completion of start-up and commissioning of plant.

Payments shall be made by wire transfer to the following account of ProEnergy Services (or such other account as ProEnergy Services may specify from time to time).

Name: ProEnergy EPC Services  
Bank: US Bank  
Address: 3615 W Broadway Blvd, Sedalia, MO 65301  
Routing # 081000210  
Account # 152308500924  
Swift Code is USBKUS44IMT (that is an ‘i’ and not a ‘1’)

**E. SCHEDULE**

ProEnergy EPC Services agrees to crate and prepare the equipment for shipment at the Port of Houston, Texas or Los Angeles, CA within 45 days after receipt of down payment.

**F. GENERAL TERMS AND CONDITIONS OF SALE**

ProEnergy EPC Services and purchaser will negotiate in good faith to establish general terms and conditions for sale that are usual and customary for the sale of refurbished equipment.

**G. WARRANTY**

ProEnergy EPC Services will provide a (1) year warranty on the entire gas turbine generator package and all other balance of plant equipment provided.

### **III. TURNKEY SERVICES**

ProEnergy EPC Services is pleased to also provide a proposal for the required balance of plant equipment, transportation, installation, startup and commissioning of the plant. This would include providing total turnkey construction services as well as startup and commissioning of all equipment provided.

A comprehensive listing of the balance of plant equipment and services is included in Section IV.

#### **A. TURNKEY PRICING**

The total Budgetary Turnkey price for the balance of plant equipment, civil works, transportation of all equipment, erection, startup and commissioning of the plant more fully described in Section IV.

**TOTAL TURNKEY INSTALLATION PRICE                      \$10,500,000**

#### **B. PAYMENT SCHEDULE**

A progress payment schedule will be submitted and agreed upon once the construction schedule is better defined.

#### **C. PROJECT SCHEDULE**

To be confirmed upon final agreement.

#### IV EQUIPMENT LIST:

Material/Responsibility	Qty	Description
Owner	1 Lot	Project Site
	1 Lot	Electrical High Voltage Utility Interconnect
	1 Lot	Waste Water Disposal
	1 Lot	Paving, Roads, Site Gravel, and Landscaping.
	1 Lot	Civil Site Preparation
	1 Lot	Rough Grading
	1 Lot	Natural Gas Fuel Supply Piped to Contractor Supplied Filter (Min. delivery pressure is 465 psig)
Contractor	1 Lot	Contractor access to Owner's telephones
	1	GE LM2500 Dual Fueled Gas Turbine Generator
	1	Inlet Air Filter Assembly
	1 lot	Auxiliary Skids
	1	Exhaust Stack with silencer
	1	Gas Turbine Generator Turbine and Generator Panels
	1 Set	Gas Turbine Generator 24V Batteries and Associate Chargers
	1	Duplex Natural Gas Fuel Filter Skid
	1	11 KV 2000 amp Generator Circuit Breaker
	1	11 KV 1200 amp Breaker – Auxiliary Power
	1	11 KV to 400V 1500 KVA
	1	400 V MCC's for Gas Turbine Generator
	1	400 V Distribution Panel
	1	125V DC Battery with Charger and Distribution Panel
	1	Control/Auxiliary Modular Building
	1 lot	Grounding
	1 lot	Cathodic Protection of Buried Piping
	1 lot	BOP Equipment Erection
	1 lot	Transportation of Furnished Equipment
	1 lot	Lubricants and Chemicals for Gas Turbine Generators
	1 lot	Lubricants and Chemicals for Balance of Plant Equipment
	1 lot	Construction Offices, Storage, Temporary Facilities and Utilities
	1 lot	Concrete foundations for the equipment provided
	1 lot	Construction Tools and Equipment
	1 lot	Temporary 400 V Power Supply (500KVA)
	1 lot	Temporary Power Distribution
	1 lot	Engineering and Project Management
	1 lot	Balance of Plant Recommended Spare Parts List

**Note: Highlighted Items are included in the GTG Equipment Scope and Price**

**V. PLANT EXPECTED PERFORMANCE AND GUARANTEED PERFORMANCE****A. EXPECTED PERFORMANCE**

The expected performance for the LM 2500 PE plant using natural gas is presented below. Calculations were performed for the LM2500 at an ambient temperature of 15.6 °C at an elevation of 30.0 meters. A calculation will be provided on the actual site conditions once this information becomes available.

Expected performance for the LM 2500 PE at the above assumed site conditions with an inlet temperature of 15.6 °C is 21,276 kW at the generator terminals with a heat rate of 10,345 kJ / kWh, LHV. The quantity of natural gas fuel required is approximately 6,000 mmBtu per day.

**B. GUARANTEED PERFORMANCE**

The guaranteed performance for the plant will be presented at a later date, once the plant site conditions have been determined.

## **A Similar Unit**

**One we recently installed in Colombia, South America**

