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DATED 20 MARCH 2001

INTERNATIONAL GENERAL ELECTRIC (USA)

as Transferor

and

BAGLAN GENERATING LIMITED

as Transferee

TRANSFER AGREEMENT
IN RESPECT OF BAGLAN BAY POWER STATION
AND THE CONNECTING GAS PIPELINE

We hereby certify this
to be a true copy of the
original.

Signed Clifford Chance LLP
Clifford Chance
Limited Liability Partnership
200 Aldersgate Street
London
EC1A 4JJ



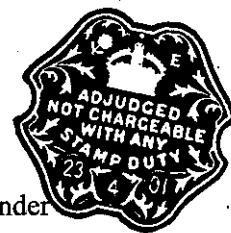
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THIS AGREEMENT made on 20 MARCH 2001



BETWEEN:

- (1) **INTERNATIONAL GENERAL ELECTRIC (USA)** a company incorporated under the laws of England and Wales whose registered office is at 3rd Floor, 1 Trevelyan Square, Boar Lane, Leeds, West Yorkshire, LS1 6HP ("**Transferor**"); and
- (2) **BAGLAN GENERATING LIMITED** a company incorporated under the laws of England and Wales whose registered office is at 200 Aldersgate Street, London EC1A 4JJ ("**Transferee**").

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement capitalised words and expressions have the meanings set forth in Schedule 1, except where the context otherwise requires.

1.2 Construction

- (a) In this Agreement, unless the contrary intention is stated, a reference:
 - (i) each of "**Transferor**", "**Transferee**" or any other Person includes, without prejudice to the provisions of this Agreement restricting transfer or assignment, any successor and any assignee;
 - (ii) words importing the plural shall include the singular and vice versa;
 - (iii) any document shall include that document as amended, novated, assigned or supplemented;
 - (iv) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;
 - (v) any Law, or to any specified provision of any Law, is a reference to such Law or provision as amended, substituted or re-enacted; and
 - (vi) headings are to be ignored in construing this Agreement.

2. REPRESENTATIONS AND WARRANTIES

2.1 Transferor's Representations and Warranties

Transferor represents and warrants to Transferee that the statements contained in Part A of Schedule 2 are at the date hereof, and on each and every Quarter Date will be, true and accurate.

2.2 Transferee's Representations and Warranties

Transferee represents and warrants to Transferor that the statements contained in Part B of Schedule 2 are at the date hereof, and on each and every Quarter Date will be, true and accurate.

3. AGREEMENT TO TRANSFER AND ACQUIRE

3.1 Agreement

Subject to the provisions of this Agreement, Transferor agrees to transfer the Assets to Transferee, and Transferee agrees to acquire the Assets from Transferor. The transfer of the Gas Line shall take place on or before completion of its construction (at the discretion of the Transferor). The Transfer of the whole of the CHP Assets shall take place before the CHP Operating Date and the transfer of the whole of the CCGT Assets shall take place before the commencement of the Demonstration Period.

3.2 Transfer of Title

Subject to the provisions of this Agreement, good title to the Assets (or any constituent part thereof) shall be transferred to Transferee immediately upon good title being transferred to Transferor under the EEP Contract or the Construction Agreements (as applicable).

3.3 Security Interests

The Assets shall upon Delivery be free and clear of any Security Interests created by Transferor other than the Permitted Liens.

3.4 Risk

Risk of loss or destruction of the Assets or damage to the Assets shall pass from Transferor to Transferee upon the CHP Operating Date (in respect of the CHP Assets), the commencement of the Demonstration Period (in respect of the CCGT Assets) and upon transfer (in respect of the Gas Line).

3.5 Specifications

Assets will be transferred in accordance with the relevant specifications pursuant to the EEP Contract or the Construction Agreements (where relevant).

4. PAYMENT NOTICES

- 4.1 On each Payment Notice Date Transferor shall issue a notice to Transferee which shall set out all monies which became due and payable by Transferor pursuant to the EEP Contract and the Construction Agreements during the previous three month period.

5. CONSIDERATION

5.1 Consideration

The Consideration for the Assets transferred by Transferor and acquired by Transferee shall be the issue on each Payment Date by Transferee to Transferor of such number of

A Shares as have an aggregate nominal value equal to the relevant amount as set at in the notice delivered by Transferor pursuant to Clause 4 above.

5.2 Time for Payment

The Consideration shall be satisfied by Transferee in favour of Transferor within 5 Business Days of receipt of the relevant notice.

6. PRE-COMPLETION INSPECTION

6.1 Inspection

Transferee shall be entitled to inspect the CHP Assets on or prior to the CHP Operating Date and the CCGT Assets on or prior to the commencement of the Demonstration Period, in each case at a time and place to be agreed between the parties. Transferee shall be entitled to inspect the Gas Line on or before the time of the proposed transfer by Transferor.

6.2 Acceptance Certificate

If on an inspection Transferee is satisfied with the physical condition of the Gas Line, the CHP Assets, or, as the case may be, the CCGT Assets, Transferee shall promptly notify Transferor in writing thereof and shall execute and deliver to Transferor an Acceptance Certificate, which shall be (as between Transferee and Transferor) conclusive evidence, subject to the provisions of Clause 6.3 below of the matters therein stated,.

6.3 Condition of Assets - Rectification

If on such inspection of any item prior to the beginning of any applicable warranty period for such item which Transferor may have with its supplier of that item, Transferee is not satisfied with the physical condition of the Gas Line, the CHP Assets, or, as the case may be, the CCGT Assets (including assets that have previously been the subject of an Acceptance Certificate) :

- (a) Transferee shall promptly notify Transferor in writing thereof, specifying in reasonable detail the items which are unsatisfactory to Transferee;
- (b) Transferor shall determine and notify Transferee as soon as reasonably practicable whether such items can be rectified and shall provide a timeframe for rectification;
- (c) When Transferor completes such rectification to Transferee's satisfaction, Transferee shall issue or re-issue an Acceptance Certificate for such item.
- (d) In the event Transferor notifies Transferee that such items cannot be rectified or if such rectification is not completed within 6 months of the timeframe initially specified by the Transferor, Transferee is entitled to reject such items and if Transferee has already tendered shares to Transferor for such rejected items, Transferor shall promptly re-tender those shares to Transferee.

7. DELIVERY LOCATION

The Assets shall be delivered to Transferee at the Baglan Bay Site.

8. MANUFACTURER'S WARRANTIES

Transferor shall upon the CHP Operating Date and, in respect of the CCGT Assets, the commencement of the Demonstration Period, and on delivery (in respect of the Gas Line) assign to Transferee all Transferor's rights, title and interest (to the extent that such assignment is permitted by the terms thereof) in:

- (a) all agreements between Transferor and the GE Manufacturer relating to warranties with respect to the CHP Assets, the CCGT Assets, or the Gas Line (as appropriate); and
- (b) all agreements between Transferor and the manufacturer relating to warranties in respect of any equipment not manufactured by the GE Manufacturer and incorporated into the CHP Assets, the CCGT Assets or the Gas Line (as appropriate), on Delivery.
- (c) Transferor agrees on request by Transferee to give notice of such assignment to the GE Manufacturer and such other manufacturers.

9. FURTHER PROVISIONS

9.1 Insurance

Transferor will procure that both itself and Transferee are insured against Insured Risks relating to the Assets and Transferor shall, to the extent required by the Transferee, assign in favour of Transferee, its benefit under any insurance policies relating to the Assets.

9.2 Benefit of Agreement

Transferee shall not assign or transfer all or any of its rights and/or obligations under this Agreement without the prior written consent of Transferor.

9.3 Further Assurances

Each party agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other instruments as may be required by law or reasonably requested by the other party (and at the expense of the other party) to establish, maintain and protect the rights and remedies of the parties and to carry out and effect the intent and purpose of this Agreement.

9.4 Rights Cumulative, Waivers

The rights of both of the parties under this Agreement are cumulative, may be exercised as often as each party considers appropriate and are in addition to its rights under general law. The rights of both of the parties (whether arising under this Agreement or the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or any delay in

exercising any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right; and no act course of conduct or negotiation on the part of either party or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

9.5 Variation

The provisions of this Agreement shall not be varied otherwise than by an instrument in writing executed by or on behalf of both parties.

9.6 Notices

Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally, or by post or facsimile transmission, to the respective addresses or facsimile numbers given below or such other address or facsimile number as the recipient may have notified to the sender in writing. Proof of posting or despatch shall be deemed to be proof of receipt:

- (a) in the case of a letter, on the third Business Day after posting;
- (b) in the case of a facsimile transmission, on the Business Day immediately following the date of despatch or transmission;

to Transferor at:

International General Electric (USA)
No. 2, the Arena,
Downshire Way
Bracknell
Berkshire RG12 1PU

Attention: Finance Manager

Fax: +44 (0) 1344 460 567

with a copy to:

International General Electric (USA)
3rd Floor, 1 Trevelyan Square
Boar Lane
Leeds
West Yorkshire LS1 6HP

Attention: Joanne Lestner

Fax: + 44 (0) 113 215 4922

to Transferee at:

Baglan Generating Limited
No. 2, the Arena,
Downshire Way
Bracknell
Berkshire RG12 1PU

Attention: Finance Manager, Baglan Bay

Fax: +44 (0) 1344 460 567

9.7 Invalidity of any Provision

If any of the provisions of this Agreement becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

9.8 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto in relation to the sale and purchase of the Assets, and supersedes all previous proposals, agreements and other written and oral communications in relation thereto.

9.9 Costs and Expenses

Each party shall bear its own fees, costs and expenses in connection with the preparation, negotiation and completion of this Agreement and performance of the transactions contemplated hereby, except as expressly provided herein.

9.10 Counterparts

9.11 This Agreement may be executed in any number of separate counterparts by the parties, and each counterpart shall when executed and delivered be an original document, but all counterparts shall together constitute one and the same instrument.

9.12 **Third Party Rights**

A Person not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

10. **LAW AND JURISDICTION**

10.1 **Governing Law**

This Agreement in all respects shall be governed by, and construed in accordance with, the laws of England.

10.2 The parties agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding arising out of or in connection with this Agreement may be brought in such courts.

IN WITNESS whereof this Agreement has been signed on the day and year first above written.

SIGNED by

for and on behalf of

INTERNATIONAL GENERAL

ELECTRIC (USA)

in the presence of:

) *Mark Dwyer*
)
) *W. Robert*
) *STEPHEN ROBERT*
)

SIGNED by

for and on behalf of

BAGLAN GENERATING LIMITED)

in the presence of:)

) X *Van Phung*
)
) *Patricia*
) *PATRICK O'HENRY - J. J. N*

ANNEX 1 DEFINITIONS

"**A Shares**" shall be "A" redeemable shares of £1 each of Transferee;

"**Acceptance Certificate**" means a certificate of technical acceptance substantially in the form of Schedule 3;

"**Assets**" means the CHP Assets, the CCGT Assets and the Gas Line;

"**Auxiliary Boiler**" has the meaning given to it in the Site Interface Agreement;

"**Baglan Bay Site**" shall have the meaning given to it in the Lease Agreement;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in London;

"**CCGT Assets**" means the combined cycle gas turbine plant including constituent parts thereof incorporating the H System (or the Replacement System if Option 1 is exercised and implemented under the Sell-Down Agreement) which, in accordance with the Technical Interface Document, is to be installed on the Plant Area and including all ancillary facilities, equipment and systems which are required for the effective operation of the same (whether or not to be used in common with the Auxiliary Boiler or the LM25);

"**CHP Assets**" means the LM25 and the Auxiliary Boiler (including constituent parts thereof);

"**CHP Operating Date**" shall have the meaning given to it in the Implementation Agreement;

"**Consideration**" has the meaning given to it in Clause 5.1;

"**Construction Agreements**" means those agreements other than the EEP Contract pursuant to which the Assets are manufactured and/or delivered to Transferor and transferred to Transferee under this Agreement;

"**Delivery**" means the delivery of the Assets (or any part thereof) by Transferor to the Baglan Bay Site;

"**Demonstration Period**" shall have the meaning given to it in the Sell-Down Agreement;

"**EEP Contract**" means the construction contract entered into on 21 September 2000 by the Transferor and the Manufacturer relating to the construction and delivery of certain of the CCGT Assets and the CHP Assets;

"**Fiscal Quarter**" shall have the meaning given to it in the current GE Fiscal Calendar issued by GE Corporate Accounting;

"**Gas Line**" shall have the meaning given to it in the Implementation Agreement;

"**GE Group**" shall have the meaning given to it in the Site Interface Agreement;

"**GE Manufacturer**" means General Electric Company and General Electric International Inc.;

Government Entity means:

- (a) any national government, political subdivision thereof, or local jurisdiction therein;
- (b) any instrumentality, board, commission, court, or agency of any of the above, however constituted; and

any association, organisation, or institution of which any of the above is a member or to whose jurisdiction any thereof is subject or in whose activities any of the above is a participant;

"H System" means the high efficiency steam cooled gas turbine incorporating the GE Group's technology known as the H system and so trademarked;

"Implementation Agreement" means the implementation agreement entered into on 30 May 2000 between BP Chemicals Limited and Transferee;

"Insured Risks" means (to the extent that any of the same are insurable in the London insurance market at reasonable cost and on reasonable terms) such risks as a reasonable company carrying on the same or a similar business to Transferor would insure against for assets similar to the Assets, subject to such exclusions, excesses, limitations, terms and conditions as may be contained in any such insurances and includes (without limitation) any insurances and reinsurances required under applicable Law;

"Law" means and includes (a) any statute, decree, constitution, regulation, order, judgement or other directive of any Government Entity; (b) any treaty, pact, compact or other agreement to which any Government Entity is a signatory or party; (c) any judicial or administrative interpretation or application of any Law described in (a) or (b) above; and (d) any amendment or revision of any Law described in (a), (b) or (c) above;

"Lease Agreement" means the lease agreement entered into on 30 May 2000 between BP Chemicals Limited and Baglan Generating Limited;

"LM25" means the LM2500 combined heat and power plant including its associated heat recovery steam generator and burners which in accordance with the Technical Interface Document is to be installed on the Plant Area and including all ancillary facilities, equipment and systems which are required for the effective operation of the same (whether or not to be used in common with the Auxiliary Boiler or the CCGT Plant);

"Option 1" has the meaning given to it in the Sell-Down Agreement;

"Payment Date" means the last Business Day of week 12 of a Fiscal Quarter

"Payment Notice Date" means the last Business Day of week 9 of a Fiscal Quarter;

"Permitted Lien" shall mean any Security Interest which is created by or results from debts or liabilities or actions of Transferee;

"Person" means any individual person, corporation, partnership, firm, joint stock company, joint venture, trust, estate, unincorporated organisation, association, Government Entity, or organisation or association of which any of the above is a member or a participant;

"Plant Area" has the meaning given to it in the Site Interface Agreement;

"Replacement System" has the meaning given to it in the Sell-Down Agreement;

"Security Interest" means any mortgage, charge, pledge, lien, encumbrance, assignment, hypothecation, right of set-off or any other agreement or arrangement having the effect of conferring security;

"Sell-Down Agreement" means the sell-down agreement entered into on 30 May 2000 between Transferee, Transferor, Baglan Operations Limited and BP Chemicals Limited;

"Site Interface Agreement" means the site interface agreement entered into on 30 May 2000 between Baglan Generating Limited, Baglan Operations Limited and BP Chemicals Limited;

"Technical Interface Document" has the meaning given to it in the Site Interface Agreement;

"Transaction Documents" means this Agreement, the Acceptance Certificate and any agreement amending or supplementing any of the foregoing documents.

ANNEX 2
REPRESENTATIONS AND WARRANTIES

PART A. TRANSFEROR'S REPRESENTATIONS AND WARRANTIES

Transferor represents and warrants to Transferee that the following statements are at the date hereof, and on each and every Quarter Date, will be, true and accurate:

- (a) Transferor is a company incorporated and validly existing under the laws of England and has the corporate power to enter into and implement the transactions contemplated by the Transaction Documents to which it is a party;
- (b) the execution, delivery and performance of the Transaction Documents to which it is a party have been duly authorised by all necessary corporate action on the part of Transferor;
- (c) the Transaction Documents to which it is a party constitute legal, valid and binding obligations of Transferor;
- (d) the execution, delivery and performance by Transferor of the Transaction Documents to which it is a party will not (i) conflict with, or result in any material breach of, any of the terms of, or constitute a default under, any agreement or document to which it is a party or by which it or any of its property or assets may be bound or (ii) contravene or conflict with the provisions of its constitutive documents; and
- (e) Transferor will at Delivery have good and marketable title in and to the Assets, and Transferor will not have created any Security Interests over the Assets other than the Permitted Liens.

PART B. TRANSFEE'S REPRESENTATIONS AND WARRANTIES

Transferee represents and warrants to Transferor that the following statements are at the date hereof, and on each and every Quarter Date, will be, true and accurate:

- (a) Transferee is a company incorporated and validly existing under the laws of England and has the corporate power to enter into and implement the transactions contemplated by the Transaction Documents to which it is a party;
- (b) the execution, delivery and performance of the Transaction Documents to which it is a party have been duly authorised by all necessary corporate action on the part of Transferee;
- (c) the Transaction Documents to which it is a part constitute legal, valid and binding obligations of Transferee; and
- (d) the execution, delivery and performance by Transferee of the Transaction Documents to which it is a party will not (i) conflict with, or result in any material breach of, any of the terms of, or constitute a default under any agreement or document to which it is a party or by which it or any of its property or assets may be bound or (ii) contravene or conflict with the provisions of its constitutive documents.

ANNEX 3
ACCEPTANCE CERTIFICATE

relating to [CHP Assets] [CCGT Assets] [Gas Line]

BAGLAN GENERATING LIMITED ("Transferee") hereby certifies that pursuant to the asset transfer agreement dated [] 2000 between **INTERNATIONAL GENERAL ELECTRIC (USA) ("Transferor")** and Transferee (the "**Transfer Agreement**"):

- (a) Transferee has inspected the [CHP] [CCGT] [Assets] [Gas Line], and such Assets conform with the description;
- (b) Transferee has accepted delivery of the [CHP] [CCGT] [Assets] [Gas Line];
- (c) Subject to Clause 6.3 of the Transfer Agreement, Transferee acknowledges that it has no rights or claims whatsoever against Transferor in respect of the condition of the [CHP] [CCGT] [Assets] [Gas Line].

Date:

By:

Title:

Witness: