

muck^{LLP}le



Energy Team

Welcome

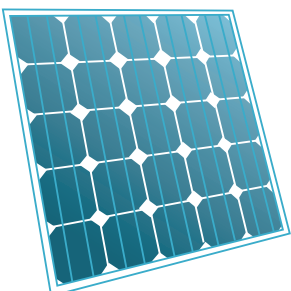
Muckle LLP is a leading commercial law firm in Newcastle upon Tyne. We pride ourselves on providing practical, commercial advice to our broad range of clients. Our capabilities in protecting and expanding our clients' commercial operations extend to those involved in the energy markets and their supply chains. Our service excellence ethos drives the way that we work with clients and our satisfied clients provide the best testaments to how we add value to their businesses.

Our sector experience is far-reaching and extends across the energy sectors. We have engaged Professor Ian Fells, environmental consultant and Principal Consultant at Fells Associates, as an adviser to our Energy Team. Ian was the founder chairman of the New and Renewable Energy Centre (now Narec).

We have experience in working within the following energy sectors:

- Biomass and bio-fuels
- Carbon reduction/offset/trading
- Coal
- Digesters
- Eco-Homes
- Electric vehicles
- Fuel cells
- Gas
- Hydro-electric
- Hydrogen storage
- Nuclear
- Oil
- Onshore and offshore wind farms
- Smart metering
- Solar
- Waste
- Water saving devices
- Wave technology

Due to the nature of the evolving renewable energy sectors, we are helping many enterprises enter these markets. This involves assisting companies seeking to raise finance from business angels, private investors and institutions; identifying and addressing the risks involved in operating an especially long term project; and helping them to produce a marketing presentation and information memorandum that will sell the investment opportunity. Our Energy Team also undertakes due diligence and provides reports to a variety of potential investors on transactions including acquisition, investment, banking and IPO situations.



Contents

Oil, gas & coal



Gasification



Biomass



Waste



Wind



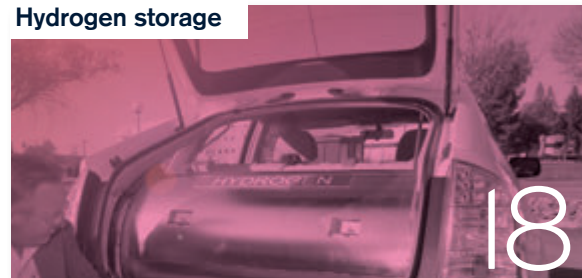
Solar



Hydroelectric



Hydrogen storage



National grid



Join the debate



Oil, Gas & Coal

It would be easy, given the topicality of renewables, to overlook the vital role which traditional fossil fuels play in the UK's energy production; they will continue to account for the overwhelming majority of our ongoing energy needs for the foreseeable future. As a result, Muckle has gained extensive experience and expertise by acting for utility companies as well as organisations in the supply chain.

We have acted on behalf of an energy company regarding the execution of an EPCM Contract relating to a gas storage facility, advising throughout the bid process to final sign off of the contract. We have advised a top energy company on the negotiation of a suite of approximately 80 supply, installation and commissioning contracts for a £500 million upgrade to an alumina refinery.

We advised a mining and renewable energy organisation on an open cast mining option. We have also prepared purchasing contracts for fuel as well as for fuel hedging using an ISDA (International Swaps and Derivatives Association) agreement.

We have advised on 'take or pay' coal handling contracts for a number of ports and have acted for PDL Solutions (Europe) Ltd, an engineering consultancy which provides specialist advice to offshore industries. We have advised OGN Group Limited, an engineering contractor, on supply contracts and sub-contracts for the construction of its £150 million Forties Alpha Satellite Platform project in the North Sea. Sector advice has also included a sub-contractor agreement for oil rig construction design services. We have also been instructed by Express Group, a precision engineering firm which supplies both the oil and gas industries, on several commercial property acquisitions and we have acted in a similar vein for Duco Limited, a manufacturer of subsea cables and umbilicals.



A large-scale photograph of an offshore oil rig at sunset. The rig is silhouetted against a bright, golden-orange sky. The sun is low on the horizon, creating a shimmering reflection on the water's surface. The rig's structure is complex, featuring a tall derrick, various platforms, and cranes. The overall mood is industrial and serene.

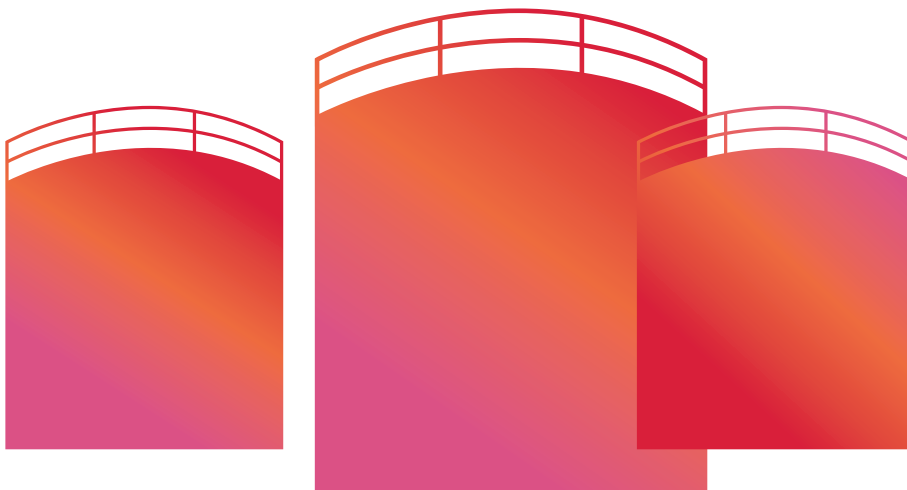
muckle^{LLP}

Gasification

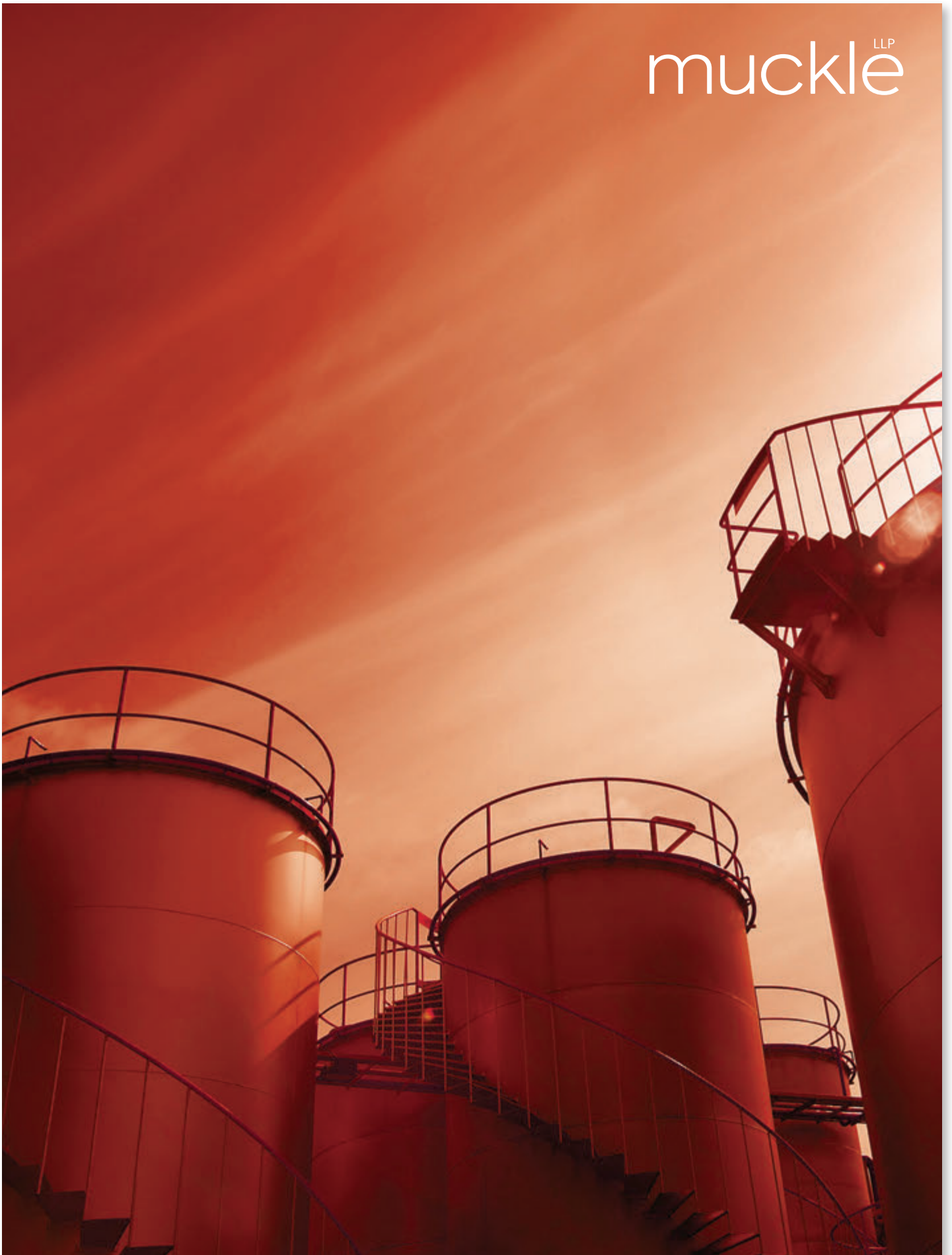
Gasification is a process by which carbon, normally in the form of coal, is converted into gas by reacting it at high temperatures ($>700^{\circ}\text{C}$), without combustion, with oxygen and/or steam. The resultant gas can be used in more efficient power generation cycles than the original solid fuel could – and for fuel or chemicals production. In the UK, gasification is an emerging technology but despite this our Energy Group has gained experience in this area.

The gasification process can be applied to biodegradable waste too. We have carried out IP due diligence on a large project involving small gasification units designed to burn refuse. We advised on the project structure, corporate documentation, contractual arrangements and risk management.

We have also been instructed by Five-Quarter Energy Ltd, following their acquisition of a three year conditional exploration licence from the Coal Authority, to deal with all legal aspects of their Deep Gas Winning® process in 400 square kilometres under the North Sea, off the Tyneside and Northumberland coast, within which approximately 2 billion tonnes of coal deposits exist.



muckle^{LLP}



Biomass

The market for biomass and biofuels is expanding rapidly, with some predicting that they will become the most viable, sustainable alternative to fossil fuels.

We have gained unrivalled expertise for a diverse range of biomass/biofuels-related matters through advising Europe's largest biomass facility at the Port of Tyne which currently handles one million tonnes of biomass materials each year. This experience includes importation agreements (with take or pay obligations), port handling agreements for biomass, health & safety and environmental issues concerning material handling.

We are advising both the Port and a joint venture partner, Equitix that will be procuring the project involving a £200million bio-mass handling facility. This is a complex multi-phased project that involved drafting and negotiating: various enabling works building contracts and contracts for associated plant and machinery; numerous bespoke consultant appointments, novation agreements and collateral warranties; and, parent company guarantees, performance bonds and retention bonds.

We have advised the Port and the joint venture partner on their procurement strategy, including assisting the project team in drafting tender documents and the management of the risks associated with such a large, high profile project. In particular, we have advised the Port on the impact of the EU Public Utilities Regulations and the potential for procurement challenges.

We have advised ports on planning agreements for biomass incineration; on leasing land for biomass power stations, on funding options for their construction; provided construction contract advice and project management resource; taking security over Intellectual Property (IP); technology licensing; collaborating; customer warranty claims; Freedom of Information advice; assistance with fuel storage; and on offloading, storage and loading arrangements from vessel to rail and road.

We have also advised on contractual issues and disputes in relation to the construction of a bioethanol plant at Saltend, Hull, by Vivergo Fuels.



muckle^{LLP}



Waste

Waste recycling will provide an increasing and long term supply resource for power generation, and our Energy Team is well placed to assist, whether this involves setting up companies to expand into this market or reducing risks associated with operating them. With an ever increasing need to exploit existing resources, clients are increasingly turning to waste for sustainable energy production.

We have prepared contracts relating to the capture and subsequent transfer to the Gas Grid of biogas at a waste treatment plant. We advised on a venture to build anaerobic digesters and on the construction contracts, warranties, bonds, etc. in connection with a biogas project converting waste gas into clean gas. We have also provided advice to a company that recycles human waste for the fertiliser process and uses household waste for anaerobic digestion power generation.

Examples of helping clients include advising the Lakeside Energy from Waste plant in Slough, on performance, operational and maintenance issues, and on the drafting and negotiation of IChemE contracts in relation to the construction of a 'waste to energy' plant in the Tyne and Wear region;

advising an Energy company on the procurement of an EfW plant, to include the commercial aspects of setting up a special purpose vehicle, the construction procurement utilising the FIDIC EPC form and fundraising issues. We have also advised on a waste supply agreement for the supply of shredded paper, card and wood to a bio-energy refinery. From a compliance perspective, we have been instructed by a major plastics recycler to advise on environmental pollution issues following pollution to local ecology.

We have experience in acting for the public & private sector in the procurement of waste management facilities under the Private Finance Initiative. Our experienced lawyers have advised private sector bidders as well as a County and City Council over the duration of the various procurements. As the procurement was run by way of competitive dialogue the proposed solutions were subject to intense technical and financial scrutiny which directly involved the team.





muckle^{LLP}

Wind

The North East has seen a rapid increase in the number of onshore wind turbine applications and installations and we have been instrumental in many of these. Offshore, the UK has a large shallow continental shelf, making the sea all around our coasts particularly suitable for wind energy projects. The UK has more usable wind power than any other European country and large scale wind turbine projects, on and offshore, are developing rapidly.

Given that wind energy looks to harness the natural topography and geography, it is understandable that the North East has taken a lead role in this area. We think its benefits are considerable and the region stands to gain immeasurably from advances in technology.

We have helped clients achieve their objectives in securing sites and ensuring turbines are operating as efficiently as possible. This includes the lease of sites from multiple land owners, securing rights of access and grid connections and third party consents. We are experienced in negotiating loan agreements and securities with third parties over contracts and assets. We have helped secure numerous joint ventures between different organisations, advising on intellectual property issues including licensing, audit, training and confidentiality agreements, patent applications and framework agreements.

We have advised on the electricity offtake arrangements from the Greater Gabbard which, upon completion, will be the largest wind energy project in the world. We also routinely advise turbine manufacturers on aspects arising from the construction of wind farms and blades. We have provided advice to The Banks Group on the development, management and due diligence of a number of onshore wind farm developments. We have also produced a training programme for The Banks Group team on all legal aspects of wind farm projects.

We have been instructed on several wind farm schemes, including regulatory advice relating to a disclosure request to a public sector landowner under the Environmental Information Regulations.

We have been advising Moor Leasing Limited on the leasing and maintenance arrangements for a new scheme involving the procurement, financing and installation of smaller output wind turbines for customers such as schools and agricultural premises, whereby the turbine is supplied by Moor Leasing (at nominal cost to the customer), and the customer benefits from free electricity, with Moor Leasing securing the ongoing tariff payments.

Our advice has also involved negotiating on a tri-study agreement with Nissan for a prototype wind turbine for the generation and storage of compressed air at the UK's largest car manufacturing plant.



We have advised on the construction of an offshore wind turbine facility, on the sale of a wind farm between operators and have resolved disputes that develop from time to time, such as warranty claims and one involving a turbine blade which became detached.

Further, we have provided advice on a joint venture between Narec (National Renewable Energy Centre), a renewable energy specialist whose expertise lies in marine technology and Ashberg Limited, a financial services company. The focus

of the resulting company, Narec Capital, is on reducing risk and providing capital in order to accelerate the deployment and reduce the cost of renewable energy technologies and projects.

We also have expertise in community-based schemes. One of our team has experience as a director of a not-for-profit company which seeks to bring renewable energy to the community, by way of a community-owned wind turbine.

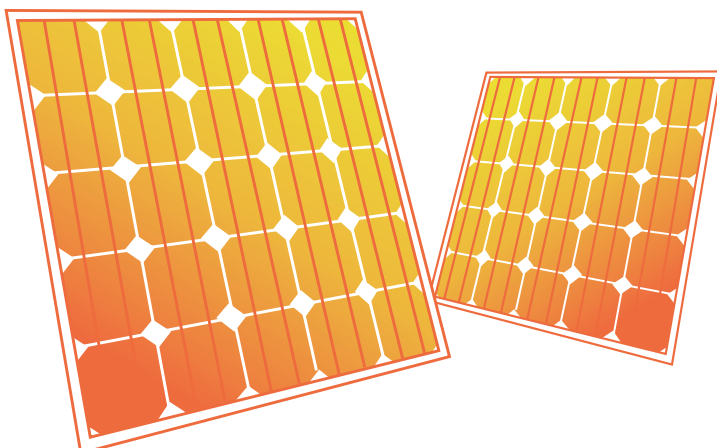
Solar

Our Energy Team has been helping companies fulfil the many regulatory requirements relevant to progressing to the connection stage and beyond. We have advised Moor Solar on the planning, easement, grid offer and connectivity aspects of a 2.8 Mega Watt photovoltaic park which saw £10 million invested in 20 acres of redundant farm land in Lincolnshire. Separately, we have also advised on roof hire contracts relating to Feed in Tariffs.

Solar panels on roof spaces are now the UK's predominant area of market development in solar technology. We have experience in numerous large scale projects including providing strategic advice on two separate projects for the installation of PV panels on to 3000 residential roofs. We acted on one project for the private sector partner and on the other for one of the UK's largest owners of social housing advising on joint venturing arrangements, including option and lease arrangements, and financing and commercial arrangements for new businesses.

We have also advised on the initial stages of a project to acquire process technology and know-how related to PV technology and also to take a licence of an existing PV production facility. This involved us advising on potential structures for the project and providing input on the financing of the project.

After providing many years of strategic advice to Narec (the National Renewable Energy Centre), we acted upon their behalf to sell its photovoltaic division and secure its future in the North East. We helped Narec to structure the sale to create a new standalone business and enabling Narec to maintain an ongoing interest in the new company.





muckle^{LLP}

Hydroelectric

Generating power from tidal flows is one of the more embryonic scaleable technologies for generating power but our Energy Team has been involved with organisations undertaking research and development in this field for many years.

We have carried out due diligence work, advised on IP protection and exploitation, contract disputes and prepared a licensing agreement for wave technology between our client and a major university.

Experience also includes advising on a land acquisition concerning what we believe to be the first commercial, micro-hydroelectric scheme in the region.

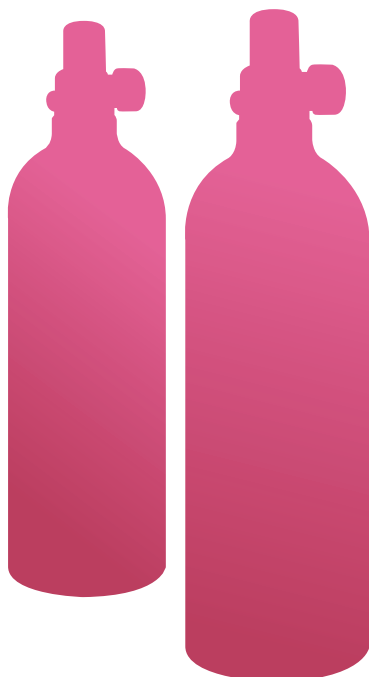




Hydrogen Storage

We acted for an innovative hydrogen storage technology business in a major investment deal with Space Florida. We advised Oxfordshire-based Cella Energy Ltd in the deal which saw £1.5m invested in the company by Space Florida, an independent special district of the state of Florida, as well as other independent international investors. This included negotiating the investment documentation with Space Florida's lawyers and the other individual investors from around the globe who were also involved.

Cella Energy has bases in Oxfordshire and the NASA Kennedy Space Center in Florida, where it is developing hydrogen storage materials, which allow hydrogen to be stored without high pressure tanks. NASA Kennedy Space Center has become one of the world's largest users of hydrogen and is developing expertise in this area. The investment will be used to further develop low cost hydrogen storage technologies and expand its operations.



“ We had excellent support and advice from the team at Muckle LLP in completing this investment deal in our hydrogen storage technology, with Space Florida at the Nasa Kennedy Space Centre. This is testament to the continued confidence in our technology. As the world population grows, so will the demand for energy. Hydrogen provides a way of meeting some of this demand, without increasing harmful emissions.”

**Stephen Voller, Chief Executive,
Cella Energy Limited**

muckle^{LLP}



National grid

The majority of the energy generation that we are involved with relates to the production of electricity. Our involvement in electricity production also extends to advising on the network infrastructure.

We have advised on a series of international construction and engineering contracts for National Grid projects.

We have provided contractual support for the design, construction, testing, installation and commissioning of subsea electrical cables, and the procurement, purchase, commissioning and maintenance arrangements for large scale engines for generating electricity.

By way of example, we have been working with Jersey Electricity Plc on its 100MW Normandie 3 project, to access reliable sources of low carbon electricity, through a new sub-sea cable connection with France.

We advised Jersey Electricity on a contract for a submarine power and integral optical cable contract worth €40.6m with Prysmian Group world leader in the energy and telecom cable systems industry. As part of the deal, Prysmian will supply and install 35km of High Voltage Alternate Current submarine cable. Muckle LLP also advised on a separate £5m

contract between Jersey Electricity and the English subsidiary, Prysmian Cables and Systems Limited, for the installation of the land cable. This will see 7km of 90,000 Volt land cable, along with related network components and specialist civil works undertaken in Jersey and France.

The submarine cable will connect to a 400kV substation at Periers via 19km of land cable. It will enter the sea at Pirou Plage on the French coast and come ashore in Grouville Bay in Jersey, connecting to a 90,000 Volt land cable carrying power to Jersey Electricity's South Hill Switching Station.

We advised on and negotiated a reactor contract between Jersey Electricity and ABB Limited. We also negotiated a further control and protection contract with Schneider Electric Limited.

The Normandie 3 project has been 10 years in the making and will form part of the Channel Islands Electricity Grid.



Building value

Our aim is to ensure that you will benefit more by working with Muckle LLP.

Our standards and expectations are high. We work extremely hard to make sure that everything that we do is of the highest possible quality. That is what you expect of us and it is what we expect from ourselves.

We will focus on providing value, efficiency and results, and collaborate with you to find new solutions for achieving your objectives. We aim to work closely with your teams to:

- **Engage with you and build a trusted partnership by:**
 - understanding the necessity of swift action, responsiveness and frequent communication;
 - understanding your unique requirements and objectives; and
 - committing to solve commercial as well as legal challenges proactively and efficiently.
- **Provide best value** for your legal spend by providing timely, high quality, commercially pragmatic recommendations to help you achieve your objectives;
- **Demonstrate our value and expertise** by contributing meaningfully to your financial success by minimising legal risk and maximising return on your legal spend; and
- **Improve on current efficiencies** that you enjoy by adopting best practices from across appropriate sectors.



What our clients have to say...

“Working with the team at Muckle has been invaluable to us – both in terms of their strategic guidance and their commercially focused legal advice. The renewable energy market is at an incredibly exciting time and the combination of Narec and Ashberg to form Narec Capital is a compelling one. The responsiveness from the Muckle team was excellent. Everyone was dedicated to meeting our objectives and had the same attitude in terms of making things as easy for us as they could.”

Richard Marr, Finance Director at Narec (National Renewable Energy Centre) Limited

“The Moor Group of Companies has worked with Muckle LLP for almost 10 years now and because of their sector expertise Muckle LLP was the obvious choice for us. We needed support that had the technical knowledge to make our solar park happen, that were capable of dealing with the City lawyers engaged by the investors and, crucially, who would take a no nonsense approach to the challenging but critical deadline. I am absolutely delighted with the results and wouldn't hesitate to recommend Muckle's Energy Team to any other business looking for this specialist advice.”

Peter Smeaton, Director, Moor Solar upon creating a 2.8 Mega Watt solar park on 20 acres of redundant farm land in Lincolnshire.

“My thanks go to the team at Muckle LLP for their expertise and tireless efforts on these negotiations on the £48m international sub-sea power cable engineering contracts. Their understanding of the projects and skill in negotiating these contracts meant they were completed to the satisfaction of all parties and the project got underway on time. The Normandie 3 project has been 10 years in the making so it's a great milestone that's been reached. We are on track to provide a vital new energy supply to the Channel Islands.”

Tony Ronayne, Procurement Manager at Jersey Electricity

“The Port of Tyne entered into a major commercial agreement for the handling of wood pellet for a power generating customer, requiring significant capital investment. The Port relied heavily on the advice of Muckle LLP in the drafting of the associated £16m banking agreements which were non-standard and reflective of a novel and complex commercial agreement. Despite this occurring during the banking crisis, all of the Port's objectives were achieved, with Muckle LLP playing a major part in securing funding with an acceptable balance of risk between ourselves and lenders. The value of that work is still seen today – the Port of Tyne has experienced significant growth and the principles established from that work have been taken forward into further projects.”

John Hudson, Chief Financial Officer at Port of Tyne

“You have been extremely thorough in your assessments and provided robust advice, which has always turned out to be sound. I have felt confident that we have had a first class lawyer supporting us through these negotiations. You “hold your own” in these situations.”

Nick Oates, General Manager at Archer (UK) Limited

“The development of Walker Quay is an integral part of our strategic plans for the future. The new facility means we can achieve our growth plans, support our clients around the world and lead the industry in the development of new technologies. Having the right legal advice from the team at Muckle LLP was important in making sure the construction and associated property aspects of this was completed efficiently and without any delays, whilst also considering the wider energy sector issues. Our teams have worked really well together.”

Jean-Louis Rostaing, Managing Director at DUCO Limited

“In overall terms the Service is excellent. Specifically I feel that they have a great strength in depth, advice is always concise, pragmatic and client need focused. I am always impressed by the speed with which advice is given and that it is always to client deadlines, no matter how unreasonable that may be sometimes. In terms of value for money we have absolutely no complaints, bills are very reasonable considering the excellent service. We have over the years used other firms, both UK and US based. It is my experience that the attention given to the client by Muckle LLP is unsurpassed. So much so now that all of our UK business goes to Muckle LLP. We wouldn't consider another firm.”

Matt Boyle, President & Chief Executive Officer at Sevcon Ltd



We have set up a discussion forum called Energy Forum North East on the website, www.Linkedin.com. This group is to help businesses of any size to engage and share knowledge and understanding to their mutual benefit within the energy sectors. You would be most welcome to join and contribute.

If you are already registered on LinkedIn, you can join the forum by searching for the Group: **Energy Forum North East**.

For those of you who are new to LinkedIn, it is a website that helps business people to develop their professional networks. Anyone can join and use the service for free – you simply need to go to the website at www.Linkedin.com and set up a brief career history profile for yourself. You can then join the Forum.

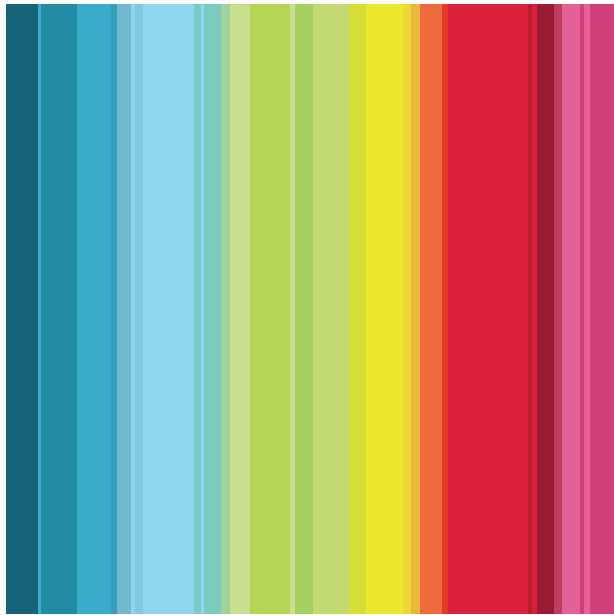


Key Contact



Andrew Davison
Partner and Head of the Energy Team

T: 0191 211 7950
M: 07802 558 693
andrew.davison@muckle-llp.com



Muckle LLP

Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF | DX 61011

Tel: 0191 211 7777 | Fax: 0191 211 7788 | www.muckle-llp.com



INVESTORS
IN PEOPLE | Gold