

From: McDade, Bart [bmcdade@lehman.com]

Sent: 8/7/2008 6:43 PM

To: McGee III, Hugh E [hmcgee@lehman.com]

Cc:

Bcc:

Subject: RE: Green.

I am around I look fwd to going with mark

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

From: McGee III, Hugh E

Sent: Thursday, August 07, 2008 6:37 PM

To: McDade, Bart

Subject: Re: Green

So depending on how numbers session goes-may be an afternoon meeting to restart this thing. If so, I have briefed shafir and he can go with you as senior m+a help-good to get him involved anyway.

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

From: McDade, Bart

To: McGee III, Hugh E

Sent: Thu Aug 07 18:18:16 2008

Subject: RE: Green

thx understood

From: McGee III, Hugh E

Sent: Thursday, August 07, 2008 5:30 PM

To: McDade, Bart

Subject: FW: Green

fyi-confidential

From: Gary S. Barancik [mailto:gbarancik@pwpartners.com]

Sent: Thursday, August 07, 2008 4:55 PM

To: McGee III, Hugh E

Cc: Whitman, Brad

Subject: RE: Green

Thanks. I can't claim to fully understand E.S.' thinking given the short time I've interacted with him but I think Joe and I have won his respect and can get him to take a hard look at a transaction we think makes sense - as I feel strongly is the case on the CleanCo structure we discussed yesterday, provided that we get comfortable with the underlying assumptions. It's unavoidable that any transaction will be dependent on what the government and consortium members will ultimately agree on, so if we get going again, there are bound to be a few hiccups that we'll all just have to do our best to work through.

If the teams are feeling pretty good about where we are by mid-afternoon tomorrow, I'll try to reach out to Bart to see if he has the time to start/resume our discussion of headline terms. I worry a bit about the dynamics in Korea as each day passes with discussions "on hold", as E.S. is having discussions with government officials and potential consortium members - so the sooner we can get things back on track and regain momentum, the better.

Best,

Gary Barancik

Partner

PERELLA WEINBERG PARTNERS LP

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From: McGee III, Hugh E [<mailto:hmcgee@lehman.com>]
Sent: Thursday, August 07, 2008 4:22 PM
To: Gary S. Barancik
Cc: Whitman, Brad
Subject: RE: Green

Gary

I have instructed brad and team to get together with your team (and you) in the am. I am out of pocket tomorrow but am available via email and phone. I could meet face to face any time Monday. If we want to make some real headway tomorrow afternoon, Bart is around and can obviously speak for the firm. I agree we should work together to get this back on track. I also don't think we are that far apart. The critical path is to get your analytical work/requirements satisfied which may take a couple of days. Larry Wieseneck(captain of our spinco team) is on standby to meet with you tomorrow as well. Lets start with numbers and then take it from there as rapidly as makes sense. However, I don't want to try and move too fast as you need to feel comfortable that you have all your analytical questions answered.

Thanks for the honest and open assessment of how we move this forward.

Regards

Skip

From: Gary S. Barancik [mailto:gbarancik@pwpartners.com]
Sent: Thursday, August 07, 2008 3:32 PM
To: Whitman, Brad; McGee III, Hugh E
Subject: RE: Green

Brad,

Just tried your office and was told you're in a meeting.

How about 9am? I can join for about an hour and Arjay and team can stay as necessary. As we look at a "CleanCo" alternative, would be good to see if both teams can agree on a level of equity that can "work" even assuming conservative assumptions about the amount of debt on SpinCo, availability of mezz financing (or lack thereof) and true cost of mezz, including a true "market" structure and return (20%+?) and the potential for incremental Q4 or even Q1 2009 losses/marks - also, need to understand the implications of the acceleration of RSUs and the issuance of new RSUs on the share count, BVPS and therefore implied purchase price, ownership percentages etc. Need to adjust appropriately for assets with transfer restrictions and understand what is in that bucket. We'll bring our model so we can tie numbers. Also would like to understand whether the spin can work without a mezz piece (from a consolidation standpoint) and if we're concerned about ability to raise mezz, how we can address deconsolidation. Also, we need to see cash flows to understand and opine on the reasonableness of your assumptions on senior debt levels, credit quality, etc. Would be great to hear from your credit guys on this since we don't have such experts in house. In making sure this structure is bullet proof, our interests are aligned: if unanticipated events cause a bigger equity hole than anticipated, this could greatly impact the attractiveness of CleanCo or require additional equity dilution (which, by the way, our client might be willing to fill if needed, but we'd need to consider the implications of doing so). If you're agreeable, let's allow our teams to work together cooperatively on this so that everyone is completely comfortable with the assumptions.

Here's something else I'm thinking about: I'd like to sit down with the appropriate person or persons (would probably need either Skip or Bart) to discuss proposed terms of this investment (some you raised last night and some others). Here's my objective, if we can get comfortable on a general structure and agree on as many terms as possible, I'd like to present ES with a fairly nailed down deal that you favor and that we believe he will feel is a comfortable basis for re-engaging seriously. While I'm not going to be able to speak completely on his behalf, I think we should be able to narrow the bid-ask on several points so he can decide if he wants to ramp everything up again (and you can decide the same thing, of course). I'm available any time after 2pm Friday. I'm concerned that if we can't things back on track in the next couple of days or so, the psychology of the past 24 hours may be tough to reverse - for both of us. Let's discuss further when you break from your meeting.

Gary Barancik

Partner

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