



**EUROPEAN ENERGY  
SERVICES**

8<sup>th</sup> December 1998  
Natural Gas Trading  
Enron Capital & Trade Resources  
4 Millbank  
London  
SW1P 3ET

Dear Sirs,

We set below the terms of trading discussed with you. If you accept them, please countersign and return to us the attached copy.

### **1. OUR PARTICULARS**

The name of our company is European Energy Services Limited (EES) and the address is 3<sup>rd</sup> Floor, 112 Jermyn Street, London, SW1Y 6LS. The registered address of the company is 9 Mansfield Street, London, W1M 9FH. We are regulated by The Securities and Futures Authority (SFA).

### **2. NON-PRIVATE CUSTOMERS**

We understand you to be a "non-private customer" under the rules of SFA and we will treat you as such as regards all types of investments.

### **3. THE SERVICE WE WILL PROVIDE**

The services we will provide you consist of brokering, negotiating and arranging transactions between you and one or more counterparties ("the counterparty") in the following investments.

- (a) Natural Gas Forward Contracts
- (b) Options
- (c) Contracts for difference
- (d) We may also provide other services if agreed between us.

### **4. NO LIABILITY AS PRINCIPAL**

We are not liable as a principal party and accept no responsibility for performance by any party (whether or not it is an associate of ours). You will take the risk and bear the loss if the counterparty becomes insolvent or is otherwise unable to perform its obligations in a defective manner.

### **5. NO FIDUCIARY DUTIES**

We undertake to act in good faith in the performance of our services, and in particular that neither we nor any of our staff will, directly or indirectly, carry on or be involved in the business of entering into transactions as principal in the investments specified in clause 3. Subject to this, we will not owe you any fiduciary duties or responsibilities, in particular where we have advised on a transaction and/or its structure, you have made your own independent assessment of the merits of the transaction and its structure and the ability of the counterparty to perform and you are not relying on any information provided by us.





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## 6. OUR CHARGES

- 6.1 We shall be entitled to a fee (calculated as set out below) in respect of each transaction hereunder concluded as a result of our activities, (where you have been the seller) upon its successful conclusion. We shall not be entitled to any other sums under this Agreement.
- 6.2 Unless otherwise agreed, the amount of our fees will be calculated as set out in the attached schedule 1, exclusive of value added tax.
- 6.3 We will submit to you an invoice in respect of such commissions incurred in any month within 15 days after the end of that month and such commissions will be due 30 days after the submission by us of such invoice.

## 7. COMMUNICATIONS

- (a) All communications shall be sent by either party to the other at its address set out in schedule 2, or at such other address as may have been notified to the sending party by the receiving party. Any communication sent to that address will be considered to be effective, if given by facsimile, upon despatch, or if sent by other means, when delivered at the relevant address.
- (b) Provided that we comply with your written instructions to us from time to time regarding:
- (a) persons authorised by you to carry out transactions.
  - (b) any identification procedures introduced by you to minimise the risk of fraud or impersonation.

We shall be entitled to act on any instruction or communications purporting to be given by you or on your behalf if we reasonably believe them to be so given. We may, without giving any reason, refuse to act on instructions or require written confirmation before so acting.

- (c) We may make unsolicited calls on you in connection with services under these terms of business or otherwise concerning investments of the type set out in 4 above.
- (d) Each of us may record telephone calls with the other. Recordings may be used on evidence in the event of a dispute.

Signed:

For and on behalf of European Energy Services Limited

Date:

9th Dec-98

We accept the above terms

Signed:

For and on behalf of Enron Capital & Trade Resources Limited

Date:

5th Jan  
1999

Jan 1999

**SCHEDULE 1**  
**EUROPEAN ENERGY SERVICES LIMITED**  
COMMISSION SCHEDULE FOR:  
**ENRON CAPITAL & TRADE RESOURCES**

**NATURAL GAS - COMMISSION RATES**


**Short term (duration is less than a calender month)**

- ❖ Outright sales £0.000125 per therm.

**Long term (duration is equal to or greater than a calender month)**

- ❖ Outright sales £0.000125 per therm
- ❖ Time & location spreads £0.0001 per therm (only applied to the sales leg)
- ❖ Options £0.000125 per therm
- ❖ Deals equal to or exceeding 9,125,000.00 therms £0.0001

These commission rates are effective as of 1st November 1998.



Nick Wilde  
European Energy Services Ltd.

**SCHEDULE 2**

**ADDRESS FOR SERVICES OF COMMUNICATIONS (CLAUSE 7)**

**EUROPEAN ENERGY SERVICES**

Nick Wilde  
3<sup>rd</sup> Floor  
112 Jermyn Street  
London  
SW1Y 6LS

Tel: 0171 766 7130  
Fax: 0171 839 0821

**Enron Capital & Trade Resources**

4 Millbank  
London  
SW1P 3ET

Tel: 0171 316 5428  
Fax: 0171 873 0147