ORIGINAL

Dated 18th April 2005

EDF Trading Limited

and

Société Nationale d'Electricité et de Thermique, S.A.

COAL SALE AND LOGISTIC SERVICES AGREEMENT

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This Agreement is made the 18th day of April 2005

BETWEEN

(1) Société Nationale d'Electricité et de Thermique, S.A. a company incorporated with the number 399 361 468 RCS under the laws of the French Republic having its registered office at 2, rue Jacques Daguerre – 92565 Rueil-Malmaison, ("SNET"),

(2) EDF Trading Limited, a company incorporated with the number 3750288 under the laws of England and Wales having its registered office at 71 High Holborn, London WC1V 6ED ("EDFT").

each a "Party" and collectively "Parties"

WHEREAS:

(A) SNET and its Affiliates form one of the most important private power producers in France, owning and operating the Power Plants which mainly consume Coal for the production of electricity.

(B) SNET wishes to buy Coal and be provided with the related Logistic Services to ensure the continuous supply of Coal including the transportation and delivery to the Power Plants owned by SNET directly or through its Affiliates.

(C) EDFT is a relevant Coal wholesaler in the French market and wishes to sell Coal and provide certain related Logistic Services to SNET or to SNET's Affiliates on SNET's behalf under the terms and conditions of this Agreement.

(D) EDFT has sufficient technical ability and financial resources to supply Coal to SNET by means of acquiring from third parties the Coal and to provide the Logistic Services by means of subcontractors.

(E) EDFT is aware of the geographical situation of the Power Plants and also the terms and conditions of the Pre-Existing Logistics Contracts entered into by SNET and accepts the transfer of such contracts included within the framework of the Logistic Services.

NOW THEREFORE the Parties hereto intending to be legally bound hereby agree as follows:

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1. Definitions and Interpretation

1.1 The following terms shall have the following meanings (unless the context shall require otherwise):

"Actual Delivered Quantities" means that quantity of Coal in Mt delivered at the Delivery Point between the first Day and the last Day of the Delivery Month;

"Additional Financial Security" means any of the following: (i) an irrevocable, unconditional letter of credit or unconditional guarantee in an amount equal to 10 (ten) million euros and in a form and substance reasonably acceptable to SNET from an entity with a combined capital and surplus of at least US$ 1.0 billion and whose long-term debt is rated A3 or higher by Moody's or A- or higher by Standard & Poors, to be renewed as necessary so as to always be available in the full amount required; or (ii) an irrevocable, unconditional, stand-by letter of credit in form and substance reasonably acceptable to SNET, in an amount equal to 10 (ten) million euros and issued by a bank or trust company with a combined capital and surplus in excess of US$ 1.0 billion and whose long-term debt is rated at A2 or higher by Moody's or A or higher by Standard & Poors, to be renewed as necessary so as to always be available in the full amount required;

"Affiliate" (a) any Person which directly or indirectly holds more than fifty (50) per cent or more of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest in a Party; or

(b) any Person in which one of the Parties directly or indirectly controls more than fifty (50) per cent of the share capital of the votes, or in any other way directly or indirectly exercises a controlling interest; or

(c) any Person whose share capital or votes are held directly or indirectly for fifty per cent or more or which in any other way directly or indirectly controls more than fifty (50) per cent of the share capital or the votes or in any other way exercises, directly or indirectly, a controlling interest in a Party;

"Agreement" means this Coal Sale and Logistic Services Agreement together with the Appendices attached hereto and forming part hereof;

"AR" as received (in accordance with ISO 1170-1970);

"API#2 Monthly Index" means the TFS API 2 (CIF ARA) monthly coal price index as published in Argus/ McCloskey's Coal Price Index Report;

"ASTM" means the American Society for Testing and Materials;

"Base Price" shall have the meaning as described thereto in Article 8.1;

"Bi product Coal" means coal bi products (including, but not limited to schlamms and high level ash coal) originating either from mines in France or in those countries bordering France;

"Cahier des Charges" means the documents attached to this Agreement as Appendix 4;

"Cargo Analysis" means each of the Coal quality analyses made by a qualified independent expert on a sample taken during the loading on a vessel at the loading maritime port, or taken during the discharging of a vessel at the Discharging Port;

"Cargo Weight" shall mean the total weight in Mt (as set out in the relevant bill of lading) of the coal on board the relevant vessel which discharge such coal at the Port of FOS;

"Carry Over" shall have the meaning as described thereto in Article 7.4;

"Certificate of Analysis" means a certificate issued by an independent expert in accordance to Article 5.A;

"Certificate of Weight" means a certificate issued by an independent expert in accordance to Article 4.4. setting forth the weight of a delivery of Coal;

"Coal" the imported steam coal for SNET's total requirements in respect of power generation at the Power Plants defined in Appendix 2 (excluding Downgraded Coal and Bi product Coal) to be sold by EDFT and purchased by SNET under the conditions set forth herein;

"**Confidential Information**"shall have the meaning as described thereto in Article 18;

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"Consent" means any approval, authorisation or other requirement that is required from any Governmental Authority;

"Consignment" means a cargo of Coal of a uniform and homogeneous quality;

"Cumulative Shortfall" shall have the meaning as described thereto in Article 13.1;

"Day" means the period beginning at 0.00 hours on a day and ending at 0.00 hours on the following day;

"DDP" means as defined in Incoterms 2000 Edition;

"Default Tonnage" has the meaning specified in Article 13.1;

"Defaulting Party" has the meaning specified in Article 12.1;

"Delivery Month" means the Month of Coal delivery at the Delivery Points for each Power Plant;

"Delivery Order" has the meaning specified in Article 7.3;

"Delivery Point" means the place where Coal is unloaded at each Power Plant as specified in the Cahier des Charges;

"Delivery Tolerance" means, for each Power Plant, the amount of Coal equal to 10 per cent of the sum of the Delivery Order of Month M and the Carry Over of Month M-1;

"Demurrage Rate" shall mean the daily demurrage rate pursuant to the charter party referable to the relevant vessel from which coal has been discharged at the Port of FOS;

"Demurrage Time" shall mean the difference between (i) the time used between the valid tendering of any notice of readiness and the time at which discharge of coal is completed on the one hand, less any interruption to such time allowed under the terms of the relevant charter party and (ii) the time allowed for discharge on the basis of a discharge rate of 15,000 Mt per Day (Saturday PM, Monday 00:00-06:00AM, non working hours preceding or following holidays, Sundays and public holidays in the French Republic excluded) on the other hand;

"Discharging Port" means the maritime port at which Coal is unloaded before delivery to SNET in accordance with this Agreement;

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"Discharging Port Analysis" means the certificate that reflects the Coal quality analysis made by a qualified independent expert appointed by EDFT at a Discharging Port;

"Dispute" has the meaning specified in Article 15;

"Downgraded Coal"means any imported steam coal whose physical or chemical properties have been modified (as a result of, but not limited to, heating, screening or increase in moisture) such that such coal is no longer a commodity tradable in the international coal market (and for the avoidance of doubt, "Downgraded Coal" does not include Bi product Coal);

"Early Termination Date" has the meaning specified in Article 12.2;

"Event of Default" has the meaning specified in Article 12.1;

"EUR", "euro" and "€" each means the lawful currency of the participating member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union;

"Expert" means an independent expert appointed pursuant to Article 15.2;

"Final Price" means as determined in accordance with Article 8.2;

"Firm Order" has the meaning specified in Article 7.2;

"Force Majeure Event" means the occurrence of any event or circumstance, or any combination of such event or circumstance (or any of the consequences thereof), occurring at or downstream of a Discharging Port, which is beyond the reasonable control of the affected Party (acting and having acted as a Reasonable and Prudent Operator), and which, or any consequences of which, prevents or hinders the affected Party from performing all or part of its obligations under this Agreement;

"FOS Demurrage Charge" has the meaning specified in Article 3.A.1;

"Governmental Authority" means in respect of a competent jurisdiction, such country and any ministry, department, political subdivision, inspectorate, agency, corporation, commission minister, official or public or statutory person under the direct or indirect control of such country;

"HGI" means Hardgrove Grindability Index;

"Initial Period" has the meaning specified in Article 13.3;

"Incoterms" means the International Chamber of Commerce official rules for the Interpretation of Trade Terms (edition 2000);

"Issuing Party" has the meaning specified in Article 9.3;

"ISO" means International Organisation for Standardisation;

"Kcal" Kilo calorie;

"Last Payment" has the meaning specified in Article 9 A 1;

"Legal Requirement" means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question;

"Loading Point" means the place at which Coal is loaded onto the first Transport Means in respect of each Power Plant in accordance with the Cahier de Charges;

"Logistics Services" means those logistics services to be rendered by EDFT according to the terms of this Agreement as more particularly as set out in Appendix 1;

"Maximum Logistic Capacity" means the maximum capacity as stated in Mt of Coal applicable to each Power Plant as set out in paragraph 2 of the Cahier des Charges;

"Month" shall mean a period beginning at 0.00 hours on the first Day of a calendar month and ending at 0.00 hours on the first Day of the next succeeding calendar month (and "Monthly" shall be construed accordingly);

"Moody's" means Moody's Investor Services Inc. or its successor;

"Month M" means the relevant Month of delivery at the Delivery Point;

"Mt" means a Metric ton of one thousand (1,000) kilograms;

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"MW" means a Megawatt equal to one million (1,000,000) Joules per second;

"MWh" means a Megawatthour equal to three thousand six hundred (3,600) Mega Joules;

"NAR"means Net as received;

"**Net Calorific Value**"(**"NCV"**) means the calorific value on an NAR basis expressed in gigajoules per Mt (Gj/Mt) or Kilocalories per kilo (Kcal/Kg);

"Non-Defaulting Party" has the meaning specified in Article 12.2;

"Office Hours" means the period between 08.00 and 18.00 hours on a Working Day;

"Penalty Tolerance" has the meaning specified in Article 13.4;

"Person" means any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof;

"**Power Plant**" means any of those thermal power stations owned and operated by SNET or any of its Affiliates as specified in Appendix 2;

"Pre-Existing Logistic Contracts" means those contracts referred to in Article 14;

"President" has the meaning specified in Article 15;

"Prior Quality Verification" has the meaning specified in Article 5;

"Program of Delivery "means the program of quantities of Coal to be delivered by EDFT for each Power Plant during the relevant Month M, including (i) any undelivered quantities (Cumulative Shortfall less the Default Tonnage), from the Program of Delivery for Month M-1, (ii) the Carry Over quantities according to the Firm Order of Month M-1, and (iii) the Delivery Order of Month M;

"Quality Analysing Societies" means those qualified independent Persons, mutually agreed by the Parties pursuant to Article 5 to sample and analyse the Coal at the Loading Point or at a Power Plant in accordance with the Relevant Procedures;

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"Quality Control at Discharging Port" has the meaning specified in Article 5.3;

"Quality Control at Expedition" has the meaning specified in Article 5.4;

"Reasonable and Prudent Operator" means a Party acting in good faith, with the intention of performing its obligation hereunder and who in doing so, and in the general conduct of its undertaking, exercises that degree of skill, prudence and foresight which would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law engaged in the same type of undertaking in similar conditions and circumstances;

"Relevant Procedures" means ISO, ASTM or European Union Standards as the case may be;

"Specifications" means the specifications of Coal as set out in Appendix 3 or as otherwise agreed between the Parties pursuant to Article 5;

"SNET Prepayment" has the meaning specified in Article 9.A.1;

"Standard & Poor's" means Standard & Poor's Rating Group (a division of McGraw –Hill, Inc.);

"Stockyard" means those areas adjoining each Power Plant where Coal is customarily stored as described in the Cahier de Charges;

"Tax" means any tax, levy, duty, charge, assessment, royalty, tariff or fee of any nature (including interest, penalties and additions thereto) whether enacted and effective prior to or after the date of this Agreement that is imposed by any Governmental Authority on Coal or on the sale, storage, handling or transportation of Coal. For the avoidance of doubt, Tax shall exclude (i) any tax on net income or net wealth; (ii) any tax on income derived from the exploitation of coal fields; (iii) stamp, registration, documentation or similar tax; and (iv) VAT;

"Term" means as defined in Clause 2.2;

"Termination Amount" has the meaning specified in Article 12.3;

"Threshold" means, in respect of each Power Plant, the figure as specified in Appendix 7;

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1.3. All terms derived from terms defined in this Article 1 shall be construed in accordance with such defined terms; and references to the singular shall include the plural and vice versa.

1.4 Any references to time in this Agreement shall be references to Central European Time.

1.5. Any reference to Month M followed by sign (+) or (-) plus a number, shall refer to the Month that is subsequent to or preceding Month M according to such number.

2. Starting Date and Term

2.1 This Agreement shall become effective upon its execution by both Parties.

2.2 The Parties agree that the sale of Coal, provision of Logistic Services and corresponding deliveries in accordance with the terms and conditions of this Agreement commenced on the Day of the first Firm Order which was provided on 14th March 2005 and, unless terminated earlier in accordance with its terms, will terminate upon each Party's fulfilment of its obligations in respect of the last Firm Order which may be given no later than 31st December 2009 (the "Term").

2.3. This Agreement may be extended upon mutual agreement of the Parties for a further one (1) year, such extension to be declared no later than 30th June 2009.

2.4 Upon the expiry of this Agreement, the Parties shall (if requested to do so by SNET) in good faith use all reasonable endeavours to agree the continuation of Logistics Services (at reasonable rates and upon reasonable terms) by EDFT on behalf of SNET.

2.5. The expiry or termination of this Agreement shall not relieve either Party from any obligations to the other Party incurred or arising prior to the date of such expiry or termination. The provisions of Article 18 ("Confidentiality") shall survive the termination, cancellation or expiry of this Agreement, howsoever caused, for a period of 3 (three) years from the date of such termination, cancellation or expiry.

2.6. Termination of this Agreement, regardless of cause, shall be without prejudice to the provisions of this Agreement necessary for the exercise of rights or remedies which accrued to either Party prior to the date of such termination, cancellation or expiry and such Articles shall

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survive for the period necessary for the exercise of any such rights or remedies.

3. Delivery Obligation and Logistic Services

3.1. Subject to the terms and conditions contained herein, EDFT shall deliver and sell, and SNET shall take and purchase the quantity of Coal to be delivered by EDFT and received by SNET at the Delivery Points in the relevant Power Plants.

Coal shall be delivered by EDFT to SNET on a DDP basis unless as otherwise provided in Appendix 1 to this Agreement.

3.2. Notwithstanding any other provision of this Agreement, SNET shall be free to purchase and take delivery from any third parties (i) any amount of Downgraded Coal (subject to an annual limit of 300,000 Mt for the first two Years of this Agreement) and (ii) any amount of Bi product Coal, provided however that SNET in undertaking any purchase pursuant this Article 3.3 shall not prevent or otherwise hinder EDFT from performing its obligations hereunder (in accordance with the Cahier de Charges).

After such first two Year period, the Parties shall review the limit referred to in this Article 3.3, and shall use reasonable endeavours to agree a new limit, and failing such agreement the annual limit will be 300,000 Mt per Year.

3.3 EDFT shall also provide to SNET the Logistics Services in relation to Coal sold by EDFT and purchased by SNET pursuant to the terms of this Agreement.

EDFT shall act always as a Reasonable and Prudent Operator in respect of the provision of such Logistics Services.

3.4 It is agreed that until the merger of SNET and its Affiliates SODELIF, SETCM and SETNE is completed, SNET will coordinate and manage on behalf of such Affiliates the delivery of Coal and related Logistic Services to be rendered to those Power Plants owned by SODELIF, SETCM and SETNE.

3.A Demurrage at Fos

3.A.1 EDFT shall require SNET to pay in respect of each Mt of Coal delivered to SNET via the Port of Fos a charge (the "FOS Demurrage

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Charge") in respect of time used to discharge such Coal at the Port of Fos.

3.A.2 If the Demurrage Time is less or equal to 14 Days, the FOS Demurrage Charge shall be zero.

3.A.3 If the Demurrage Time is more than 14 Days but less or equal to 21 Days, the FOS Demurrage Charge shall be equal to (Demurrage Time –14 Days) x 0.30 x Demurrage Rate/Cargo Weight.

3.A.4 If the Demurrage Time is more than 21 Days, the FOS Demurrage Charge shall be equal to (Demurrage Time – 21 Days) x 0.50 x Demurrage Rate/ Cargo Weight + 7 Days x 0.30 x Demurrage Rate/Cargo Weight

3.A.5 EDFT shall provide to SNET all relevant information concerning any vessel chartered by EDFT for the carriage of Coal to the Port of Fos, and the delivery schedule of all other vessels chartered by EDFT calling at the Port of Fos.

EDFT shall use reasonable endeavours to organise the delivery schedule and manage the stockpile at Port of Fos to reduce the risk of demurrage, and to share the risk of demurrage with any other customer of EDFT.

To prevent high risk of demurrage, EDFT shall study and propose alternatives (if any) to SNET.

4. Quantity Determination

4.1

4.1.1 From the First Firm Order but subject to Article 4.2.1, the weight determination shall be made by the relevant Weighing Society at each Weighing Point.

The Parties have agreed as set out in Appendix 9 on (i) the Weighing Society for each Transport Means and for each Power Plant (provided however the selected Weighing Societies may or may not be the same for each Transport Means and for each Power Plant) (ii) the weighing equipment and tolerance associated, for each Transport Means and for each Power Plant and (iii) the process to be used by each selected Weighing Society for weighing during the loading.

4.1.2 The Weighing Societies shall weigh during the loading of Coal on the relevant Transport Means at the Weighing Point either by means of (i) draft survey of barges and/or (ii) weighing of trucks or trains.

All costs and expenses of the Weighing Societies incurred pursuant to this Article 4 shall be borne by EDFT.

4.1.3 SNET shall have the right to appoint a representative to attend and observe the weighing at the Weighing Point at any time and at its own cost.

4.1.4 A Certificate of Weight shall be issued by each relevant Weighing Society based on the determination of the weight of each shipment of Coal in accordance Article 4.1.2.

4.1.5 The weight determination made by the relevant Weighing Society at a Weighing Point will be final and binding for both Parties except in the event that the difference between (i) the weight determination performed by SNET pursuant to Article 4.2.1 and (ii) that as stated in the Weighing Certificate is above the tolerance set out in Appendix 9.

In the event of a dispute and should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted by either Party to the Expert for final determination as set forth in Article 15.2.

In the event of systematic differences between the monthly average weigh determinations performed by SNET and the relevant Weighing Society (provided that the differences are within the tolerances set out in Appendix 9), the Parties agree that they shall initiate corrective measures to minimize the differences for future deliveries.

4.2

4.2.1 At any time during the Term SNET may elect to carry out additional weight determination in one or more Power Plants for each or several Transport Means.

4.2.2 At any time SNET may propose to install a weight determination system in one or more Power Plants for final and binding weight determination for both Parties.

Forty (40) Working Days before the commencement of any new weight determination system, SNET will provide to EDFT information about (i) the Weighing Society (ii) the relevant weighing equipment and associated tolerances, and (iii) the weighing process to be used.

4.2.3 EDFT may either (i) accept any new weight determination system proposed by SNET pursuant to this Article 4.2 or (ii) accept with reservations or (iii) refuse the new weight determination system.

In the event of a disagreement, and should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted by either Party to the Expert for final determination as set forth in Article 15.2.
In the event that any new weight determination system is adopted, Appendix 9 shall be modified accordingly.

4.2.4 The relevant Weighing Society shall weigh before or during the discharging of Coal from the relevant Transport Means at the relevant Power Plant.

SNET shall bear all costs and expenses of the weighing operations under this Article 4.2 and any relevant and justifiable costs and expenses directly borne by EDFT in relation to such new weight determination system.

4.2.5 EDFT shall have the right to appoint a representative to attend and observe the weighing at the Power Plant at any time and at its own cost.

4.2.6 A Certificate of Weight shall be issued by the relevant Weighing Society based on the determination of the weight for each shipment of Coal in accordance Article 4.2.3.

4.2.7 The weight determination made by the relevant Weighing Society pursuant to this Article 4.2 will be final and binding for both Parties unless the difference between the weight determination performed by EDFT pursuant to Article 4.1.2 and that as performed by SNET pursuant this Article 4.2 is above the tolerance given in Appendix 9.

In the event of a dispute and should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted by either Party to the Expert for final determination as set forth in Article 15.2.

In the event of systematic differences between the monthly average weigh determinations performed by EDFT and the relevant Weighing Society (provided that the differences are within the tolerances set out in Appendix 9), the Parties agree that they shall initiate corrective measures to minimize the differences for future deliveries.

5. Specification and Quality Determination of Coal

5.1. Subject to Article 5.2, the Parties agree that the Specifications of Coal to be delivered to the Power Plants of SNET pursuant to this Agreement, are set out in Appendix 3.

5.2.

5.2.1. Notwithstanding Article 5.1 all sources of Coal (whether within or outside of the Specifications) proposed by EDFT to be supplied to SNET will be subject to prior written approval of SNET (which approval shall be given prior to the commencement of delivery of Coal at the relevant Loading Point (the "Prior Quality Verification") .

5.2.2. To obtain Prior Quality Verification, EDFT shall send to SNET (i) a quality analysis customary in the international coal market and (ii) Cargo Analysis when available, which will include at a minimum the analysis of:

- Total moisture, inherent moisture when available
- Ash, volatile matters (on as received basis)
- Elementary analysis, Chlorine, Sulphur (on as received basis)
- Net Calorific Value, gross calorific value (on as received basis)
- HGI
- Heavy metals analysis
- Chemical ash analysis and ash fusion temperatures (with curve)
- Sizing

5.2.3. Within twenty (20) Working Days after having received the quality analysis referred to in Article 5.2.2., SNET shall notify in writing to EDFT its decision to: (i) accept the proposed Coal, (ii) reject the proposed Coal (and provide reasons in respect thereof), or (iii) give its provisional acceptance to Coal subject to further analysis or arrangements.

5.3. Prior to the commencement of the delivery of each Consignment of Coal, the following will be sent to SNET: (i) Cargo Analysis in the event that this has not been previously sent to SNET for Prior Quality Verification and (ii) Discharging Port Analysis when available.

Such analysis will include at a minimum:

- Moisture
- Ash, volatile matters (on as received basis)
- Elementary analysis, Chlorine, Sulphur (on as received basis)

- Net calorific Value, gross calorific value (on as received basis)
- HGI
- Heavy metals analysis
- Chemical ash analysis and ash fusion temperatures (with curve)
- Sizing

In the case of Coal previously accepted by SNET, EDFT may send the following parameters no later than 15 Days after the first delivery of each Consignment of such Coal:
- Heavy metals analysis
- Chemical ash analysis and ash fusion temperatures (with curve)

In case of a material difference between the analysis carried out pursuant to this Article 5.3 and the analysis carried out for the Prior Quality Verification, SNET shall have the right to interrupt the delivery of such Coal. EDFT shall have the right either (i) to replace the Coal by a new Coal after acceptance by SNET or (ii) to organize other sampling and analysis for acceptance by SNET.

5.4.

5.4.1. From the first Delivery Month M, the quality determination of Coal at the relevant Loading Point shall be made by suitable Quality Analysing Societies proposed by EDFT.

All costs and expenses of the Quality Analysing Societies incurred pursuant to this Article 5.4.1 shall be borne by EDFT unless otherwise agreed.

5.4.2 At any time during the Term, each Party shall have the right to request to change a Quality Analysing Society.
Within forty (40) Working Days, EDFT shall propose one or more new Quality Analysing Societies and any possible corresponding extra costs.
The Parties will either (i) choose such Quality Analysing Society and accept any corresponding extra costs or (ii) refuse such proposal and retain the previous Quality Analysing Society.

Should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted by either Party to the Expert for final determination as set forth in Article 15.2.

If the Parties do so agree a change pursuant to this Article 5.4.2 , such change shall be applied no later than eighty (80) Working Days after such agreement is reached.

5.4.3. The Quality Analysing Societies will take samples during the loading on the relevant Transport Means at the Loading Port and the following analysis shall be carried out:

- Total moisture and inherent moisture
- Ash, volatile matters (on as received basis)
- Net calorific Value, gross calorific value (on as received basis)
- Sizing

If no analysis is available at the Discharging Port, then for each Consignment of Coal, daily samples for the relevant Month shall be retained for three Months for the purposes of obtaining an average sample.

SNET has the right to request an additional analysis of such average sample from time to time without additional cost, or at its own cost otherwise, as follows :

- HGI
- Heavy metals analysis
- Chemical ash analysis and ash fusion temperatures (with curve)

SNET shall have the right to appoint a representative to attend and observe the quality sampling at the Loading Point at any time and at its own cost.

5.5

5.5.1 SNET may at any time during the Term elect to carry out sampling and analysis for one or more Power Plant for each or several Transport Means.

5.5.2

SNET may at any time propose to use sampling for quality determination in one or more Power Plants for final and binding quality determination.

Eighty (80) Working Days prior to the commencement of any new quality determination system, SNET shall provide to EDFT information about (i) the Quality Analysing Society (ii) the relevant sampling equipment and (iii) the sampling process to be used.

5.5.3 EDFT may either (i) accept any new quality determination system proposed by SNET pursuant to the Article 5.5 or (ii) accept with reservations or (iii) refuse the new quality determination system.

In the event of disagreement, and should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted by either Party to the Expert for final determination as set forth in Article 15.2.

5.5.4 The Quality Analysing Society will take samples during the discharging from the relevant Transport Means at the relevant Power Plant.

EDFT shall have the right to appoint a representative to attend and observe the quality sampling at such Power Plant at any time and at its own cost.

SNET shall bear all costs and expenses of quality determination under this Article 5.5.

EDFT may agree a rebate corresponding to any savings made as a consequence of the withdrawal of quality determination at the relevant Loading Point as defined in 5.4.1.

5.6 Quality determination made by the relevant Quality Analysing Societies will be final and binding for both Parties.

5.7. The Coal to be supplied by EDFT to SNET shall conform with the Specifications. Should the quality of the Coal not be within the Specifications, SNET shall have the right to reject such Coal. SNET shall notify to EDFT whether such Coal is rejected (and shall provide written reasons in respect thereof).

In case of disagreement, and should the Parties not be able to reach an agreement within thirty (30) Working Days, the matter may be submitted to the Expert for final determination as set forth in Article 15.2

5.8. The Coal to be supplied by EDFT to SNET to the Power Plants shall be substantially free of all foreign matter, including but not limited to bone slates, earth, rock, pyrite, blasting wire or wood. In the case of substantial quantities of foreign matter being present in the Coal upon delivery at the relevant Power Plant, all costs incurred by SNET as a consequence thereof shall be borne by EDFT.

5.A Quantity and Quality Monthly Report

At the end of each Delivery Month, EDFT will provide to SNET or pursuant Article 4.2 or Article 5.5 SNET will provide to EDFT as per Appendix 10:

(i) the results of the weighing of Coal for such Month by sending a certificated copy of the Certificate of Weight covering such Month and

(ii) a certificate of analysis of Coal for such Month made by the Quality Analysing Societies ("Certificate of Analysis") which will include at a minimum

- Total moisture
- Ash, volatile matters (on as received basis)
- Net Calorific Value, gross calorific value (on as received basis)

6. Transfer of Title and Risk

6.1 Risk in and title to the Coal sold and purchased in accordance with this Agreement shall pass to SNET as the Coal is progressively unloaded at each Delivery Point

6.2 EDFT warrants title to the Coal to be delivered and sold hereunder to be free from any liens, fees, charges, encumbrances dues, claims of each and any kind. EDFT shall indemnify SNET from any claims, actions, liabilities, losses, damages and costs arising from failure of title or loss or damage to the Coal while title and risk of loss or damage to the Coal is vested in EDFT.

7. Schedule of Deliveries

7.1. SNET shall provide to EDFT in writing its non-binding indicative order for Coal for each Power Plant during Month M before each 7th Day of Months M-6 to M-3 inclusive.

7.2. SNET shall provide to EDFT in writing its firm order for Coal to be delivered for each Power Plant during Month M no later than the second Working Day of Month M-2 ("Firm Order").

7.3. SNET shall notify EDFT in writing no later than the 15th Day of Month M-1 any amendments to the quantity of the Firm Order for each Power Plant for Month M (such amended Firm Order being a "Delivery Order"), provided that the Delivery Order may not be less than sixty per cent (60%) of the corresponding Firm Order in the case of Hornaing Power Plant and Lucy Power Plant (unless otherwise agreed) or seventy five (75%) per cent of the corresponding Firm Order for Emile Huchet Power Plant and Provence Power Plant (unless otherwise agreed) (subject always to the provisions of Article 7.6).

Unless EDFT has provided its written approval, SNET may not provide to EDFT a Delivery Order which is greater in quantity than the corresponding Firm Order.

7.4. Any difference between the Delivery Order and the corresponding Firm Order shall be delivered by EDFT to SNET in the Month immediately following Month M (Month M+1) (such difference being the "Carry Over Order" of Firm Order for Month M).

7.5. In respect of each Month M, for each Power Plant, the quantities of Coal to be delivered by EDFT are aggregated in a program referred to herein as "Program of Delivery for Month M". This Program is divided in four parts:

(a) The Cumulative Shortfall observed at the end of Month M-1;

(b) The Carry Over Order of Firm Order Month M-1;

(c) The Delivery Order of Firm Order Month M; and

(d) Always subject to mutual agreement, any part of the Firm Order of Month M+1 to be delivered in advanced in Month M.

7.6 Each Delivery Order of Month M shall be limited only by the monthly Maximum Logistic Capacity of each Plant minus the Carry Over of Month M-1.

The quantities of the Program of Delivery for month M (in accordance with Article 7.5) may exceed the Maximum Logistic Capacity of each Power Plant.

7.7 Subject to approval by the other Party, each Party has the right to request the delivery of a part or entire Firm Order for Month M earlier than Month M.

7.8 EDFT will provide to SNET, at the latest the 20th Day of Month M-1, a program indicating for Month M and for Month M+1 the following:

(a) The Cumulative Shortfall observed at the end of Month M-2

(b) Any part of the Firm Order of Month M-1, to be delivered in Month M (Carry Over of Month M-1);

(c) Any part of the Firm Order of Month M, to be delivered in Month M;

(d) Any part of the Firm Order of Month M, to be delivered in Month M+1 (Carry Over of Month M);

(e) Always subject to mutual agreement, any part of the Firm Order of Month M+1 to be delivered in advanced in Month M; and

(e) The Firm Order of Month M+1;

The Program of Delivery shall also indicate both the type and division of Transport Means to be used.

8. Price and Adjustment

8.1 The Base Price $P_{N,M}$ for each Month M (in €/Mt and rounded to two decimal places) payable by SNET to EDFT in respect of Coal delivered to SNET and the Logistics Services for each Power Plant performed in connection therewith for any Month and reflected in the Firm Order, shall be determined in accordance with the following formula:

$$P_{N,M} = [\frac{\sum_{M-2}^{M} API_N^m \times TBCE_N^m}{3} \times A] + L_N$$

Where
API (in \$/Mt) is the API#2 Monthly Index of Month M-2 through Month M of Year N. A is equal to 0.94;
TBCE is the monthly arithmetic average of the exchange rate EUR/USD as published by the Central European Bank on web page: http://www.ecb.int/stats/exchange/eurofxref/html/eurofxref-graph-usd.en.html during Month M-2 through Month M of Year N;
For each Power Plant, L_N (in €/t) is the Logistics Services price for the Year N of delivery;
L_N is indexed every year on S, R and G and shall be determined in accordance with the following formula;

$$L_{200N} = L_{2000} \times (0.15 + 0.38\frac{S_{200N}}{S_{2000}} + 0.37\frac{R_{200N}}{R_{07/2004}} \times 1.0867 + 0.1\frac{G_{200N}}{G_{2000}})$$

With

L_{2000} (in €/Mt) is the reference logistic services price of Coal delivered to the Power Plants, as follows:

Reference logistic services prices	Emile Huchet	Hornaing	Lucy	Provence
L_{2000} in €/kth PCS	2.9712	2.0367	3.3950	2.5474
L_{2000} in €/Mt (PCS = 6.250 kth/Mt)	18.5700	12.7294	21.2188	15.9213

R is the index proposed by INSEE (National French Institute of Statistic) to substitute PSdB index disappeared in July 2004.

$$R_{200N} = \left[0.72 * \frac{EBIQ_{200N}}{EBIQ_{07/2004}} + 0.2 * \frac{TCH_{200N}}{TCH_{07/2004}} + 0.08 * \frac{ICC_{200N}}{ICC_{lastquarter2003}} \right] * 100$$

1.0867 is a coefficient calculated by divided $PSdB_{july\ 2004}$ with $PSdB_{January\ 2000}$

EBIQ is the aggregated index « Energie, biens intermédiaires et biens d'équipement » identified by the number 000300 in board 20N1 of « Bulletin Mensuel de Stastistique », and number PVIS000300 on web site http://indicespro.insee.fr.

TCH is the aggregated index « Service de transport, communications et hôtellerie, cafés, restauration » identified by the number 4566E in board 24 N du « Bulletin Mensuel de Statistique », and number 086735376 on web site www.indices.insee.fr.

ICC is the index « coût de la construction » available on « Bulletin Mensuel de Statistique », or on web site www.indices.insee.fr « identifiant 060403011 »

$\mathbf{R_{200N}}$ is the January value on year N of R index calculated with :

- $EBIQ_{200N}$, January value on year N of EBIQ index,
- TCH_{200N} , January value on year N of TCH index,
- ICC_{200N} , second quarter value on year N-1of ICC index.

$\mathbf{S_{200N}}$ is the January value on year N of the « coût de la main d'œuvre des industries mécaniques et électriques (Bulletin Mensuel de Statistiques, identifiant 2 11 H, tab 3) »

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G_{200N} is the January value on year N of the gasole index "France entière (BMS tab 24 N, identifiant 18 70 T)"

Initial values :

- R $_{07/2004}$ = 100
- EBIQ $_{07/2004}$ = 100.7
- TCH $_{07/2004}$ = 112.3
- ICC $_{last\ quarter\ 2003}$ = 1200.5
- S $_{2000}$ = 106.6
- G $_{2000}$ = 125.1

If any one of the above indices becomes permanently unavailable, the Parties agree to use the last published index until agreement upon a replacement index. In the event that the Parties fail to agree on a replacement index within three (3) Months after such unavailability the Parties will refer such matter to an Expert pursuant to Article 15

8.2 The Base Price shall be adjusted upwards or downwards on a pro-rata basis in accordance with the following formula, where the actual NCV in kcal/kg shall be as stated in the analysis results pursuant to Clause 5.A

Final Price = Base Price x actual NCV/6000 kcal/kg

8.3 Provisional prices shall be used to determine the Logistic Services prices of the first Months of each Year N. The provisional values of R_{200N}, S_{200N}, G_{200N} shall be determined by using the values of R_{200N-1}, S_{200N-1}, G_{200N-1} corrected by the variation of the index "prix à la consommation hors tabac de l'année N" defined by the French financial law during October of Year N-1.

8.4 The definitive prices may be calculated in or around April of Year N, following the official publication of R, S, G January indices, and shall be used until the end of Year N. The provisional prices of the first Months shall be corrected by the definitive prices for such Months, and a correcting invoice or credit note shall be issued at such time by EDFT.

9 Billing and invoicing

9.1 EDFT shall prepare and send to SNET an invoice for the Final Price for each Delivery Month no later than fifteen Days after the end of such Month. Invoices shall be prepared taking into account the results of the Certificate of Weight and Certificate of Analysis for Coals delivered during such Month pursuant to Articles 4 and 5.A.

The delivery of each invoice shall be accompanied by the following documents for each shipment of Coal delivered by EDFT to SNET

(i) One (1) signed original and one (1) copy of EDFT commercial invoice witch content is outlined in Appendix 5, detailing the quantity of Coal delivered and the Final Price;

(ii) One (1) original of the Certificate of Analysis;

(iii) One (1) original of the Certificate of Weight.

9.2 SNET shall make payment of EDFT's invoice sent pursuant to Clause 9.1 in full without set-off (except as provided by otherwise in this Agreement or by any applicable Tax regulations), deduction or withholding by bank transfer no later than the last Working Day of Month M+1.

If the payment dates for two or more invoices between the Parties fall on the same day in the same currency, and if each Party is required to make a payment to the other on such payment date, such amounts with respect to each Party shall be aggregated, and the Party owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed.

9.3 In the event a Party disagrees with any invoice or part thereof, such Party shall make provisional payment of the undisputed amount thereof and shall immediately notify the other Party (the "Issuing Party") of the reasons for such disagreement. Particularly, in the case of an error in computation, the Party receiving the invoice shall only be obliged to pay the correct amount of such invoice after advising the Issuing Party of the error and the correct amount, and receiving the Issuing Party's confirmation of its agreement to such correct amount. An invoice may be contested by the Party that received it, or modified by the Party that sent it, by notice served on the other Party questioning the correctness of the invoice within a period of thirty (30) Working Days after such receipt or sending, as the case may be. Except in case of manifest error, if no such notice is served within such thirty (30) Working Days period, such invoice shall be deemed correct, final and accepted by both Parties. The Parties shall promptly discuss the disputed portion of any invoice in good faith for resolution of such dispute. Promptly after resolution of any dispute as to an invoice, the amount that is the subject of such dispute shall be paid by one Party to the other (as the case may be).

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9.4 All amounts payable under this Agreement are exclusive of any Value Added Tax which may be chargeable thereon, and an amount equal to any Value Added Tax payable will be paid by the Party required to pay the invoice in respect of which such Value Added Tax is payable, provided such invoice is a valid VAT invoice.

9.5 EDFT shall pay or cause to be paid all Tax on or with respect to Coal delivered pursuant to this Agreement arising before the transfer of risk and title at the relevant Delivery Point. SNET shall pay or cause to be paid all Tax on or with respect to Coal delivered pursuant to this Agreement arising at or after the transfer of risk and title at the relevant Delivery Point.

9.6 SNET covenants with EDFT that, for the purposes of any Tax which is targeted at the end-user, burner or consumer of coal but which is levied further upstream of the distribution chain than the relevant Delivery Points, it will indemnify and hold harmless EDFT against any liability for such Tax which is targeted at the end-user, burner or consumer of coal (and any associated charges and penalties provided EDFT acts as a Reasonable and Prudent Operator) in respect of Coal delivered hereunder.

9.7 In the event that a Tax is levied at one or more Loading Points, EDFT shall use reasonable endeavours to use alternative Loading Points (provided it shall not incur additional costs in respect thereof).

9 A SNET Prepayment

9.A.1. In addition to payments made by SNET to EDFT pursuant to Article 9, SNET shall pay to EDFT on the fifth Working Day immediately following the signature of the Agreement a sum in Euro being the "SNET Prepayment". This SNET Prepayment will be determined in accordance with the monthly average consumption of Coal by SNET (agreed for the purposes of this Article 9.A.1 to be 200 000 Mt) multiplied by the API #2 Monthly Index of Month M-2 minus 6% (applying the average EUR/USD exchange rate for Month M-2 as published by the European Central Bank) of the first Delivery Month hereunder.

The SNET Prepayment shall be applied by EDFT as payment for the delivery of Coal corresponding to the final Month of the Term ("Last Payment"), provided SNET has paid all amounts due for prior Months of the Term. If the Last Payment is greater than the SNET Prepayment then SNET shall pay such positive difference to EDFT. If the Last

Payment is less than the SNET Prepayment, EDFT shall pay to SNET the absolute value of such difference.

9.A.2. SNET shall not be entitled to any interest earned on the SNET Prepayment except in case of late return of the SNET Prepayment pursuant to Article 10 ("Force Majeure") and Article 12 ("Events of Default")

9.A.3. If as a consequence of changes in the API#2 Monthly Index and/or the EUR/USD exchange rate as published by the European Central Bank, the amount corresponding to the monthly average consumption of Coal varies by 20% or more, (plus or minus) ("Difference"), the Prepayment amount will be adjusted accordingly. If the Difference is upward, the SNET shall pay the amount of the Difference to EDFT and if the Difference is downward, EDFT shall pay the amount of the Difference to SNET.

9.A.4. SNET shall have the right in respect of each period of twelve (12) Months to review the amount of the SNET Prepayment based on the average of the actual Coal consumption for the previous period of twelve (12) Months.

10 Force Majeure Event

10.1. If either Party is rendered unable by a Force Majeure Event to carry out, in whole or part, its obligations under this Agreement, then during the pendency of such Event of Force Majeure but for no longer period, the obligations of the Parties (other than obligations to make payments when due) under this Agreement shall be suspended to the extent required by the Force Majeure Event. Without prejudice to the foregoing, the Term shall not be extended by Force Majeure Events.

EDFT shall use all reasonable endeavours to procure that all agreements with its subcontractors (except in the case of the Pre-Existing Logistic Contracts) contain provisions which: (i) are broadly analogous to the requirements for Force Majeure Events herein to the extent applicable (including an obligation to use reasonable endeavours to rectify the Force Majeure Event in question) (ii) give EDFT access to and permit EDFT to disclose all relevant information to SNET and (iii) require EDFT's subcontractors to resume performance as soon as reasonably possible once the Force Majeure Event ceases or abates.

Further, for the avoidance of doubt, EDFT shall be relieved from its obligations hereunder pursuant to a Force Majeure Event in relation to

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a Transport Means only to the extent that at the time of the applicable Force Majeure Event (i) such Transport Means is being or is scheduled (in accordance with Article 7.8) to be directly used for the performance of the Logistic Services and (ii) no other Transport Means is reasonably available to replace such Transport Means from the relevant Loading Point, and (iii) no other Transport Means is reasonably available to replace such Transport Means from another Loading Point.

10.2. Promptly upon the occurrence of a Force Majeure Event that a Party reasonably considers may affect its ability to perform its obligations under this Agreement, the Party so affected shall give notice to the other Party, stating therein:

(i) the particulars of the event giving rise to the Force Majeure Event, in as much detail as is then reasonably available including but not limited to the place and time such event occurred;

(ii) (to the extent known or ascertainable) the obligations which have been actually delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including the estimated extent of such reduction in performance;

(iii) the particulars of the program to be implemented to ensure full resumption of normal performance hereunder; and

(iv) the quantities of Coal which it reasonably expects to be able to transport and deliver, or take, as the case may be, during the period during which the Force Majeure Event can reasonably be expected to continue;

10.3 The notice provided pursuant to Article 10.2 shall be supplemented and updated fortnightly during the period of the Force Majeure Event specifying the actions being taken to remedy the circumstances causing such Force Majeure Event and the anticipated date on which such Force Majeure Event and its effects are expected to end.

10.4 The Party affected by a Force Majeure Event shall, at the request of the other Party, give or procure access (at the expense and risk of the Party seeking access) at all reasonable times for a reasonable number of representatives of such Party to examine the scene of the Force Majeure Event. No obligation of a Party claiming relief pursuant to a Force Majeure Event under this Agreement shall be diminished, waived or in any way affected by any such examination(s) by or on behalf of the other Party or its representatives in connection with any such examination(s).

10.5 Force Majeure takes effect at the moment a Force Majeure Event occurs and not upon giving notice under this Article 10. A Party whose performance is excused by a Force Majeure Event shall not be required to incur any unreasonable or uneconomic costs, or make any additional investments in new facilities or plants.

10.6. If a Force Majeure Event persists for a continuous period of 180 days, then the Party not claiming relief from performance under this Article 10 shall have the option, upon twenty Working Days prior written notice, to terminate this Agreement and the obligations of the Parties hereunder (other than payment obligations for prior performance hereunder). In the event of termination pursuant to this Article 10.6, EDFT shall return to SNET, the SNET Prepayment within five (5) Working Days from the date of such termination.

10.7 In the event of a Force Majeure Event which prevents or hinders EDFT from performing its obligations hereunder, delivery of the affected quantity of Coal shall not be made up unless SNET so requests. SNET shall be free to purchase Coal from any source in substitution of the quantity of Coal affected by the Force Majeure Event. The exercise of such right under this Article shall not give rise to any claim against the Party claiming Force Majeure Event resulting from such purchase. In such case, EDFT shall upon SNET's written request return within a five (5) Working Days period take all the necessary actions to allow SNET to step into the Pre-Existing Logistic Contracts according to Article 14, or any successor agreements replacing such Pre-Existing Logistic Contracts.

10.8 If EDFT as a result of a Force Majeure Event is able to meet in part, but not in full its delivery obligations in respect of this Agreement and other affected sales agreements, EDFT shall treat this and other long term supply agreements in a fair and equitable manner, and shall make all reasonable endeavours to allocate coal among SNET and other long term purchases on such a fair and equitable basis.

11. Representations and Warranties

Each Party represents and warrants to and for the benefit of each other Party as follows (such representations and warranties are deemed to be repeated until the termination or expiry of this Agreement):

11.1 Status

It is duly organised and validly existing under the law of its jurisdiction of organisation or incorporation, and it has the power to own its assets and carry on its business as it is being conducted.

11.2 Powers

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Agreement.

11.3 Consents

All action, conditions and things required by the laws of the French Republic (in the case of SNET) and England and Wales (and if applicable France, (in the case of EDFT)) to be taken, fulfilled and done including the obtaining of any necessary Consents in order to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under this Agreement, to ensure that those obligations are valid, legally binding and enforceable and to make this Agreement admissible in evidence in the courts of the French Republic have been taken, fulfilled and done.

11.4 Non-Violation

The entry into and performance by it of this Agreement do not and will not conflict with: (i) any other law or official requirement applicable to it; (ii) its constitutional documents; or (iii) any agreement or instrument binding .

11.5 Obligations Binding

Its obligations under this Agreement are valid, binding and enforceable in accordance with its terms.

11.6 No Event of Default

No Event of Default, or event which with notice and/or lapse of time would constitute an Event of Default, has occurred with respect to it and no such event would occur as a result of its entering into or performing its obligations under this Agreement.

11.7 No Reliance

It is not relying upon any representations of the other Party other than those expressly set out in this Agreement.

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11.8 Principal

It has negotiated, entered into and executed this Agreement to which it is a party as principal (and not as agent or in any other capacity, fiduciary or otherwise).

11.9 No Advice

Neither Party is acting as a fiduciary or an advisor to the other Party, nor has such Party given to such other Party any advice, representation, assurance or guarantee as to the expected performance, benefit or result of this Agreement.

11.10 Absence of litigation

There are no actions, suits or proceedings pending, or to either Party 's best knowledge, threatened, against or affecting a Party before any court or administrative body or arbitral tribunal that could reasonably be expected to materially adversely affect the ability of a Party to meet and carry out its obligations under this Agreement;

11.11 Availability of Coal and capability to perform this Agreement

EDFT has the legal right, financial resources and technical capability during the Term of this Agreement to sell sufficient Coal purchased from third parties in order to enable EDFT to supply Coal meeting the Specifications in accordance with the provisions of this Agreement, that such Coal will otherwise meet the terms and conditions of this Agreement, and that all necessary arrangements shall be made for transportation of Coal to the Delivery Point and to render the Logistic Services to be provided hereunder. EDFT has not contracted to sell to others Coal or to render Logistic Services in such quantity as to jeopardize EDFT's ability to deliver the Maximum Logistic Capacity or to interrupt any deliveries to be made hereunder.

11.12 Third Party Claims

EDFT shall indemnify and hold harmless SNET for any claim, action, suit or proceedings initiated by any third party which is related to any service which is subcontracted by EDFT for the performance of any of the Logistic Services, including but not limited to transporters, their employees, tax or other Governmental Authorities.

12. Events of Default, Remedies and Limitation of Liability

12.1 An event of default ("Event of Default") with respect to a Party (the "Defaulting Party") shall mean any of the following: (i) the failure of the Defaulting Party to pay when due (and not the subject of a bona fide dispute between the Parties) any required payment under this Agreement and such failure is not remedied within (10) ten Working Days after written notice thereof; (ii) the Cumulative Shortfall exceeds the Threshold for a period longer than three (3) consecutive Months (iii) (in the absence either of (a) a Force Majeure Event affecting EDFT's ability to perform its obligations hereunder or (b) an Event of Default where SNET is the Non-Defaulting Party) the procurement by SNET of any amount exceeding 30,000 Mt of coal in any Year from a third party or parties (subject always to the provisions of Article 3.2) (iv) the Defaulting Party is unable to pay, suspends payment of, or agrees to a moratorium with respect to all or a substantial part of its debts, makes a general assignment or any composition with or for the benefit of its creditors, takes any proceedings with a view to readjustment, rescheduling, or deferral of all or a substantial part of its indebtedness (other than in the case of a refinancing) or any step is taken by any Person with a view to its winding-up; (v) any representation or warranty made by a Party under this Agreement proving to be incorrect or misleading when made in any material respect.

12.2 Upon the occurrence and during the continuance of an Event of Default as to the Defaulting Party, the other Party (the "Non-Defaulting Party") may, in its sole discretion:

(a) notify the Defaulting Party of an early termination date (which shall be no earlier than the date of such notice) on which this Agreement shall terminate ("Early Termination Date"), and/or

(b) withhold any payments due to the Defaulting Party until such Event of Default is cured

(c) suspend performance of its obligations under this Agreement until such Event of Default is cured and/or

(d) in case of SNET, to purchase Coal from any source with the right to claim against EDFT the difference between the Base Price and the price paid by SNET for such alternative purchases. In such case, EDFT shall upon SNET written request (i) return within a five (5) Working Days period, the SNET Prepayment (which will be returned to EDFT in same term if the Event of

Default is cured) and (ii) take all the necessary actions to allow SNET to step in into the Pre-Existing Logistic Contracts according to Article 14 or any successor agreements replacing such Pre-Existing Logistic Contracts.

If notice of an Early Termination Date is given under this Clause 12.2, the Early Termination Date will occur on the designated date, whether or not the relevant Event(s) of Default is then continuing unless the Non-Defaulting Party determines otherwise and so notifies the Defaulting Party.

12.3 In the event of Early Termination by either Party, the Non Defaulting Party shall be entitled to recover damages from the Defaulting Party in accordance with general legal principles and the provisions of Article 15.

The Non-Defaulting Party may offset any amounts owed by the Defaulting Party against any amounts payable hereunder or under other agreement or instruments by it or any of its Affiliates to the Defaulting Party, and in particular SNET shall be entitled to offset any amounts due to EDFT against the SNET Prepayment.

12.4 Notwithstanding the preceding provisions of this Article 12, neither Party will be liable in any circumstances for (a) any loss of profit, loss of revenue, lost or increased production costs, loss of use or loss of goodwill; or (b) any or any other indirect or consequential loss suffered or incurred by such Party under or in connection with this Agreement.

13. Failure to deliver

13.1 In the event that the cumulative difference (calculated on a monthly basis) between (i) the Delivery Orders and the Carry Overs and (ii) the actual deliveries made by EDFT to SNET ("Cumulative Shortfall") exceeds the Threshold in respect of any Power Plant, then SNET shall have the right but not the obligation to cancel in whole or in any part the tonnage in excess of the Threshold ("Cancelled Tonnage") and therefore such Cancelled Tonnage will not be delivered by EDFT to SNET and EDFT will pay to SNET compensation, set out as follows:

The compensation is equal to (i) the Electricity Price Difference minus the CO_2 Price x 0.98 t $_{CO2}$/MWh, multiplied by (ii) the Amount of Electricity.

For the purpose of this Article 13.1, the following terms shall have the following meanings:

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"Electricity Price Difference" means the difference, if positive, between (i) the highest "settlement price" of the three (3) last "settlement prices" published every day at 16:00 CET (EFPMFE N, M) on Powernext Futures ™ for the peak of the Month M+1 following Month M (being the Month where the Threshold has been surpassed), and the proportional price of the Power Plant affected by the Threshold.

"CO_2 Price" means the price (in €/t $_{CO2}$) if reported by Powernext and if not available then by PointCarbon (http://www.pointcarbon.com) for the nearest delivery period or such index mutually agreed by the Parties to be the most representative of the price of CO_2.

"Amount of Electricity" means the equivalent quantity of electricity (in MWh) that would have been produced by the relevant Power Plant using the Cancelled Tonnage. The Amount of Electricity is equal to the Cancelled Tonnage divided by the specific consumption (Cs en Mt/MWh) of the relevant Power Plant.

The proportional price PP (in €/MWh) is determined for each Power Plant by the following formula:

$$\mathbf{PP = (P_{N.M} \times Cs) + CE_{200N}}$$

Where
$\mathbf{P_{N.M}}$ (in €/Mt) is the price of coal during the Month where the Threshold is surpassed, as defined in Art 8
Cs (in Mt/MWh) is the specific consumption defined for each Power Plant in the following board

	E.Huchet	Hornaing	Lucy	Prov.5
Specific consumption Cs en kth PCS/MWh	**2.42**	**2.61**	**2.51**	**2.56**
Specific consumption Cs en Mt/MWh	**0.3872**	**0.4176**	**0.4016**	**0.4096**

$\mathbf{CE_{200N}}$ (in €/MWh) is the proportional cost of extra charges (water, other fuels, ashes handling ...) proportional to generated electricity. $\mathbf{CE_{2000}}$ is equal to **1.7242 €/MWh** in year 2000 for all SNET's Power Plants.

$\mathbf{CE_{200N}}$ is indexed each year, as following formula:

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$$CE_{200N} = CE_{2000} \times \frac{R_{200N}}{R_{07/2004}} \times 1.0867$$

R is defined in Article 8
The coefficient 1.0867 is explained in Article 8

Provisional price and definitive price determination are both set out in Articles 8.3 and 8.4

13.2 Save or set out in this Article 13, the Cumulative Shortfall shall never fall below the Delivery Tolerance, unless mutually agreed otherwise. Deliveries in excess of the Program of Delivery plus the Delivery Tolerance shall be subject to SNET's prior approval. Any such amounts of Coal delivered shall be considered as delivery in respect of the immediately succeeding Program of Delivery .

13.3 For the initial period ("Initial Period") of the first five months of delivery of Coal under this Agreement, no penalty shall apply if the Cumulative Shortfall is outside the Delivery Tolerance. However, should the Cumulative Shortfall exceed the Threshold for two continuous Months during the Initial Period, then the provisions under Articles 13.4, 13.5 and 13.6 shall apply.

13.4 The Parties agree that a penalty tolerance is defined for each Power Station ("Penalty Tolerance") and is set at 25% of Program of Delivery for Emile Huchet Power Plant and Provence Power Plant and at 30% of Program of Delivery for Hornaing Power Plant and Lucy Power Plant.

13.5 If the Cumulative Shortfall exceeds the Delivery Tolerance but is less than the Penalty Tolerance, then EDFT shall pay SNET, for each undelivered Mt in excess of the Delivery Tolerance, a charge equal to the difference, if positive, between the Final Price of the Coal and the Final Price of the Coal to be delivered during Month M+1("Next Order Price"). The charge shall not be less than 0.50 EUR/Mt and not more than 4 EUR/Mt.

13.6 If the Cumulative Shortfall exceeds the Penalty Tolerance, EDFT shall pay to SNET a fixed charge of 4 EUR/Mt for each undelivered Mt in excess of the Penalty Tolerance. Such fixed charge also to apply in respect of tonnage in excess of the Threshold not cancelled as per Art 13.1.

13.7 If SNET is not able to accept delivery of any amount of Coal and such amount of Coal exceeds the Delivery Tolerance but is less than the Penalty Tolerance, SNET shall pay to EDFT, in respect of each undelivered Mt in excess of the Delivery Tolerance, a charge equal to the difference, if positive, between the Final Price of the Coal and the Next Order Price. Such charge shall not be less than 0.50 EUR/Mt and not more than 2.5 EUR/Mt.

13.8 If SNET is not able to accept delivery of any amount of Coal and such amount of Coal exceeds the Penalty Tolerance, SNET shall pay to EDFT a fixed charge of 2.5 EUR/Mt for each undelivered Mt in excess of the Penalty Tolerance.

13.9 This Article 13 sets out the Parties' exclusive remedies with regard to any failure by the other Party to deliver or accept delivery of Coal under this Agreement except as provided for in Article 12.1(ii).

13.A. Change in Financial Circumstances

If during the term of this Agreement, EDFT's financial condition deteriorates to such a degree that its credit rating falls below "BBB" as rated by Standard & Poors or the equivalent Moody's rating, SNET may request that EDFT promptly provide Additional Financial Security to secure EDFT's performance of this Agreement. Upon receipt of such notice, EDFT shall, within fifteen (15) Days, provide SNET with the requested Additional Financial Security as selected by SNET. In the event EDFT fails to provide the requested Additional Financial Security within such period, or EDFT fails to maintain such Additional Financial Security in place at anytime thereafter until SNET notifies EDFT that such Additional Financial Security is no longer required to be provided, SNET shall have the immediate right, upon notice to EDFT, to suspend payments hereunder until SNET receives such Additional Financial Security or EDFT reinstates any Additional Financial Security previously in place.

Such suspension shall not constitute a failure by SNET to make payments pursuant to Article 12.1(i) to EDFT. If such Additional Financial Security is not provided within forty-five (45) Days of SNET's receipt of the aforesaid notice or if EDFT fails to maintain such Additional Financial Security for a period of fifteen (15) consecutive Days, SNET shall have the right to terminate this Agreement, upon providing at least five (5) Days notice to EDFT (which notice may be sent by SNET at any time after the Additional Financial Security has not been provided or EDFT has failed to maintain such Additional Financial Security in place, whichever is applicable).

14 Pre-Existing Logistics Contracts

14.1 EDFT warrants that the logistic contracts entered into between SNET and UTCS, and between SNET and IFB, both dated 1st July 2004 (together, the "Pre-Existing Logistic Contracts") shall be transferred to EDFT's Affiliate, CAPCOL, by way of two conditional assignment and assumption agreements in respect of each Logistic Contract, attached hereto as Appendix 6 which are conditional upon the entry into force of this Agreement.

14.2. EDFT shall inform SNET with reasonable notice prior to any significant changes to the implementation of the logistic capacity in relation to the Pre Existing Logistic Contracts (or any successor logistic agreements replacing the Pre-Existing Logistic Contracts). In case of any concerns from SNET, EDFT and SNET shall agree to meet to discuss the issue.

14.3. SNET warrants to bear any obligation set by any delivery orders placed under the Pre-Existing Logistic Contracts by SNET before the effective date of the assignments. After that date, any order of Coal and the related Logistic Services shall be subject to the pricing set forth herein .

14.4. EDFT shall procure amendments to the Pre-Existing Logistics Contracts to the effect that, (i) in the case of an Event of Default occurring under this Agreement where EDFT is the Defaulting Party, or (ii) a Force Majeure Event under Article 10.7, such Pre-Existing Logistics Contracts shall be automatically re-assigned to SNET. SNET shall provide its agreement to such future assignment in respect of any successor agreement to the Pre-Existing Logistics Contracts.

15 Dispute Resolution

15.1

If any dispute, controversy or claim arises between EDFT and SNET in relation to or in connection with this Agreement, or in connection with the interpretation, performance or non-performance hereof, including any question regarding its existence, validity or termination, or regarding a breach thereof (a "Dispute") the Parties shall promptly discuss such Dispute in an attempt to resolve such Dispute amicably through negotiations.

If such Dispute has not been resolved within fifteen (15) Working Days of either Party notifying the other in writing of the existence of the Dispute, then either EDFT or SNET may, by notice to the other, refer the Dispute to be finally settled in accordance with this Article 15.

15.2

15.2.1. Whenever any Dispute arises between the Parties out of or in connection with quality, weighing, or adjustments to the Base Price or Final Price or other Dispute of a technical or financial nature, then such dispute shall be referred to an Expert pursuant to this Article15.2.

15.2.2. At any time after either Party gives notice to the other of its intention to refer any such matter, difference or dispute to the Expert for determination under this Article;

(i) the Parties shall appoint such Expert by agreement; or

(ii) failing such agreement within ten (10) days of such notice, the President from time to time of International Chamber of Commerce, Paris (the "President") shall, on the application of either Party, appoint an appropriately qualified and experienced professional who is knowledgeable of and experienced in the international coal industry and is technically competent in the area of the subject of the dispute to act as the Expert in relation to technical matters and/or an appropriately qualified independent financial consultant to act as the Expert in relation to financial matters arising under or in connection with this Agreement or such other appropriately qualified person, as applicable, to act as the Expert in relation to any such matter.

15.2.3. The Parties shall refer Disputes to whichever Expert they agree or, in default of agreement, the President decides and shall provide their relevant submissions and supporting information to the Expert within seven days of the date of the appointment of the Expert.

15.2.4. The Expert shall resolve or settle such matter, difference or dispute taking due and proper account of the submissions of the Parties, and the intentions of the Parties hereunder and shall render his decision in respect thereof within twenty eight (28) days following the date of the appointment of the Expert. The Expert will be given all reasonable access to the relevant documents, employees and information relating to the matter or dispute and access to the Loading or Delivery Points and sampling, weighing and loading points as the Expert shall reasonably require.

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15.2.5. Any decision of the Expert shall be final and binding on the Parties save in the event of fraud, manifest error or failure by the expert to disclose any relevant duty according to this Article. An Expert shall be deemed not to be an arbitrator but shall render a determination as an expert and the law or legislation relating to arbitration shall not apply to such Expert or the determinations on the procedure by which such determinations are reached. The costs of the Expert in settling or determining such matter or dispute shall be borne by the losing Party unless the Expert determines otherwise. The Expert shall act as an expert and not as an arbitrator.

15.2.6. Without prejudice to the other provisions of this Agreement, neither Party shall be entitled to suspend its performance of this Agreement by reason only of the reference of any matter or dispute to the Expert.

15.2.7. The Parties agree that all references to and proceedings of an Expert hereunder and the decision of such Expert shall be kept confidential and not disclosed, except to a Party's Affiliates, accountants, and lawyers.

15.3

15.3.1. Any Dispute not resolved amicably or determined by an Expert according to Article 15.2, shall be referred to and finally resolved by arbitration under the Rules of the International Chamber of Commerce ("ICC") which Rules are deemed to be incorporated by reference into this Article.

15.3.2. The tribunal shall consist of three arbitrators and the Parties shall each be entitled to nominate one arbitrator, the third arbitrator being appointed by the President or a vice-president of the ICC. The third arbitrator may not be from the same nationality as a Party. The location of the arbitration shall be Paris and the language of the arbitration shall be English. The Parties hereby expressly waive any right of appeal to any Court having jurisdiction on any question of fact or law.

15.3.3. Without prejudice to the other provisions of this Agreement, neither Party shall be entitled to suspend its performance of this Agreement by reason only of the reference of any Dispute to procedure of this Article.

15.3.4. The Parties agree that all arbitration proceedings conducted hereunder and the decision of the arbitrators shall be kept confidential and not disclosed, except to a Party's Affiliates, lawyers and accountants.

15.3.5. The provisions of the UN Convention on the International Sale of Goods (1980) are hereby excluded from this Agreement.

16 Miscellaneous

16.1 Other than those expressly provided in Article 3 ("Quality"), Article 6 ("Transfer of Title and Risk") and Article 11 ("Representations and Warranties"), neither SNET nor EDFT, as applicable, makes no other representation or warranty, written or oral, express or implied, including but not limited to, any representation or warranty that the Coal will be fit for a particular purpose, or will be of merchantable quality and all such representations and warranties are expressly excluded to the fullest extent permitted by law.

16.2 All notices, requests, statements or payments shall be made to the addresses specified in Appendix 8 hereto. Unless expressly provided otherwise, notices shall be in writing and delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of Business Day on which it was transmitted or hand delivered (unless transmitted or hand delivered after close of the Working Day in which it shall be deemed received at the close of the next Working Day). Notice by overnight mail or courier shall be deemed to have been received one Working Day after it was sent. A Party may change its address for notices by providing notice thereof in accordance with this Article 16.

16.3 This Agreement and the Appendices hereto and made a part hereof, if any, constitute the entire agreement between the Parties relating to the subject matter contemplated by this Agreement and supersedes any prior or contemporaneous agreements or representations affecting the same subject matter. No amendment, modification or change to this Agreement shall be enforceable unless reduced to writing executed by the Party against whom such amendment, modification or change is sought to be enforced and specifically referencing this Agreement. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement.

16. 4 This Agreement may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument. Except as may otherwise be stated herein, any provision hereof that is declared or rendered unlawful by any applicable court of law or regulatory agency, or deemed unlawful because of a statutory change, will not otherwise affect the lawful obligations that arise under this Agreement. If any provision of this Agreement is declared unlawful, the Parties will promptly renegotiate to restore this Agreement as near as possible to its original intent and effect. All

indemnities, and confidentiality rights shall survive the termination of this Agreement in full for a period of three years.

16.5 No waiver by any Party of any of its rights with respect to the other Party or with respect to any matter or default arising in connection with this Agreement shall be construed as a waiver of any subsequent right, matter or default whether of a like kind or different nature. Any waiver shall be in writing signed by the waiving Party. Nothing contained in this Agreement shall be construed or constitute any Party as the employee, agent, partner, joint venturer or contractor of any other Party. This Agreement is made and entered into for the sole protection and legal benefit of the Parties, their successors and permitted assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement

17 Assignment

17.1. At any time during the Term either Party may notify the other of its intent to assign all of its rights and obligations under this Agreement to an Affiliate. Any such proposed Affiliate assignee must have the financial and technical capability to perform its obligations under this Agreement. Any such assignment shall not be effective until the other Party has provided its consent to such assignment, such consent not to be unreasonably withheld. Any purported assignment without such consent shall be void.

17.2 Except as otherwise provided in this Article either Party wishing to assign its rights (provided however those must always be in whole) or transfer its obligations (provided however those must always be in whole) under this Agreement (a "Transferring Party") to any person (a "Transferee") having the financial and technical capability to perform its obligations under this Agreement shall do so only with the prior written consent of the other Party. Such consent shall be given, refused or waived by notice by the other Party within thirty (30) Days of receipt of notice from the Transferring Party, failing which the other Party shall be deemed to have consented to such transfer on the last day of such period. Any purported assignment or transfer without such consent shall be void.

17.3. In the event of any transfer by a Transferring Party of its obligations under this Agreement in accordance this Article 17, the Transferee shall assume all of the Transferring Party's obligations upon the transfer becoming effective, and the Transferring Party shall thereupon be immediately released from all of such obligations. The Transferring Party shall procure, as a condition of such transfer, that the Transferee

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shall enter into an agreement with the Transferring Party giving effect to such assumption and transfer.

18 Confidentiality

18.1 This Agreement and all information (including all construction and operational data and information) obtained hereunder by one Party from the other Party shall be treated as confidential. To the extent that such disclosure is required for the proper performance of their operations or work, such confidential information may be disclosed by a Party to its Affiliates and its or their employees, agents, operators, contractors or consultants, lenders, provided that such disclosure is solely to assist the purpose for which the aforesaid were so engaged. The Parties shall take due precautions to avoid improper disclosure of confidential information.

18.2 Save as provided above, no Party shall disclose confidential information to any third party without prior consent of the other Party except where and to the extent that disclosure of such information is required by law or is reasonably required in connection with a bona fide assignment of an interest in this Agreement, the borrowing of funds, obtaining of insurance, sale of securities and in connection with required reports and applications to any governmental agencies, and the requirements of recognised stock exchanges.

18.3 Where disclosure is made to any party to which disclosure is permitted pursuant to this Article 18 otherwise than as required by law, the disclosing Party shall ensure that there shall be no further disclosure of such information without the consent of the Parties, and shall take appropriate safeguards prior to such disclosure.

18.4 The restriction imposed by this Article shall not apply to information, documents, or terms and conditions of this Agreement which have fallen into the public domain otherwise than through an act in breach of this Clause by the Party hereto seeking to make disclosure.

18.5 The obligations pursuant to this Article 18 shall continue for a period of 2 (two) years subsequent to the termination or cancellation of this Agreement.

19 Language of the Agreement and Applicable law

19.1 The language of the Agreement is the English language except for the Appendix that may also be French

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19.2 This Agreement and the rights and duties of the parties arising herefrom and therefrom shall be governed by and construed in all respects with the laws of the French Republic.

IN WITNESS WHEREOF this Agreement has been entered into on the date set out above.

Le Directeur General

For and on behalf of **SOCIÉTÉ NATIONALE D'ELECTRICITÉ ET DE THERMIQUE**	))))
For and on behalf of **EDF TRADING LIMITED**	)

Joaquin Galindo Vélez

LA SNET
2, rue Jacques Daguerre
92565 RUEIL MALMAISON

Appendix 1- Logistics Services

The Logistics Services to be provided by EDFT to SNET include the following:

Coordination of the importation to the Discharging Ports,
Discharging at the Discharging Ports,
Demurrage risk (subject always to Article 3A),
Customs clearance of the Coal,
Port Taxes associated to the importation of Coal,
Storage of Coal at the Discharging Ports,
Financing of the stocks of Coal at the Discharging Ports,
Management of the stocks of Coal at the Discharging Ports,
Management of the programs for deliveries to each Power Plant according to the Delivery Orders,
Reloading of Coal on the Transport Means,
Weighing of trains and trucks at the Loading Point,
Draft survey of barges at the Loading Point,
Sampling of Coal during the loading of trains or barges,
Sampling on stock pile while loading trucks,
Analysis as per Article 5
Discharging and reloading of the Coal from the barges on trucks for final delivery to the relevant Power Plant,
Transportation by train or truck to the relevant Power Plant,
Any special treatment of the railcars/Coal during cold winter periods (Glycol).
Discharging of trucks on the stock pile at the relevant Power Plant,
The transfer of trains by VFLI Cargo from Creutzwald to the Power Plant station of Emile Huchet
The discharging of the railcars on trucks for final delivery on stock in the Power Plant of Provence,
The unloading of railcars at the Delivery Point in Lucy Power Plant,
Insurance of the Coal up to delivery at the relevant Delivery Point.

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Appendix 2 - SNET Power Plants

Emile Huchet Power Plant:

- E.Huchet 6
- E.Huchet 5
- E.Huchet 4 (SODELIF)

Hornaing Power Plant:

- Hornaing 3

Lucy Power Plant:

- Lucy 3

Provence Power Plant:

- Provence 5

Appendix 3 - Specifications

	Huchet		Provence	
Caractéristiques sur brut	Minimum	Maximum	Minimum	Maximum
Humidité %	-	12	-	12
Cendres %	7	15	7	15
Matières Volatiles %	21	36	21	36
Pouvoir Calorifique Inférieur Kcal/kg	5 900		5 900	
Soufre %	0,3	0,9 (0,4 mg/Kjpci)	0,3	0,9 (0,4 mg/Kjpci)
Chlore %	-	0,1 (0,04 mg/Kjpci)	-	0,1 (0,04 mg/Kjpci)
Granulométrie mm	0	50	0	50
< 1 mm	-	30 %	-	30 %
Indice Hardgrove	40	65	40	65
Température de fusibilité des cendres °C Point Hémisphérique (atmosphère réductrice)	1340		1340	
Température de fusibilité des cendres °C Point d' Ecoulement (atmosphère réductrice				
Oxydes dans les cendres rapport base/acide				

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	Hornaing		Lucy	
Caractéristiques sur brut	Minimu	Maximum	Minimum	Maximum
Humidité %	-	12	-	12
Cendres %	7	15	7	15
Matières Volatiles %	15	25	15	25
Pouvoir Calorifique Inférieur Kcal/kg	5 900		5 900	
Soufre %	0,3	0,9 (0,4 mg/Kjpci)	0,3	0,9 (0,4 mg/Kjpci)
Chlore %	-	0,1 (0,04 mg/Kjpci)	-	0,1 (0,04 mg/Kjpci)
Granulométrie mm	0	50	0	50
< 1 mm	-	30 %	-	30 %
Indice Hardgrove	40	65	40	65
Température de fusibilité des cendres °C Point Hémisphérique (atmosphère réductrice)	1340			1300
Température de fusibilité des cendres °C Point d'Ecoulement (atmosphère réductrice				1350
Oxydes dans les cendres rapport base/acide			0,25	0,8

Appendix 4 - "Cahier des charges"