DATED_

(1) LAKESIDE ENERGY FROM WASTE LIMITED

(2) RE3 LIMITED

WASTE PROCESSING SERVICES AGREEMENT

THIS AGREEMENT is made on 14th July 2006

BETWEEN:

(1) **LAKESIDE ENERGY FROM WASTE LIMITED** (company number 03861722) whose registered office is at Goulds Grove Ewelme Wallingford Oxfordshire OX10 6PJ ("LEfW"), and

(2) **RE3 LIMITED** (company number 05663734) whose registered office is at Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton NN4 7RG ("Customer").

RECITALS:

(A) LEfW is the owner of the Facility which is designed to produce heat and power from refuse.

(B) The Customer has agreed to supply and LEfW has agreed to accept delivery of and to Process Acceptable Refuse as a fuel source for the Facility.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Unless the context otherwise requires, the following terms in this Agreement (including the Recitals and Schedules) shall have the following meanings:

"Acceptable Refuse" means Qualifying Refuse which:

(a) where such refuse is household waste, has been collected by the Authority or for the Authority by a contractor employed by the Authority, in each case in the Authority's respective districts or received at the Authority's civic amenity sites having been brought there by householders; or

(b) where such refuse is industrial waste or commercial waste, has been collected by the Authority or for the Authority by a contractor employed by the Authority, in each case in the Authority's respective districts;

"Actual Tonnes Delivered" means the actual number of tonnes of Acceptable Refuse delivered or deemed delivered by or on behalf of the Customer to LEfW during the Year;

[redacted]

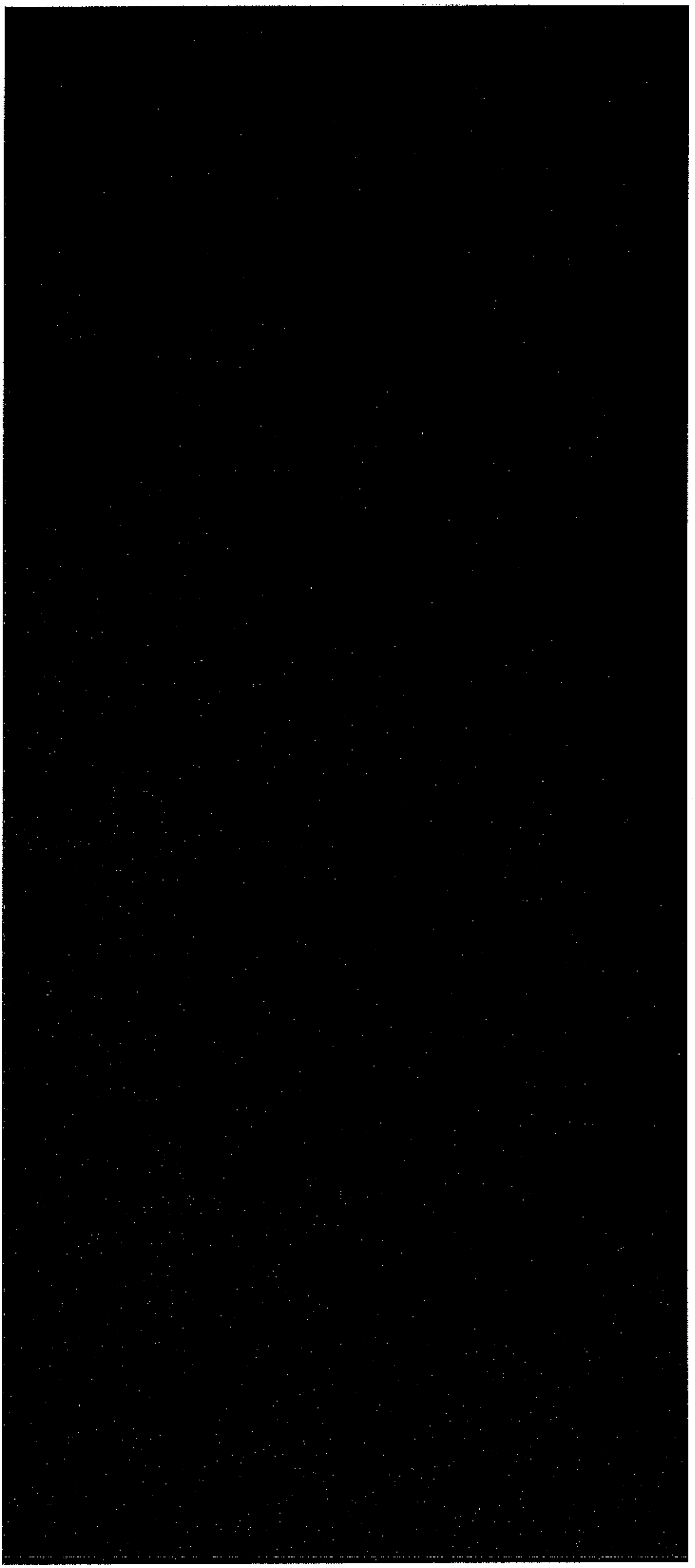
"Applicable Laws"	means any statute, statutory instrument, standards, law, proclamation, order, resolution, notice, rule of court, by law, directive, code of conduct or other instrument or requirement having the force of law within the United Kingdom or any guidance or policy issued, declared, passed or given effect to in any manner by HM Parliament, the legislative institutions of the European Union, any court or other judicial forum, a coroner commission or enquiry or any Relevant Authority having such power;
"Authority"	means together (1) Bracknell Forest Borough Council; (2) Reading Borough Council; and (3) Wokingham District Council;
"Authority Direct Agreement"	means the direct agreement dated on or about the date of this Agreement made between the Authority, the Customer and, LEfW;
"BoI Direct Agreement"	means the direct agreement dated on or about the date of this Agreement made between the Customer, LEfW and the Governor and Company of the Bank of Ireland and/or, where the context admits, any replacement agreement entered into pursuant to clauses 2.4 or 3.13.4 of the BoI Direct Agreement;
"Capital Expenditure"	means any expenditure which falls to be treated as capital expenditure in accordance with generally accepted accounting principles in the United Kingdom from time to time;



[redacted]

"Confidential Information"	means: (a) any information in any form relating to the Facility and the provision of services for the Facility by LEfW or otherwise relating in any way to the business of LEfW disclosed by or emanating directly or indirectly from LEfW; (b) any information in any form relating to waste collection and/or waste disposal by the Customer or its contracts with the Authority; and/or (c) this Agreement, its terms and any information contained in it;
"Consents"	all licences, consents, permits and authorisations required by Legislation in relation to the operation of the Facility and/or the provision of the Services, including without limitation, any necessary planning permissions, waste management licences and any other Environmental Consent;
"Contractual Start Date"	means the date that the Facility comes out of commissioning and commences full operation as certified by the owners engineer responsible for overseeing the construction and commissioning of the Facility in consultation with LEfW and as relevant the Operations and Maintenance Contractor (and LEfW shall give as much notice to the Customer as reasonably possible of such date);
"Contract Period"	means the period commencing on the Contractual Start Date and, subject to earlier termination in accordance with the provisions of this Agreement, expiring on
"Customer Modification"	means a modification to the Service requested by the Customer pursuant to Clause 14;
"Dangerous Substances"	means any substance defined as a dangerous substance in either (a) the Chemical (Hazard Information and Packaging for Supply) Regulations 2002 SI 2002/1689 as amended from time to time or (b) the Dangerous Substances and Explosive Atmospheres Regulation 2002 SI 2002/2776 as amended from time to time;

"Defect Notices"	has the meaning set out in Clause 28;
"Delivery Schedule"	the schedule of deliveries produced by LEfW under Clause 7.2 and in the First Year being based on the Indicative Delivery Schedule;
"Direct Agreements"	means the Authority Direct Agreement, the BoI Direct Agreement and the NIB Direct Agreement and the provisions of schedule 1 (novation arrangements) of the Project Agreement;
"Environmental Consents"	means any consent, permit, licence, approval ruling exemption or other authorisation required in relation to the operation of the Facility and/or the provision of the Services under applicable Environmental Laws;
"Environmental Laws"	means any law or statutory provision relating to the environment (as that expression is defined in the Environmental Protection Act 1990) including an order or decree or any form of delegated legislation, a treaty, directive, regulation, Act of Parliament, statutory instrument, code of practice, circular or guidance issued by any body or authority having the authority to issue an Environmental Consent;
[redacted]	
"Facility"	means the buildings, plant and equipment constituting a plant for the Processing of waste and a plant for the production of heat and power situated now or hereafter on the Site and which is designed for continuous operation 24 hours per day, 7 days per week with a bunker storage of 4 days throughput;
[redacted]	



"Landfill Tax" means the tax charged on a taxable disposal as defined in sections 39 and 40 of Part III of the Finance Act 1996 as modified or re-enacted from time to time or any equivalent tax or any similar or replacement tax that may be imposed in respect of the disposal of waste by landfill from time to time;

"LATS" means any scheme for the assignment, allocation and/or trading of Landfill Allowances including (but not limited to) the scheme created under the Waste and Emissions Trading Act 2003 and The Landfill Allowances and Trading Scheme (England) Regulations 2004 (as amended, updated or replaced from time to time);

[redacted]

"Legislation" means in relation to the United Kingdom:

(a) any Act of Parliament (and including all Planning Laws);

(b) any subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978;

(c) any exercise of the Royal Prerogative; and

(d) any enforceable community right within the meaning of Section 2 of the European Communities Act 1972;

[redacted]

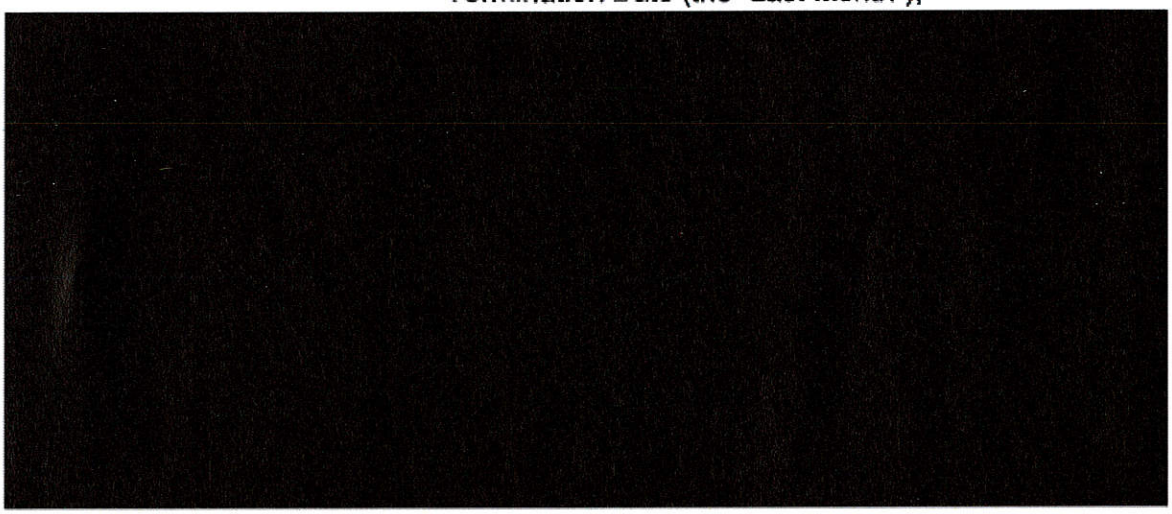
[redacted]

"Good Industry Practice"	means the exercise of that degree of skill, diligence, prudence and foresight and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking as that of LEfW under the same or similar circumstances at the relevant time for such exercise;
"Guidance"	means any applicable guidance or directions issued by a Relevant Authority with which LEfW is bound to comply at law;
"High NCV Refuse"	means Acceptable Refuse with a net calorific value of between 10,500 and 12,500 kJ/kg inclusive;

[redacted]

"Indicative Delivery Schedule	the delivery schedule set out in Schedule 5;
"Insured Risk	means the risks specified in Schedule 3;

	to accept and Process in the course of any Year calculated pursuant to Clause 11, except that in respect of any Year comprising less than 12 months this number shall be pro rated based on the number of days in the relevant Year as a proportion of 365 days (and, in a leap Year, 366 days) and as may be amended pursuant to the provisions of this Agreement;
"Modification"	means a variation to the Service made in accordance with Clause 14;
"Month"	means a period commencing on the first day of a calendar month and ending on the last day of that month (and 'Monthly' shall be interpreted accordingly) except in respect of the first such period in which the Contractual Start Date occurs, which shall begin on the Contractual Start Date and end on the last day of that calendar month (the "First Month"), and the last period in which the Termination Date occurs, which shall commence on first day of that calendar month and end on the Termination Date (the "Last Month");



"NFFO Contract"	means a Non-Fossil Fuel Obligation (NFFO) Contract made pursuant to any of: The Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1994 SI No. 3259, as amended by SI 1995/68; The Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1997 SI No.248; and The Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1998 SI No.2353;
"the NIB Direct Agreement"	means the direct agreement dated on or about the date of this Agreement made between LEfW, the Customer and NIBC Bank N.V;
"Non-Qualifying Refuse"	has the meaning given to it in Schedule 2;
"Operations and Maintenance Contract"	means an agreement (if there is one) for the provision of operation and maintenance services in respect of the Facility between LEfW and a third

party;

"Party"	means the Customer or LEfW and "Parties" shall mean both of them;
"Planning Laws"	the Town and Country Planning Act 1990, and all regulations circulars codes of practice issued under that Act or under any other relevant planning legislation which apply to the Facility;
"Process"	means to incinerate Acceptable Refuse and "Processing" and "Processed" shall be construed accordingly;
"Project"	means the construction, commissioning and operation of the Facility at the Site;
"Project Agreement"	means the agreement proposed to be entered into between (1) Bracknell Forest Borough Council; (2) Reading Borough Council; (3) Wokingham District Council; and (4) the Customer relating to the Central Berkshire Waste PFI Project;
"Prohibited Act"	means:

(a) offering giving or agreeing to give to any person employed by or on behalf of the Customer and/or the Authority any gift or consideration of any kind as an inducement or reward:

(i) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Customer and/or the Authority; or

(ii) for showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Customer and/or the Authority;

(b) entering into this Agreement or any other contract with the Customer and/or the Authority in connection with which commission has been paid or has been agreed to be paid by LEfW or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Customer and/or the Authority; or

(c) committing any offence:

(i) under the Public Bodies Corrupt Practices Act 1889 or the Prevention of Corruption Acts 1889-1916; or

(ii) under Legislation creating offences in respect of fraudulent acts; or

(iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Customer and/or the Authority; or

(d) defrauding or attempting to defraud or conspiring to defraud the Customer and/or the Authority;

[redacted]

"Qualifying Refuse" has the meaning given to it in Schedule 2;

"Quarter Year" means consecutive 3 month periods commencing in January, April, July and October in each Year except in respect of the first such period (being the period in which the Contractual Start Date occurs) which shall begin on the Contractual Start Date and end on the last day of the next to occur of January, April, July and October (the "First Quarter"), and the last period in which the Termination Date occurs, which shall end on the Termination Date (the "Last Quarter");

"Radioactive Substances" means "radioactive material" and "radioactive waste" as those expressions are defined in the Radioactive Substances Act 1993 as amended and all orders and regulations made under that Act;

"Reception Period" means the period commencing on the Contractual Start Date, on the days and at the times notified by LEfW to the Customer and at such other or different times and/or days as LEfW shall subsequently notify to the Customer in writing and in accordance with the provisions of Schedule 5, and subject always to the provisions of the various consents and licences relating to the occupation of the Site and operation of the Facility;

[redacted]

[redacted]

"Relevant Authority"	means any court of relevant jurisdiction and any local, national or supra-national agency, local authority, inspectorate, minister, ministry, official or public or statutory person of the government of the United Kingdom or of the European Union, including, without limitation, the Environment Agency;
"Representative"	means a person appointed to represent either LEfW or the Customer as more particularly described in Clause 4;
"Residue"	means the products from the thermal processing of the Qualifying Refuse used as the fuel at the Facility and the products of the gas clean-up system of the Facility and "Residues" shall be construed accordingly;

[redacted]

"Service"	means the receipt and Processing of Acceptable Refuse and the disposal of Residues attributable to the Customer's Acceptable Refuse and any other services provided by LEfW under this Agreement;
"Site"	means the land at Lakeside Road, Colnbrook, Berkshire, SL3 0EG, on which the Facility is to be constructed;

[redacted]

"Termination Date"	the date on which this Agreement expires or is terminated, as the case may be;

[redacted]

"Unacceptable Refuse"	means any material or substance which: (a) is Non-Qualifying Refuse; and/or (b) is not Acceptable Refuse;
"Uninsurable"	means, in relation to a risk either that: (a) insurance is not available in the worldwide insurance market with reputable insurers of good standing in respect of that risk; or (b) the insurance premium payable for insuring that risk is at such a level that the risk is not generally being insured against in the worldwide insurance market with reputable insurers of good standing;
"Week"	means a period commencing at 0001 hours on Monday and ending at 2400 hours on the following Sunday and from Week to Week thereafter;
[redacted]	
"Working Day"	means any day that the Facility is licensed to have a Reception Period by virtue of the various licences and consents relating from time to time to the occupation of the Site and the operation of the Facility; and
"Year"	means a period beginning on 1 April in each calendar year and ending on the next following 31 March throughout the Contract Period with the exception of the first Year (being the Year in which the Contractual Start Date occurs), which shall begin on the Contractual Start Date and end on 31 March first occurring thereafter (the "First Year"), and the Year in which the Termination Date occurs, which shall commence on 1 April and end on the Termination Date (the "Last Year").

1.2 The headings in this Agreement are inserted for convenience only and shall not affect its interpretation. This Agreement includes the Recitals and the Schedules.

1.3 Words denoting the singular include the plural, and vice versa, and words denoting the masculine include the feminine and neuter interchangeably.

1.4 Any reference in this Agreement to a schedule clause or paragraph shall, unless the context otherwise requires, be to a schedule clause or paragraph of this Agreement.

1.5 In this Agreement, references to any statutory provisions shall include any amendment or re-enactment of that provision (whether before or after the date of this Agreement) and shall also include all statutory instruments or orders from time to time made in relation to that provision, any code of practice, circular,

best practice guidance issued by any Government body or executive agency, and any European legislation, including but not limited to directives, regulations and recommendations which relate to such provision.

1.6 Where any obligation under this Agreement is assumed by more than one person, then that obligation shall be a joint and several obligation of those persons.

2. CONDITIONALITY

[redacted]

2.2 The Agreement shall become unconditional on the date that the condition set out in Clause 2.1 is satisfied.

[redacted]

3. DURATION

3.1 Subject to Clause 2.1, this Agreement shall be effective from the date hereof and shall remain in force until the end of the Contract Period (unless terminated earlier in accordance with its terms). Except as set out in Clause 2.4, no termination or expiry of this Agreement shall limit or otherwise affect the respective rights and obligations of any Party accrued on or prior to such termination or expiry, including any rights accrued as the result of breach of this Agreement by either Party.

3.2 Any provision of this Agreement that is expressed to survive termination or expiry (including without limitation Clause 25) shall survive the termination or expiry of this Agreement.

4. REPRESENTATIVE

4.1 On or before the Contractual Start Date the Customer shall appoint and notify to LEfW a representative ("Representative") of appropriate seniority who, shall be empowered and authorised to deal with all matters arising from this Agreement and save where the Customer has notified LEfW that such authority has been revoked any dealing by such Representative shall be irrevocably binding on the Customer for all purposes.

4.2 The Customer's Representative shall have full authority to act on behalf of the Customer in all matters arising from this Agreement. LEfW shall, subject to Clause 4.4, be entitled to treat any act of the Representative in connection with this Agreement as being expressly authorised by the Customer (save where the Customer has notified LEfW that such authority has been revoked) and LEfW shall not be required to expressly determine whether any express authority has been given.

4.3 The Customer may replace its Representative with another provided that such replacement shall not become effective unless and until LEfW has been notified in writing of the identity of the replacement.

4.4 The Representative shall have no power to agree variations or amendments, or to exercise the Customer's rights to terminate this Agreement.

4.5 Equivalent provisions to those in Clauses 4.1 to 4.4 (amended accordingly) shall also apply to LEfW and the Customer (as the case may be) with regard to the appointment of a Representative by LEfW.

[redacted]

[redacted]

6. DELIVERY OF REFUSE DURING THE CONTRACT PERIOD

6.1 Throughout the Contract Period:

6.1.1 the Customer shall deliver Acceptable Refuse to the Facility during the Reception Period; and

6.1.2 LEfW shall receive Acceptable Refuse delivered by the Customer into the refuse bunker at the Facility during the Reception Period and shall Process Acceptable Refuse so delivered by the Customer

in accordance with and subject to the terms of this Agreement.

6.2 The Customer shall ensure that deliveries of Acceptable Refuse and removal of Unacceptable Refuse by or on behalf of the Customer are made in such a manner as to comply with all Applicable Laws and Environmental Consents.

[redacted]

[redacted]

7. STANDBY ARRANGEMENTS

7.1 Unplanned shutdowns

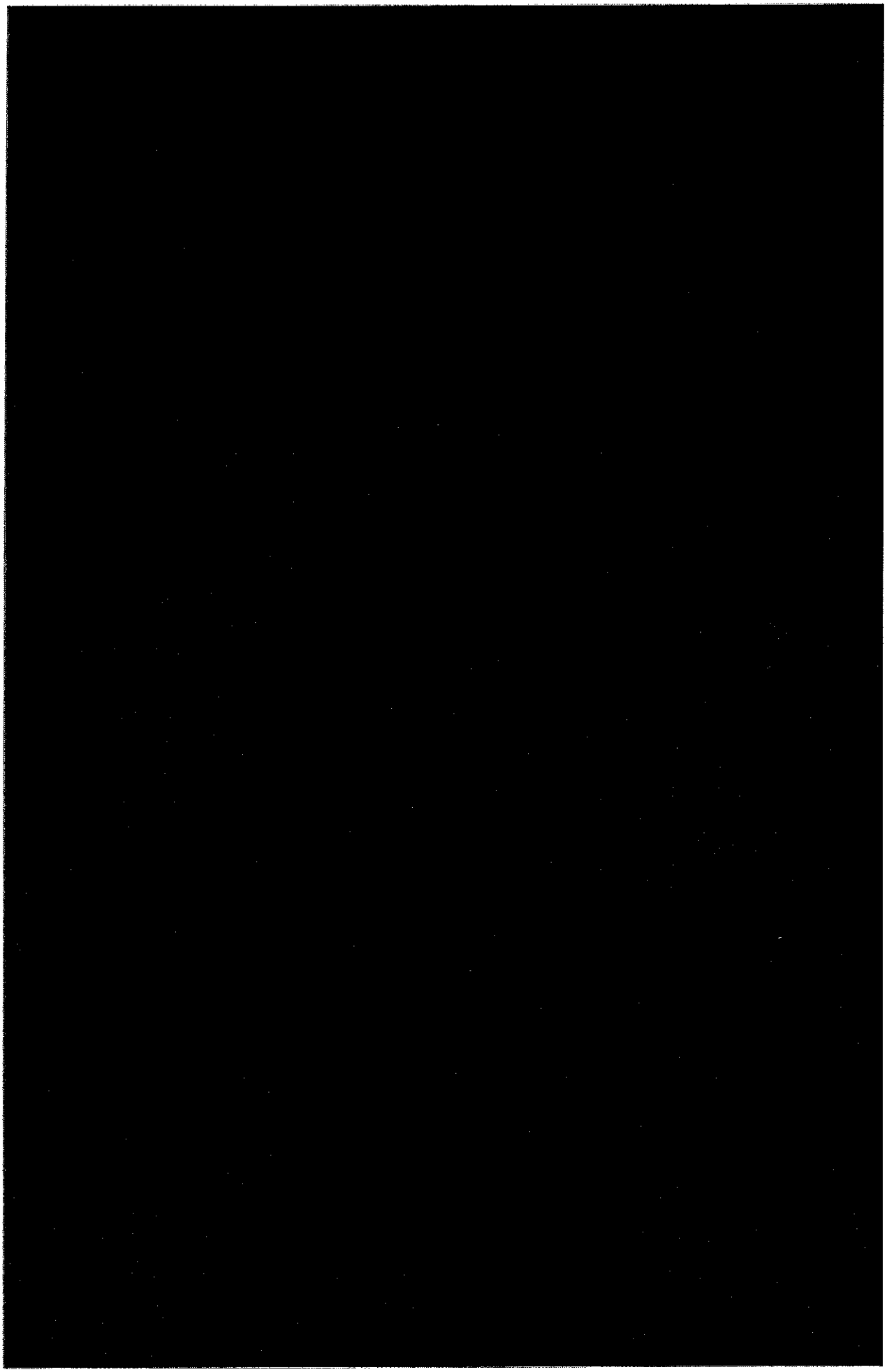
7.1.1 LEfW shall as soon as reasonably practicable notify the Customer of any operational difficulty, plant failure, legal requirement or prudent operating practice which makes it necessary to shut down the Facility in whole or part [redacted] and so adversely affects its ability at any time after the Contractual Start Date to fulfil its obligations under this Agreement (an "Incident"). LEfW shall, to the extent possible given the nature of the Incident, use all reasonable endeavours to correct or remedy the cause of the Incident in question and shall keep the Customer informed and notify the Customer when such Incident has ceased to have effect on this Agreement.

7.1.2 Where, as a result of any Incident [redacted] the ability of LEfW to accept delivery of and/or Process Qualifying Refuse at the Facility is reduced (its remaining ability, if any, for the time being to accept delivery of and Process Qualifying Refuse being referred to as the "Reduced Capacity"):

7.1.2.1 LEfW shall promptly give details to the Customer of the Reduced Capacity (including but not limited to the proportion which the Reduced Capacity represents of the Throughput of the Facility ("the Relevant Proportion") for the time being; and

7.1.2.2 LEfW shall promptly notify and regularly update the Customer of the proportion (expressed as a percentage) of the Weekly Maximum Quantity ("the Customer's Proportion") of Acceptable Refuse to be delivered by the Customer which the Facility is able to Process for the time being while there is Reduced Capacity, notifications to be made on the basis the Customer's Proportion shall be no less than the Relevant Proportion.

[redacted]

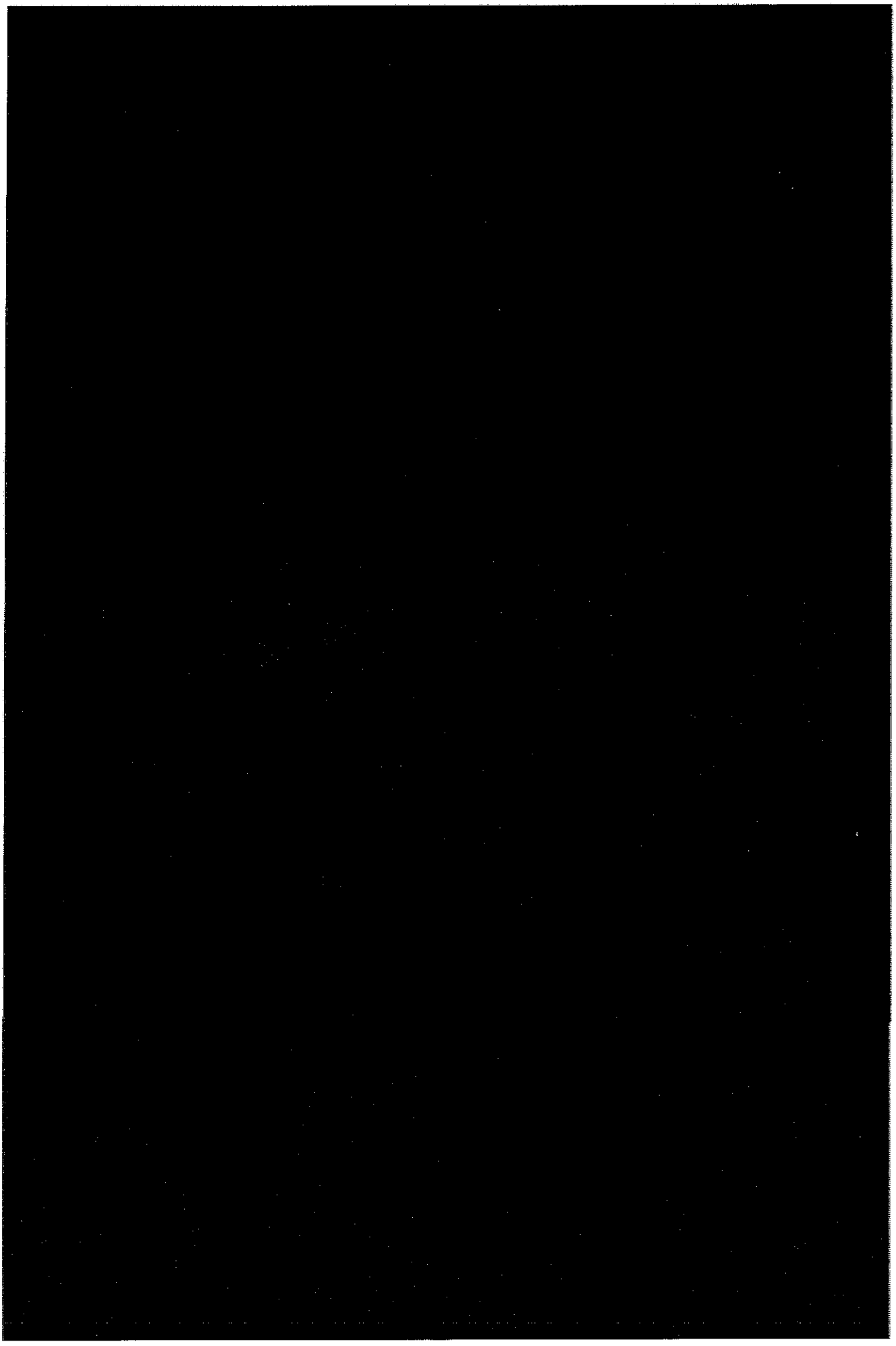


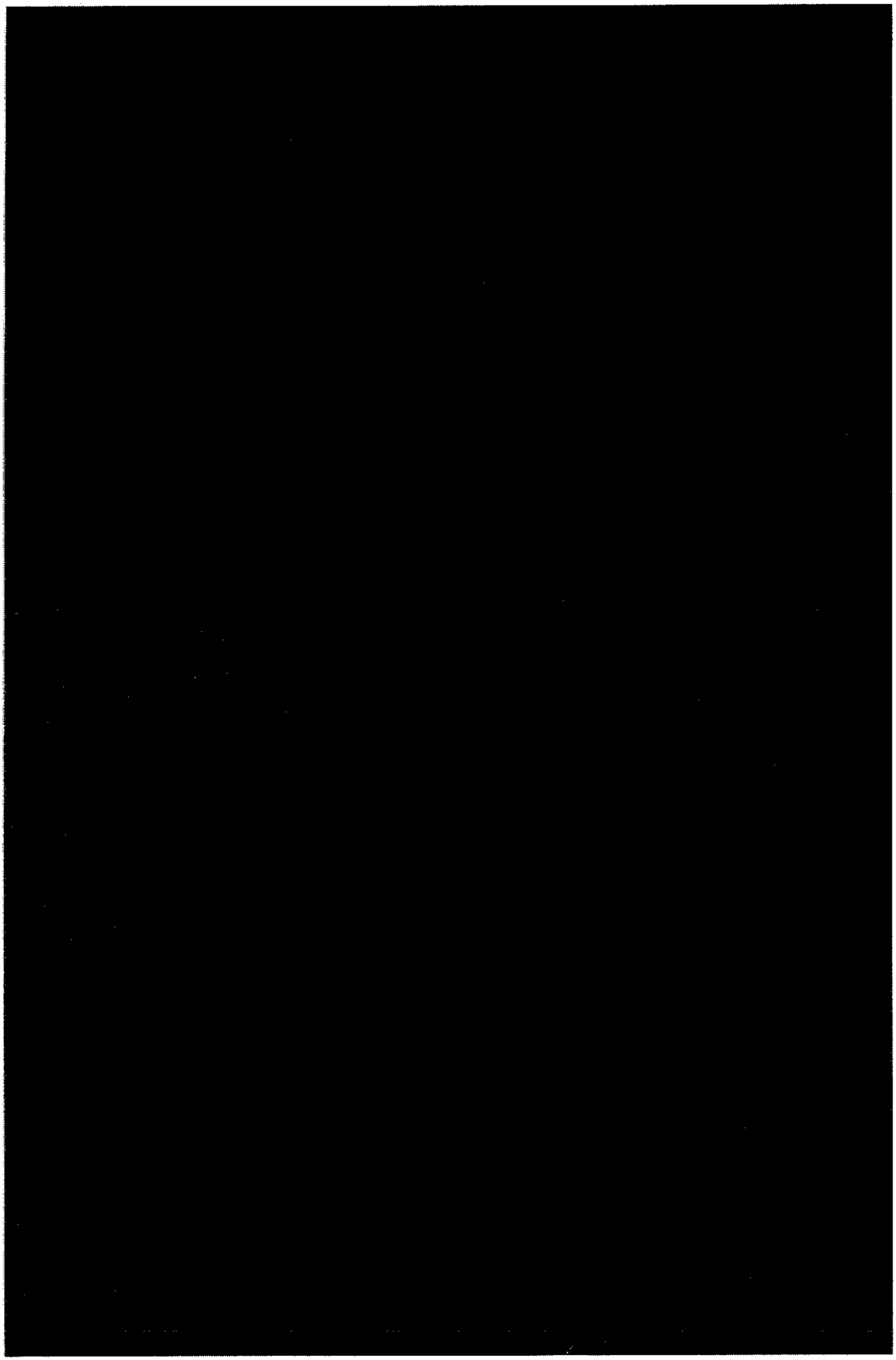
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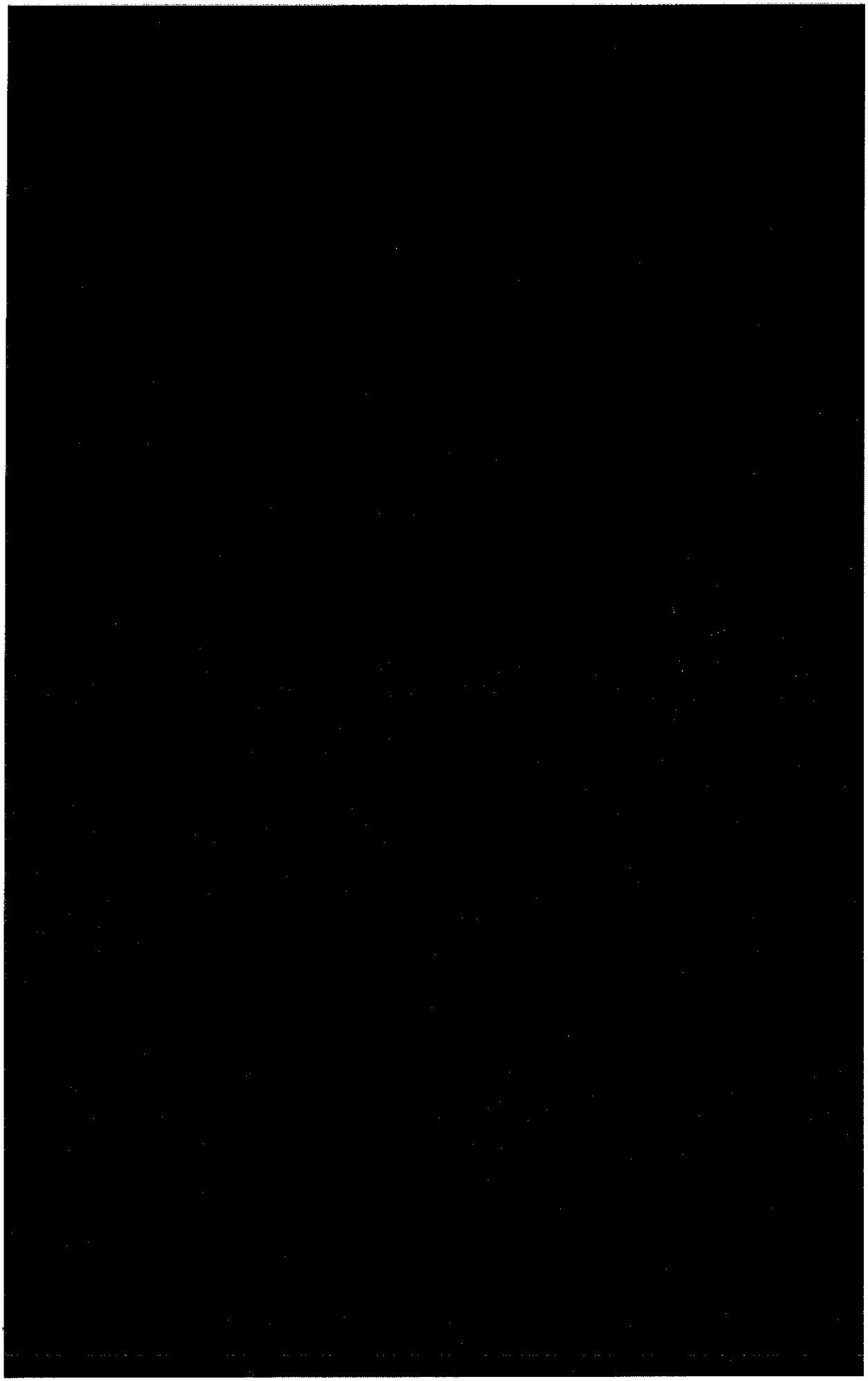
7.2 Planned shut downs

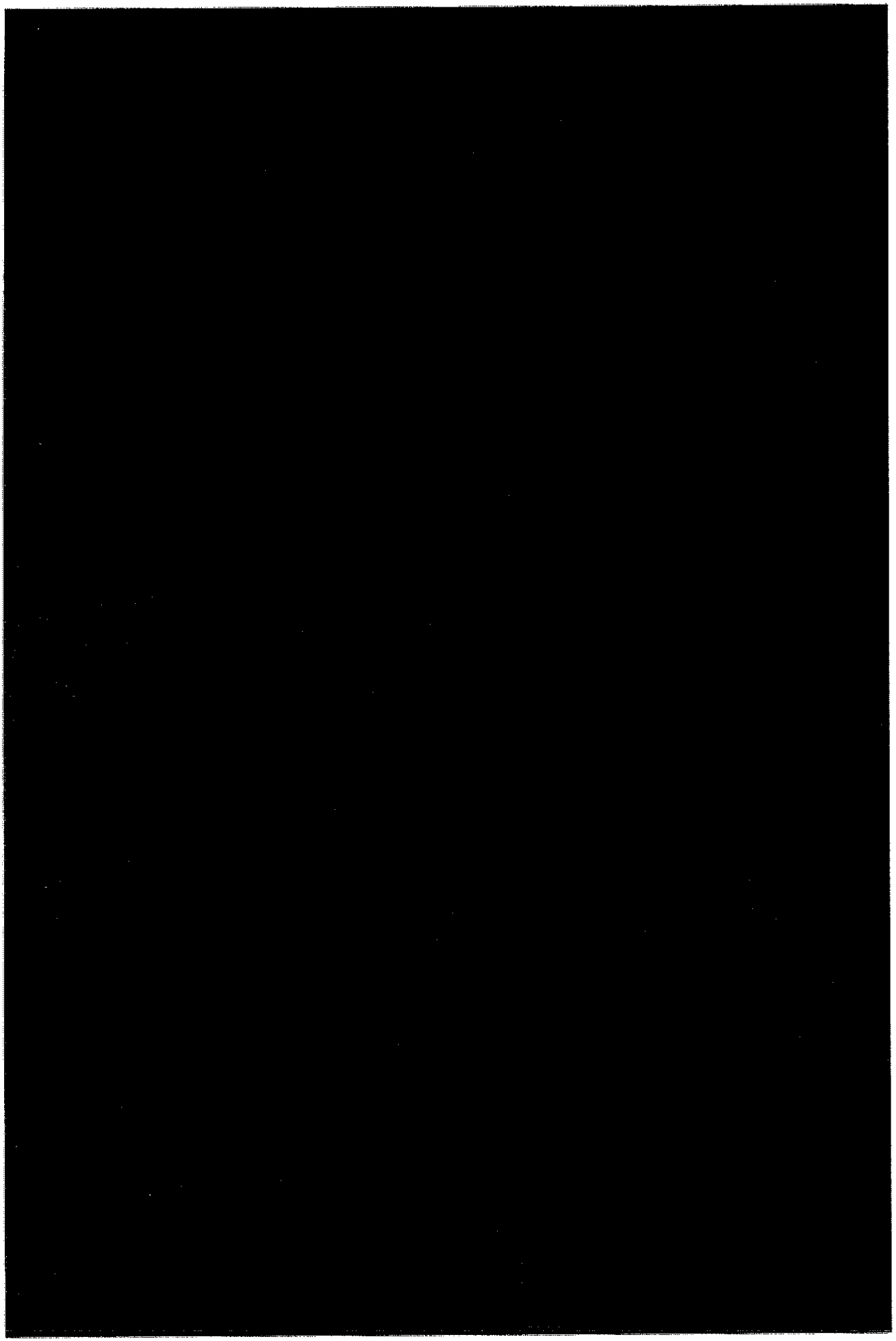
7.2.1 Prior to the Contractual Start Date, LEfW shall submit to the Customer any revisions to the Indicative Delivery Schedule in respect of the First Year and provide a proposed Delivery Schedule in respect of the second Year of the Contract Period. Thereafter LEfW shall submit to the Customer a proposed Delivery Schedule in respect of each Year as soon as practicable before the start of the Year. In each case the revisions to the Indicative Delivery Schedule and each proposed Delivery Schedule shall give details of the proposed start and end dates for each period of shut down during which it is planned that LEfW will carry out routine inspection and maintenance of the Facility (a "Planned Shut Down") and of the works to be carried out during each such Planned Shut Down.

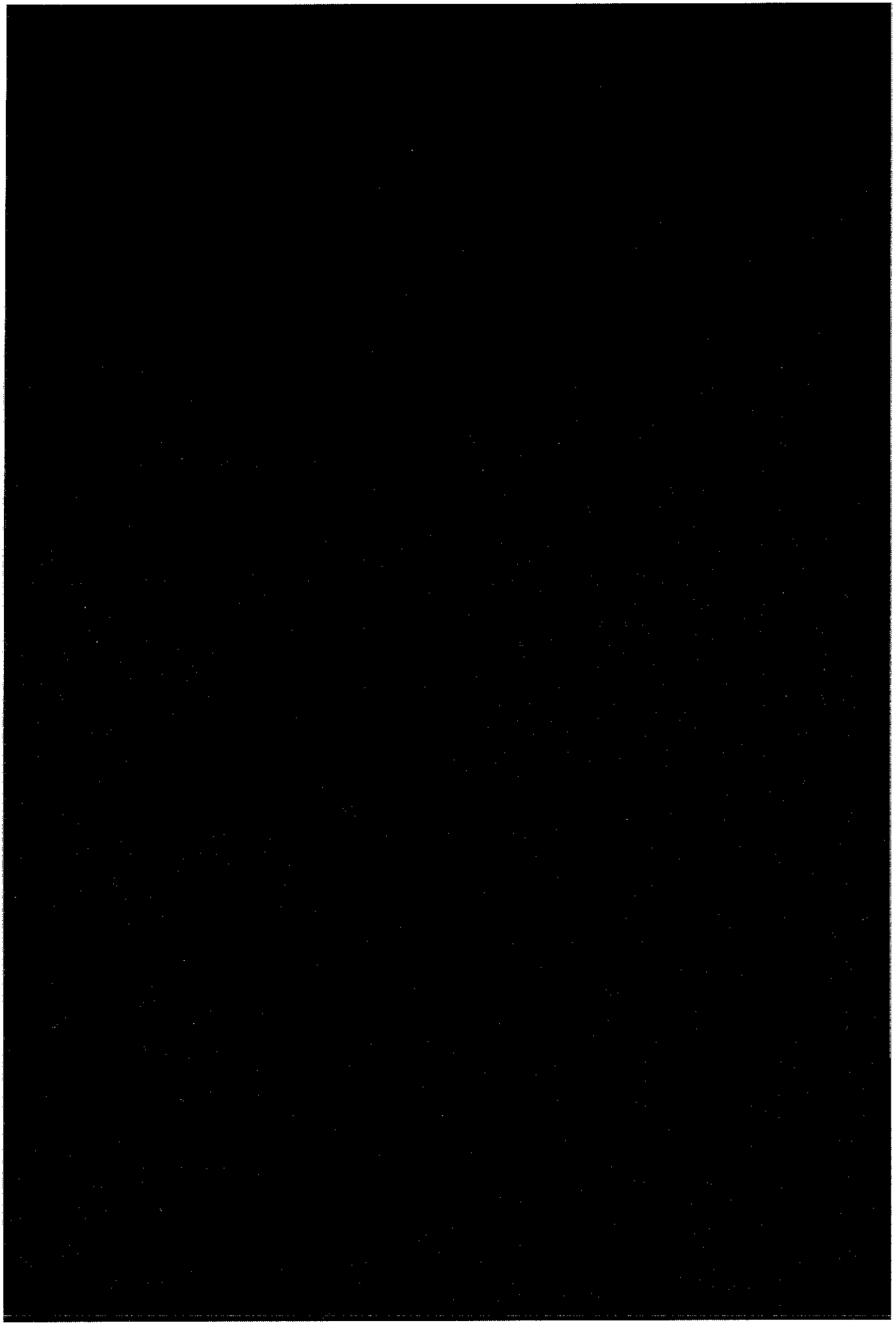
7.2.2 Not later than 90 days prior to the commencement of any Quarter, LEfW may submit to the Customer revisions of the Delivery Schedule showing proposed revisions to the periods of Planned Shut Downs in respect of such Quarter. LEfW shall confirm to the Customer in writing the date of commencement and the duration of each Planned Shut Down not less than 7 days before that Planned Shut Down starts.

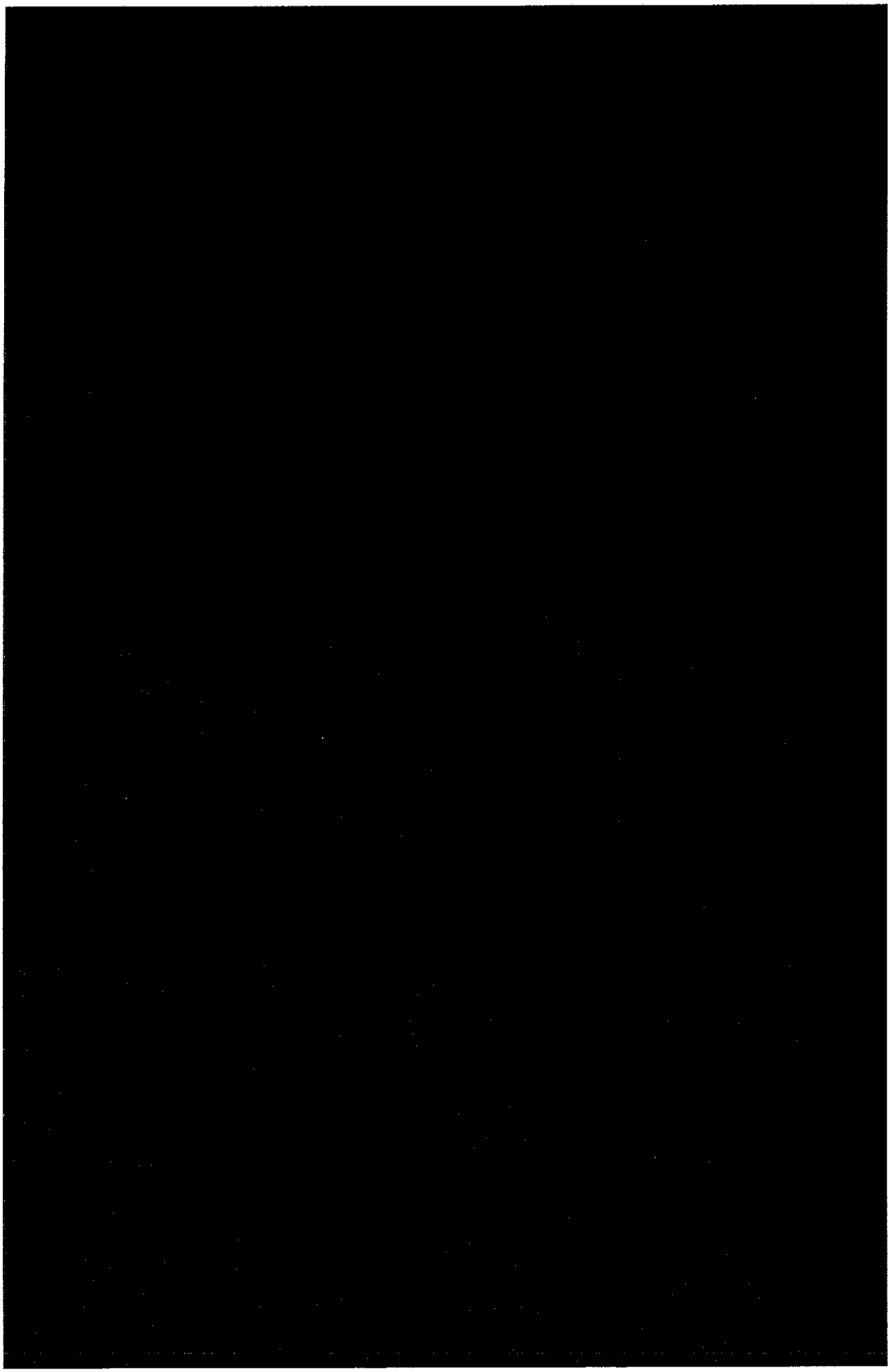


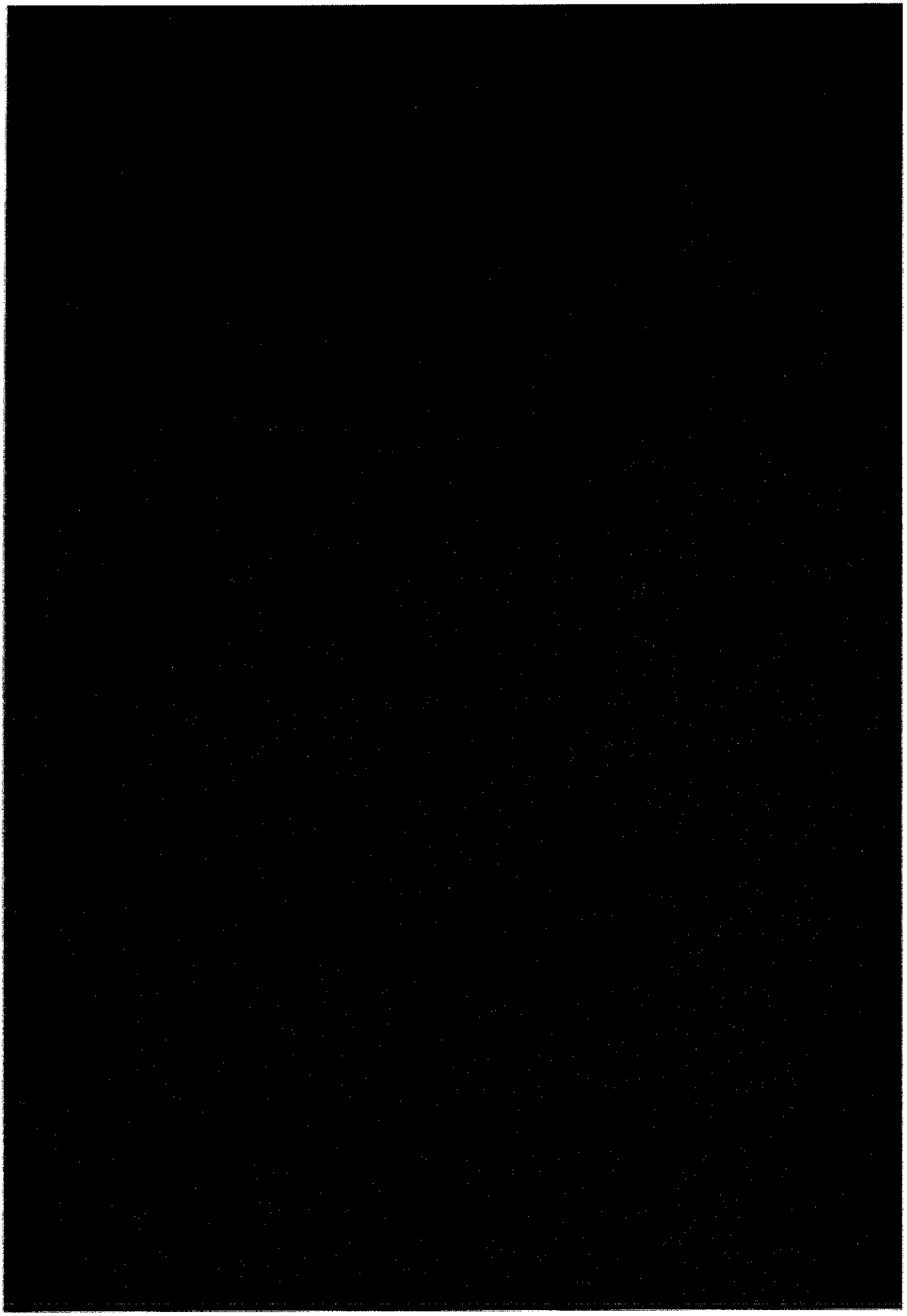


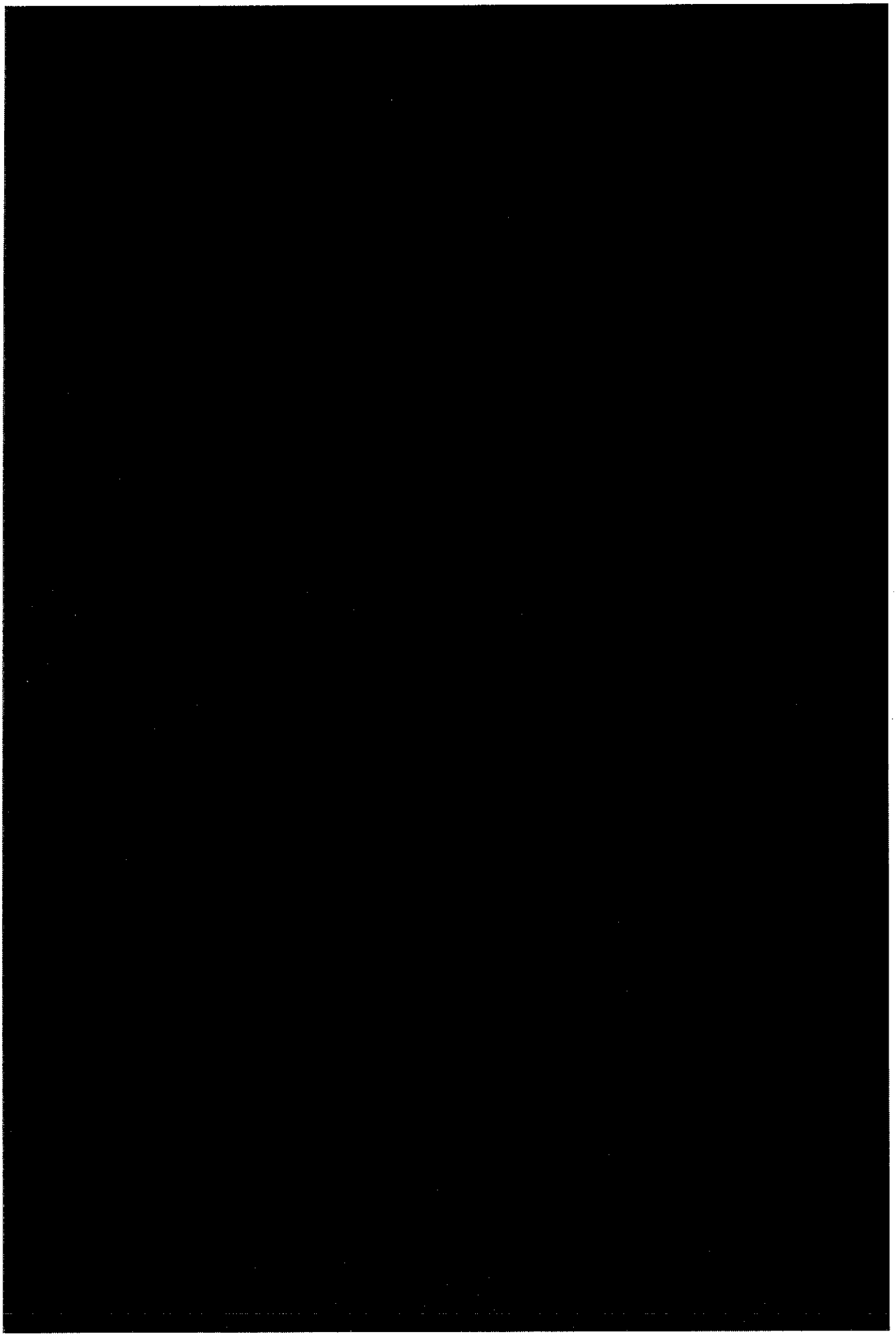


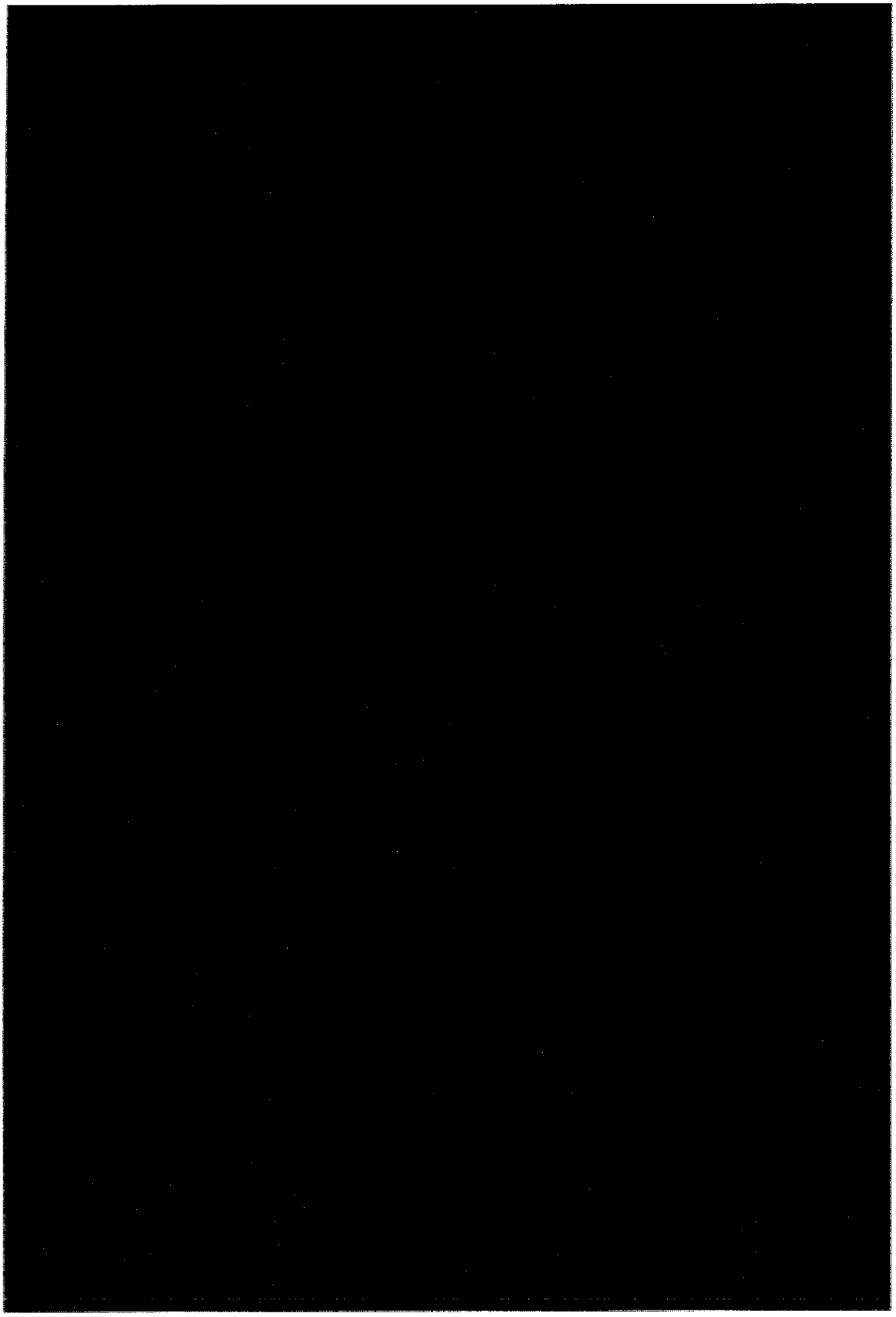


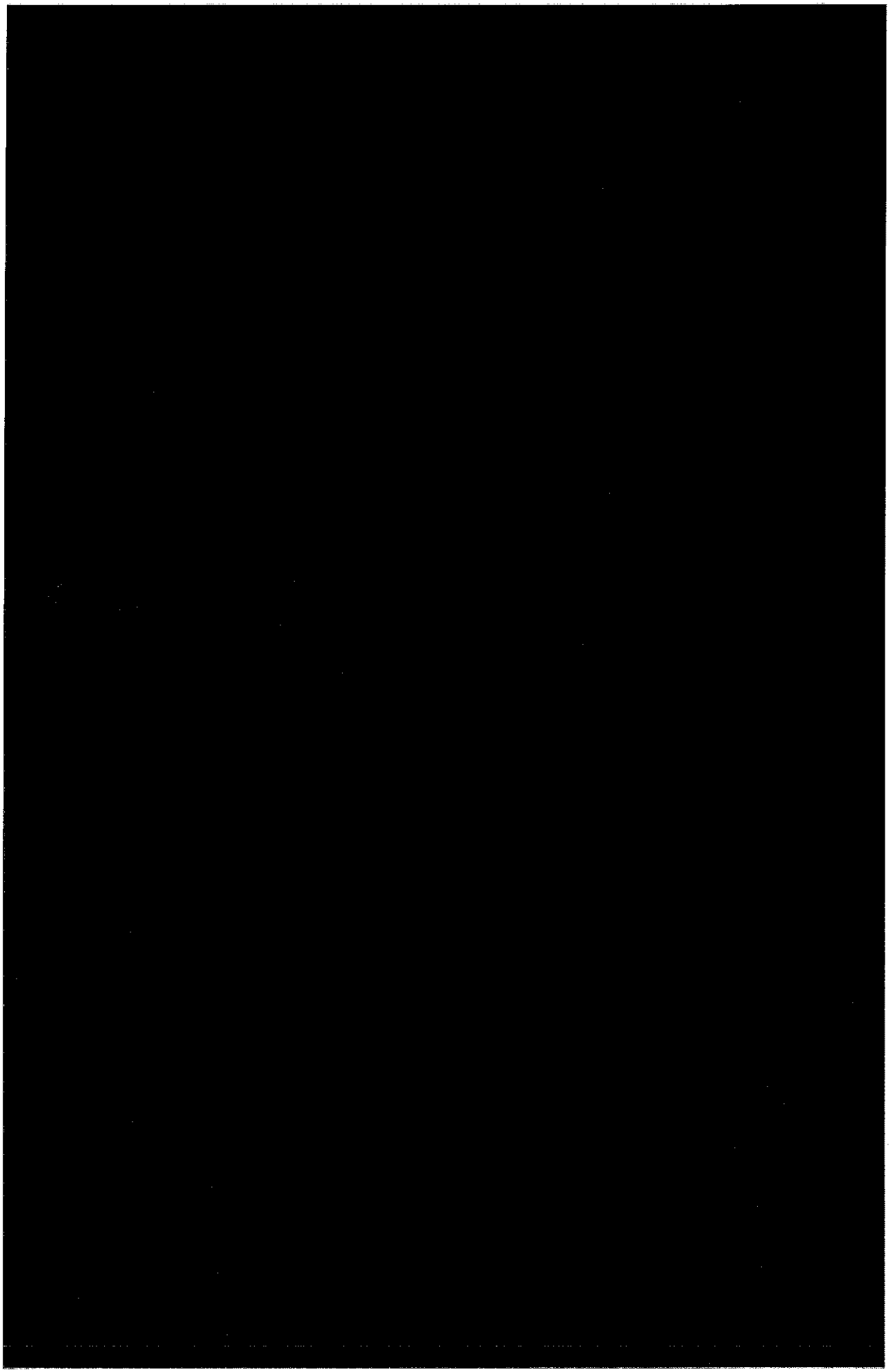


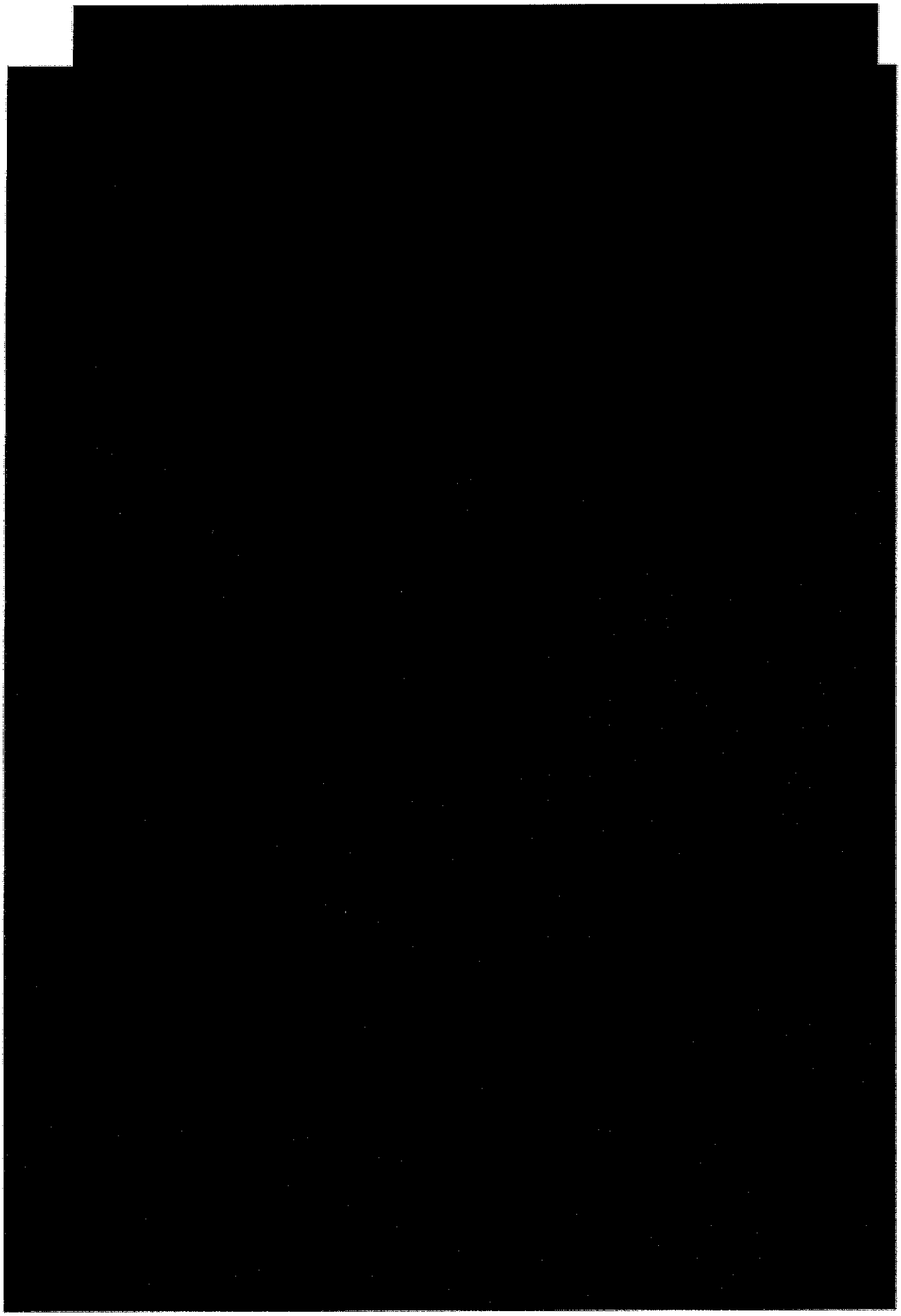


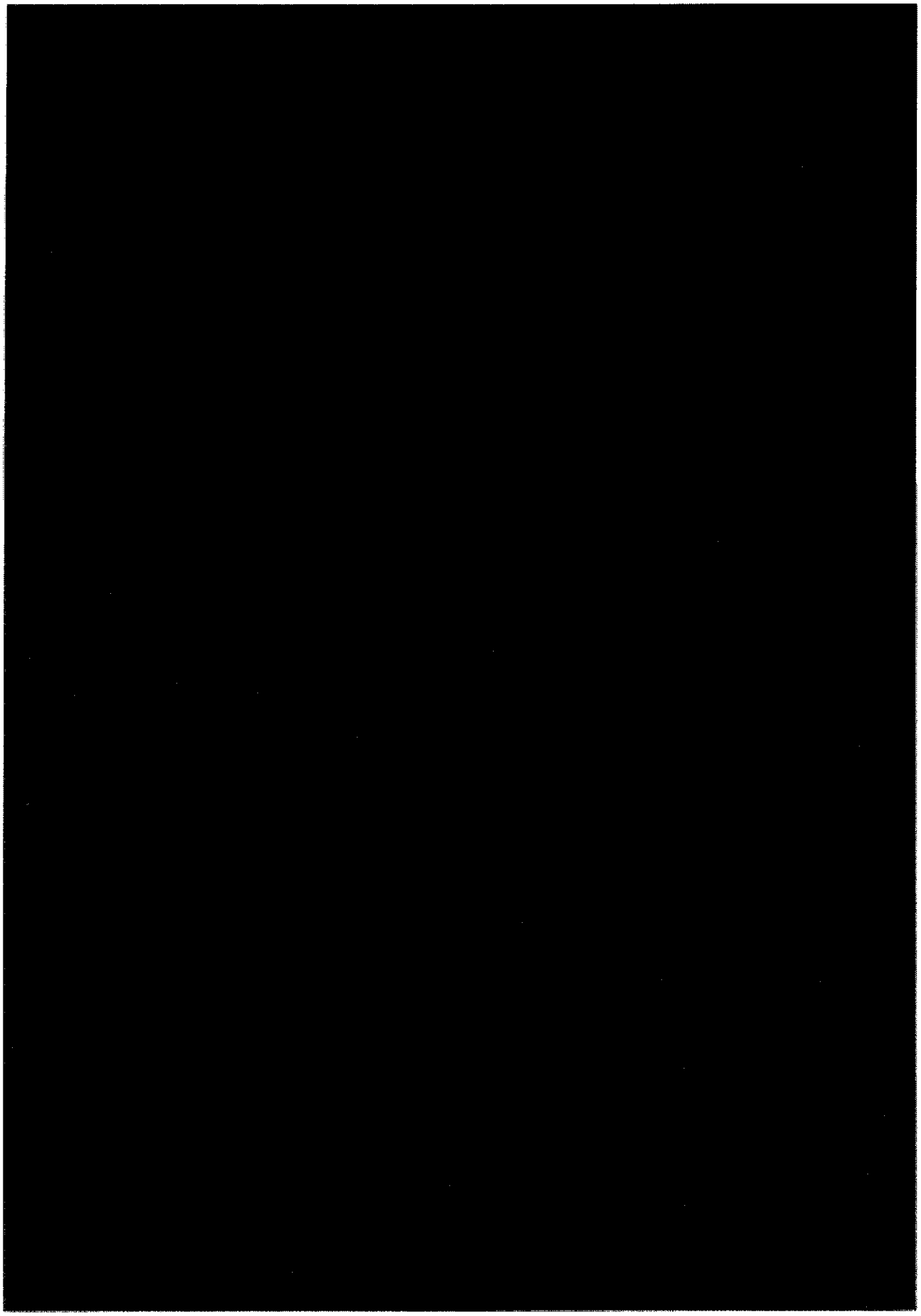


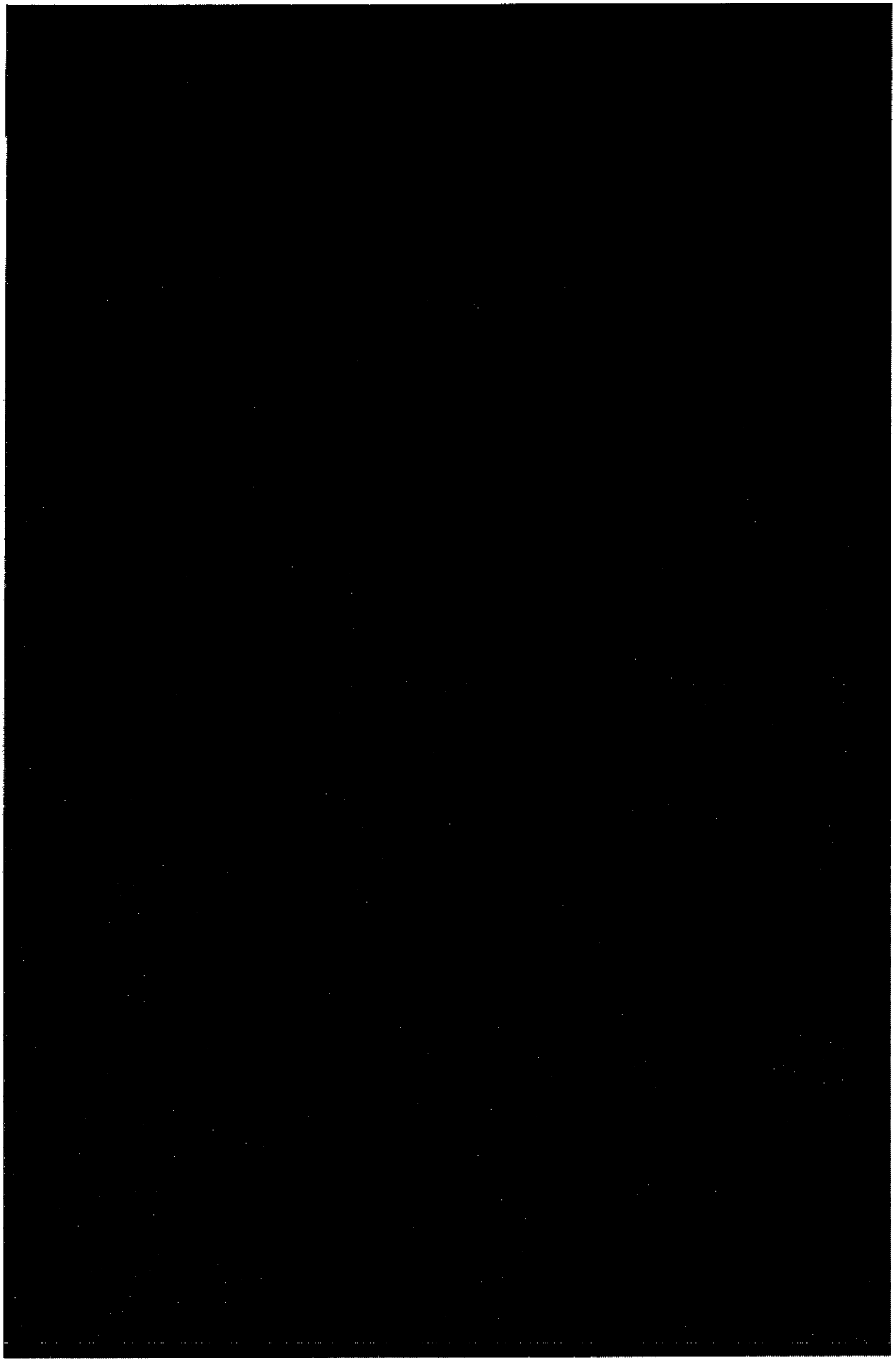


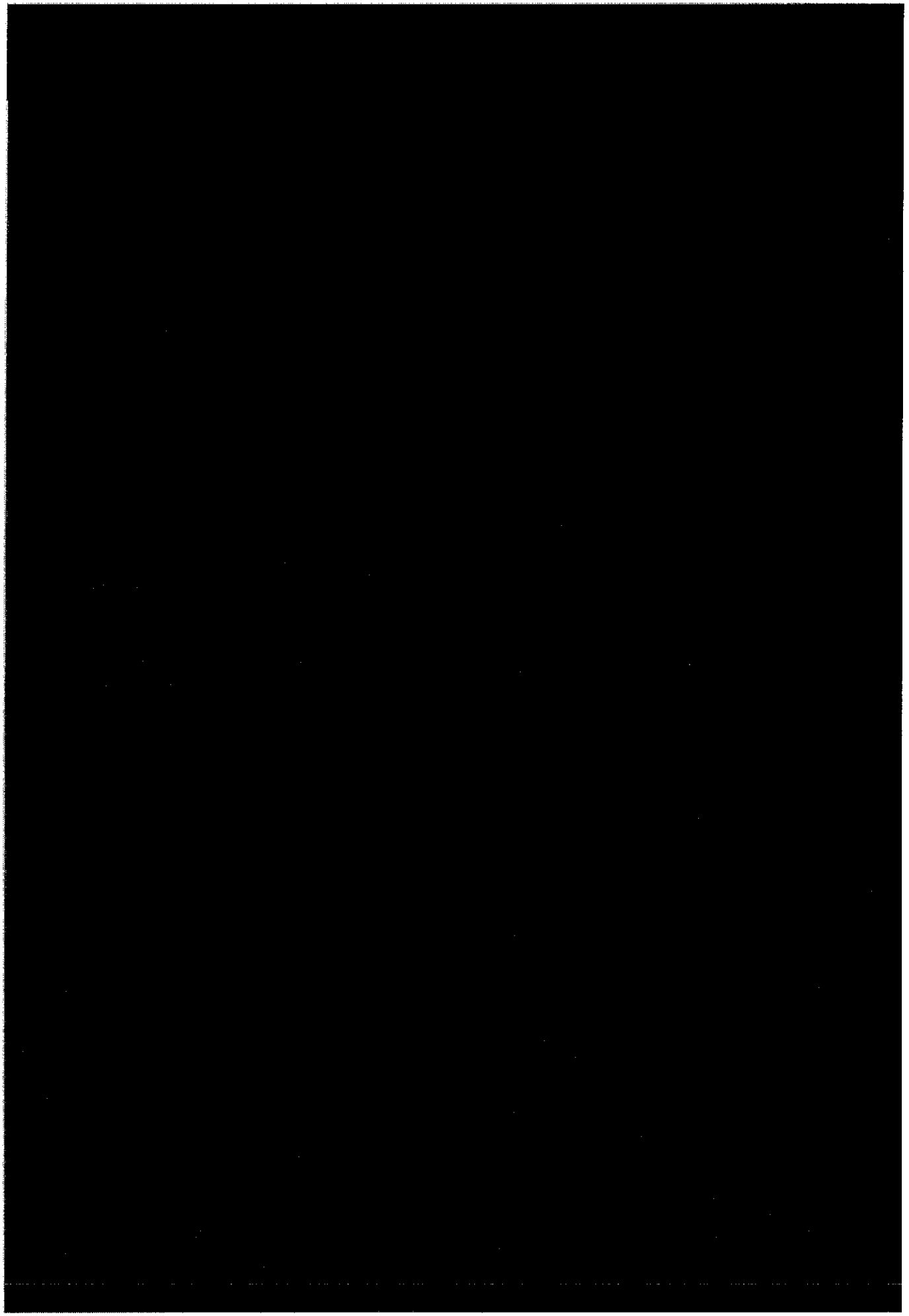












[redacted]

17. OWNERSHIP OF REFUSE AND RESIDUE

17.1 Title to and risk in all Acceptable Refuse delivered to the Facility by the Customer shall upon being placed in the refuse bunker at the Facility (or if earlier upon being placed on the tipping apron floor of the Facility for the purposes of inspection) be deemed as between the Customer and LEfW to have passed to LEfW and until that time title to and risk in such Acceptable Refuse

shall be deemed to rest with the Customer and risk and responsibility for such Acceptable Refuse shall rest with the Customer.

17.2 Title, risk and responsibility for all Unacceptable Refuse which LEfW can reasonably demonstrate to have been delivered by the Customer shall at all times rest with the Customer.

17.3 Title, risk and responsibility for the Residues attributable to the Customer's Acceptable Refuse shall at all times rest with LEfW.

[redacted]

18. FACILITY REGULATIONS AND TRAINING

18.1 Not less than 28 days prior to the commencement of Commissioning of the Facility LEfW shall provide the Customer with a copy of the regulations governing all health and safety and general working practices to be observed at the Facility. LEfW shall thereafter notify the Customer of variations to the regulations as soon as reasonably practicable. The Customer shall comply in every respect with such regulations (as amended or substituted from time to time).

18.2 If any employee, agent, contractor or sub-contractor of the Customer is at any time in breach of any of the Facility regulations and without good cause continues to break such regulations after LEfW has given due warning (either orally or in writing) LEfW may require that such employee, agent, contractor or sub-contractor be removed from the Facility forthwith and/or be refused access to the Facility thereafter and the Customer shall comply with or procure compliance with the requirement.

18.3 The Customer will make available at its own cost any employee agent contractor or subcontractor (or their employees) for training purposes at any time before or after the Commissioning Notice has been served at such intervals and including such refresher training as LEfW shall reasonably require from time to time. Such training will cover (amongst other things) health and safety and general working practices at the Facility that are to be observed.

18.4 In the event that any employee agent contractor or subcontractor (or their employees) shall not have undergone training, after having been given reasonable opportunity to do so LEfW may in its absolute discretion require that such employee, agent, contractor or sub-contractor be removed from the Facility forthwith and/or be refused access to the Facility thereafter and the Customer shall comply with or procure compliance with the requirement.

[redacted]

[redacted]

21. WARRANTIES AND UNDERTAKINGS

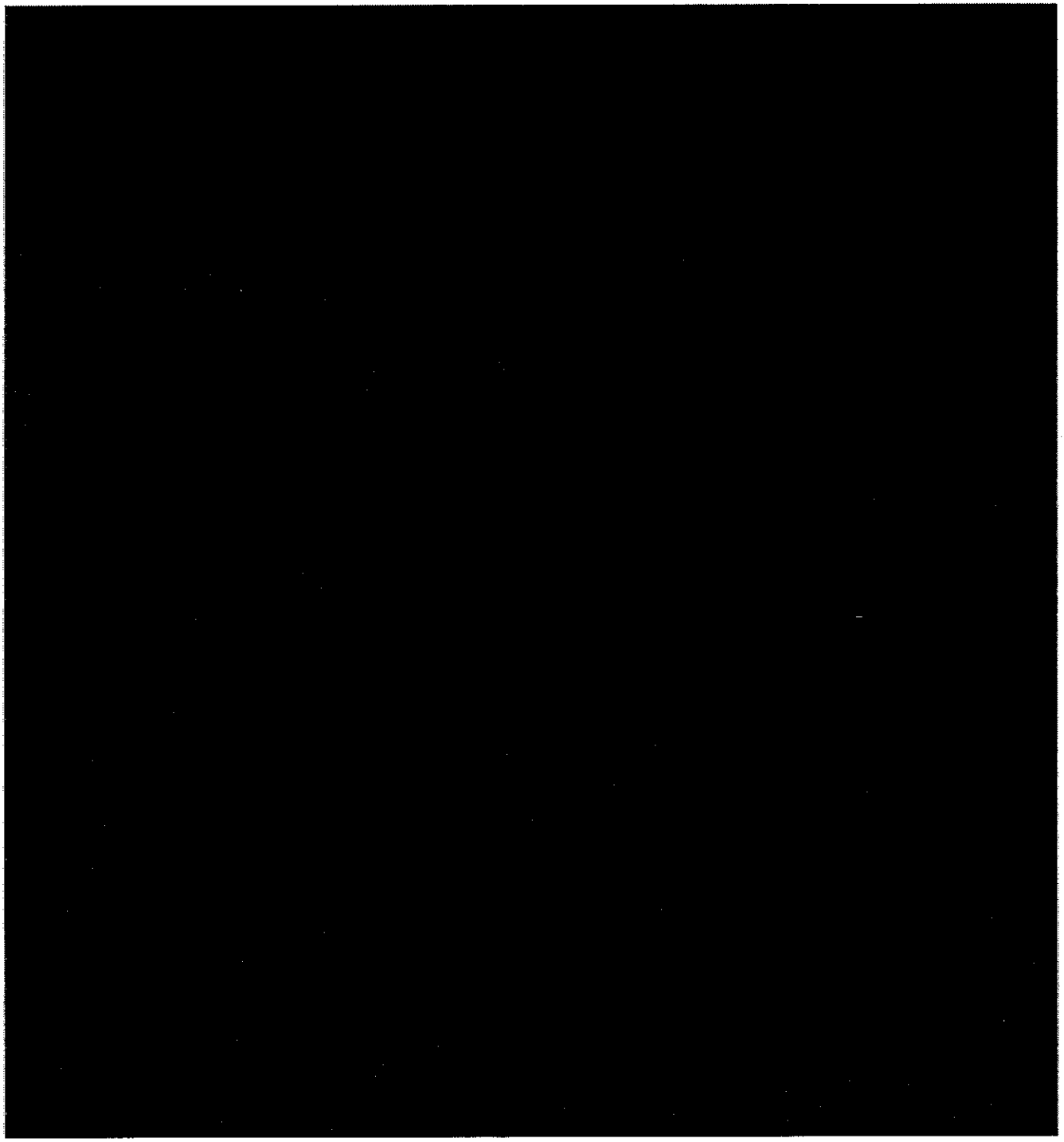
21.1 LEfW warrants as at the date of this Agreement that it has full authority and power to enter into this Agreement and undertakes that in performing its obligations hereunder, LEfW shall comply in all material respects with all Applicable Laws.

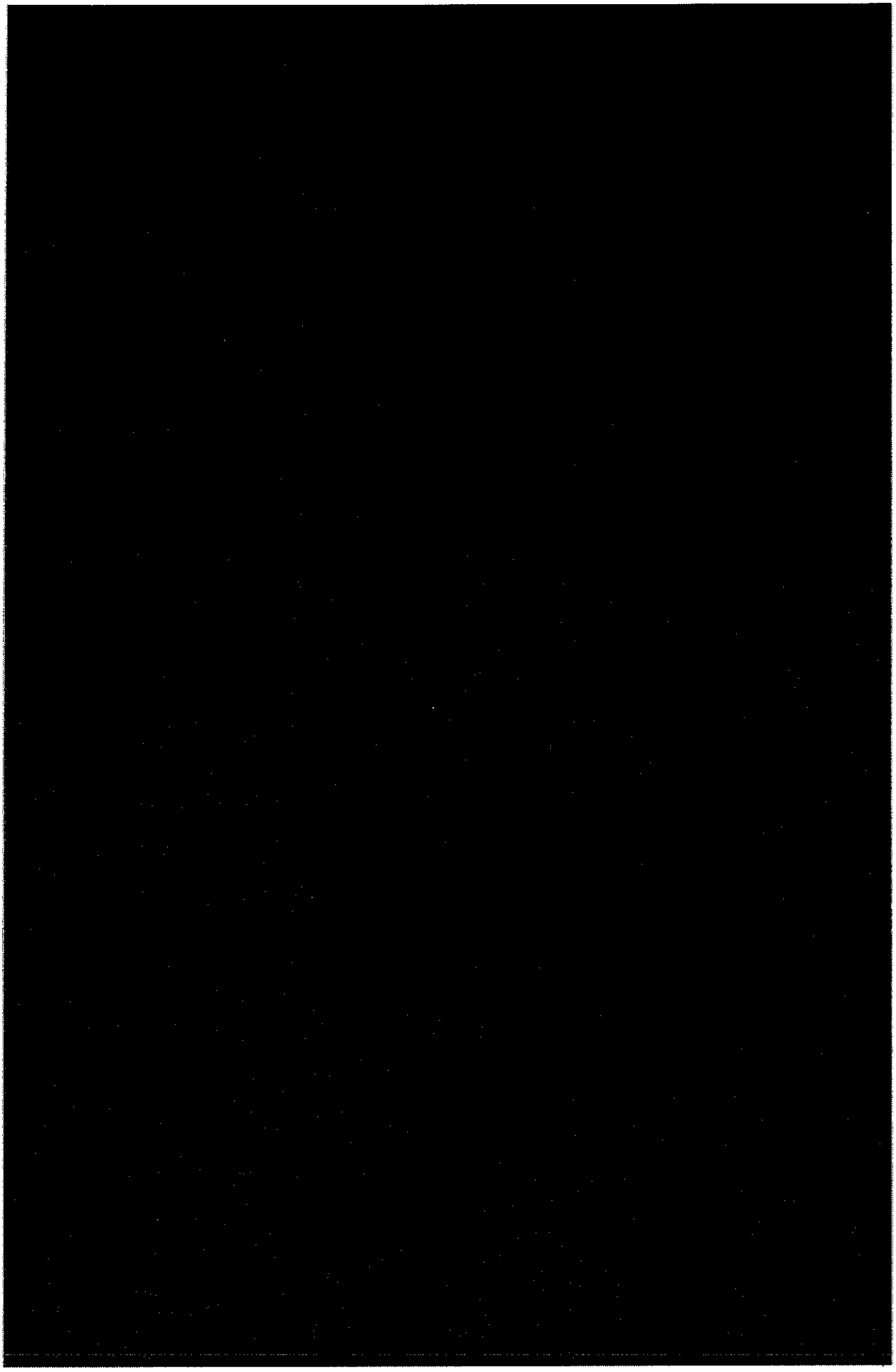
21.2 The Customer warrants as at the date of this Agreement it has full authority and power to enter into this Agreement and perform it in accordance with its terms.

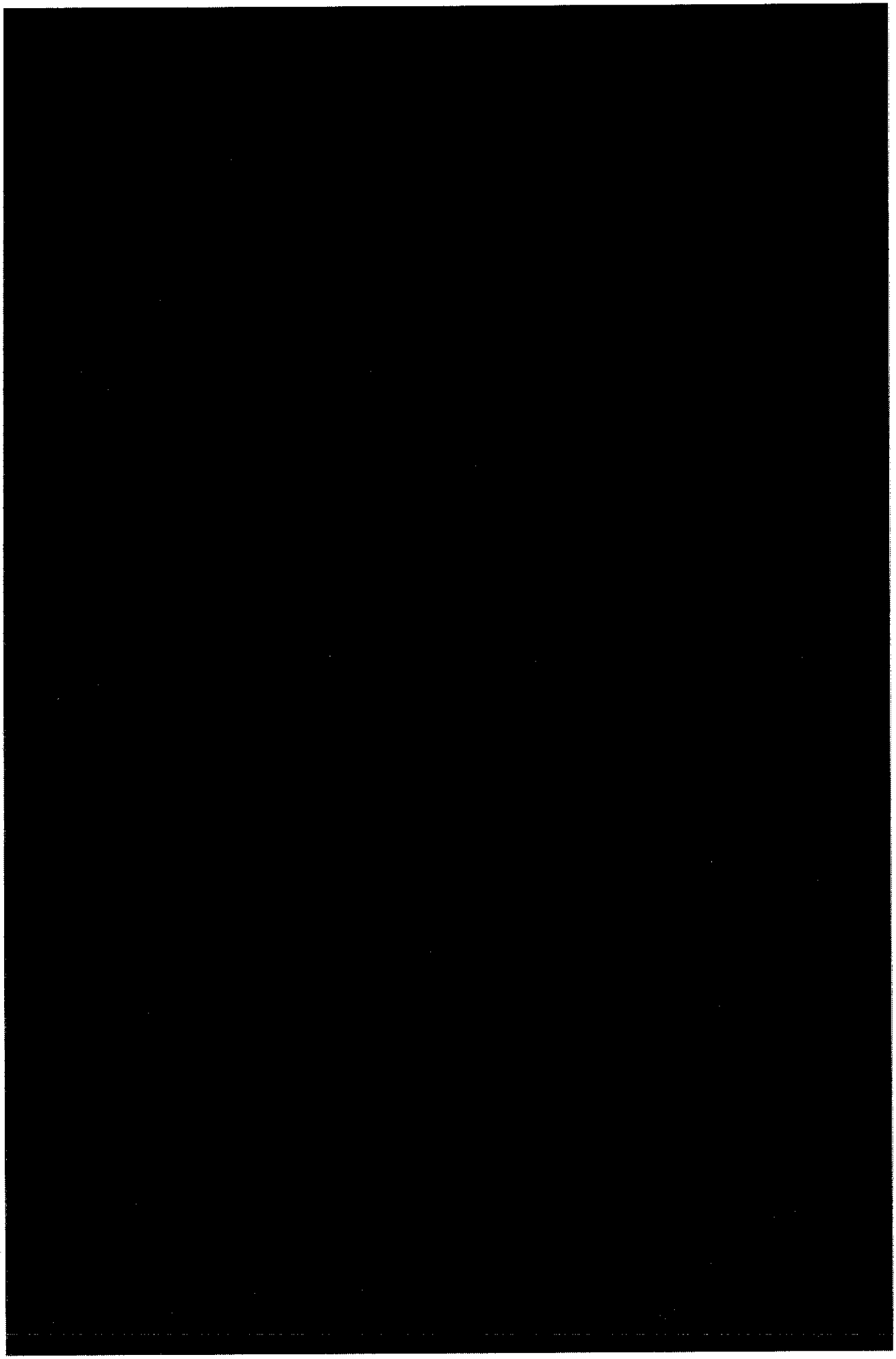
21.3 The Customer undertakes that:

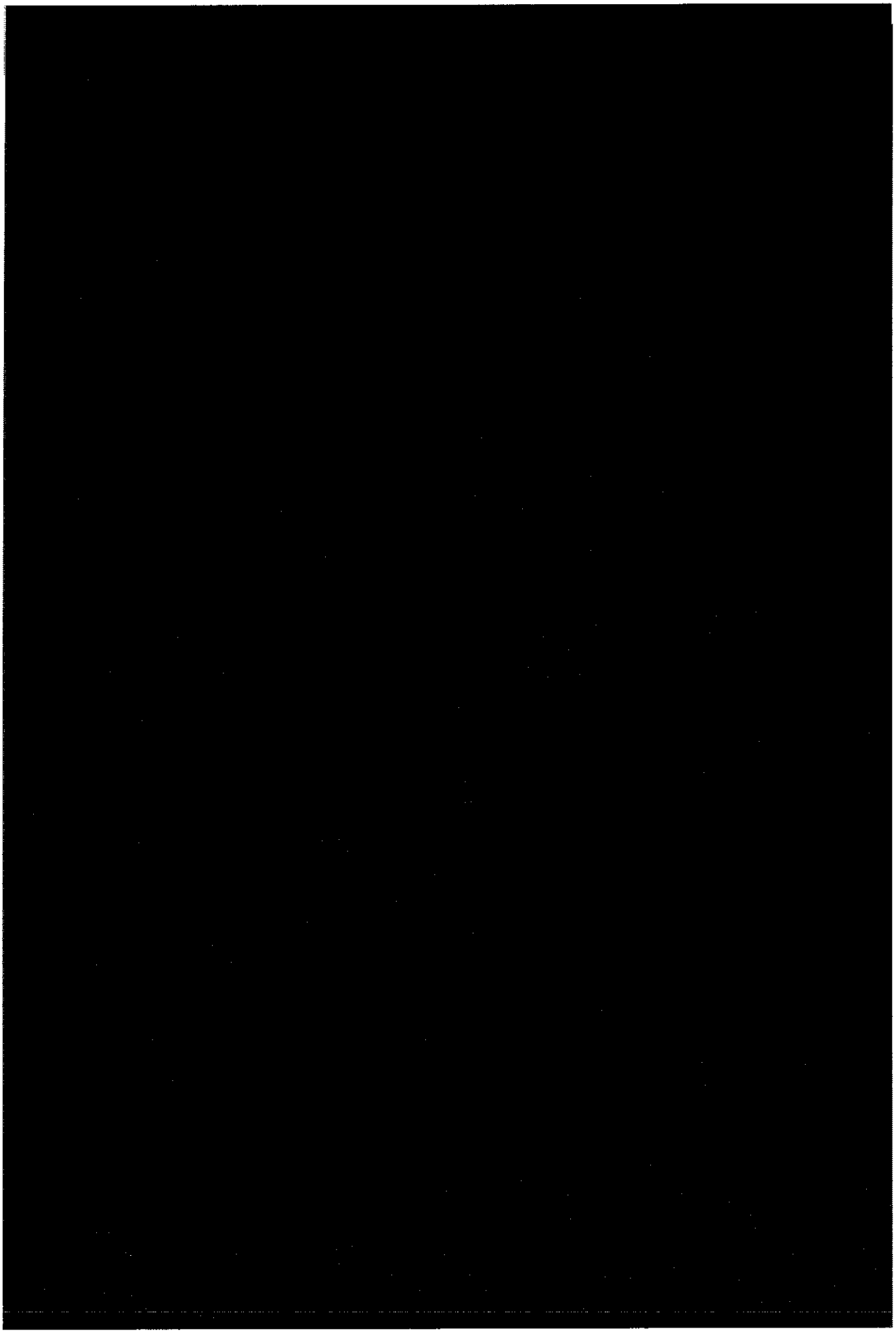
21.3.1 in performing its obligations hereunder, it shall comply in all material respects with all Applicable Laws;

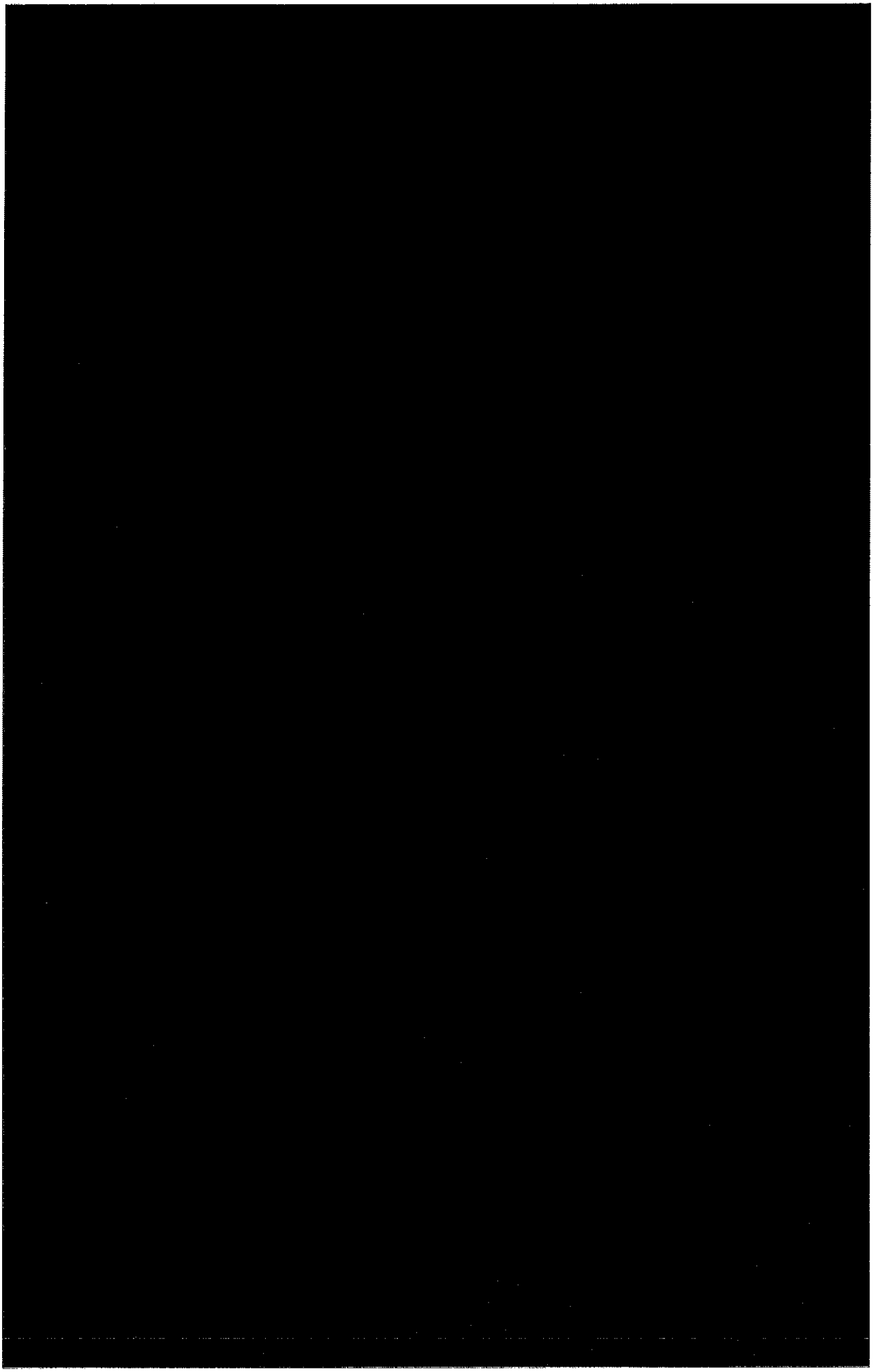
21.3.2 (without prejudice to the other rights and duties of the Parties under this Agreement and at law) the Customer will use reasonable endeavours to ensure that the material delivered to the Facility by it or on its behalf shall not contain material amounts of any Dangerous Substances or Radioactive Substances but this shall not have the effect of preventing delivery of material the composition and/or quantity of which is in accordance with that which could reasonably be expected to be comprised in household refuse (which in relation to quantities would be reasonably expected to be small).

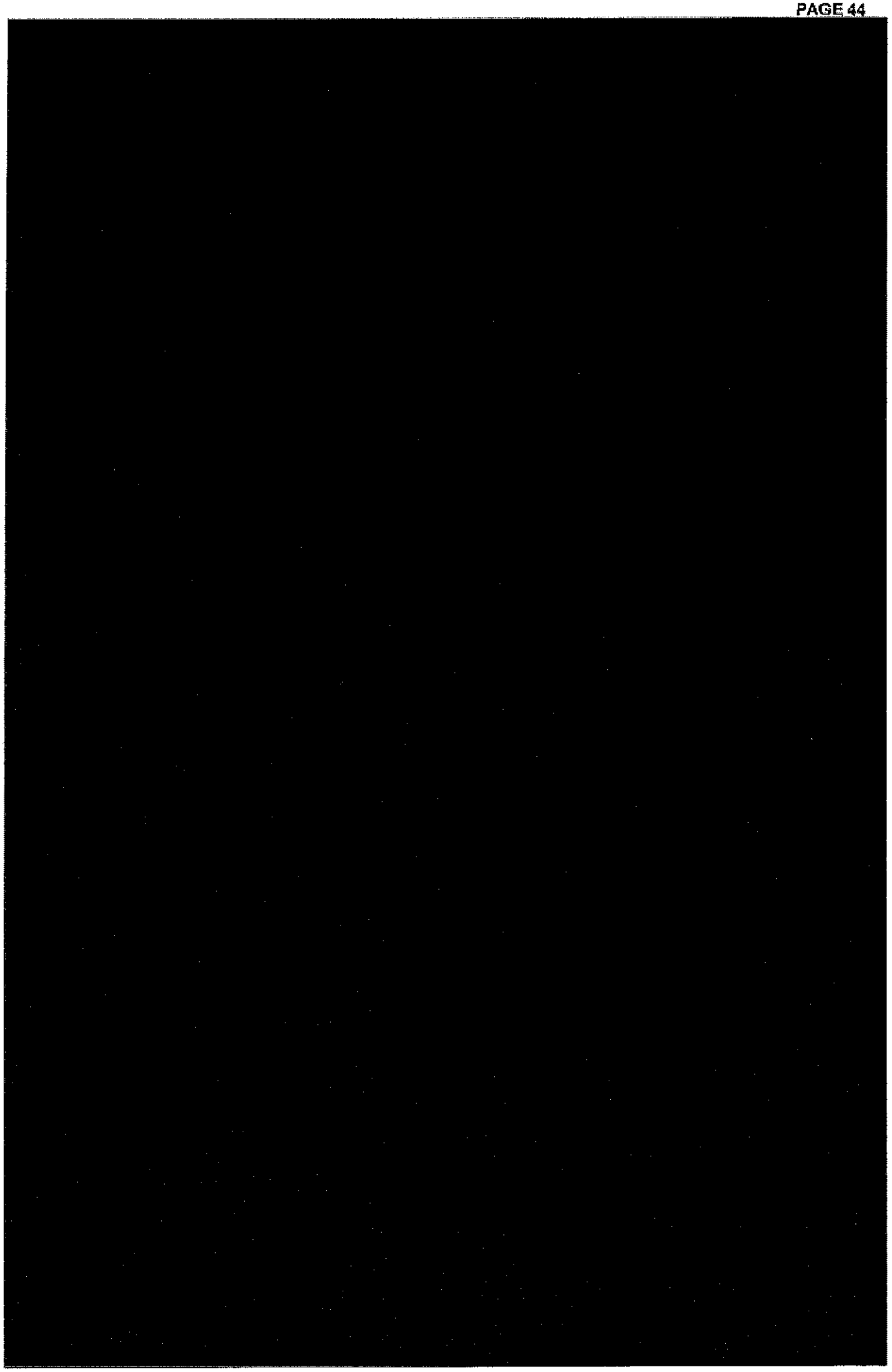


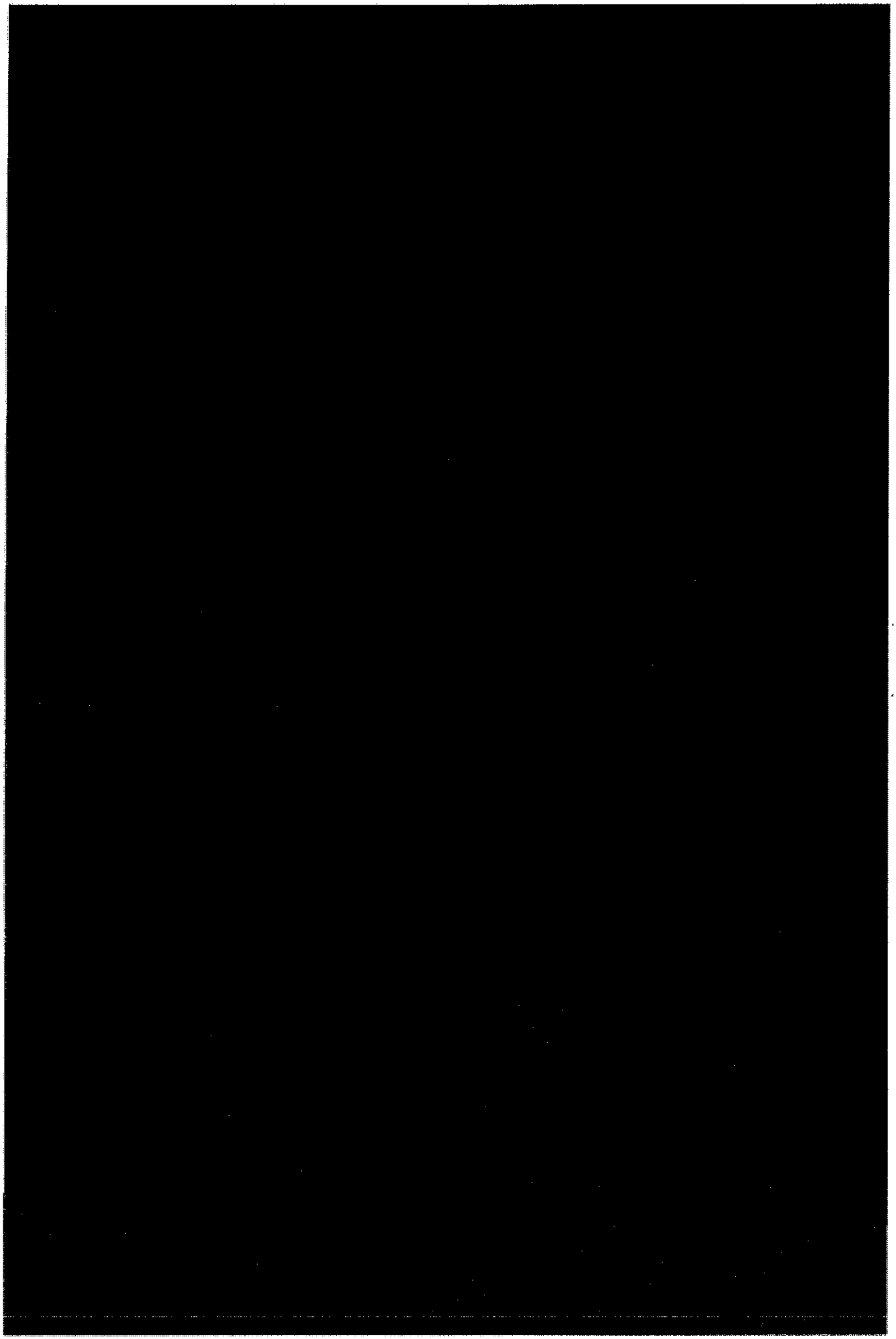


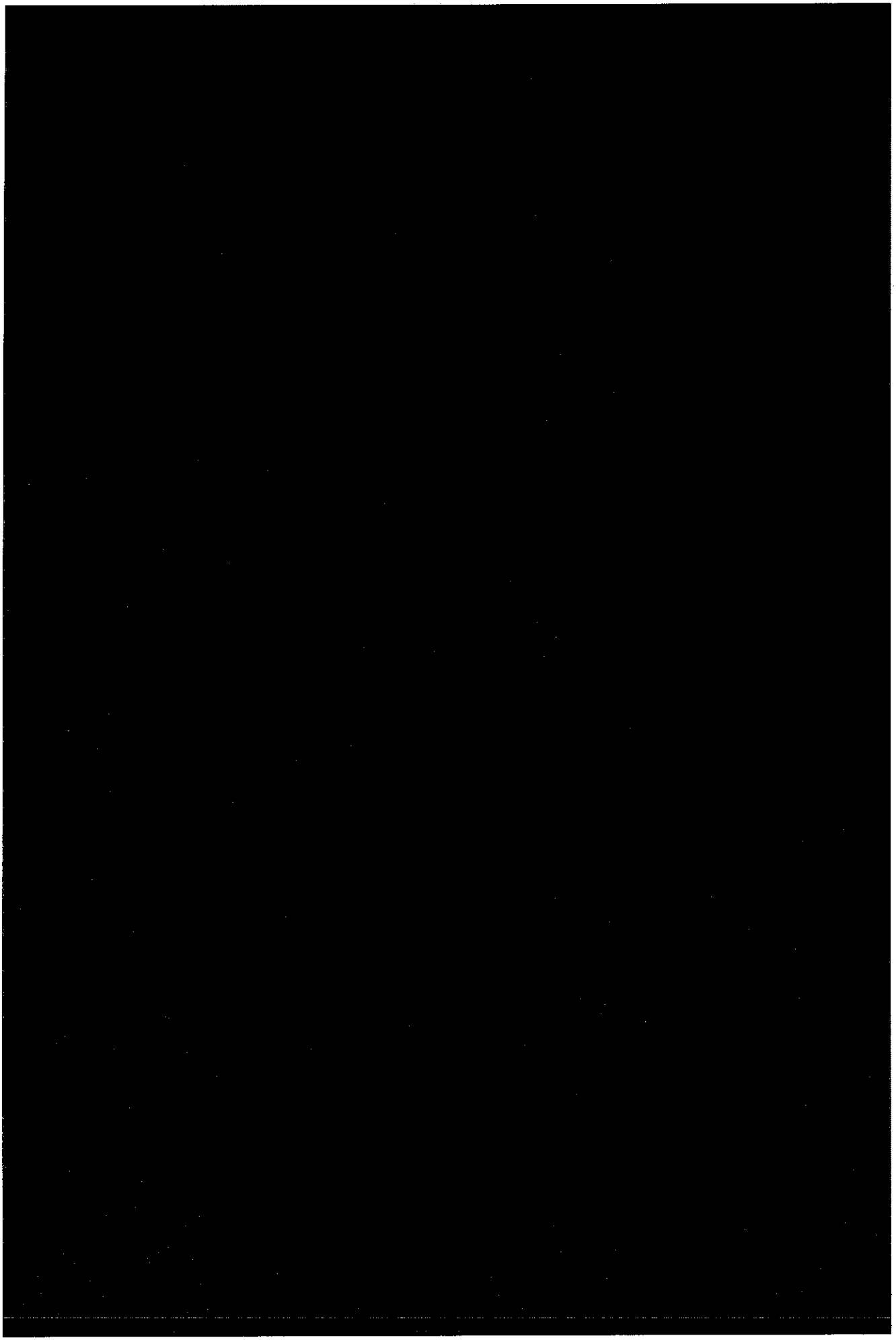


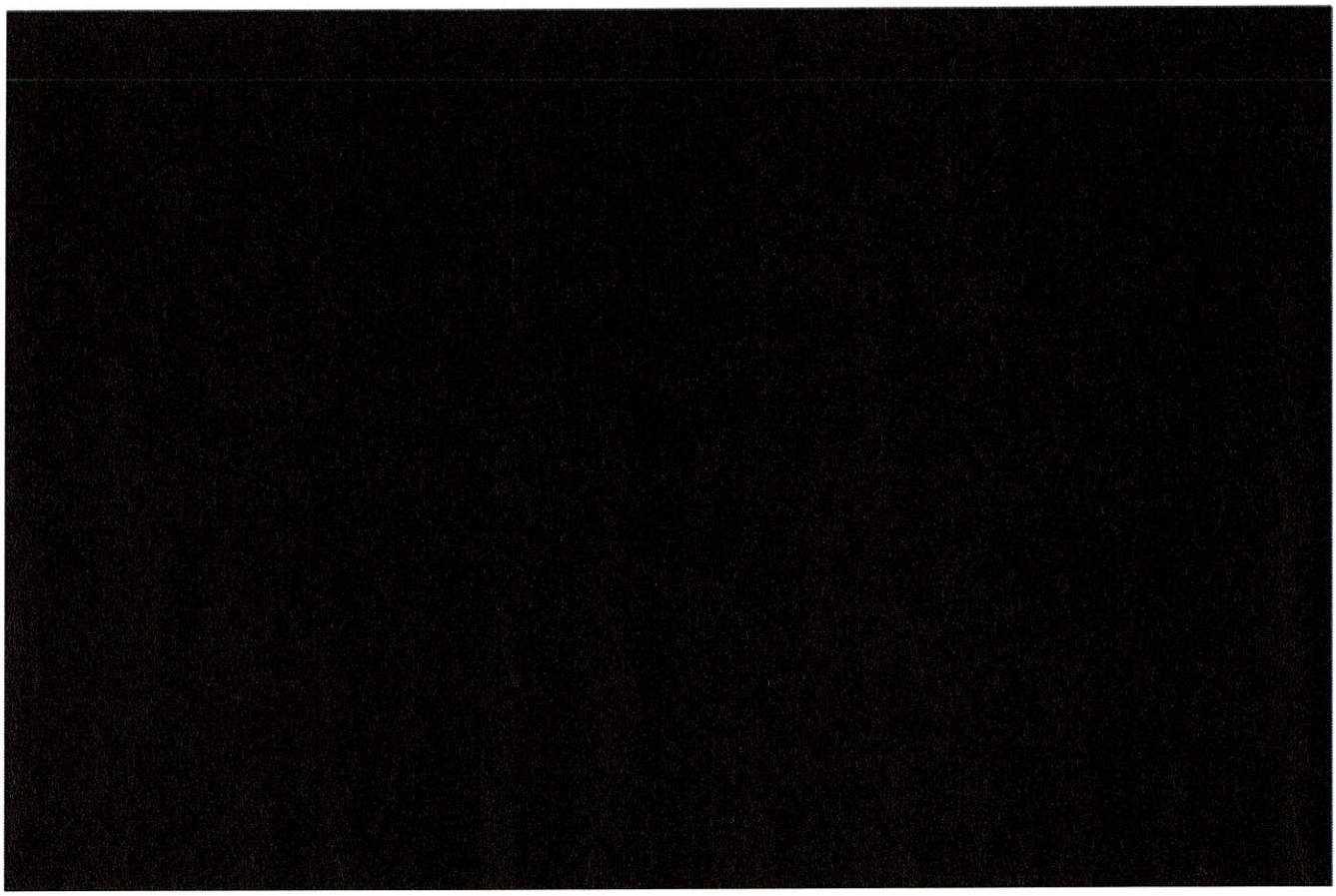












25. ARBITRATION AND DISPUTE RESOLUTION

25.1 Any dispute or difference which arises out of or in relation to this Agreement (a "Dispute") shall, whether or not this Agreement has been terminated, be resolved in accordance with this clause.

25.2 If any Dispute arises:

25.2.1 the Parties shall consider whether it is appropriate to seek to resolve the Dispute by meetings between senior representatives of each; and

25.2.2 If the Dispute has not been resolved under the procedure at Clause 25.2.2 within one month from the date on which that process began, the Dispute will be settled by arbitration, pursuant to Clause 25.4

25.3 Unless this Agreement has already been terminated, each Party shall continue to comply with all its obligations under this Agreement regardless of the nature of the Dispute.

Arbitration

25.4 If a Dispute is to be settled by arbitration under this Agreement, the following provisions shall apply.

25.4.1 The place of arbitration will be London and the language to be used in the arbitral proceedings will be English.

25.4.2 The arbitration shall be conducted by a single arbitrator to be agreed upon between the Parties.

25.4.3 The Parties shall endeavour to agree upon the identity of the arbitrator but absent agreement within 14 days of the date on which agreement is first sought the arbitrator shall be appointed by the President for the time being of the Chartered Institute of Wastes Management on the application of either Party. If the Parties are unable to agree upon the identity of the arbitrator they shall endeavour to agree upon the skills, experience or qualifications which the arbitrator should possess, and the Party which applies for the appointment of an arbitrator shall include with its application information about the skills, experience or qualifications which each Party contends to be desirable.

25.4.4 The Parties will not object to the appointment of:

25.4.4.1 the arbitrator as an arbitrator in relation to a related dispute under another agreement; or

25.4.4.2 a person as the arbitrator on the grounds that he has also been appointed or will be appointed to determine or has determined a related dispute under another agreement.

25.4.5 The arbitration shall be conducted in accordance with the Arbitration Act 1996 or any re-enactment or statutory modification of the same for the time being in force.

25.4.6 Unless otherwise agreed by the Parties, the arbitrator shall determine the procedure to be followed. In determining the procedure, the arbitrator shall observe the following agreed provisions:

25.4.6.1 the arbitrator may engage experts to give such assistance as it deems appropriate. The Parties may also call such expert testimony written or oral as they wish;

25.4.6.2 the Parties shall be entitled to present the oral testimony of witnesses of facts; and

25.4.6.3 if either Party fails within the prescribed time to appear or to present its case at any stage of the proceedings, the arbitrator may of its own motion or at the request of either Party, after giving reasonable notice to each Party, proceed with the arbitration and make an award.

25.4.7 All awards of the arbitrator shall be binding on the Parties who expressly waive all rights of appeal or recourse to any court, except such rights as cannot be waived by law.

25.4.8 The provisions of Clause 26 shall apply to the arbitration and all matters arising in the course thereof.

26. CONFIDENTIALITY

26.1 Neither LEfW nor the Customer shall, without the prior written consent of the other, disclose to any person or otherwise make use of any Confidential Information of the other which has come into its possession or which may in the course of this Agreement come into its possession.

26.2 The restrictions contained in Clause 26.1 shall not apply to:

26.2.1 any disclosure by either Party to its auditors or advisers;

26.2.2 any disclosure made to enable a determination to be made under Clause 25;

26.2.3 any disclosure required by law (including any order of a court of competent jurisdiction), the rules of any stock exchange or governmental or regulatory authority having the force of law;

26.2.4 any disclosure of information that is reasonably required by persons engaged in the performance of its obligations under this Agreement;

26.2.5 any information which a Party can demonstrate is already generally available and in the public domain otherwise than as a breach of this Clause 26; or

26.2.6 any disclosure of information by LEfW (or by its receiver or administrative receiver or administrator) to any person (or their advisers):

26.2.6.1 proposing to provide or secure the provision of funding (whether by way of equity investment, loan or otherwise) to LEfW or insure the Facility or to any person (or their respective advisers) having so provided or secured such funding or insured the Facility; or

26.2.6.2 proposing to acquire any of the then issued share capital or debt instruments of LEfW by way of transfer or to acquire any of LEfW's share capital by subscription;

26.2.6.3 in connection with the listing of the issued share capital or debt instruments of LEfW (including information made available to any underwriter sponsor or broker involved in the listing);

26.2.7 any disclosure of information by the Customer (or by its receiver or administrative receiver or administrator) to any person (or their advisers):

26.2.7.1 proposing to provide or secure the provision of funding (whether by way of equity investment, loan or otherwise) to the Customer or to any person (or their respective advisers) having so provided or secured funding; or

26.2.7.2 proposing to acquire any of the then issued share capital or debt instrruments of the Customer by way of transfer or to acquire any of the Customer's share capital by subscription; or

26.2.7.3 in connection with the listing of the issued share capital or debt instruments of the Customer (including information made available to any underwriter sponsor or broker involved in the listing)

26.2.8 any disclosure of information by the Customer to the Authority or their advisers which relates to the day to day operation of this Agreement in accordance with its terms and the disclosure of which is a necessary part of the day to day operation of that part of the Project Agreement which relates to the Facility, including without limitation any disclosure relating to:

26.2.8.1 the amount of the Gate Fee, Annual Charge and any other amounts payable under this Agreement from time to time (and any proposed increase in the same);

26.2.8.2 any information required to be made available under this Agreement supporting any increase or proposed increase in the Gate Fee, Annual Charge or any other amounts payable under this Agreement from time to time (including as a result of a Change in Law);

26.2.8.3 any information relating to refuse delivered to the Facility by the Customer and/or accepted by LEfW, including without limitation the quantity, quality and/or net calorific value (if tested) of such refuse;

26.2.8.4 the Minimum Annual Quantity from time to time and any proposed reduction therein (together with any information required to be made available under this Agreement supporting the same);

26.2.8.5 the availability and utilisation of the Facility and the volumes of Residues produced; and

26.2.8.6 any proposed amendments to the terms of this Agreement or the Direct Agreements.

provided that:

(a) any recipient of Confidential Information under Clauses 26.2.1, 26.2.2, 26.2.4, 26.2.6, 26.2.7 shall first agree to be mutatis mutandis bound in the terms of this Clause 26 and;

(b) the Customer shall not be entitled to make any disclosure under Clause 26.2.8 to any person until the Authority has duly executed and unconditionally delivered to LEfW a confidentiality agreement on terms to be agreed between the Authority and LEfW.

26.3 The Customer agrees that information referred to in Schedule 4 together with the content of the clauses of the Agreement specified in Schedule 4 are regarded by LEfW a commercially highly sensitive and/or have been provided by LEfW on a confidential basis (all such clauses and information being the "Commercially Sensitive Information"). The Customer will give immediate notice to LEfW of any request for disclosure of the nature set out in this Clause 26.3, will keep LEfW fully informed at all times of the progress of the Customer's response to that request and any subsequent proceedings and will afford LEfW all assistance and opportunity to enable LEfW to take such action in relation to the request as is proper in order to protect the confidential nature of the Commercially Sensitive Information.

27. ASSIGNMENT AND SUCCESSORS

27.1 Subject to the provisions of the Direct Agreements, Clauses 27.2 and 27.3 and Schedule 6, neither Party may assign or transfer its rights and obligations (in whole or in part) under this Agreement without the prior written consent of the other Party.

27.2 If LEfW wishes to assign the benefit of this Agreement for the purposes of or in connection with securing of finance or credit facilities whether or not in connection with the construction of the Facility it shall be free to do so without the consent of the Customer.

27.3 If the Customer wishes to assign the benefit of this Agreement for the purposes of or in connection with securing finance or credit facilities in connection with the Project Agreement it shall be free to do so without the consent of LEfW.

27.4 The rights and obligations of the Customer under this Agreement shall not be assigned, novated or otherwise transferred (whether by virtue of any Legislation or any scheme pursuant to any Legislation or otherwise) to any person other than any person (being a single entity) having the legal capacity, power and authority to become a party to and to perform the obligations of the Customer under this Agreement and being:

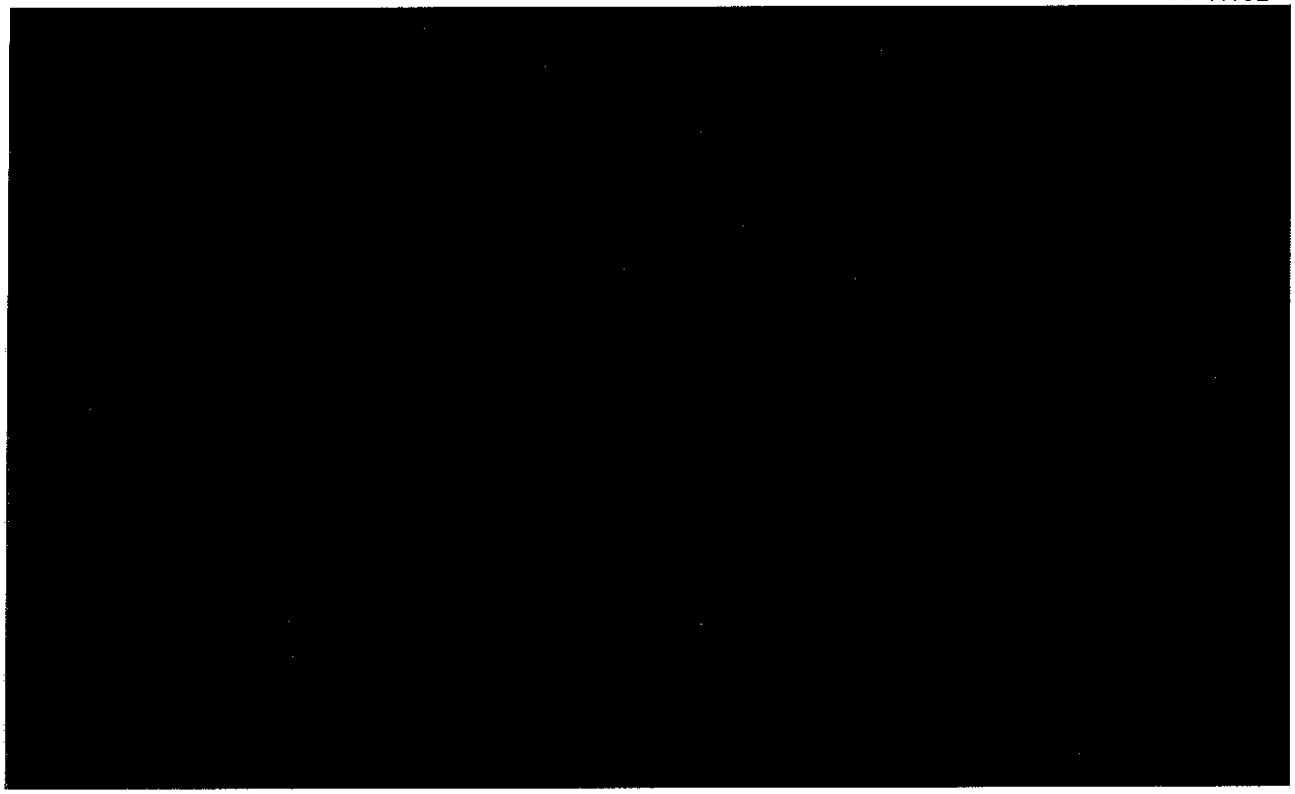
27.4.1 a Minister of the Crown pursuant to an order under the Ministers of the Crown Act 1975;

27.4.2 any local authority which has sufficient financial standing or financial resources to perform the obligations of the Customer under this Agreement; or

27.4.3 any other person whose obligations under this Agreement are unconditionally and irrevocably guaranteed (in a form reasonably acceptable to LEfW) by the Authority or a Minister of the Crown having the legal capacity, power and authority to perform the obligations under the guarantee and the obligations of the Customer under this Agreement.

27.5 This Agreement shall be binding upon and enure for the benefit of the successors in title to the Parties.

[redacted]



29. WAIVER

No indulgence shown by either Party to the other shall prevent that Party subsequently insisting upon its rights and remedies under this Agreement.

30. NOTICES

30.1 Any notice to be given pursuant to this Agreement shall be in writing and shall be served by personal delivery, prepaid recorded delivery or special delivery post, or by facsimile transmission to the following office for the respective Party (unless such other office is notified in writing), in the case of;

LEfW

Goulds Grove, Ewelme, Wallingford, Oxfordshire OX10 6PJ

(marked for the attention of the Company Secretary)

Fax: as notified to the Customer at or before the Contractual Start Date.

and in the case of

the Customer

Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton NN4 7RG

(marked for the attention of the Company Secretary)

Fax: as notified to LEfW at or before the Contractual Start Date

30.2 Such notice shall be deemed to have been received:

30.2.1 in the case of personal delivery, at the time of delivery;

30.2.2 in the case of recorded delivery or special delivery post, on the second day after posting and for the purposes of this Clause "day" shall mean any day being Monday to Friday excluding Bank or Public Holidays;

30.2.3 in the case of facsimile transmission at the time and date of transmission, but if the transmission shall take place at any time after 5.00 pm on any day it shall be deemed to have been received on the next following day and for the purposes of this Clause "day" shall mean any day being Monday to Friday excluding Bank or Public Holidays.

30.3 Notice may not be given by e-mail or by any other form of communication.

31. SUSPENSORY CLAUSE, SEVERABILITY AND APPORTIONMENT

31.1 If any provision or part of a provision of this Agreement shall be or shall become unenforceable, void or invalid (as the case may be) such provision or part thereof shall not affect and shall be deemed to be severed from the remainder of this Agreement to the intent that the remainder of this Agreement shall be or shall continue to be fully enforceable and valid.

31.2 In the event of the commencement of any provision of this Agreement or the termination of this Agreement other than at the end of a period of a Week, a Month or a Year, the rights and obligations of the Parties in relation to such Week and/or Month and/or Year shall be adjusted pro rata. In the event of suspension by either LEfW or the Customer of its obligations under this Agreement or the operation of Force Majeure, the obligations and rights of the Parties under this Agreement for the Week(s), Month(s) and Year(s) during which the suspension or the Force Majeure begins and ends shall be adjusted pro rata.

32. VALUE ADDED TAX

32.1 Any reference in this Agreement to:

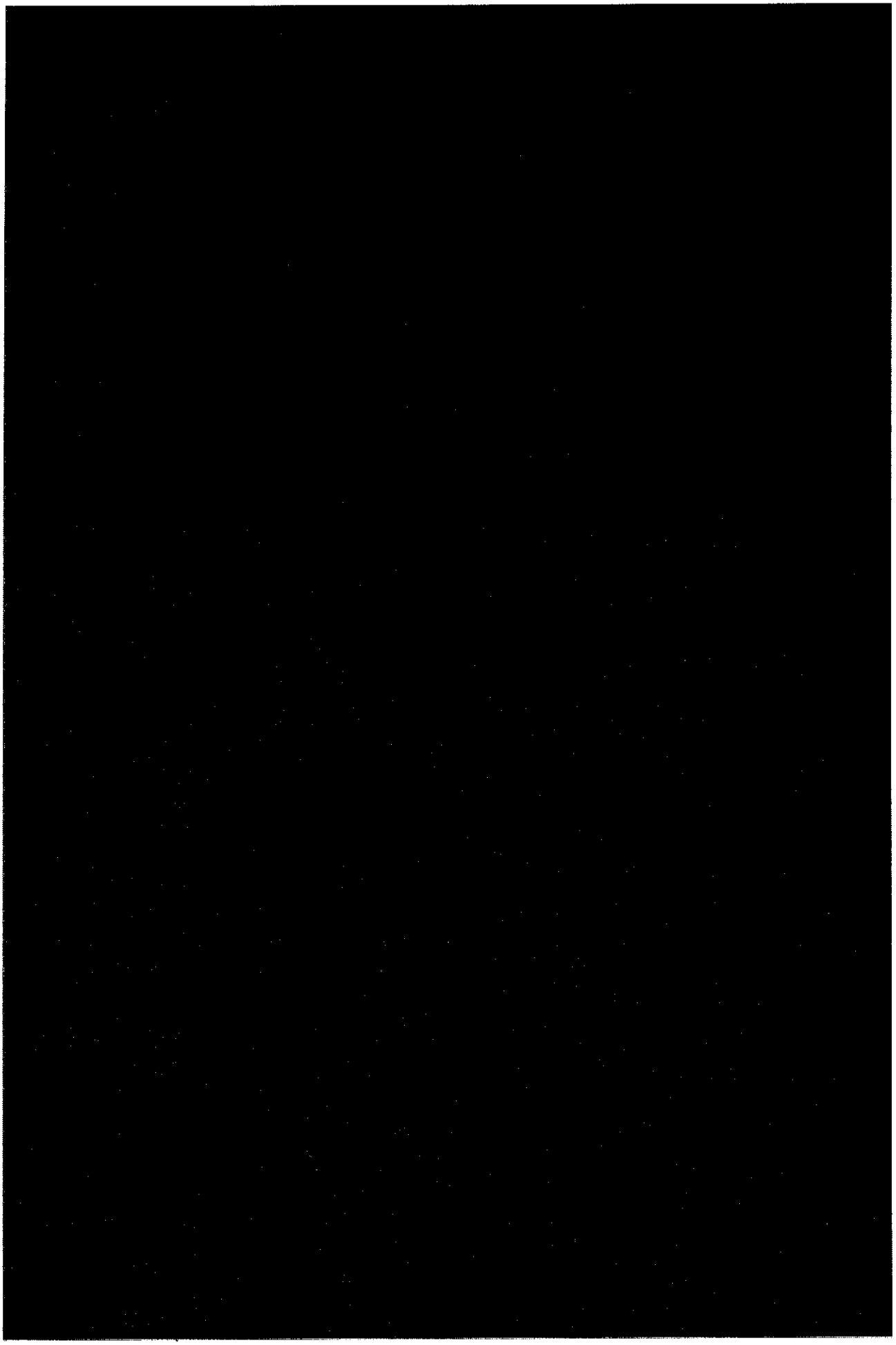
32.1.1 the reimbursement by LEfW or the Customer (as the case may be) of the payment by the other (that other being referred to in this Clause 32 as "the VAT Payer") of any sum of money; or

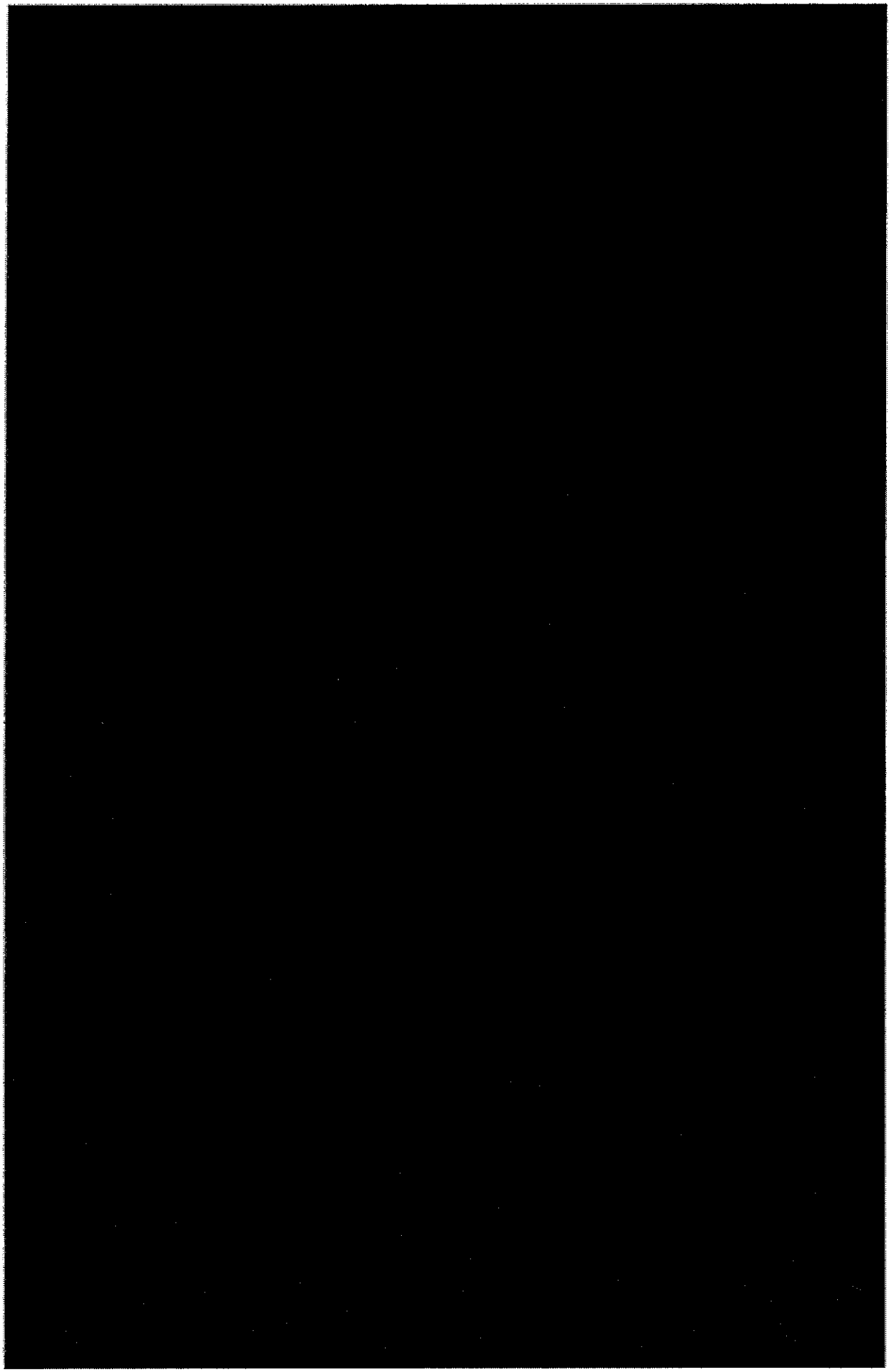
32.1.2 the calculation or assessment of the costs or expenses incurred or to be incurred by LEfW or the Customer (as the case may be) (the VAT Payer) which costs or expenses are in whole or in part to be paid or met by the other

32.1.3 shall, unless required by law, not include any Value Added Tax paid by the VAT Payer which has been recovered or is capable of being recovered by the VAT Payer from HM Revenue and Customs.

32.2 All fees and charges paid and payments made under this Agreement shall be exclusive of Value Added Tax which, where required by law to be charged, shall be paid in addition to amounts due on the relevant date for payment.

[redacted]





[redacted]

34. AUDIT ACCESS

34.1 LEfW shall use all reasonable endeavours co-operate fully and in a timely manner with any reasonable request from time to time of any auditor (whether internal or external) of the Customer and/or the Authority (including any official of the Environment Agency, Best Value Inspectorate or any other statutory inspectorate) to inspect the Facility in connection with any audit regarding the carrying out by the Customer of its obligations under this Agreement or the carrying out by the Authority of its statutory functions with regard to the performance or non performance of this Agreement, such request to be made on the giving of reasonable notice to LEfW.

34.2 LEfW shall use all reasonable endeavours to co-operate fully, and in a timely manner with any request from time to time of any auditor (whether internal or external) of the Authority (including any official of the Environment Agency, or any other statutory inspectorate) to provide documents, or to procure the provision of documents, relating to this Agreement other than where such documents contain Commercially Sensitive Information and to provide, or to

procure the provision of, any oral or written explanation relating to the same but only in connection with any audit regarding the carrying out by the Authority of its statutory functions with regard to the performance or non performance of this Agreement.

35. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

36. THIRD PARTY RIGHTS

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act, 1999 by a person who is not a party to this Agreement except for any person to whom the benefit of this Agreement is assigned or transferred in accordance with Clause 27.

37. COSTS AND EXPENSES

Each Party shall be responsible for paying its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement.

38. MITIGATION

Each of LEfW and the Customer shall at all times use all reasonable endeavours to minimise and mitigate any loss for which the relevant party is entitled to bring a claim against the other Party pursuant to this Agreement.

39. CONTINUING OBLIGATIONS

Save as otherwise expressly provided in this Agreement termination of the Agreement and/or release of RE3 Limited of its obligations as Customer shall not affect the continuing rights of LEfW and the Customer

under any other provision of this Agreement which is expressed to survive termination or which is required to give effect to such termination or the consequences of such termination.

40. RELATIONSHIP OF PARTIES

LEfW is an independent contractor and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Parties of partnership or (except as expressly provided in this Agreement) of principal/agent or of employer/employee nor are the Parties engaging in a joint venture through participation in the delivery of Acceptable Refuse.

41. DISCRIMINATION

LEfW shall not, and shall take all reasonable steps to secure that all servants and employees of LEfW employed in the execution of this Agreement do not, unlawfully discriminate within the meaning and scope of the provisions of the Sex Discrimination Act 1975, the Race Relations Act 1976 or the Disability Discrimination Act 1996 or any statutory modification or re-enactment thereof in relation to discrimination in employment, or any future Legislation which concerns discrimination in employment.

42. HEALTH AND SAFETY

42.1 LEfW shall be responsible for the observance by all employees, officers or subcontractors of LEfW of all law relating to health and safety for all aspects of this Agreement.

42.2 The Customer shall supply a copy of its general statement of safety policy to LEfW and shall review its policy and safe working procedures whenever necessary in the light of changing legislation, working practices, accidents or similar events and shall inform LEfW of any consequent revisions.

[redacted]

44. ENTIRE AGREEMENT AND VARIATIONS

44.1 This Agreement and the Direct Agreement constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and supersedes and extinguishes any representations and understandings previously given or made other than those contained herein.

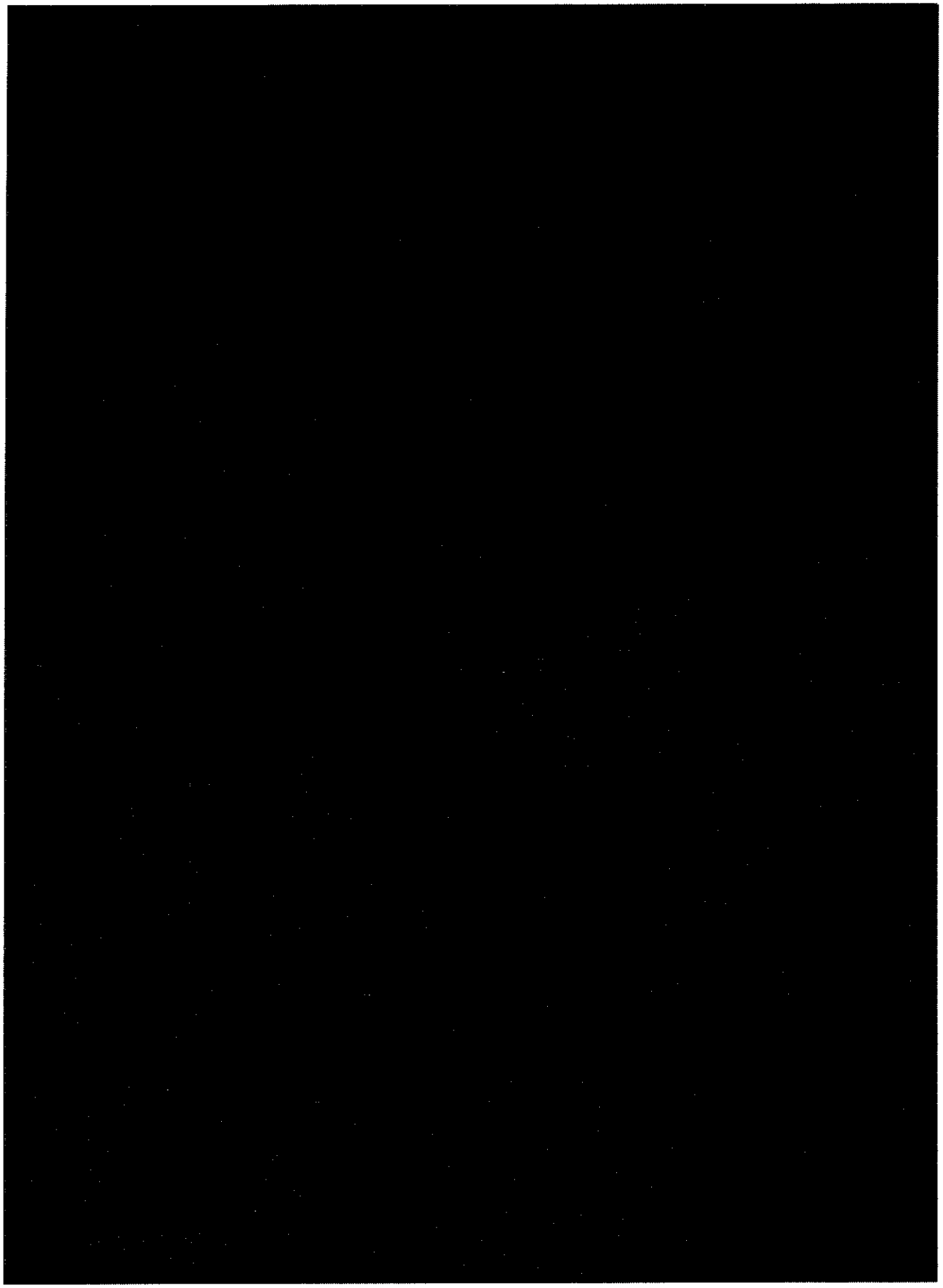
44.2 This Agreement may not be varied except by an agreement in writing signed by duly authorised representatives of the Customer and LEfW. For the avoidance of doubt, the Representative appointed pursuant to Clause 4 shall not as such have the capacity to agree a variation in writing to this Agreement.

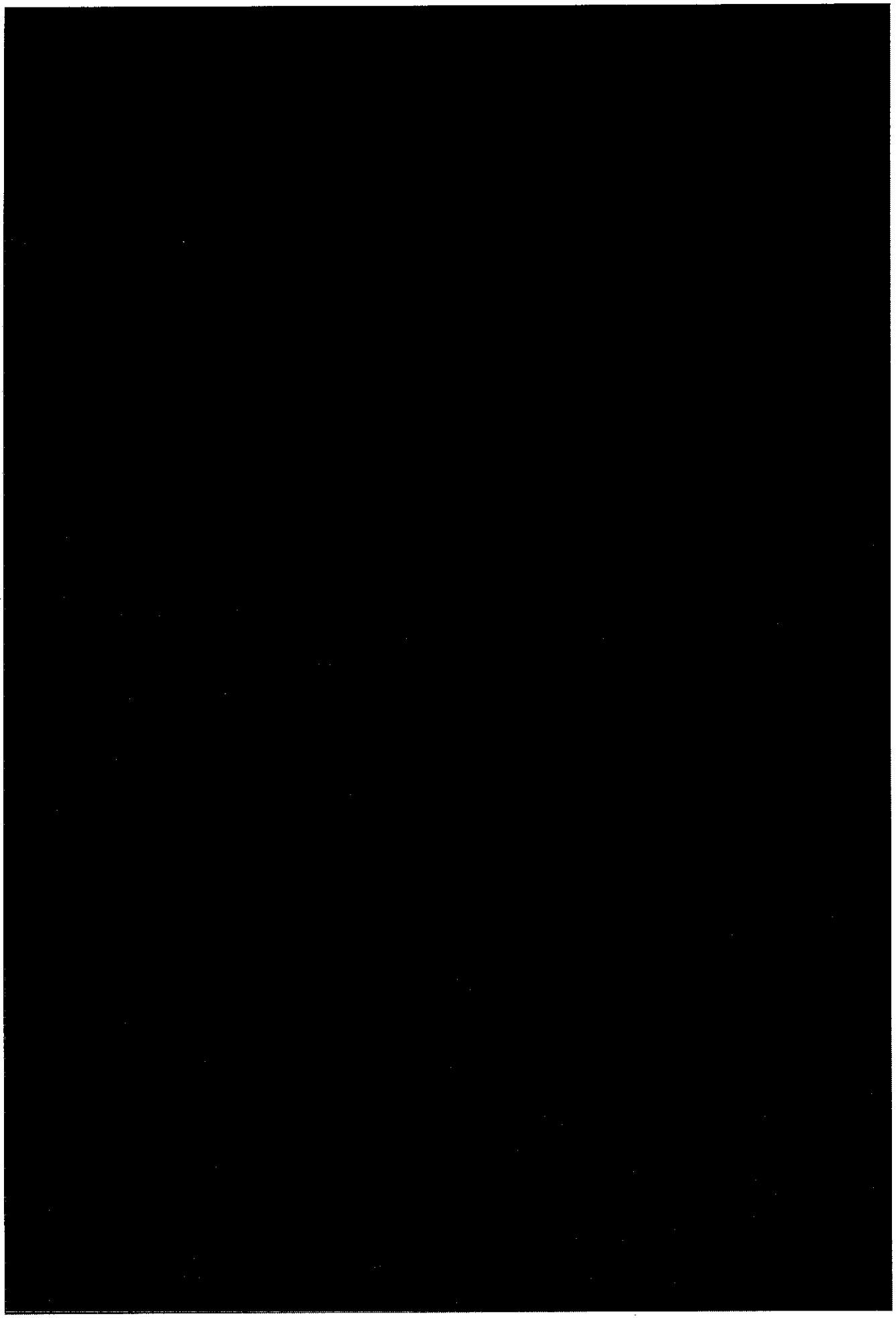
45. LAW AND JURISDICTION

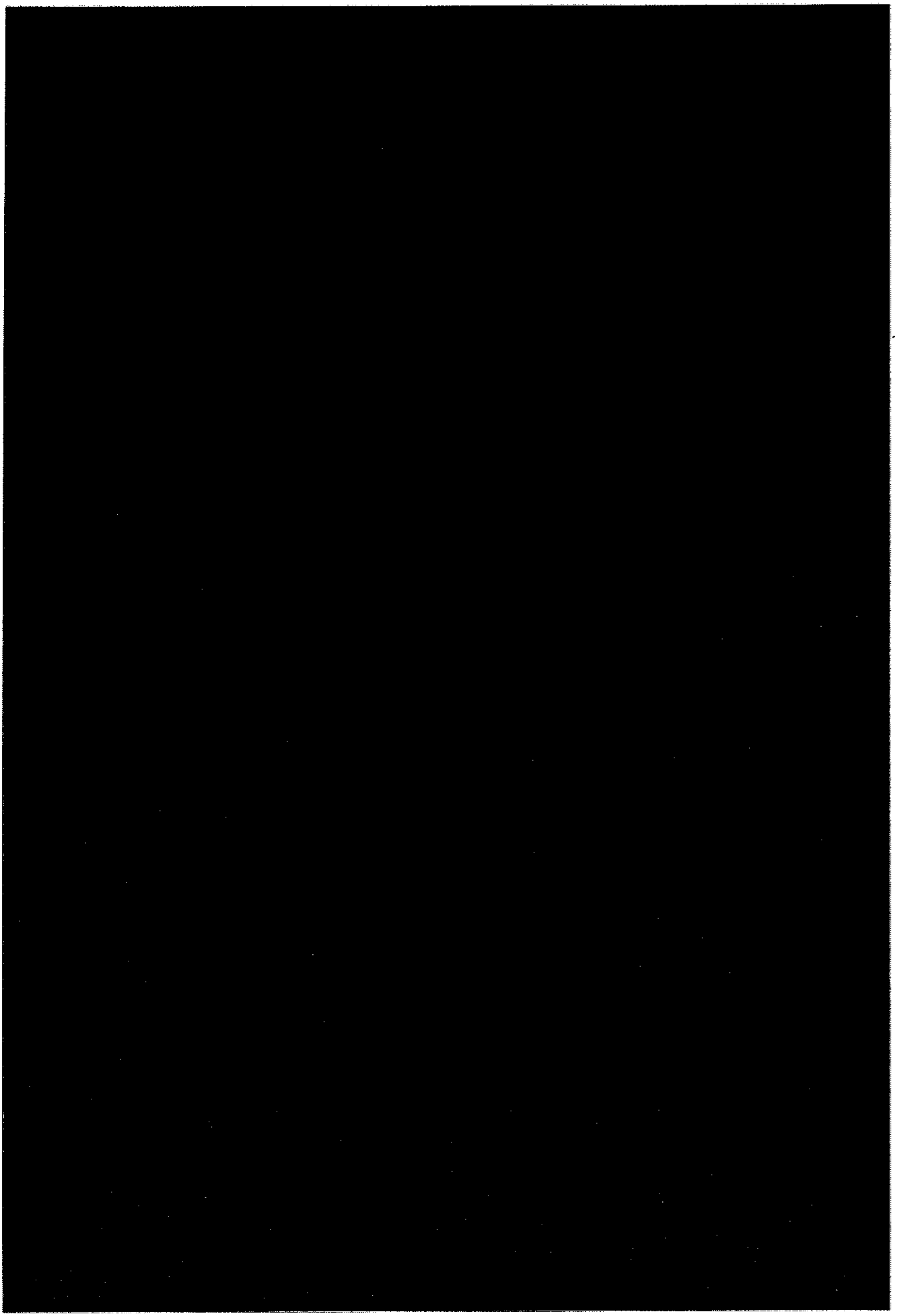
This Agreement shall be construed and governed in all respects in accordance with the laws of England and any disputes or differences shall (subject to any express provision of the Agreement providing for the appointment of an expert) be subject to the exclusive jurisdiction of the English Courts.

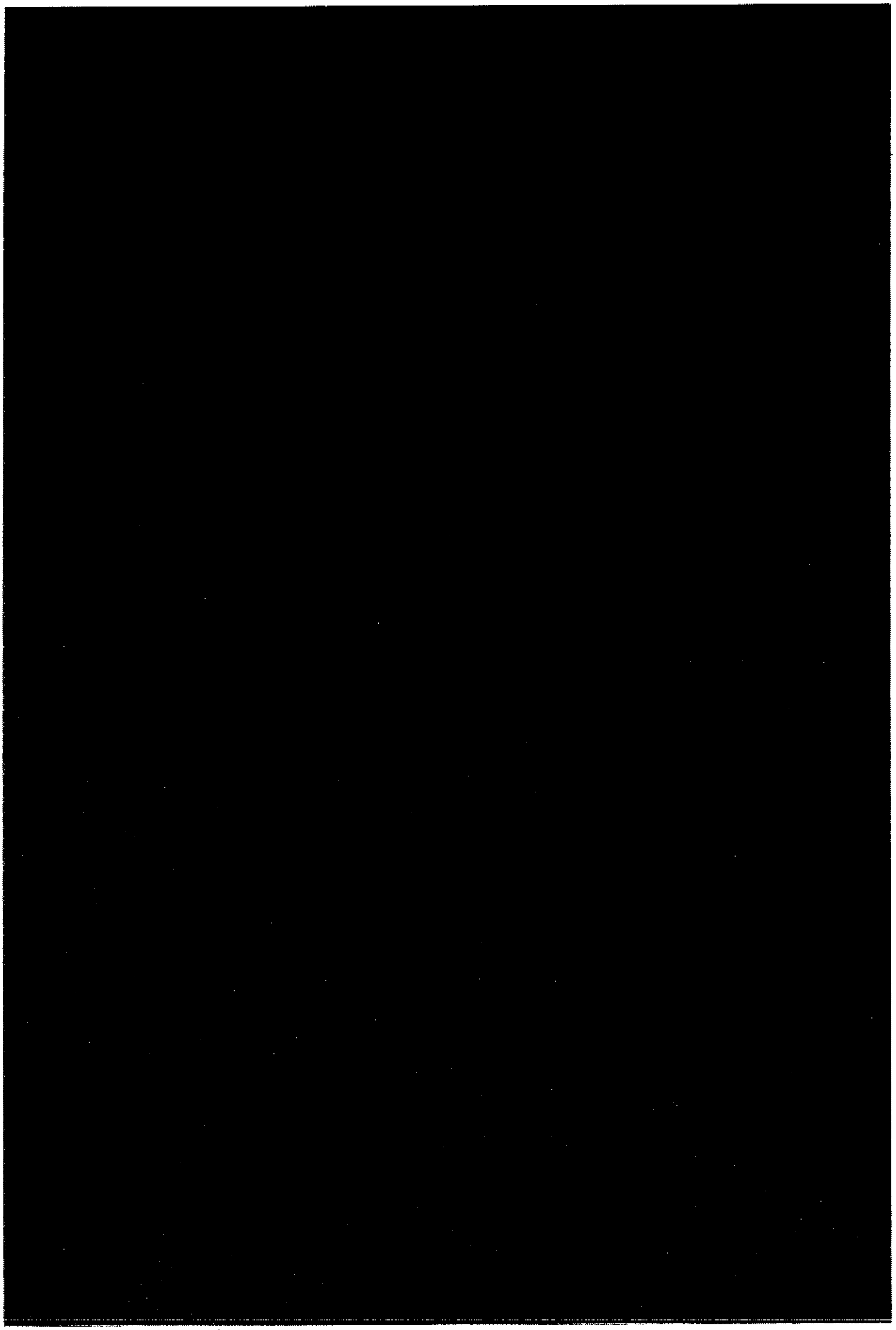
THIS AGREEMENT has been executed as a deed on the date set out on page 1

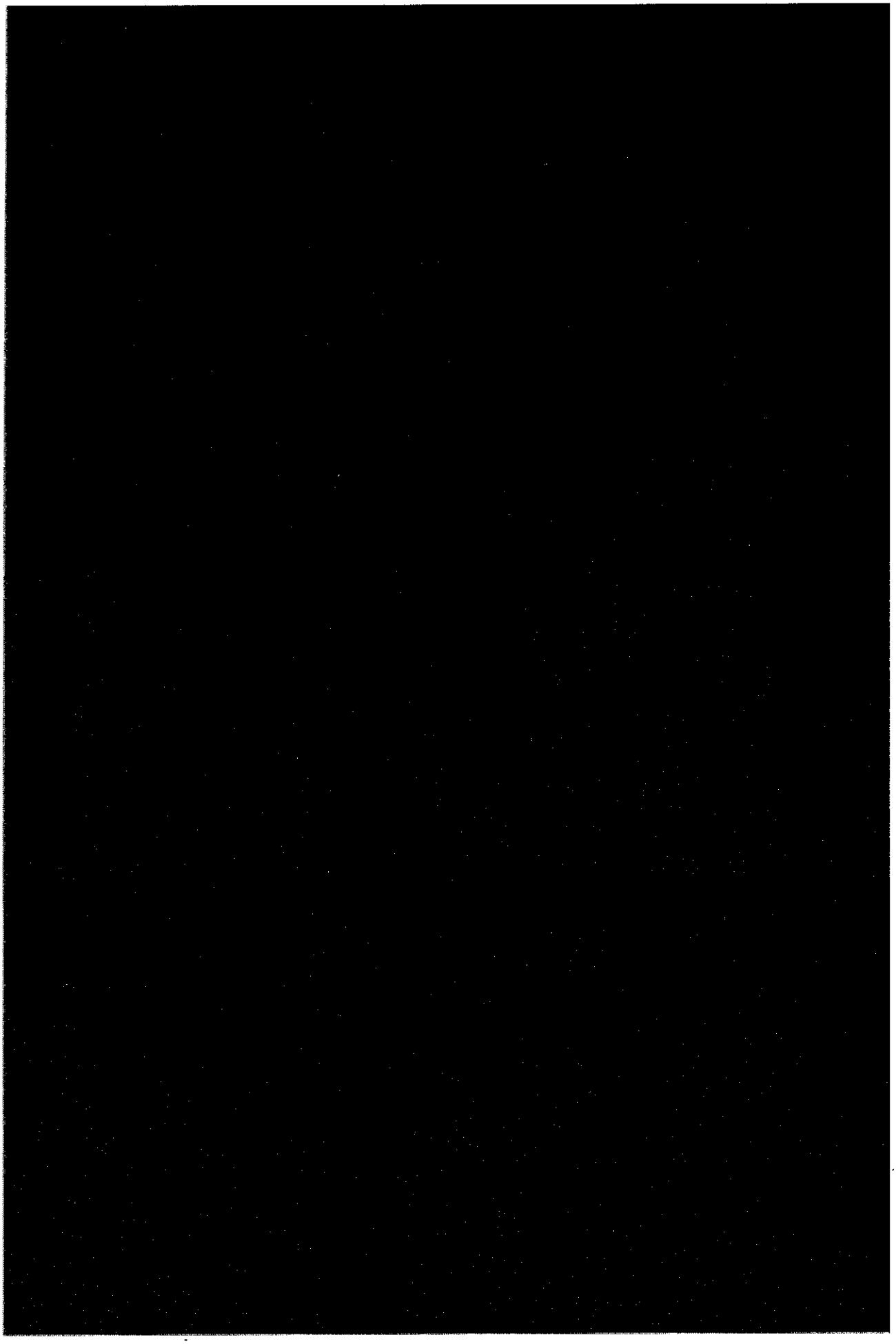


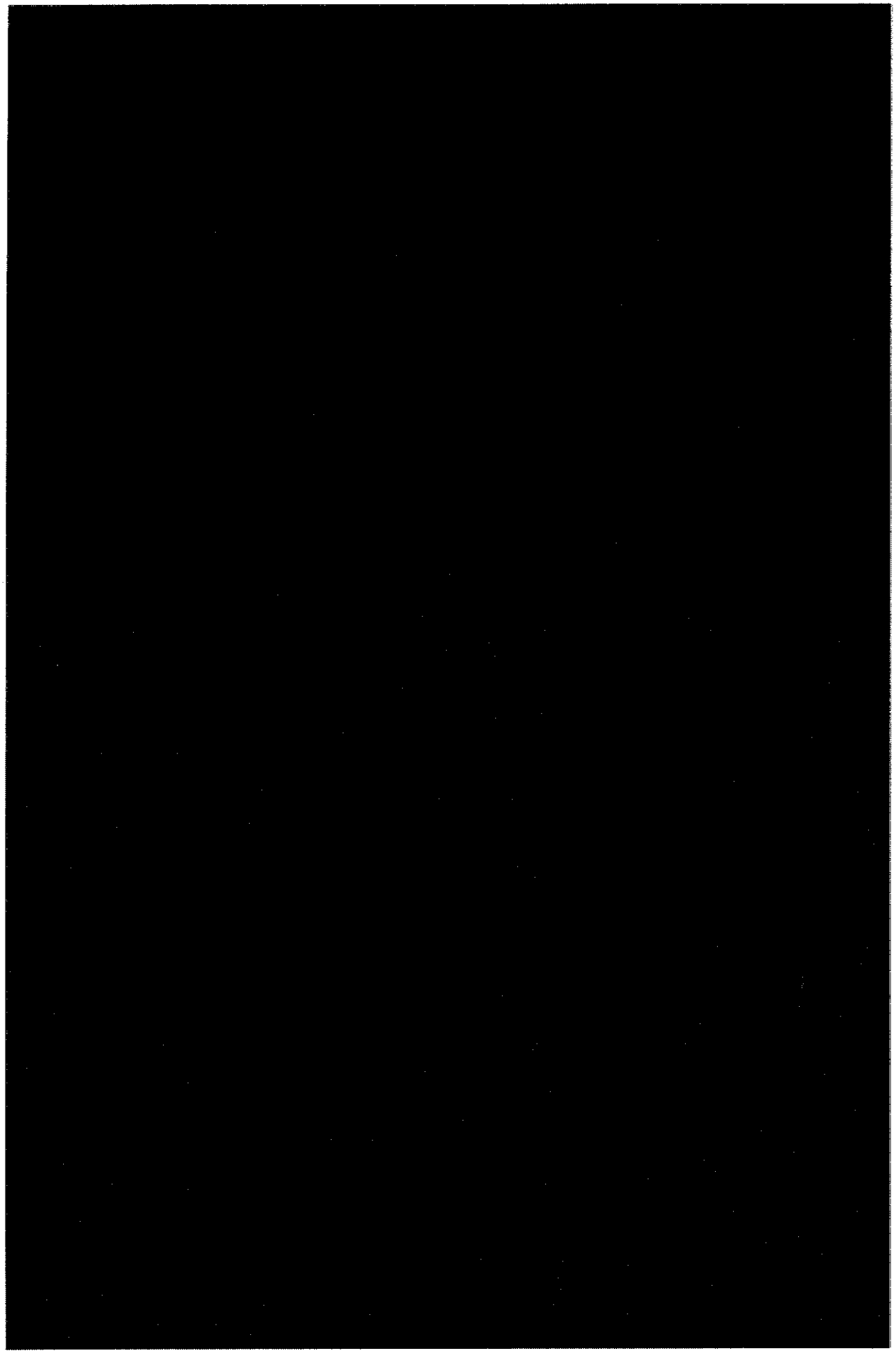


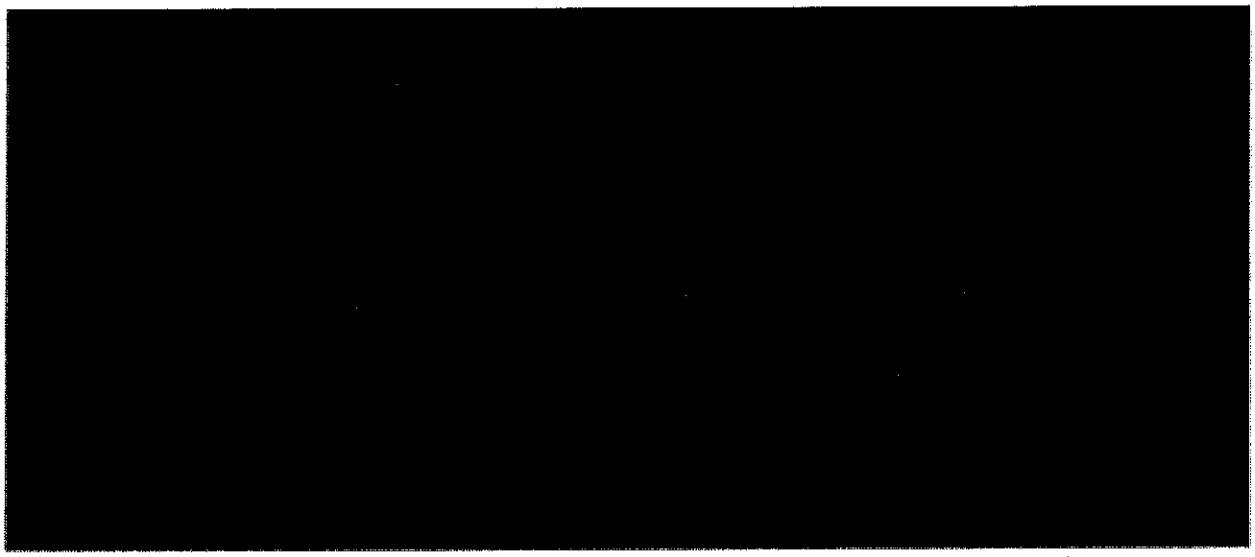












SCHEDULE 4

COMMERCIALLY SENSITIVE INFORMATION

1. Any information related to pricing, including without limitation, the amount of the Gate Fee and/or the Spot Price at any time and including breakdown of costs, individual component costs, profit margins, overheads (including insurance costs), details of Capital Expenditure and associated financing terms.

2. All other monetary amounts and schedules of rates.

3. All provisions of this Agreement relating to payment arrangements.

4. Information relating to or extracted from any Lakeside Financial Model.

5. Information about the commercial strategy of Lakeside Energy from Waste Limited.

6. All provisions of this Agreement relating to the extent of and limitation of the liability of either Party under or in connection with this Agreement, including, without limitation, All monetary amounts, caps and other limitations of liability.

7. All provisions of this Agreement relating to the consequences of any Change in Law.

8. All provisions of this Agreement relating to Force Majeure (including, without limitation, the definition of that expression).

9. All provisions of this Agreement relating to its potential termination.

10. The terms of the Direct Agreements.

11. Information about core project methodology e.g. technology selected, key output data from technology.

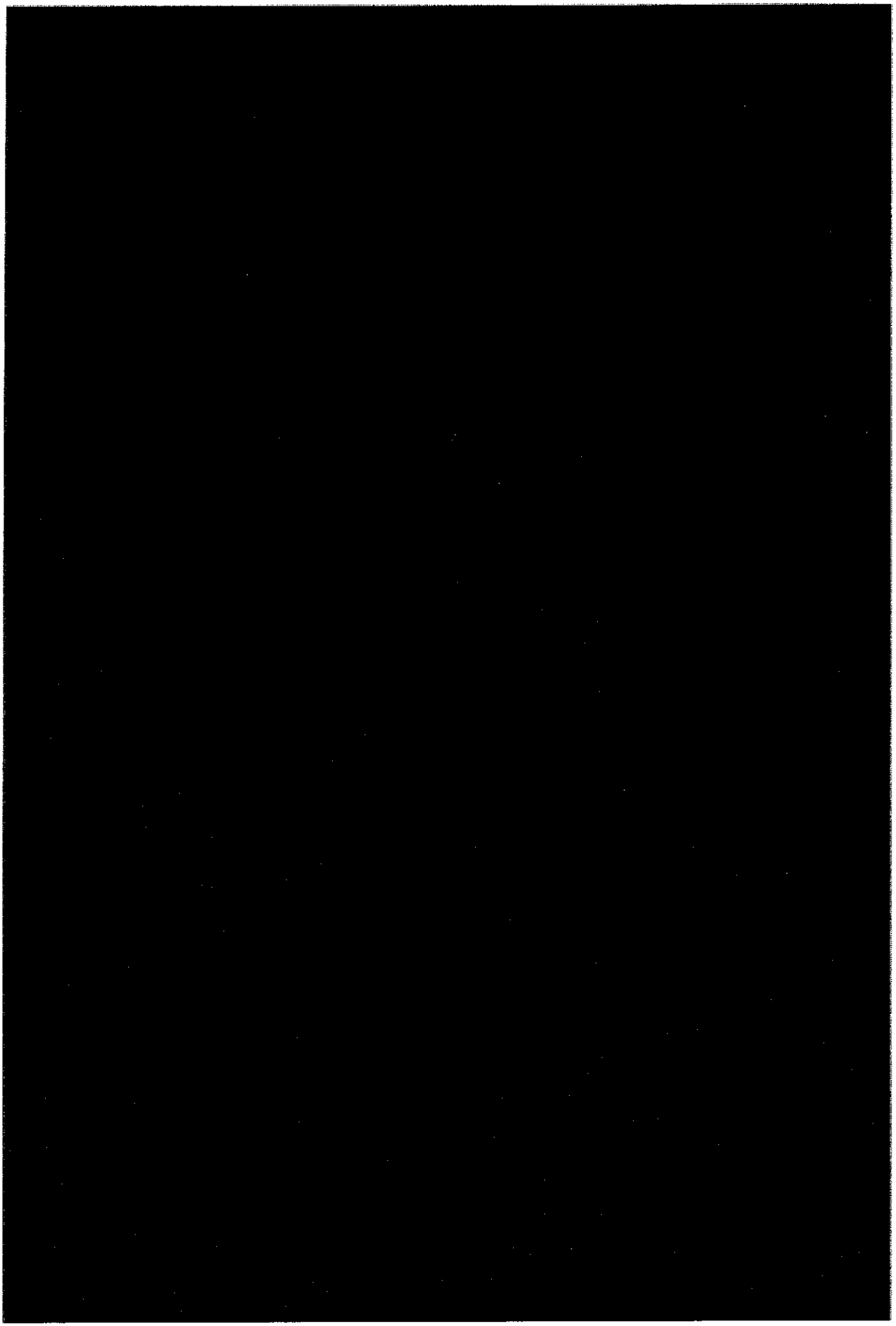
12. Sub-contractor details.

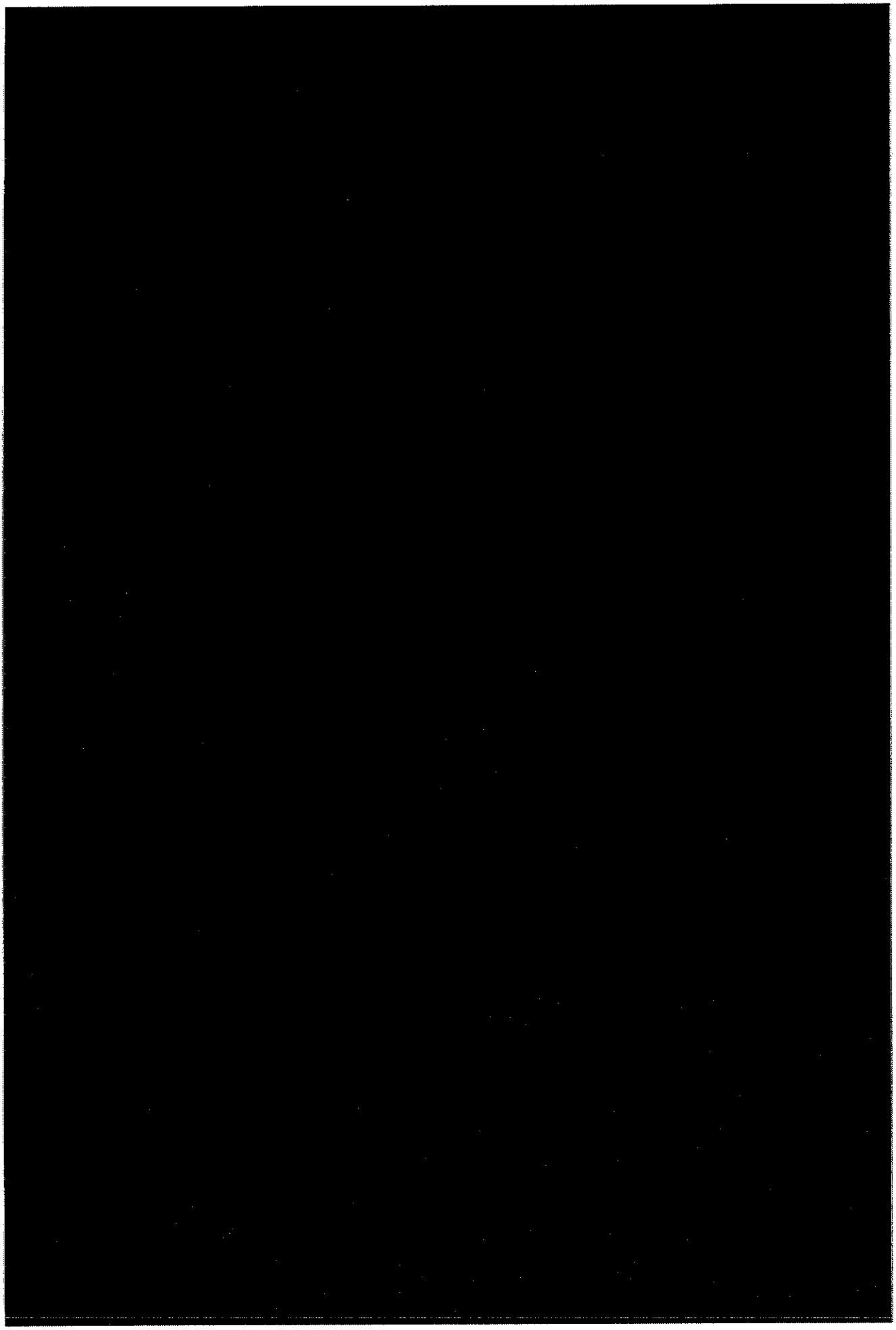
13. Staff details.

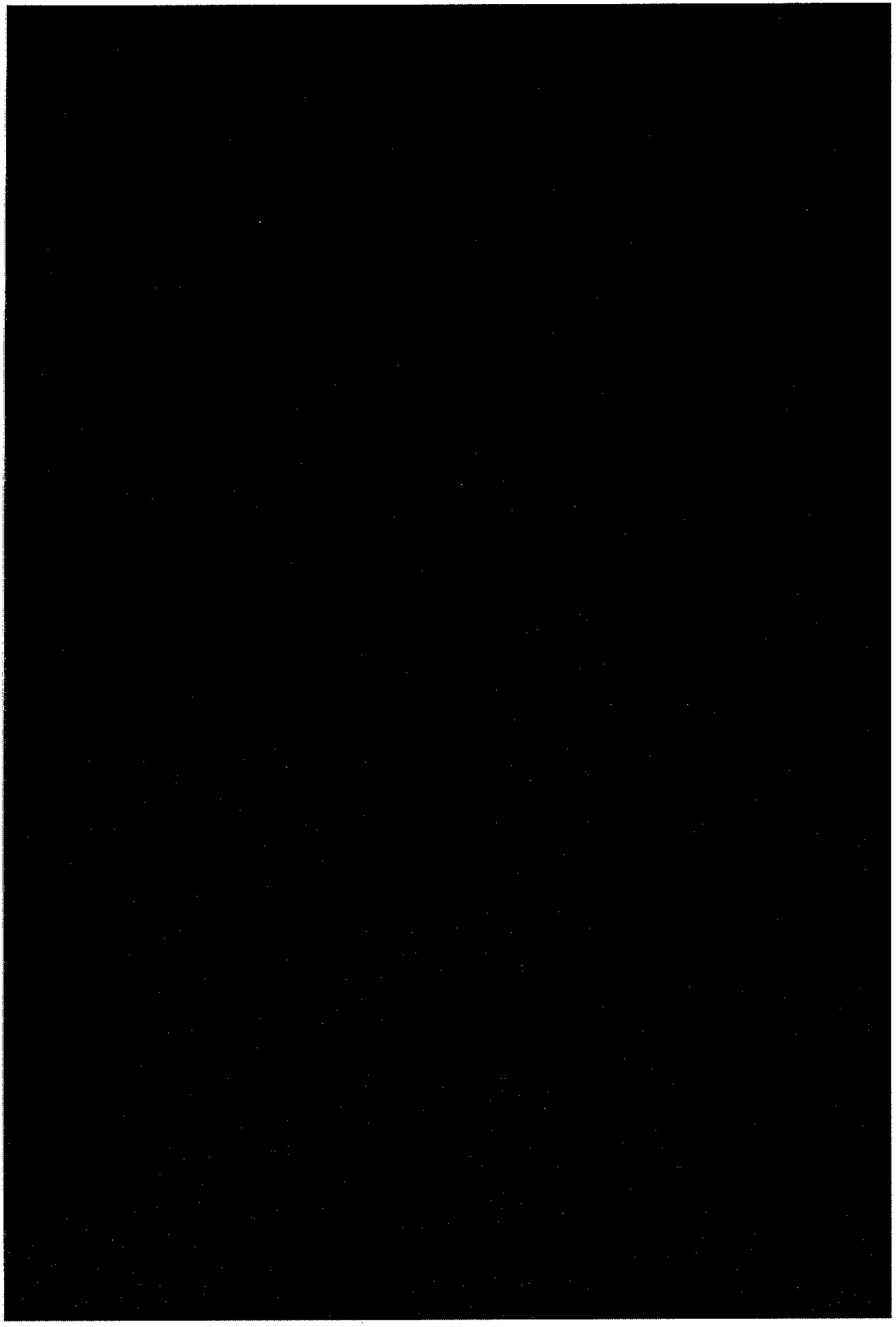
14. Construction and Commissioning programme and timetable, including, without limitation, the Long Stop Date.

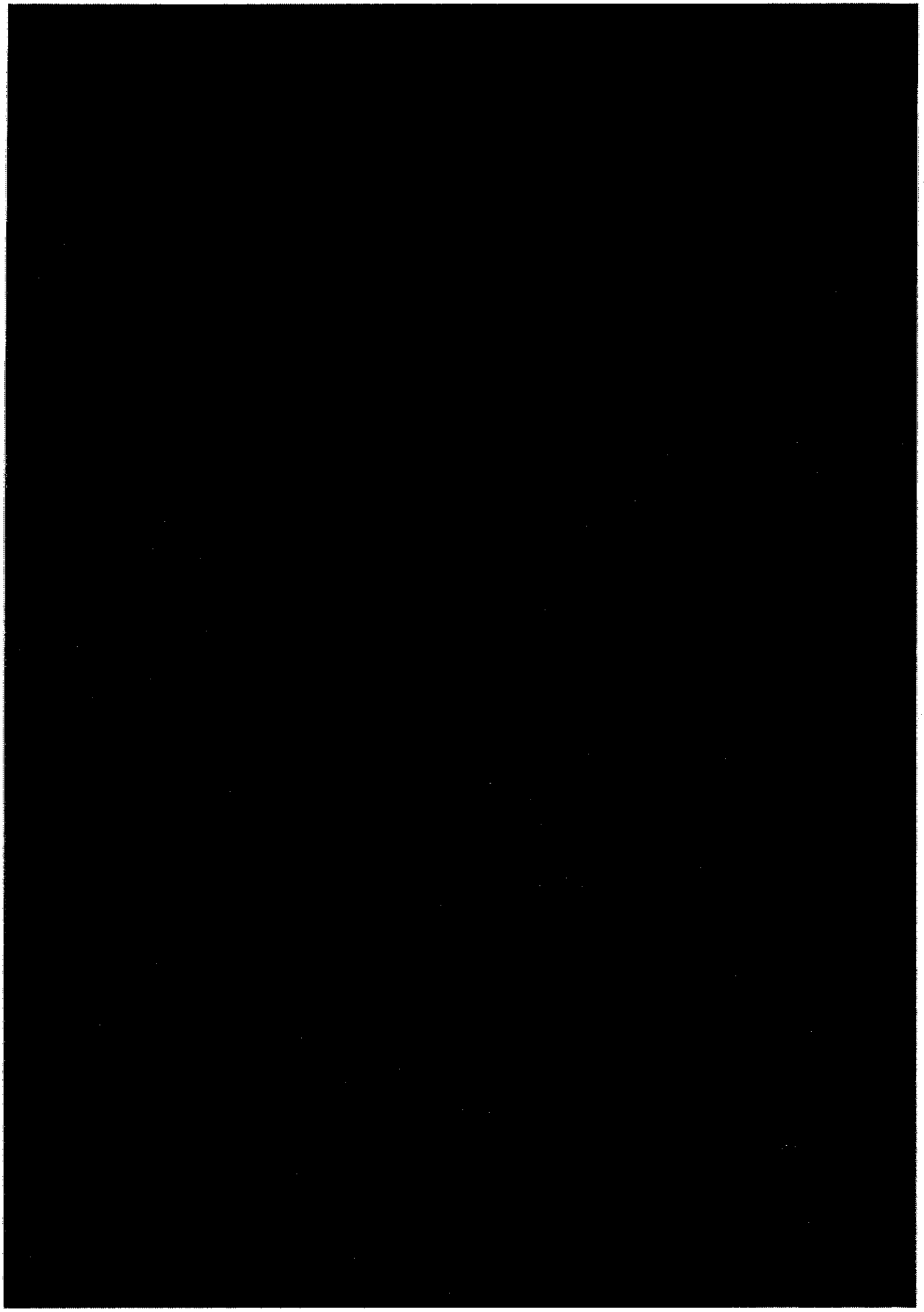
15. Any details or provisions of this Agreement concerning sourcing replacement tonnage for or the acceptance of any refuse not otherwise being Acceptable Refuse, including, without limitation, Clauses 11.7 to 11.10 (inclusive)

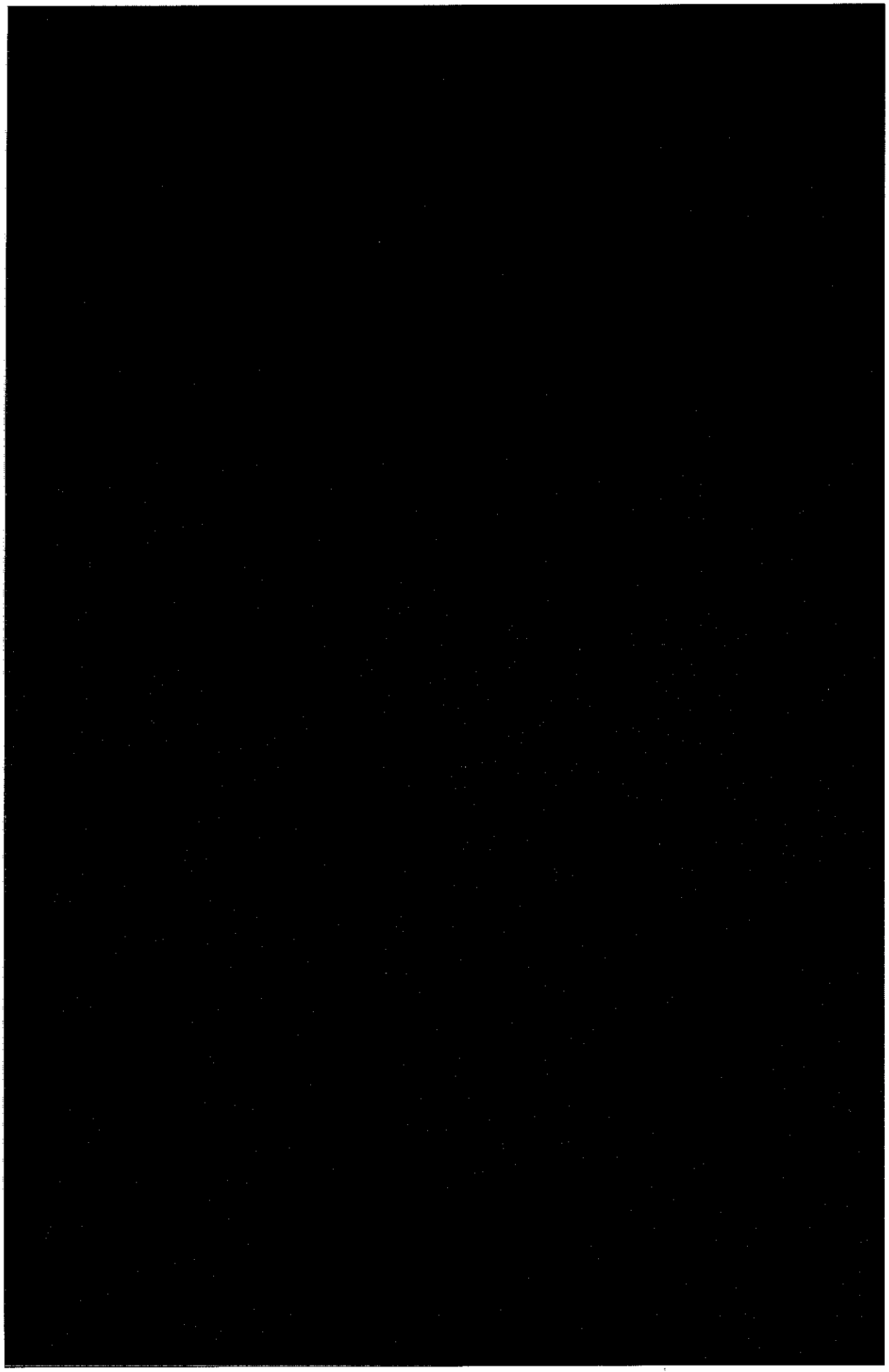
16. Information about Residue Disposal Arrangements.

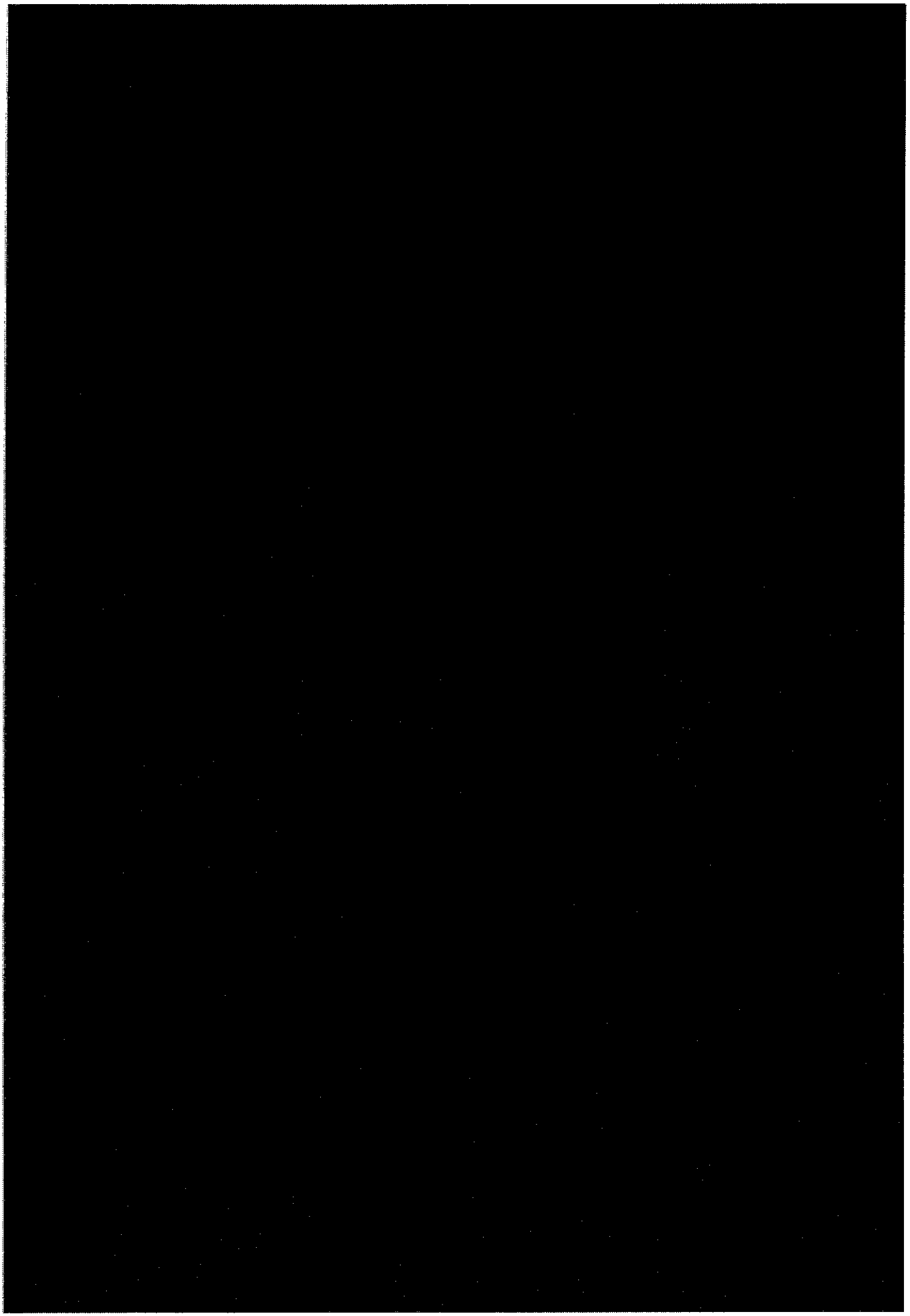


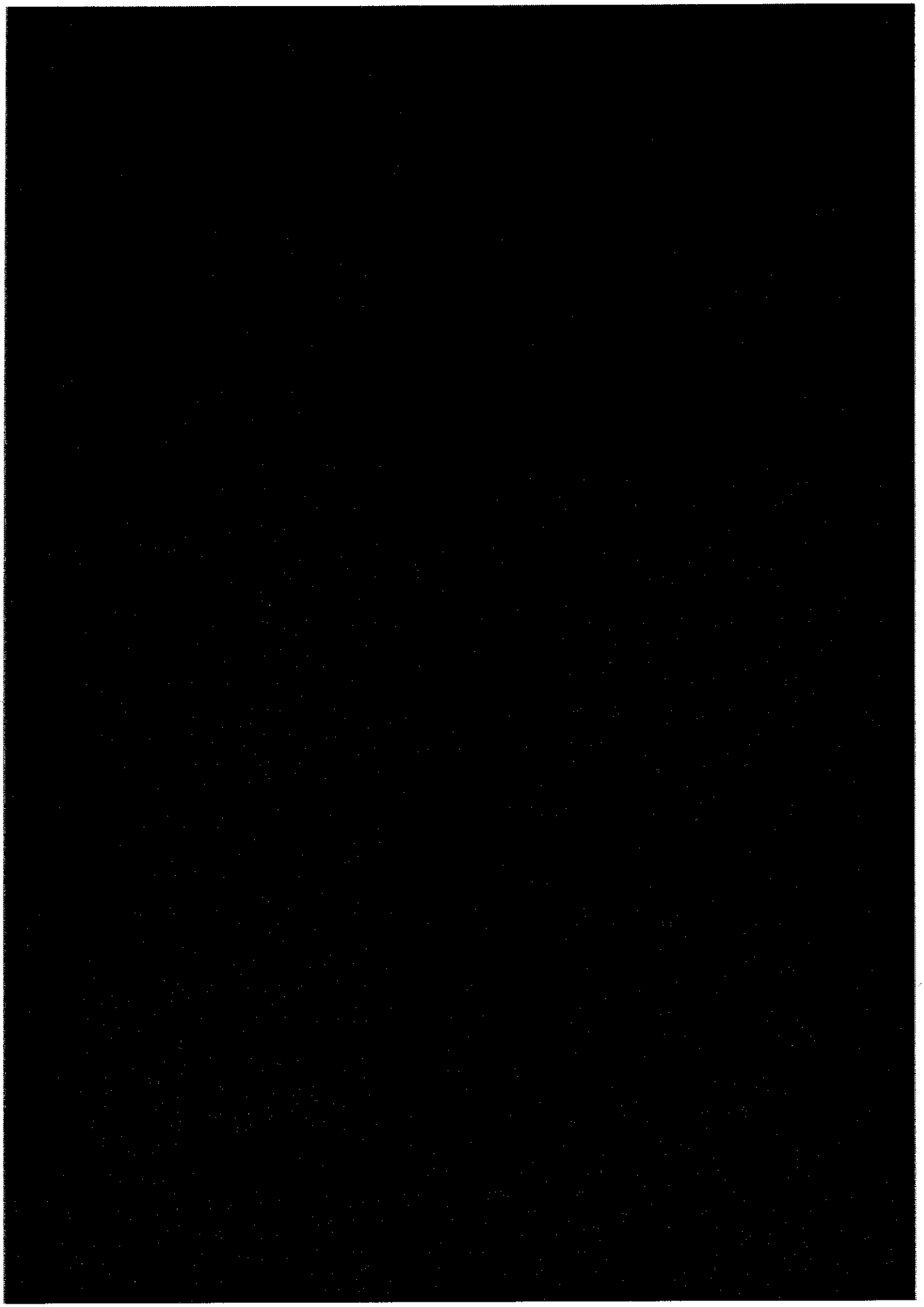


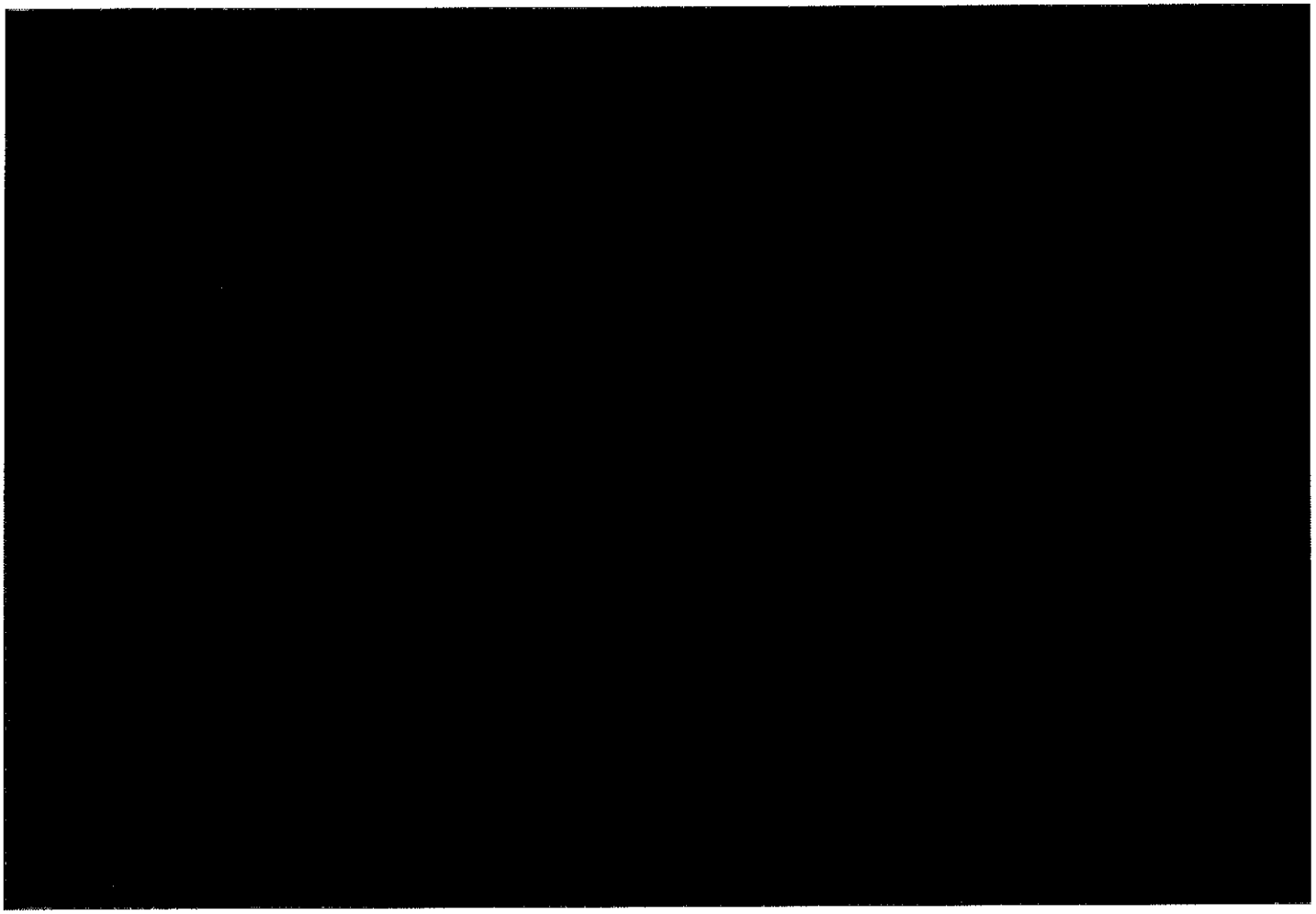


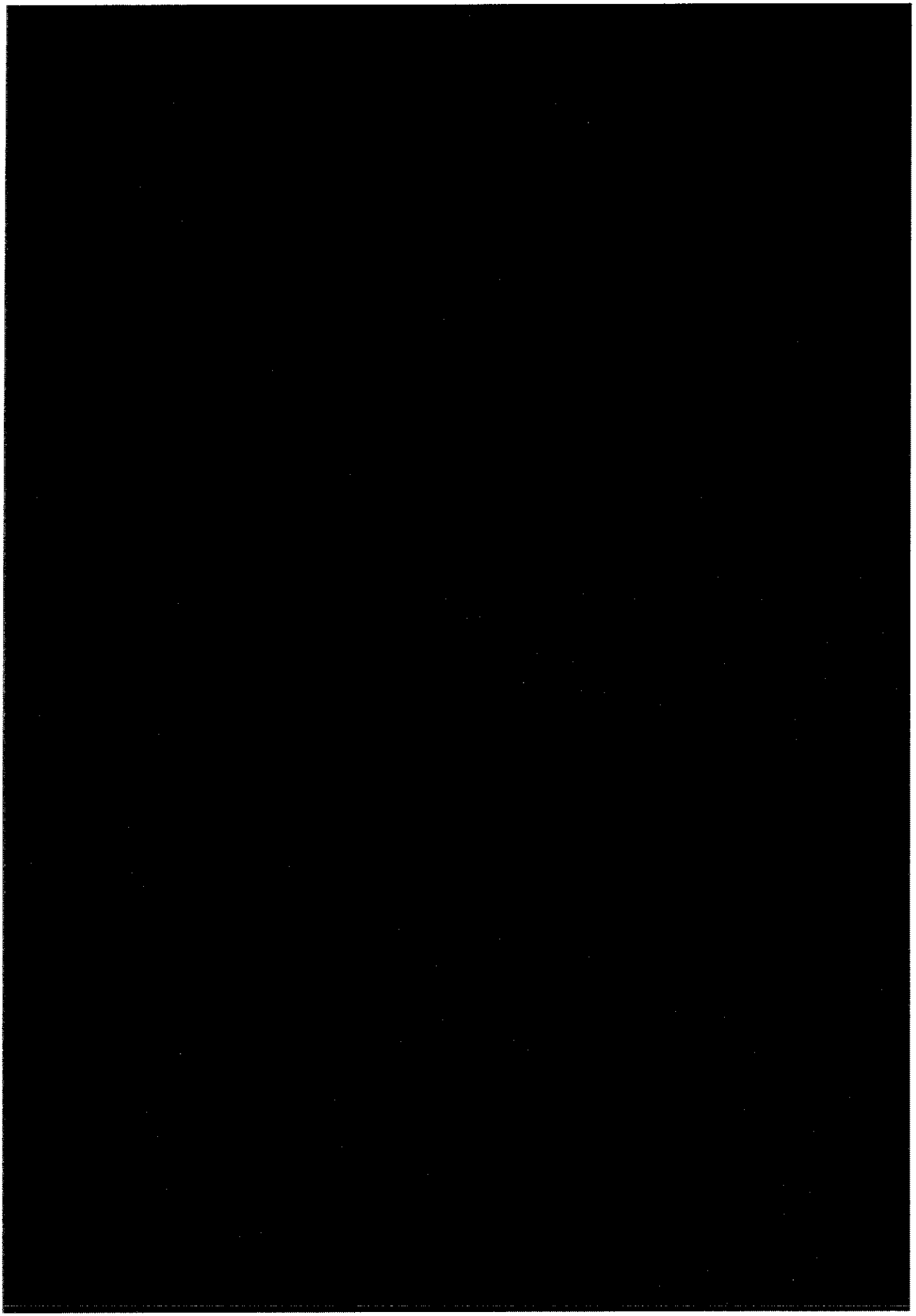


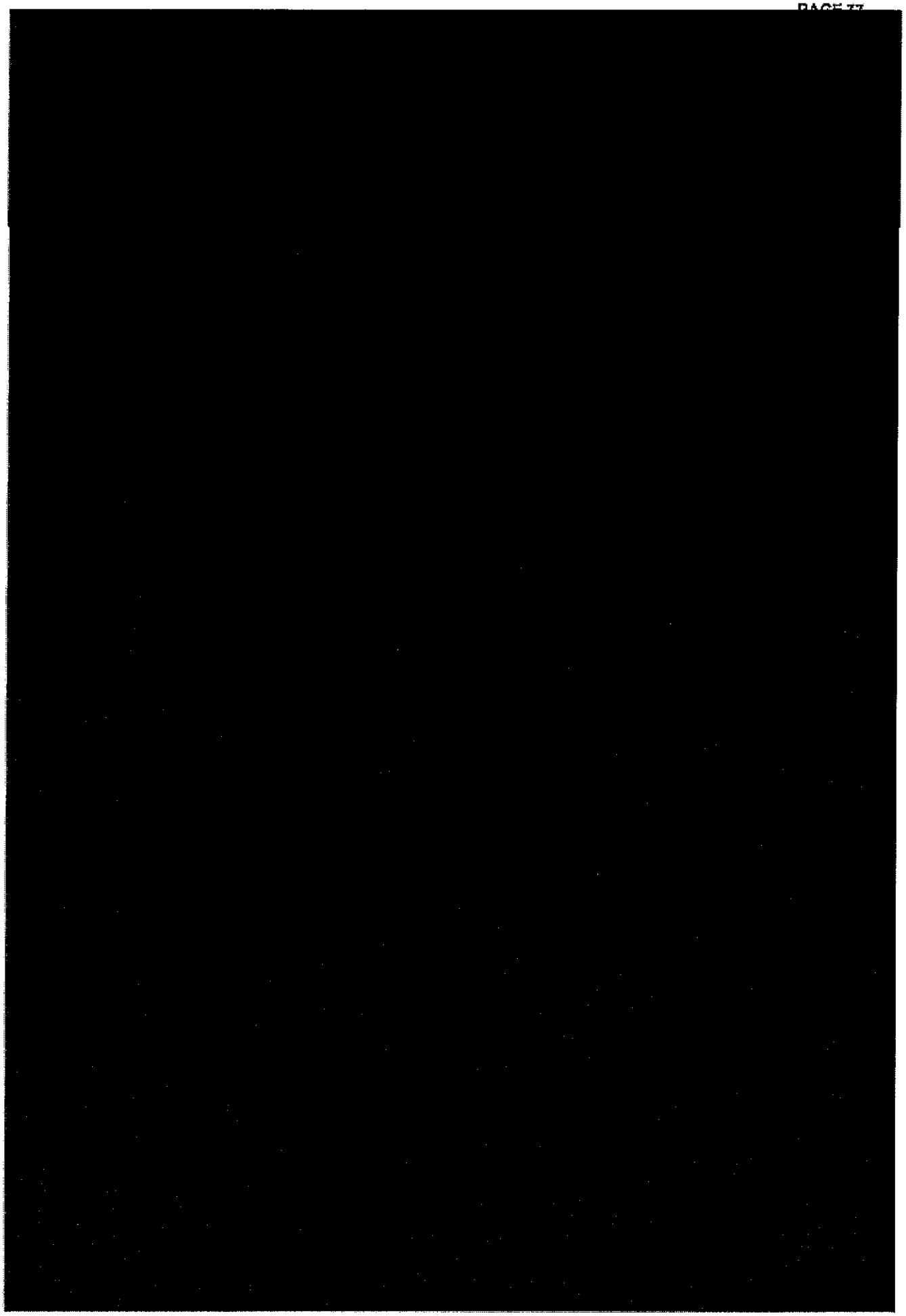


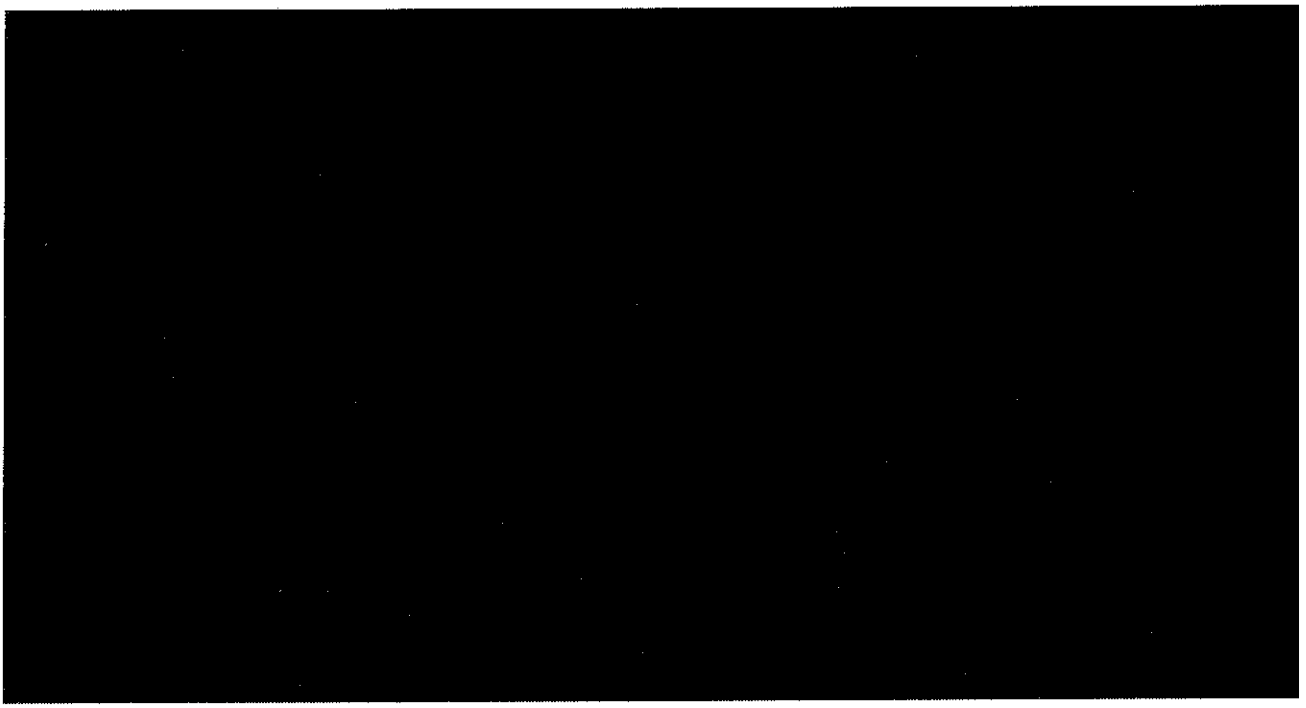




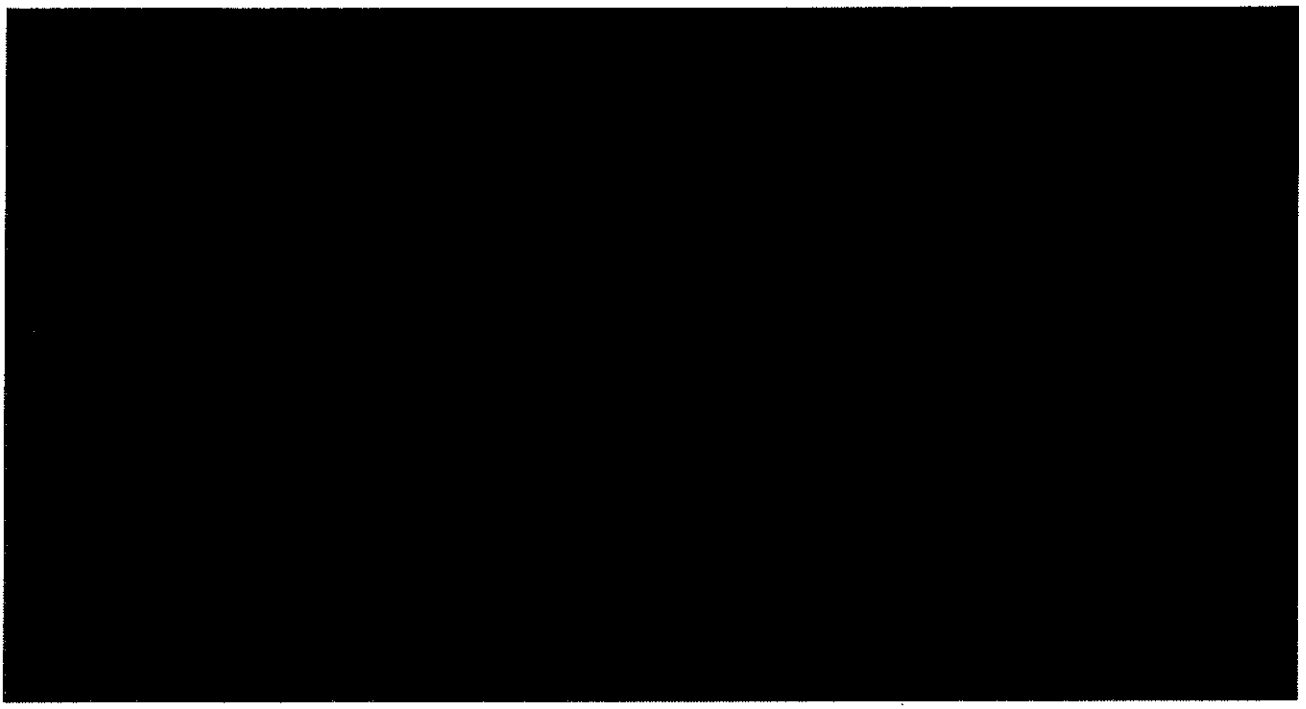








[END OF DEED OF NOVATION]



[END OF DEED OF NOVATION]

EXECUTED as a DEED by

two directors or a director and secretary

duly authorised for and on behalf of LAKESIDE ENERGY FROM WASTE LIMITED

..... Director

.....Director / Secretary

EXECUTED as DEED by

two directors or a director and secretary

duly authorised for and on behalf of RE3 LIMITED:

Director

Director / Secretary

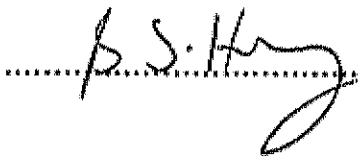
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duly authorised for and on behalf of LAKESIDE ENERGY FROM WASTE LIMITED



..... Director



.....Director / ~~Secretary~~

EXECUTED as DEED by

two directors or a director and secretary

duly authorised for and on behalf of RE3 LIMITED:

..... Director

.....Director / Secretary