Energy Trading

BINDING OFFER BY E.ON ENERGY TRADING SE TO LA SNET: TERM SHEET ON MAIN COMMERCIAL TERMS AND CONDITIONS FOR GAS SUPPLIES TO EMILE HUCHET 7 & 8 FROM 1 OCT 2009 UNTIL 1 OCT 2012

SUBJECT	Gas Supplies for the Power Station Emile Huchet 7 & 8 (St Avold), France
PARTIES	E.ON Energy Trading SE ("EET") (Seller), La SNET (Buyer)
START DATE & PERIOD	01/10/2009 at 06:00 until 01/10/2012 at 06:00 - 3 years
CONCEPT	Zero Take-or-Pay contract Balancing: responsibility of EET, balancing cost to be paid by EET. Capacity overruns to be paid by SNET.
QUANTITIES	Estimated usage : Oct 09 : 170 GWh; Nov 09 : 330 GWh; Dec 09 : 310 GWh; Jan 10 : 290 GWh; Feb 10 : 740 GWh; Mar 10 : 720 GWh Apr 10 – Sep 10 : 2 550 GWh Oct 10 – Sep 11 : 7 200 GWh Oct 11 – Sep 12 : 6 765 GWh
MAXIMUM CAPACITIES	Daily: 39 000 MWh/d & Hourly: 1950 MWh/h Except: • For Oct '09 & Nov '09, the Maximum Daily Capacity shall be 23 000MWh/d and the Maximum Hourly Capacity shall be 1150MWh/h; and • For Dec '09 & Jan '10, Maximum Daily Capacity shall be 36 000 MWh/d and the Maximum Hourly Capacity shall be 1800 MWh/h.
DELIVERY POINT	Plant gate ST Avold, after Exit GRTgaz network.

Address:	Cite Emile Huchet, 57500 Saint Avold
INSEE code commune :	57606
SIRET code :	399 361 468 00040
NAF code :	3513Z
# of delivery stations :	2
Gaz de France Reference :	LI 1012
Balancing Zone :	GRTgaz Nord
Exit zone & NTS :	Region Obergailbach (NTS = 1)
NTR :	0
Special :	GRTgaz short notice interruptible (2h)

PRICING

Commodity Charge (€/MWh)

5.829 – SD - CD
+ 1.3107 x DOL (3,1,3)
+ 0.01988 x GO 0.1% (3,1,3)
+ 0.02652 x FO 1% (3,1,3)
+ 0.06206 x BRENT (3,1,3)

Where:

- SD = 3.96 €/MWh for the summer months (Apr – Oct)
  0 €/MWh for the winter months (Nov – Mar)
- CD (Customer Discount) = 0.24 €/MWh
- Each Quarter, DOL (3,1,3) shall be equal to the average of the inverses of the monthly $/€ exchange rates over the 3-month period starting 4 months before that Quarter, as published by the ECB. One Quarter corresponds to a 3-month period, starting on the 1st of January, the 1st of April, the 1st of July or the 1st of October of each year
- Each Quarter, GO 0.1% (3,1,3) shall be equal to the average of the quotations, in US$ per metric ton, over the 3-month period starting 4 months before that Quarter, for Gasoil 0.1% FOB Barges Rotterdam, average of the "high" and "low" quotations, published by Platts European Marketscan, and converted in € per ton at the average exchange rates of the months of reference as published by the ECB. One Quarter corresponds to a 3-month period, starting on the 1st of January, the 1st of April, the 1st of July or the 1st of October of each year
- Each Quarter, FO 1% (3,1,3) shall be equal to the average of the quotations, in US$ per metric ton, over the 3-month period starting 4 months before that Quarter, for LSFO (1%) FOB Barges Rotterdam, average of the "high" and "low" quotations, published by Platts European Marketscan, and converted in € per ton at the average exchange rates of the months of reference as published by the ECB. One Quarter corresponds to a 3-month period, starting on the 1st of January, the 1st of April, the 1st of July or the 1st of October of each year
- Each Quarter, BRENT (3,1,3) shall be equal to the average of the quotations, in US$ per barrel, over the 3-month period starting 4 months before that Quarter, for Dated Brent Rotterdam, average of the "high" and "low" quotations, published by Platts Crude Oil Marketwire, and converted in € per barrel at the average exchange rates of the months of reference as published by the ECB. One Quarter corresponds to a 3-month period, starting on the 1st of January, the 1st of April, the 1st of July or the 1st of October of each year

Fixed Charge : Each month, SNET shall pay a fixed charge of (185.117/12) €/MWh/d multiplied by the Maximum Daily Capacity for such month.

TAXES

The above price is inclusive of CTA but exclusive of all other taxes and duties.

NOMINATION	At the latest on the 15th day of each month M, SNET will provide EET with an indicative gas requirement for each month from (and including) month M+2 to expiry of the contract. At the latest on the 15th day of each month M, SNET will provide EET with an indicative nomination profile (daily pattern) for the coming month M+1. At the latest by 11:00 on each day D-1, SNET will provide EET with a good faith non-binding estimate of its gas consumption for the following day D. SNET shall re-nominate its gas consumption for the day D as soon as reasonably practicable following any change to its forecast gas consumption. If on any day the actual consumption is within +/-10% of the last accepted nomination, then SNET will receive a 0.1 €/MWh reduction on any gas consumed that day. A re-nomination later than 16:00 on the day D-1 for day D, shall not be subject to this potential price reduction that day unless EET has explicitly agreed that it will count. It is also understood that - SNET will give its full cooperation towards installing telemetry on site (at EET's cost) so as to accurately monitor consumption. - As long as telemetry is not installed or when telemetry is broken, SNET to provide hourly reads to EET Dispatch by email as soon as possible following the end of each hour. - SNET will cooperate as closely as possible with EET to plan and re-plan the consumption profile, including direct cooperation with the Siemens commissioning team. This includes, but is not restricted to, providing as gas consumption relevant information to EET as soon as possible.
BALANCING	No balancing charges to be paid by SNET.
OVERRUN FEES	In the event that in any month SNET exceeds the Daily Supply Capacity and/or the Hourly Supply Capacity, SNET shall be liable for any overrun fees that EET incurs from GRTgaz (the network operator/TSO).
SUPPLY OBLIGATION	Except in the event of Force Majeure or in the event of delivery reductions or delivery interruptions due to maintenance works on the network infrastructure up to the Supply Location, EET is committed to supply, at the agreed price, the Nominated Daily Quantities in accordance with the operational procedures.
SHORT-TERM INTERRUPTION	In the event that GRTZgaz exercises its right to short notice interruption as set out in 3.8 (*Offre d'acheminement interruptible a préavis court*) of the *Arrêté du 6 octobre 2008 approuvant les tarifs d'utilisation des réseaux de transport de gaz naturel* NOR: DEVE0824121A of the *Ministère de L'écologie, de l'énergie, du développement durable et de l'aménagement de territoire* (due to the low temperature and low flows at Obergailbach only) then EET shall pay SNET:

$$\sum_i Max[(EP_i - 0.37 \times CP_i) \times 52\% - GP_i, 0] \times Q_i$$

Where:

$\sum_i$ represents the sum over all hours i for which the short term interruption applies

EP_i = the Powernext EPEX Spot Auction Price for hour i (€/MWh)

GP_i = the Commodity Price in this Agreement for hour i (€/MWh)

CP_i = the most recent settlement price for the ECX EUA Daily Futures (Spot) Contract as published by the European Climate Exchange (€/tCO_2)

Q_i = the quantity of gas that SNET can reasonably demonstrate would have been taken in hour i but for the interruption (MWh), provided that the aggregate of Q_i over the day shall not be higher than 110% of the last daily nomination provided by SNET by 16:00 day-ahead.

STORAGE RIGHTS	SNET shall cooperate as closely as possible with EET and take all such actions (including notifications to GRTgaz) as may be required and in a timely manner such that EET is entitled to associated storage rights.
PAYMENT TERMS	Monthly invoicing, payment at the latest by the 20th calendar day of the month following the delivery month or by the 10th calendar day following the issue of the invoice, whichever is the latest. If the calendar day on which payment falls is a non banking day, payment should be made on the next banking day. Banking day to be defined by "TARGET" calendar.
ADDITIONAL YEARS	Every year, the parties intend to add an additional year to the contract. The intention is to find an agreement before 1/4/N for an additional contract year starting 1/10/N+2. In this manner the Emile Huchet 7 & 8 will have at any time at least 2.5 years and at most 3.5 years of gas supply under contract to contract expiry.
TERMINATION	In the event that E.ON owns 100% of SNET and both Parties considered that the agreement is no longer appropriate for the organizational structure, the Parties shall meet and seek in good faith to agree to amend or terminate this agreement.
LANGUAGE	The official language of this term sheet is English
APPLICABLE LAW	German Law
CONDITION PRECEDENT	Acceptance by SNET of the offer from EET for gas supply to Emile Huchet 4, 5 & 6 by 31 August 2009. Conclusion by the Parties of a Gas Sales Agreement incorporating this term sheet before 1 October 2009.

Please sign and return this document to EET, marked for the attention of the Director Gas & Oil Trading, not later then 31 August 2009 if you want to accept this offer.

Düsseldorf, 7 August 2009

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E.ON Energy Trading SE

Offer accepted in the name and on behalf of La SNET:

Paris, ______________2009

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La SNET