
From: Geoff Gilbert
Sent: 06 May 2008 12:34
To: Steven Bell; Dennis Murray
Subject: RE: ETN - proposal

Steven

I have sent you the EMail exchange between tie and BBS enclosing the spreadsheet that BBS confirmed and which shows that the £3.2m was a firm reduction on their price and not conditional. This shows that there would be no addition to the 1a+1b cost as it is already included in the Phase 1b cost.

Regards

Geoff

From: Steven Bell
Sent: Tue 06/05/2008 11:26
To: Geoff Gilbert; Dennis Murray
Subject: FW: ETN - proposal

Geoff

I believe this would add £3.3m either to the 1a cost (if 1b did not proceed) or to the 1a + 1b cost.

Please look out your historical documentation as a matter of urgency.

Steven Bell
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-----Original Message-----

From: Willie Gallagher
Sent: 06 May 2008 10:55
To: Steven Bell; Geoff Gilbert; Graeme Bissett (external contact); Dennis Murray; david_mackay@ Alastair Richards - TEL
Subject: FW: ETN - proposal

Can someone please clarify whether this is an actual increase of £3.3m to Phase 1(b). Feels like it?

Willie

-----Original Message-----

From: Joachim Enenkel [<mailto:Joachim.Enenkel@bilfinger.de>]
Sent: 06 May 2008 10:07
To: Willie Gallagher
Subject: RE: ETN - proposal

Willie,


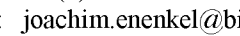
let me clarify my understanding:

In case Phase 1b does not go ahead, TIE will pay to BB a sum of 3.3m GBP.

In case Phase 1b does go ahead, the 3.3m GBP shall be added to the price of Phase 1b (approx. 24.4m GBP) at Preferred Bidder Stage and therefore the value for Phase 1b shall be 27.7m GBP. Please note, that the 24.4m GBP have been established April 2007 and on the basis of available design information at that time. Therefore I would expect some deviation (+ or -) upon clarification and in order to reflect the final design.

I hope we can proceed on the basis of the above.

regards from Wiesbaden,

Joachim Enenkel
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Willie Gallagher
<Willie.Gallagher
@tie.ltd.uk> To
Joachim Enenkel
06/05/2008 08:24 <Joachim.Enenkel@bilfinger.de>
cc
Subject
RE: ETN - proposal

Joachim,

Reflecting on our discussion last night, it would appear that there remains a £9m problem which needs to be resolved. If we agree to the 1(b), I will still need approval as I would require making a contingency for the event. I also need to understand that it is a true reduction, and will not reappear later in our negotiations on 1(b) - I assume that you will provide that assurance.

This leaves a £6m gap. Assuming this remains a BB only problem, it would be worthwhile starting discussions today between your team and tie. For any request to Government for funds to be credible, I need documented evidence of the scale of the problem. I would also propose that the teams look at a package of options which can be agreed as improving the BB

proposal and helping to bridge any gap.

Talk soon,

Willie

-----Original Message-----

From: Joachim Enenkel [mailto:Joachim.Enenkel@bilfinger.de]

Sent: 05 May 2008 21:08

To: Willie Gallagher

Subject: ETN - proposal

Dear Willie,

Following our discussions this afternoon please find the following:

In respect of the money transferred at Preferred Bidder Stage from 'Phase 1a Preliminaries' into 'Phase 1b Price' TIE confirms that in the event Phase 1b does not proceed, TIE guarantees that the Bilfinger Berger share of 3.3 Mio GBP will be paid directly to Bilfinger Berger under the contract for Phase 1a. However it should be noted, that earlier an overall sum of 4.7 Mio GBP had been transferred from Phase 1a to Phase 1b for BBS, of which 3.3 Mio GBP is for BB and 1.4 Mio GBP is for Siemens.

The above understanding is based on the assumptions, that TIE and BBS will conclude a contract award for ETN Phase 1a.

Please let me know if you need additional input on the above.

Regards Joachim Enenkel

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