

NTRD Program Disclaimers

1. Disclaimer of Endorsement:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not necessarily constitute or imply an endorsement, recommendation, or favoring by TCEQ or the State of Texas. The views and opinions expressed in said reports do not necessarily state or reflect those of TCEQ or the State of Texas, and shall not be used for advertising or product endorsement purposes.

2. Disclaimer of Liability:

The posting herein of progress reports and final reports provided to TCEQ by its NTRD Grant Agreement recipients does not constitute by TCEQ or the State of Texas the making of any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, and such entities do not assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represent that its use would not infringe privately owned rights.

**New Technology Research & Development Program
Grant Contract 582-5-70807-0010**

Task 1 Deliverable Report

The preparation of this report is based on work funded in part
by the State of Texas through a Grant from the
Texas Commission on Environmental Quality.

RECEIVED NTR

2/25/06

SITE ACCESS AGREEMENT

BETWEEN

WOW

AND

AES DEEPWATER, INC.

FOR

DEMONSTRATION

OF

FINAL FLUE GAS CLEANING (FFGC) PILOT PLANT

SITE ACCESS AGREEMENT

THIS AGREEMENT is made this ____ day of January, 2006 (“EFFECTIVE DATE”) between WOW Energy, Inc. a Texas corporation having its principal office at 1650 Highway 6, Suite 300, Sugar Land TX 77478 (the “COMPANY”) and AES Deepwater, Inc., a Delaware corporation, having offices at 701 Light Company Road, Pasadena, Texas 77506 (the “HOST”). COMPANY and HOST are also jointly referred to herein as the “Parties” and individually referred to herein as a “Party”.

WITNESSETH

WHEREAS, the COMPANY desires to provide SO₂ and NO_X scrubbing proprietary equipment necessary to demonstrate certain technology emission removal efficiencies using its Final Flue Gas Cleaning Pilot Plant – (“EQUIPMENT”) using a slip stream of flue gas at HOST’S Deepwater facility (“FLUE GAS”) and to conduct field demonstration and testing (“DEMONSTRATION”) of the effectiveness of COMPANY’S newly developed emissions control technology, and

WHEREAS the DEMONSTRATION will involve design, fabrication, delivery, installation, installation supervision, equipment operations, testing, data acquisition, data analysis and other related activities on the part of the COMPANY and the HOST; and

WHEREAS, HOST is willing to permit and assist COMPANY in the use of The COMPANY EQUIPMENT on Deepwater Unit 1, located in Pasadena, Texas, (“FACILITY”) to conduct the DEMONSTRATION..

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

ARTICLE 1
PERIOD OF PERFORMANCE

It is anticipated that the DEMONSTRATION will be performed in accordance with the schedule as made part of Attachment A – “SCHEDULE/TEST PLAN”; provided, however, that the Parties acknowledge and agree that it is the Parties' intention that the design, fabrication, installation, retrofitting and testing of the EQUIPMENT and the performance of the DEMONSTRATION shall not interfere with, restrict or otherwise adversely affect HOST's operation or maintenance of the Facility, and that the Parties shall cooperate in coordinating the performance of any such work hereunder that may otherwise so interfere with the operation or maintenance of the Facility such that such work is performed during (and without interfering with or extending) scheduled outages of the Facility.

ARTICLE 2
RESPONSIBILITIES

The Parties hereto shall have the following responsibilities with respect to the DEMONSTRATION including design, fabrication, manufacture, installation, and operation of the EQUIPMENT, testing, and collection of data as described below and on Attachment B:

A. COMPANY RESPONSIBILITIES:

The COMPANY will provide or perform the following items at no expense to HOST:

1. Provide the services of a qualified Prototype Project Manager from the date of this agreement through the distribution of the final testing data obtained from the DEMONSTRATION testing..
2. Develop and implement a complete plan for design, fabrication, delivery and installation of the EQUIPMENT, including any anticipated spare parts for the EQUIPMENT required for the duration of the DEMONSTRATION.
3. Design and fabricate the EQUIPMENT in such a manner that it is capable of being installed within the required DEMONSTRATION schedule, operated, and tested without interfering with or adversely affecting in any material respect, as determined by HOST in its sole discretion, normal operations at the FACILITY.

4. Provide trained technical personnel as necessary to safely operate the EQUIPMENT during the DEMONSTRATION period to safe.
5. Disassembly and removal of the EQUIPMENT at the completion of the DEMONSTRATION period.
6. Provide trained technical personnel as necessary to safely operate the EQUIPMENT during the DEMONSTRATION period to safe.
7. Disassembly and removal of the EQUIPMENT at the completion of the DEMONSTRATION period.
8. Abide by all procedures set up by the HOST and applicable to the FACILITY with regard to safety procedures, parking and other administrative items.
9. Provide 3rd party testing services in accordance with ATTACHMENT A – SCHEDULE/TEST PLAN to this Agreement, or as subsequently modified in writing and as mutually agreed between the HOST and the COMPANY.
10. Provide HOST with all data (including raw) and analyses of, as HOST may request, and a full report of the test results. All test results shall be held strictly confidential by HOST and shall not be disclosed to any party outside HOST organization without prior written consent of COMPANY except as may be required by law, all as further set forth in Article 8. For clarity, the HOST has the right to share the information with other AES affiliates under the same obligations of confidentiality.
11. COMPANY shall refer to HOST in sales and promotional material only after and subject to submitting to HOST the proposed reference and obtaining a written approval for such reference from HOST, such approval shall not be unreasonably withheld.
12. COMPANY will provide technical assistance at periodic intervals and otherwise as requested by HOST during the time the HOST is performing any of the HOST RESPONSIBILITIES.
13. Provide HOST with detailed list of all support services that HOST has the responsibility to provide. This list will include quantities and cost estimates for all chemicals during the DEMONSTRATION. Specific requirements for operating the EQUIPMENT during the DEMONSTRATION will include wastes, power, water, air and space requirements.
14. A preliminary full-scale design and cost estimate within a +/- 10% accuracy will be provided to the HOST following the DEMONSTATION.

B. HOST RESPONSIBILITIES:

The HOST will provide or perform the following at no expense to the COMPANY:

1. Receive and store the EQUIPMENT at the FACILITY in accordance with instructions as provided by the COMPANY and assign a Prototype Project Manager to represent the HOST interests and responsibilities during the DEMONSTRATION.
2. Provide all labor, supervision and construction/installation resources necessary to provide 2500 ACFM of HOST flue gas in a manner consistent with the details of installation provided by COMPANY and accepted by HOST pursuant to Article 2(A)(2) above (including, but not limited to, the tasks set forth in ATTACHMENT A – SCHEDULE/TEST PLAN to this Agreement and such additional tasks as may be accepted by HOST as a result of design review meetings), utilizing appropriate local labor and complying with local labor rules for site installation work. This will include the supply and installation of flue gas supply and return ducts with dampers per COMPANY design.
3. Provide clear, usable, readily accessible dedicated areas for the location of performance test/monitoring equipment and access to sources of plant operating data to the extent necessary for performance evaluation.
4. Provide the COMPANY's technical assistance personnel (and such other COMPANY personnel, advisors and agents as HOST may in its discretion approve), access to the EQUIPMENT
5. Provide normal operational and maintenance support consistent with the plan developed by the COMPANY and accepted by HOST pursuant to Article 2(A)(2) above, for the EQUIPMENT during the DEMONSTRATION period.

6. Provide electric power source consistent with the plan developed by the COMPANY and accepted by HOST pursuant to Article 2(A)(2) above, necessary for installation, operation and testing of the EQUIPMENT during the DEMONSTRATION period.
7. Provide chemical solutions (Sodium Hydroxide and Lime) supply, storage and piping to consistent with the plan developed by the COMPANY and accepted by HOST pursuant to Section 2(A)(2) above, necessary for installation, operation and testing of the EQUIPMENT during the DEMONSTRATION period.
8. Provide installation of effluent drain piping and disposal of the effluents from the EQUIPMENT consistent with the plan developed by the COMPANY and accepted by HOST pursuant to Article 2(A)(2) above, necessary for installation, operation and testing of the EQUIPMENT during the DEMONSTRATION period.
9. Provide installation of raw water supply piping and raw water to the EQUIPMENT consistent with the plan developed by the COMPANY and accepted by HOST pursuant to Article 2(A)(2) above, necessary for installation, operation and testing of the EQUIPMENT during the DEMONSTRATION period.
10. HOST will provide office space during the DEMONSTRATION to support data collection and analysis activities and access for COMPNAY personnel to the HOST facility during the DEMONSTRATION.

ARTICLE 3

ACCESS

COMPANY and their employees, advisors and agents (provided that any such COMPANY visitors other than the COMPANY's technical assistance personnel shall be subject to the HOST's approval in its discretion), shall have the right to enter onto HOST's premises, the FACILITY, to collect test data, to observe and to evaluate the performance of the EQUIPMENT

during the duration of the test period. COMPANY visitors shall abide by all instructions and rules required by the FACILITY superintendent or his agents, and shall not interfere with or otherwise adversely affect HOST's operation and maintenance of the Facility.

ARTICLE 4

OWNERSHIP AND RISK OF LOSS OR DAMAGE TO EQUIPMENT

- A. All right, title and interest to the EQUIPMENT shall remain in and with the COMPANY until completion of the DEMONSTRATION period. Upon completion of the DEMONSTRATION period, title to the EQUIPMENT shall remain with the COMPANY.
- B. Risk of loss of or damage to the EQUIPMENT shall stay with the COMPANY at all times.

ARTICLE 5

OWNERSHIP OF INTELLECTUAL PROPERTY

- A. Performance of the DEMONSTRATION shall in no way invest the HOST with any right in any intellectual property or data, including but not limited to any background data and patent rights. In no event shall the HOST obtain any rights in or title to any of the COMPANY's data or patents, nor is there any grant or implied grant of any license or licenses hereunder.
- B. Inventions, whether patentable or not, and patent rights arising during the term of this Agreement and out of or in connection with the DEMONSTRATION shall be owned solely by the COMPANY.

ARTICLE 6

WARRANTY AND PERFORMANCE

- A. It is understood and agreed that due to the experimental nature of the DEMONSTRATION, COMPANY does not extend to HOST any other express

warranties or accept any other liabilities with respect to the performance of the EQUIPMENT or with respect to the use/accuracy of the data/results obtained from the DEMONSTRATION, nor has HOST relied on any representations as to actual performance of the EQUIPMENT

- B. IN CONSIDERATION OF THE ABOVE EXPRESS WARRANTIES AND PERFORMANCE OBLIGATIONS, ALL OTHER WARRANTIES OR PERFORMANCE OBLIGATIONS EITHER EXPRESSED OR IMPLIED, WHETHER ARISING UNDER LAW OR EQUITY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

ARTICLE 7
LIMITATION OF LIABILITY

- A. Notwithstanding any other provisions of this Agreement, the COMPANY shall in no event be liable, whether arising out of contract, tort (including negligence), strict liability, or any other cause of or form of action whatsoever, for loss of anticipated profits, loss by reason of plant or other facility shutdown, non-operation or increased expense of operation, service interruption, cost of purchased or replacement power, claims of HOST's customers, subcontractors, vendors or suppliers, cost of money, loss of use of capital or revenue, fines or penalties assessed or levied against the HOST by any governmental agency based on the operation, non-operation, or use of the EQUIPMENT or for any special, incidental or consequential loss or damage of any nature, whether similar or dissimilar to those enumerated above, arising at any time or from any cause whatsoever.
- B. The total liability of the COMPANY under this Agreement, whether arising out of contract, tort (including negligence), strict liability, or any other cause of or form of action (other than in connection with the COMPANY's intellectual property and patent indemnification obligations hereunder), shall in no event exceed the cost of COMPANY's materials and services contributed or required to be contributed to the

DEMONSTRATION under Article 2 or to its warranty obligations under Article 6. This liability is estimated to be six hundred thousand dollars, (\$600,000). The provisions of this Article shall apply notwithstanding any other provisions of this Agreement.

- C. The total liability of the HOST under this Agreement, whether arising out of contract, tort (including negligence), strict liability, or any other cause of or form of action, shall in no event exceed the cost of HOST's materials and services contributed or required to be contributed to the DEMONSTRATION under Article 2 or in connection with its removal and reinstallation obligations with respect to the COMPANY's warranty repairs under Article 6. This liability is estimated to be One Hundred and Twenty Five Thousand dollars, (\$125,000). The provisions of this Article shall apply notwithstanding any other provisions of this Agreement.

ARTICLE 8

CONFIDENTIALITY AND PUBLICATION

- A. Any data or information concerning the EQUIPMENT or the DEMONSTRATION which is disclosed or otherwise becomes available to the HOST incident to the performance of the DEMONSTRATION pursuant to this Agreement is proprietary and is disclosed or made available to the HOST in confidence. Such confidential data or information is and shall remain the property of the COMPANY, and the HOST shall not publish or otherwise disclose it to any third party during or subsequent to the term of this Agreement without the COMPANY's prior written consent, except as may be required by law. Provided, however, nothing herein shall restrict the HOST's right to disclose any data provided by the COMPANY hereunder which (a) was furnished to the HOST by the COMPANY prior to this Agreement without restrictions; (b) becomes knowledge available within the public domain or (c) is received by the HOST from a third party without restriction and without breach of this Agreement.
- B. All technical publications, press statements and other publicity proposed by either HOST or COMPANY referring to this DEMONSTRATION shall be first approved by the other Party before release, which approval shall not be unreasonably withheld.

ARTICLE 9
FORCE MAJEURE

Neither Party hereto shall be liable to the other for failure to perform or delay in performance under this Agreement if such failure or delay is caused by conditions beyond its reasonable control, including, but not limited to, acts of God, acts of war, fire, flood, strikes, labor difficulties, terrorism, acts or failures to act of the government.

ARTICLE 10
ASSIGNMENT

This Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

ARTICLE 11
TERMINATION

Prior to commencement of EQUIPMENT delivery by COMPANY, the HOST may terminate this Agreement upon written notice to COMPANY should the installation and test plans be deemed unacceptable to the HOST. However, once EQUIPMENT delivery is initiated, the HOST will not terminate the DEMONSTRATION unless there is a material breach of this Agreement by COMPANY or COMPANY is otherwise in default hereunder and, in either case, the COMPANY shall not have cured such breach or default within 15 days of notice thereof (or such longer period as may be agreed to by HOST in its discretion). COMPANY may also terminate this Agreement prior to installation if, in COMPANY's discretion, it is no longer in its best interests to proceed further. COMPANY will not terminate this Agreement once HOST has initiated works associated with Article 2 (B)(2) of this Agreement unless there is a material breach of this Agreement by HOST or HOST is otherwise in default hereunder and, in either case, the HOST shall not have cured such breach or default within 15 days of notice thereof (or such longer period of time as may be agreed to by the COMPANY in its discretion). In the event unforeseen circumstances delay execution or completion of DEMONSTRATION in accordance with the schedule set forth in ATTACHMENT A – SCHEDULE/TEST PLAN, the Parties shall negotiate in good faith to reasonably revise the schedule, completion date and termination date to

a mutually acceptable modification; otherwise, this Agreement shall terminate on June 1, 2006, or earlier if mutually agreed by the parties.

ARTICLE 12
GOVERNING LAW

This Agreement shall be interpreted in accordance with and governed by the internal laws of the State of Delaware. Each party hereby irrevocably and unconditionally submits for itself and its property in any legal action or proceeding relating to this Contract or the performance hereof or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the State of Delaware, and any state or federal court located in the State of Delaware and consents and agrees to suit being brought in such courts. Each party hereby waives and agrees not to assert in any such action or proceeding, in each case, to the fullest extent permitted by applicable law (i) any claim of lack of personal jurisdiction; (ii) immunity from any legal process with respect to it or its property; (iii) any such suit, action or proceeding is brought in an inconvenient forum; or (iv) the venue of such suit is improper.

ARTICLE 13
POINT OF CONTACT

Each Party shall identify one individual to serve as primary Point of Contact for their respective participation in the DEMONSTRATION, and that person shall be the one through whom all primary communications will flow;

For the COMPANY:

WOW Energy, Inc.

1650 Highway 6, Suite 300

Attention: Daniel Stinger

Telephone: 281-340-6722

Fax: 281-242-4073

E-mail: dstinger@wowenergies.com

For the HOST:
AES Deepwater, Inc.
701 Light Company Road
Pasadena, TX 77508
Attention: Ken Niznik
Tele: 713 740 2215
Fax: 713 472 0389

ARTICLE 14
ENTIRE AGREEMENT

- A. This Agreement sets forth the entire understanding of the Parties and supersedes all previous agreements relating to the subject matter hereof. The Attachments to this Agreement are hereby incorporated by reference and made a part of this Agreement as if fully set forth herein. In the event of any conflict or inconsistency between the terms of the Articles to this Agreement and the terms of any of the Attachments hereto, the terms of the Articles shall have precedence. The attachments are;
1. AES Deepwater, Inc. Service Agreement Terms and Conditions for WOW Site Access Agreement signed 17 Feb 2006
 2. Attachment A AES FFGC-PP Schedule
 3. Attachment B Responsibility Matrix
- B. This Agreement may not be altered, amended or modified except by written instrument signed by duly authorized representatives of the Parties.

ARTICLE 15
ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING PROVISIONS

- A. WOW Energy, Inc. represents that it, and its officers, directors, employees, agents and representatives, have not and agree that they will not, directly or indirectly:
- i. Offer, give, make, promise, pay or authorize the offering, giving, making, promising or payment of any money, gift, or anything of value (a "Prohibited Payment")

to any Government Official, that is an officer or employee of any government, or any department, agency or instrumentality thereof, any public international organization, any person acting in an official capacity on behalf of such government, any candidate for or appointee to a political or government office, or any political party.

ii. Engage in a Prohibited Transaction, which includes:

a. Receiving, transferring, transporting, retaining, using, structuring, diverting, or hiding the proceeds of any criminal activity whatsoever, including drug trafficking, fraud, and bribery of a Government Official;

b. Engaging, becoming involved in, financing, supporting financially or otherwise sponsoring, facilitating, or giving aid or comfort to any terrorist person, activity or organization; and

c. Employing, engaging in any transaction or otherwise conducting business with a Designated Person, namely a person or entity that appears on any list issued by the United States or the United Nations with respect to money laundering, terrorism financing, drug trafficking, or economic or military embargoes.

B. WOW Energy, Inc. represents that it is not, nor does it employ or retain, either directly or indirectly, a Government Official.

C. WOW Energy, Inc. affirms that it shall promptly report to AES Deepwater, Inc. any Prohibited Payment or Prohibited Transaction of which it obtains knowledge, becomes aware, or has reasonable grounds to believe occurred with respect to the services or equipment provided to AES Deepwater, Inc..

D. WOW Energy, Inc. agrees that AES Deepwater, Inc. shall have the right to have access to and review the books and records of WOW Energy, Inc. that relate to services or equipment purchased on behalf of AES Deepwater, Inc..

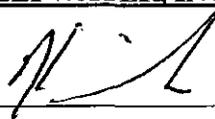
E. WOW Energy, Inc. affirms that it will, at the request of, and in the form reasonably requested by AES Deepwater, Inc., certify that it has not, directly or indirectly, made any

Prohibited Payment or engaged in any Prohibited Transaction with respect to the services or equipment provided to AES Deepwater, Inc..

- F. If AES Deepwater, Inc. has any concerns or suspects that any violation of the above provisions has taken place, WOW Energy, Inc. shall cooperate reasonably in good faith with AES Deepwater, Inc. and its representatives in determining whether such a violation occurred.
- G. WOW Energy, Inc. agrees that any violation of these provisions, in any manner, shall be sufficient cause for AES Deepwater, Inc., in its sole discretion, to declare the whole Site Access Agreement null and void, in which case WOW Energy, Inc. shall forfeit any claim to any additional payments due under this Site Access Agreement in addition to being liable for any damages or remedies available under applicable law.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the EFFECTIVE DATE first set forth above.

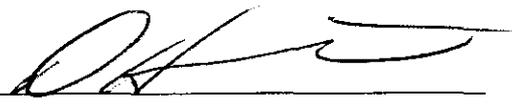
AES DEEPWATER, INC.

By:  _____

Name: Ken Niznick

Title: Vice President

WOW ENERGY, INC.

By:  _____

Name: D. H. Stanger

Title: President

| Responsibility Matrix | RESPONSIBILITY | | FUNDING | | COST * | QUANTITY |
|--|----------------|-----|---------|-----|----------|----------------------------|
| | WOW | AES | WOW | AES | | |
| FFGC | | | | | | |
| Design/fabricate/factory test | X | | X | | | |
| Ship to AES | X | | X | | | |
| Offload/set and align - labor | X | | X | | | |
| Offload/set and align - supervision | X | X | X | X | | |
| Offload/set Equipment (crane and fork lifts) | | X | | X | \$1,500 | Crane & (2) 10K fork lifts |
| AES-FFGC Interconnect | | | | | | |
| Design interconnect components | X | | X | | | |
| Procure interconnect components | X | | | X | \$22,250 | |
| Install interconnect components - labor | X | | X | | | |
| Install interconnect components - supervision | X | X | X | X | | |
| Consumables | | | | | | |
| Procure NaOH | X | | | X | | |
| Procure NaClO2 | X | | | X | \$16,500 | |
| Electrical - 1 x 100 A feed to panel 480 V-60 Hz 3 phase | | X | X | X | N/A | 48.8 kW |
| Electrical - 2 x 60 A feed to panel 480 V-60 Hz 3 phase | | X | X | X | N/A | 28.8 kW |
| Water supply | | X | X | X | N/A | 10 gpm |
| Effluent Drainage | | X | X | X | N/A | ≈ 12 gpm |
| Site Support | | | | | | |
| Chemical storage/handling | | X | | X | \$3,400 | 5K fork lift for duration |
| Provide office space | | X | | X | | |
| Supervision | | X | | X | | |
| Security | | X | | X | | |
| Site Testing | | | | | | |
| Safety execution plan | X | | X | | | |
| Test Plan definition | X | | X | | | |
| Testing labor | X | | X | | | |
| Testing - supervision | X | X | X | X | | |
| Test reports | X | | X | | | |
| Operation and maintenance | X | | X | | | |
| 3rd party testing | X | | X | | | |
| Disassembly/Removal | | | | | | |
| Disassembly - labor | X | | X | | | |
| Disassembly - supervision | X | X | X | X | | |
| Equipment for loading (crane and fork lifts) | X | | | X | \$1,500 | Crane & (2) 10K fork lifts |
| Shipping | X | | X | | | |
| | | | | | TOTAL | \$45,150 ** |

Mobilize to site by February 1st

* Billed at cost

** WOW Energies will pay anything in excess of 10% of total.

AES DEEPWATER, INC.

SERVICE AGREEMENT

TERMS AND CONDITIONS FOR WOW SITE ACCESS AGREEMENT

This Agreement made and entered into this 17 day of February, 2006 by and between AES Deepwater, Inc., a Delaware Corporation, having its facility in Pasadena, Texas, hereinafter called "AESDW" and WOW, a Texas corporation, hereinafter called "Contractor". This is in addition to the Site Access Agreement between AES Deepwater and WOW.

1. CANCELLATION/SUSPENSION: This Agreement may be cancelled by AESDW in whole or part at any time or stage of completion upon written notice. AESDW will pay reasonable cancellation charges. Performance may be suspended by AESDW without penalty or charge in the event of strike, accident or other contingencies that are beyond AESDW' control.
2. AUDIT/CLAIMS: AESDW has the right to audit all Labor Costs, Material Costs and other Costs associated with the work provided by Contractor to AESDW. Contractor shall notify AESDW in writing of its intent to make a claim for any additional compensation or reimbursement within ten (10) calendar days after the event which gave rise to such claim. Failure to give such notice shall result in Contractor's waiver of any such claim for additional compensation or reimbursement. Contractor's acceptance of final payment shall constitute its waiver of all claims under the Purchase Order.
3. FORCE MAJEURE: In the event of an act of God, war, fire, or other disabling causes beyond the reasonable control of the affected party, such party shall be free from liability for nonperformance, and excused during the term of the event. In the event Contractor is unable to perform for this reason, AESDW may terminate this Agreement without liability beyond payment for work performed up to that point by Contractor and reasonable demobilization charges.
4. INDEMNIFICATION: Contractor hereby agrees to fully indemnify, save harmless and defend AESDW and its affiliates from and against any and all losses, costs, damages, injuries, liabilities, claims, liens, demands, taxes, penalties for bodily injury or third party property damage to the extent arising out of the sale or use of said goods or the performance of said work or the use of materials and/or equipment furnished for or in connection with said work and any negligent act or omission or willful misconduct of Contractor or its Subcontractors or their officers, agents or employees.
5. INSURANCE: Contractor hereby agrees to provide AESDW with the following evidence of insurance coverage by delivering to AESDW a fully executed original Certificate of Insurance mailed by the issuing insurance company prior to performing said services. Contractor agrees to keep in full force and effect for a period of two years from the date of this Agreement insurance coverage of:

- A. Commercial General Liability Insurance with Combined Single Limits of \$1,000,000 per occurrence and in the annual aggregate.
- B. Automobile Liability Insurance will be waived with the following conditions being adhered to by Contractor;
 - 1. Contractor will not bring any vehicles on AES Deepwater site with the exception of the parking lot area.
 - 2. Contractor remains 100% liable for any losses due to any subcontractor actions involving any vehicles that enter the AES Deepwater site for any reason on Contractors behalf.
- C. Workers' Compensation Insurance with statutory Coverage A Limits and Employers Liability Limits of \$1,000,000.
- D. Excess Liability in the amount of \$1,000,000.
- E. Contractor will also name the other as an additional insured to the extent of AESDW liability arising out of Contractor's Indemnification obligation on policies (A), (B) and (D) above. (ISO Form G1 2010)
- F. AESDW and Contractor must also provide a waiver of subrogation in favor of AESDW on policies (A), (B), (C) and (D).

Contractor (insurer) shall endeavor to provide AESDW at least 30 days written notice of cancellation for the above policies.

6. SAFETY AND SECURITY: All contractors, their employees and subcontractors, while performing work on AESDW company property, shall abide by all applicable AES Deepwater Plant Safety and Health, Environmental, Administrative and Security policies (specific requirements are listed in Safety Procedure DW-038 "Contractor Administrator Safety"), OSHA Regulations and other Federal, State or Local Standards having bearing upon their work. All relevant AESDW policies and procedures will be made available to the contractors for review during the safety orientation process. Any safety incidents, injuries or hazards should be reported to the AESDW contract administrator and AESDW control room operator immediately. A list of all contractor personnel that will be working on site to perform the services is required to be given to AES Deepwater one week prior to the commencement of the services. Only personnel on this list will be granted access to the site, any changes to the list must be communicated to AESDW Deepwater to ensure contractor access will be granted during the term of the services.
7. INDEPENDENT CONTRACTOR: Contractor is and shall remain an independent contractor in the performance of all work performed hereunder, and all persons employed by Contractor to perform such work shall be and remain employees of Contractor and be responsible only to the Contractor.

10.

By signing this agreement, acceptance is limited to the exact terms hereof, which may NOT be added to or changed by Contractor's exceptions, conditions or acknowledgement, except as agreed upon in writing by AESDW. The Contractor certifies that the representative signing below has the authority to enter into this agreement and that contractor will abide by all terms and conditions contained in the agreement.

CONTRACTOR:

AES DEEPWATER, INC.:

Douglas A Moore

TITLE: Project Manager

[Signature]

TITLE: Area Team Leader