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**From:** Willie Gallagher  
**Sent:** 07 May 2008 08:45  
**To:** andrew.fitchie@dlapiper.com; Steven Bell; Graeme Bissett (external contact); Alastair Richards - TEL  
**Subject:** FW: ETN

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**From:** Willie Gallagher  
**Sent:** 07 May 2008 08:44  
**To:** 'Joachim Enenkel'  
**Subject:** RE: ETN

Dear Joachim,

Thanks for some quick feedback, but not quite the response I was hoping for.

I am disappointed that you believe I have reverted away from our discussion. In our proposal, I have provided the assurance on payment of £3.2m if 1(b) does not proceed – this was verbally agreed as what was required by Richard Walker yesterday to my Steven Bell. I have gone to the limit of my authorisation – an additional £3m, again as we discussed. I cannot simply offer additional monies for no improvement in tie's contractual position, anything else would put us both in breach of EU Procurement.

I have not lost confidence in you or BB, I simply wish to conclude this matter asap in a manner which is fair to all parties.

There may be some misinterpretation of our requirements and your understanding of the Design Assurance Process. We cannot be seen to have signed contracts and then be doing nothing for a few months. There is nothing new here, Richard, Scott and the team put together the BB Construction Programme which is an integral part of the contract. If we ask you to move away from that unreasonably, then it is a tie notified departure from your pricing assumptions.

Steven Bell is available to work today with Richard & Michael to take the matter forward for closure. We can talk later today.

Willie

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**From:** Julie Thompson  
**Sent:** 07 May 2008 08:10  
**To:** Willie Gallagher  
**Subject:** FW: ETN

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**From:** Joachim Enenkel [mailto:Joachim.Enenkel@bilfinger.de]  
**Sent:** 07 May 2008 07:35  
**To:** Julie Thompson  
**Subject:** ETN

Dear Willie,

In connection to your letter attached to this mail I am somewhat surprised, that you seem reverting from the position we have developed until yesterday. I do, however, accept your frustration still involved because of the most recent price increase.

As I have highlighted during our meeting on Monday I will keep our team engaged on the project. Such engagement highly depends on the assumptions to conclude the contract signature now. The longer the current situation is lasting the more our position is turning weak towards our supplier and subcontractor chain. Please bear in mind, that the current situation we are into is based on the fact, that our supplier and subcontractor chain are already prioritising other projects (some of them simply walked away).

We all have engaged in the project on a very different level, to have a 100% design (means quantities and scope certainty) by the end of last year.

We are neither proud nor excited over the latest developments, but we are living in fluid market conditions, which became unpredictable and simply hit us with full force. You may decide to connect this to lack of professionalism at Contractor's end, but I would like to caution you on the fact, that everybody involved is working with utmost professionalism as well as dedication (otherwise we would not be where we are).

Willie, in case you lost confidence in BB, we may as well just abandon our negotiations now. I do not envisage to enter a project in which one party is blaming the other. The scope and design is yours and we are responding to the task. As much as you I am committed to proceed, but not at every condition and price.

For BB the way forward is based on the mails I have transmitted to you yesterday. Please bear in mind that there is no space left for negotiation anymore.

I am available to meet at Munich airport tomorrow afternoon from 2:30 to 5pm and in order to conclude the subject, however, on the basis of:  
-> Confirmation of TIE to add 9m GBP to our contract value (this means BB absorbed additional 3m GBP).  
-> Confirmation of TIE, that the contract effective date is subject to the conclusion of the design alignment process.

Please let me know if our meeting on Thursday in Munich can be based on the above understanding.

In case you need further information please let me know.

Kind regards Joachim Enenkel

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----- Original Message -----  
**From:** Julie Thompson [Julie.Thompson@tie.ltd.uk]  
**Sent:** 06.05.2008 19:04  
**To:** Joachim Enenkel;  
stefan.hofsaess<stefan.hofsaess@siemens.com">stefan.hofsaess@siemens.com>  
**Subject:** BBS Consortium Letter

Sent on behalf of Willie Gallagher

Please find attached letter from Willie Gallagher.

Regards

Julie

Julie Thompson  
PA to Executive Chairman

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