



TXU Europe Limited and certain subsidiaries (in administration/liquidation and/or under voluntary arrangements) ('the Companies')

Administrators' and Supervisors Progress Report to Creditors – see the Notice on page 1
Prepared for the six month period to 8 July 2010

22 July 2010

ADVISORY

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Notice: About this Report

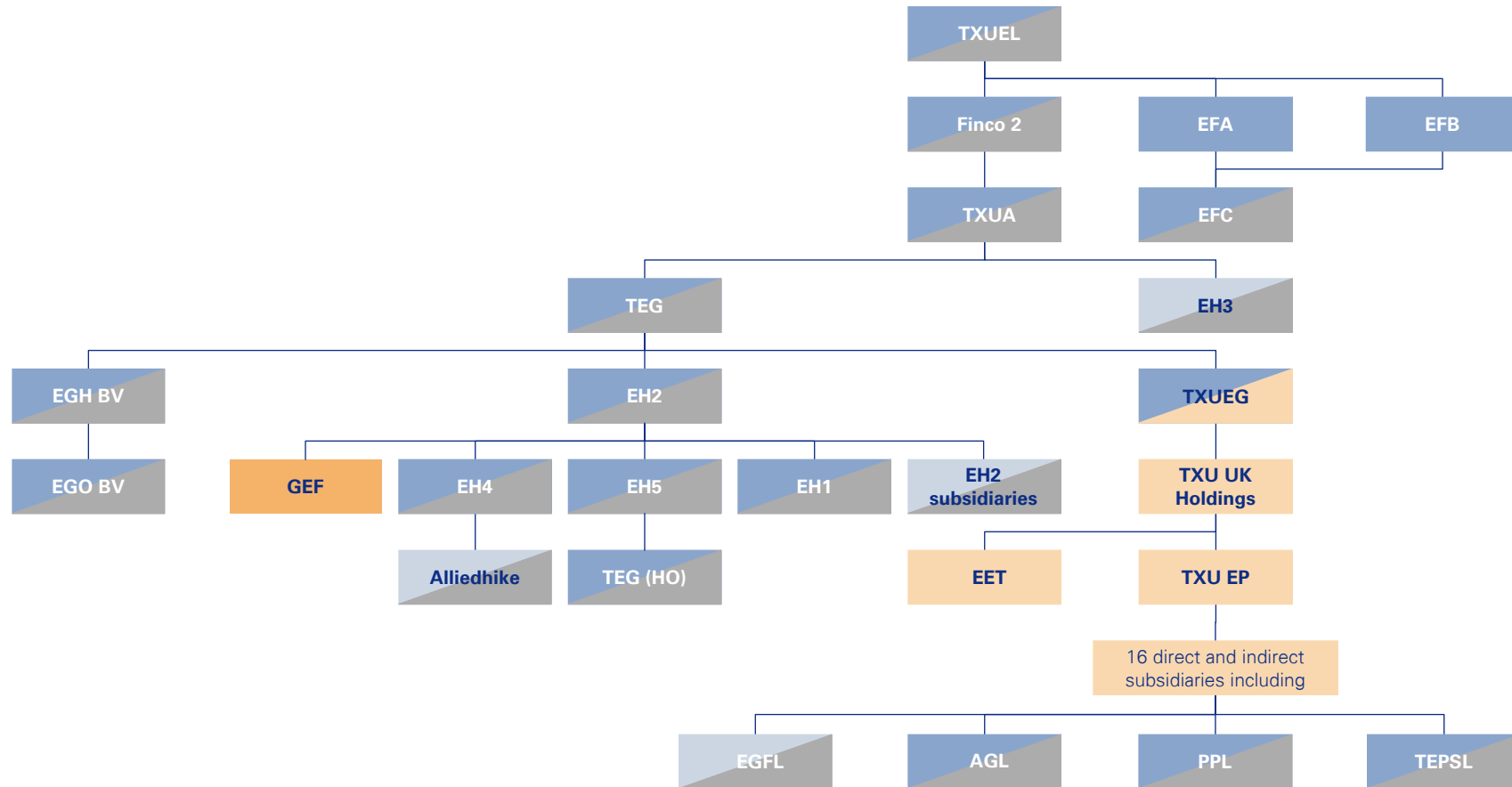
- This report has been prepared by the Joint Administrators/Liquidators and Supervisors of TXUEL and the subsidiaries listed in Appendix 1 (together “the Companies”), solely to comply with their statutory duties to report to creditors under Rule 2.30 and Rule 1.26(2) of the Insolvency Rules 1986. Its purpose is to provide creditors with an update on the progress of the Administrations/Liquidations of the Companies for the six months to 8 July 2010 and to provide an update on the CVAs for the year to 31 March 2010, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in TXUEL or any other company in the TXUEL Group.
- Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance to the actual outcomes for creditors.
- Any person who chooses to rely on this Report for any purpose or in any context other than under Rule 2.30 and/or Rule 1.26(2) of the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Administrators/Liquidators and Supervisors assume no responsibility and accept no liability in respect of this Report to any such person.
- The appointments of the Joint Administrators/Liquidators and Supervisors are personal to them and, to the fullest extent permitted by law, KPMG assumes no responsibility and accepts no liability to any person in respect of this Report or the conduct of the administrations/liquidations or CVAs.
- John David Thomas Milsom, James Robert Tucker, Jeremy Simon Spratt and Richard Hill are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

Glossary of terms

Blue Tee	Blue Tee Corporation
CVA	Company Voluntary Arrangement
EGO BV	Energy Group Overseas BV
EH2	Energy Holdings (No 2) Limited
EH3	Energy Holdings (No 3) Limited
EH4	Energy Holdings (No 4) Limited
EY	Ernst & Young
GEF	Global Energy Finance LLC
GFM	Gold Fields Mining LLC
Holding Companies	TXUEL and those of its subsidiaries for which CVAs were approved on 31 March 2005
KPMG	KPMG LLP
Operating Companies	TXUEG and its subsidiaries
Peabody	Peabody Energy Corporation
The Companies	The companies listed in Appendix 1
TEG	The Energy Group Limited
TXUA	TXU Acquisitions Limited
TXU Corp	TXU Corporation (now known as Energy Future Holdings Corp)
TXUEG	TXU Europe Group plc
TXUEL Group	TXU Europe Limited and its subsidiaries

Group Structure

Simplified group structure for the companies covered by this report



- KPMG Administrators
- KPMG Liquidators (not covered by this report)
- EY Appointments (not covered by this report)
- KPMG Supervisors
- Not subject to any insolvency proceedings

Introduction and summary update

Background

- On 19 November 2002 the High Court in London appointed partners in KPMG as Administrators of TXUEL, TXUA, TEG and TXUEG (jointly with partners in EY). Partners in EY were also appointed as Administrators of certain of TXUEG's subsidiaries. Partners in KPMG were also subsequently appointed Administrators/Liquidators of other Holding Companies.
- The Administrators of TXUEG and certain of its subsidiaries proposed CVAs on 10 January 2005. These were approved by creditors and members on 28 January 2005. The Joint Administrators/Liquidators of the Holding Companies proposed interlocking CVAs on 11 March 2005. These proposals were approved at meetings of creditors and members held on 31 March 2005.
- This report covers the progress made in the Administrations/Liquidations and CVAs of those Companies listed in Appendix 1 for the six months since January 2010. The officeholders last updated creditors on key developments on 22 January 2010.

Realisations and Distributions to creditors

- Realisations by Holding Companies are largely derived from distributions made by TXUEG. Its most recent distribution was made in September 2009 and it is currently anticipated that a further, final, distribution will be made later this year. The Holding Companies have to date received £470 million. TEG, as sole shareholder of TXUEG, is due a further £138 million from the distributions made by TXUEG in April 2008 and September 2009. These funds are currently being held by the EY Supervisors of TXUEG pending an application to court concerning TXUEG's distributable reserves and its ability to pay these funds to TEG. TEG will also be due further funds from the final distribution.
- The Holding Company Supervisors have paid four distributions to creditors totalling £587.3 million. The last such distribution was made in April 2007.
- As a result of the way funds flow around the group and the need to make appropriate provision for the claims referred to below the funds currently available for distribution remain limited. It is anticipated however that a further distribution will be made later this year as and when further funds are received from TXUEG, and/or the claims are resolved or greater clarity on their value is achieved. Notices of future distributions and any other updates will be placed on the website www.txuinfo.co.uk

Outstanding matters and recent developments

- The only substantive matters that remain to be dealt with are the claims made by Peabody/GFM against EH3 in the UK and GEF in the US and the counter claims made by EH3 and GEF against Peabody/GFM. GFM is a wholly owned subsidiary of Peabody. EH3 is a wholly owned subsidiary of TXUA. EH3 is in liquidation and subject to a CVA. EH3 is not one of the companies specifically covered by this report. The Liquidators/Supervisors of EH3 have however recently distributed a report to its creditors which is available at www.txuinfo.co.uk. GEF is a wholly owned subsidiary of EH2. GEF is not subject to any form of insolvency proceedings.
- The issue underlying all the various claims and counter claims is which (if any) of Peabody, GFM, GEF and/or EH3 are ultimately liable for certain US environmental liabilities of Blue Tee, a US entity which is not now related to any of them.
- The background to and developments in relation to these claims is discussed in more detail on pages 8 to 10 of this report. The current position is that, in the UK, GFM's claim in EH3's CVA has been rejected by the EH3 Supervisors. GFM has appealed against that decision and has elected for its appeal to be determined by expert determination by a claims tribunal in accordance with the dispute resolution procedure set out in the CVA. The claims tribunal is in the process of being formed.
- In the US, Peabody, GFM, GEF and Blue Tee (but not EH3) are party to proceedings in Delaware (the Delaware Proceedings) to determine the scope of various indemnities. A trial on liability is currently scheduled to be heard in December 2010. Both GEF and Blue Tee have however recently filed motions for summary judgment which are due to be heard in September 2010.
- Most recently, GFM has made an application in the UK seeking an order that the Supervisors of EH2 and EH3 cause or procure a suspension of the Delaware Proceedings pending final determination of GFM's claim in the EH3 CVA by the claims tribunal.

The GFM claim and the Delaware Proceedings

The GFM claims and the Delaware Proceedings

The GFM claim

- In May 1998 EH3 gave an indemnity in favour of Peabody and its subsidiaries in connection with a transaction pursuant to which EH3 was acquired by TXU Corp and its mining businesses (including GFM) were simultaneously sold to Peabody. At the same time, Peabody entered into an indemnity in favour of TXU Corp and its subsidiaries, including EH3.
- From 1998 to 2007, Peabody/GFM settled claims relating to US environmental liabilities tendered by Blue Tee. In July 2007 however, GFM submitted a claim in EH3's CVA in respect of alleged present, future and contingent liabilities in excess of US\$223 million which GFM claimed fell within the scope of the indemnity given by EH3 in May 1998. GFM has subsequently asserted that the environmental liability claims settled by Peabody/GFM were made by mistake.
- Initially, the Joint Supervisors of EH3 considered that GFM's claim was time barred and declined to adjudicate it on that basis. GFM subsequently applied to the High Court to have that decision reversed. In July 2008 the High Court held that the claim was not time barred and the Joint Supervisors were directed to adjudicate GFM's claim. That decision was confirmed by the Court of Appeal in March 2009.

The Delaware Proceedings

- In the interim, in June 2008, GFM commenced proceedings in Missouri against Blue Tee seeking, among other things, a declaration that GFM, contrary to its assertions for the purposes of its claim against EH3, was not in fact liable to pay Blue Tee's environmental liabilities (except to a limited extent). Blue Tee subsequently sought confirmation from GEF, a wholly owned subsidiary of EH2, that GEF would meet any such liabilities pursuant to an indemnity given by GEF in 1985 if and to the extent that GFM failed to do so. GEF had been GFM's parent company until May 1998 when GFM was sold to Peabody. Until December 1985, GEF had also been the parent company of a predecessor of Blue Tee.
- In October 2008, in response to claims tendered by Blue Tee, GEF commenced proceedings against Peabody, GFM and Blue Tee in Delaware ("the Delaware Proceedings") to determine the scope of the various indemnities. All of the parties to the proceedings (namely GEF, GFM, Peabody and Blue Tee) are Delaware corporations or LLCs and the various indemnities are all subject to Delaware law. The Missouri proceedings were subsequently dismissed (by consent) in favour of the Delaware Proceedings. A trial in relation to the liability issues in the Delaware Proceedings is scheduled for December 2010. Both GEF and Blue Tee have however recently filed motions for summary judgment. Those motions are due to be heard in September 2010.

Adjudication of the GFM claim

- Following the judgment in the Court of Appeal in March 2009, the EH3 Supervisors corresponded with GFM's lawyers, Brown Rudnick, and sought additional information with a view to adjudicating GFM's claim. In September 2009 Brown Rudnick wrote to the Supervisors stating that GFM would provide no additional information and requesting that the claim be rejected. Brown Rudnick also raised a number of issues concerning the ability of the officeholders of EH3 to discharge their duties, and made a number of criticisms and allegations about the EH3 Supervisors' conduct of the process of adjudicating GFM's claim in the CVA. In particular they alleged that the EH3 Supervisors were subject to "bias" and "judicial conflict" in acting as supervisors of EH3's CVA in assessing GFM's claim, whilst the same individuals acted as administrators of EH2, the general manager of GEF, thereby rendering them incapable of adjudicating GFM's claim fairly and impartially.
- In these circumstances the EH3 Supervisors (Messrs Tucker and Spratt) decided that, as Mr Spratt had not been involved in the Delaware Proceedings and had not had any active involvement in the consideration of GFM's claim in the EH3 CVA, he alone should consider their allegations and respond appropriately to Brown Rudnick. For that purpose, he separately engaged Barlow Lyde & Gilbert ('BLG') to advise him.
- In November 2009 a substantive response was sent to Brown Rudnick rejecting their allegations. The response to Brown Rudnick also identified six alternative options for dealing with the determination of GFM's claim going forward and stated that Mr Spratt intended to apply to the High Court for directions as to which of the options the EH3 Supervisors should follow.

The GFM claims and Delaware Proceedings (cont.)

- In December 2009 GFM applied to the High Court for a determination that the EH3 Supervisors had rejected its claim thus enabling it to invoke the CVA's appeal process. Shortly thereafter, Mr Spratt, on behalf of the EH3 Supervisors, applied to the High Court for directions as to which of the six options he had identified for the future resolution of the claim should be adopted, having regard, among other things, to the existence of the Delaware Proceedings referred to above, to which EH3 was not a party. The option he considered most appropriate was for the adjudication process to be adjourned pending the outcome of the Delaware Proceedings and for EH3 to join those proceedings as a party in its own right.
- The hearing took place in March 2010 and, whilst the Court did not accept GFM's contention that the EH3 Supervisors should be deemed to have rejected its claim, it took the view that the EH3 Supervisors should now be required to reach a decision regarding the claim. The Court noted in this respect that if the EH3 Supervisors were unsure about the merits of the claim and/or unable to obtain sufficient information about it, they should reject it.
- In accordance with the Court's directions in April 2010 the EH3 Supervisors, acting by Mr Spratt, rejected GFM's claim in its entirety and gave their detailed reasons for doing so.
- GFM has subsequently applied to have its claim determined by expert determination in accordance with the Dispute Resolution Procedure set out in the CVA and a claims panel is currently being established from which a claims tribunal will be formed. Under the terms of the CVA, the determination of the claims tribunal will not be subject to appeal (except on limited grounds).
- As and when the claims tribunal is formed it will be a matter for it to decide whether its determination of GFM's claim should be adjourned pending the outcome of GEF's motion for summary judgment or the outcome of the Delaware Proceedings more generally. Whilst the latter proceedings cannot bind EH3 (which is not a party to them) or the claims tribunal, they may inform the tribunal in its determination.

Anti-Suit Application

- In June 2010, GFM made a further application to the High Court seeking an order, on an expedited basis, that the Supervisors of EH2 and EH3 cause or procure a suspension of the Delaware Proceedings ("the Anti-Suit Application") pending final determination of GFM's claim in the EH3 CVA by the claims tribunal. This was on the grounds that, inter alia, the motion for summary judgment filed by GEF in the Delaware Proceedings was due to be heard on 7 September 2010. GFM also made further complaints about the conduct of the EH3 and EH2 Supervisors in relation to GFM's claim. The EH3 and EH2 Supervisors consider these complaints to be entirely unjustified and without merit.
- GFM has previously sought to have the Delaware proceedings suspended whilst the adjudication process in the UK is completed, arguing that it was among other things, expensive and duplicative. However, only GFM is both a party in the Delaware litigation and a party to the UK adjudication process, and the court in Delaware declined to do so. Furthermore, Blue Tee continued to tender significant claims against GEF, and both GEF and Blue Tee wished to resolve these claims.
- At a directions hearing on 23 June 2010 the Companies Court Registrar dismissed GFM's request that the hearing of the Anti-Suit Application take place on an expedited basis and ordered that the Anti-Suit Application be adjourned pending the outcome of GEF's motion for summary judgement. Had GFM been successful in its application, it is likely that there would have been a four or five day trial of the Anti-Suit Application in August 2010 (or possibly even July). At the hearing before the Registrar, GFM did not seek permission to appeal the Registrar's order. On 1 July 2010, however, GFM lodged a notice of appeal, including a request for permission to appeal. The hearing date for that appeal has not yet been set.

The GFM claims and Delaware Proceedings (cont.)

EH3's claim against Peabody

- Most recently, the liquidators of EH3 have caused a complaint to be filed against Peabody in Delaware alleging that Peabody is required to indemnify EH3 against any claim by GFM admitted in EH3's CVA (and the costs incurred by EH3 in relation to that claim) pursuant to the terms of the indemnity given by Peabody in May 1998 referred to above. EH3's liquidators have however indicated that (whilst they considered it necessary to file that complaint at the time they did in order to protect EH3's position) they would be prepared to agree to that complaint being stayed pending the outcome of the expert determination process.
- The costs and expenses of dealing with these various claims are of course significant. However, the respective office holders consider they are necessary given the size of the claims and the potential effect on the funds available for distribution to creditors. The potential impact of GFM's claims are illustrated on pages 12 and 13.

Creditors and distributions

Creditors and distributions

Creditors and distributions

- The table below sets out the estimated future distributions to, and estimated outcome for, each of the Holding Companies external creditors. Scenario 1 assumes that GFM has no admissible claim against either EH3 or GEF. Scenario 2 assumes that a claim of \$250 million is admitted in the EH3 CVA but that GFM has no admissible claim against GEF. Scenario 3 assumes that a claim of \$250 million is admitted as a claim against GEF but that GFM has no admissible claim against EH3.
- Claims received and agreed or rejected pursuant to the CVA, their values as at 19 November 2002 and 7 January 2005 and the amounts distributed in respect to such claims are set out in the table below. The difference in the values of claims as at 19 November 2002 and 7 January 2005 relate to movements in foreign currency exchange rates and capitalised interest.

Distributions, estimated future distributions and estimated outcome									
				Estimated future distributions			Estimated outcome		
£m	19 November 2002	7 January 2005	Distributions paid to date	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Agreed claims									
EGO BV Bonds	329.8	335.1	231.8	100.6	62.3	83.9	332.4	294.1	315.7
EFC Bonds	1,376.9	1,487.4	208.7	102.3	79.1	57.9	311.0	287.8	266.6
RCF Banks	693.5	825.6	108.5	53.5	41.3	30.1	162.0	149.8	138.6
Holders of TXU Acquisitions Loan notes	19.1	20.5	2.4	1.6	1.2	0.9	4.0	3.6	3.3
Barcap Claim	19.4	21.6	13.4	6.8	2.2	3.6	20.2	15.6	17.0
TXU Europe Ltd other creditors	111.2	120.6	16.6	8.2	6.3	4.6	24.8	22.9	21.2
TXU Eastern Funding Company	3.3	3.3	-	-	-	-	-	-	-
TXU Acquisitions Ltd other creditors	3.3	3.3	0.4	0.3	0.2	0.1	0.7	0.6	0.5
The Energy Group Ltd other creditors	3.3	3.3	0.1	0.3	0.3	0.3	0.4	0.4	0.4
Energy Group Overseas BV other creditors	3.3	3.3	0.1	0.3	0.3	0.3	0.4	0.4	0.4
Energy Holdings (No2) Ltd other creditors	6.7	6.7	1.5	1.8	1.5	0.5	3.3	3.0	2.0
Energy Holdings (No 3) Ltd other creditors	5.3	6.1	2.9	1.6	0.3	0.8	4.5	3.2	3.7
Energy Holdings (No 5) Limited	6.6	6.6	0.9	1.5	1.4	1.4	2.4	2.3	2.3
Rejected claim									
GFM Claim	157.3	133.8	-	-	82.4	94.4	-	82.4	94.4
Total	2,739.0	2,977.2	587.3	278.8	278.8	278.8	866.1	866.1	866.1

Creditors and distributions (cont.)

We make the following observations in relation to the table on page 12:

- The above estimated outcomes are illustrative only and should not be relied upon as guidance as to the actual outcomes for creditors. In particular, in Scenario 1 EH4 is estimated to pay its claims in full in which case interest will be payable to its creditors. Certain adjustments are required to the distribution model to deal with this correctly. Also the EGO BV bonds may receive a total of 100p in the £ in this scenario as a result of their claims at TXUEL and EGO BV and the potential resulting claims as between the guarantors could affect the outcome shown.
- In Scenario 2, i.e. GFM has a claim of \$250 million admitted in EH3's CVA, GFM would be entitled to catch up distributions the effect of which would be that it would receive distributions that, in total, would be the same as if its claim had been admitted in March 2005.
- In Scenario 3, i.e. GFM has a claim of \$250 million admitted at GEF, and no admissible claim against EH3, distributions to EH3 creditors (principally the EGO BV Bonds) increase compared to Scenario 2 but other creditors, in particular the EFC Bonds and RCF Banks would likely receive reduced distributions.

Appendix 1

Statutory information for the Companies

Statutory information for the Companies

The contact address for JR Tucker, JDT Milsom, and JS Spratt is 8 Salisbury Square, London, EC4Y 8BB.

RJ Hill's contact address is 100 Temple Street, Bristol, BS1 6AG.

All administration orders were granted by the High Court in London.

During the administration any act required/ authorised under any enactment to be done by either/both administrators may be done by any person holding that office at that time.

Name of company	Company number	Abbreviation	Administrators	Supervisors	Court number	Date of order
TXU Europe Limited	03505836	TXUEL	JR Tucker JDT Milsom	JR Tucker JDT Milsom	No 7650 of 2002	19 November 2002
TXU Acquisitions Limited	03455523	TXUAC	JR Tucker JDT Milsom	JR Tucker JDT Milsom	No 7652 of 2002	19 November 2002
The Energy Group Limited	03613919	TEG	JR Tucker JDT Milsom	JR Tucker JDT Milsom	No 7649 of 2002	19 November 2002
TXU Finance (No.2) Limited	03514100	Finco2	JR Tucker JDT Milsom	JR Tucker JDT Milsom	No 2758 of 2003	2 May 2003
Energy Holdings (No.2) Limited	02969102	EH2	JR Tucker JS Spratt	JR Tucker JS Spratt	No 2754 of 2003	2 May 2003
Energy Holdings (No.4) Limited	01468589	EH4	JR Tucker JS Spratt	JR Tucker JS Spratt	No 2755 of 2003	2 May 2003
Energy Holdings (No.5) Limited	00941665	EH5	JR Tucker JS Spratt	JR Tucker JS Spratt	No 2756 of 2003	2 May 2003
TXU Eastern Funding Company	03710529	EFC	JR Tucker RJ Hill	JR Tucker JDT Milsom	No 1123 of 2004	3 November 2003
TXU Eastern Finance (A) Limited	03680673	EFA	JR Tucker RJ Hill	N/A	No 1122 of 2004	3 November 2003
TXU Eastern Finance (B) Limited	03679711	EFB	JR Tucker RJ Hill	N/A	No 1121 of 2004	3 November 2003
Energy Group Overseas BV	33296337 Amsterdam	EGOBV	JDT Milsom JR Tucker	JDT Milsom JR Tucker	No 7084 of 2003	20 November 2003
Energy Group Holdings BV	33296335 Amsterdam	EGHBV	JDT Milsom JR Tucker	JDT Milsom JR Tucker	No 7082 of 2003	20 November 2003
Energy Holdings (No. 3) Ltd	03257256	EH3	N/A	JR Tucker JS Spratt	N/A	N/A
Energy (No. 30) Ltd	03568436	E30	N/A	JR Tucker JS Spratt	N/A	N/A
TEG (Head Office) Ltd	02259512	TEG (HO)	N/A	JR Tucker JS Spratt	N/A	N/A
Energy Holdings (No. 1) Ltd	03239971	EH1	N/A	JR Tucker JS Spratt	N/A	N/A

Notes: The Registered Offices for all the Companies except EGO BV and EGH BV are 8 Salisbury Square, London, EC4Y 8BB. The Registered Office for EGOBV and EGH BV is DeBoelelaan 7 Officia 1, 1033 HD, Amsterdam, Netherlands.

On 13 April 2010 an order was made in the High Court appointing James Robert Tucker as joint administrator and supervisor of Energy Group Overseas BV and Energy Group Holdings BV in place of Finbarr Thomas O'Connell, following Mr O'Connell's retirement from KPMG LLP. In accordance with the order, creditors and members were given notice of the order by advertisement in the London Gazette on 23 April 2010 and had 28 days from then to apply for the variation or discharge of the order should they have so wished.

Appendix 2

Details of Administrators' remuneration and summary receipts and payments accounts

Office holders' remuneration from appointment for the Companies

Remuneration for the Initial Appointments covered by this report						
	TXUEL		TXUA		TEG	
	Hrs	Cost (£000)	Hrs	Cost (£000)	Hrs	Cost (£000)
Total time spent to 30 June 2010	54,397	14,215	12,167	3,597	4,130	2,756
Fees approved as at 31 December 2009	-	14,037	-	3,509	-	2,665
Balance to be approved (£000)		178		88		91

Remuneration for subsequent appointments covered by this report							
£000	Finco 2	EH1	EH2	EH4	EH5	EGO BV	EGH BV
Time spent from appointment to 30 June 2010	276	221	2,209	123	92	1,821	27
Fees approved as at 31 December 2009	274	219	2,099	120	89	1,807	27
Balance to be approved	2	2	110	3	3	14	-

Remuneration for subsequent appointments covered by this report			
£000	EFC	EFA	EFB
Time spent from appointment to 30 June 2010	178	6	6
Fees approved as at 31 December 2009	165	6	6
Balance to be approved	13	-	-

Source: Office holders records.

- The above costs information is a summary of the information provided to the Creditors'/Liquidation Committees under Statement of Insolvency Practice No 9 ('SIP9'). The insolvency profession uses SIP9 as guidance on the remuneration of insolvency officeholders. The Committees have approved the costs for each of the companies. Full details of these costs are available, if required.

Remuneration for subsequent appointments covered by this report				
£000	EGFL	APG	PPL	TEPSL
Time spent from appointment to 30 June 2010	614	220	142	138
Fees approved as at 31 December 2009	594	204	128	122
Balance to be approved	20	16	14	16

Source: Office holders records.

- These are below the line companies and the fees are approved by either the creditors committee or the authorising committee of TXU Europe Group plc.

Receipts and payments accounts

TXUEL				
£	Administration		CVA	
	Six months 9 Jan 10 to 8 Jul 10	Cumulative 19 Nov 02 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL Intercompany debt		288,274,646		
Proceeds of settlement with TXU Corp (part C7 of CVA)		86,130,490		
£67 million swap proceeds from BTL CVA		66,536,520		
Release of LILO security		50,000,010		
Receipts from TXU Corp for onward transmission to direct claimants		39,965,744		
Interest received	37,020	13,882,957		
PPA contribution ^(a) (paragraph C2.6.7, Operating Companies CVA)		11,499,000		
Litigation settlement proceeds		7,811,747		
Reimbursement of guarantee payments		8,451,168		
Receipt from disputed claims account		9,617,172		
Costs awarded		4,886,368		
Top up reserves held from TXU Corp proceeds		2,500,000		
Committee creditor and bond trustee costs recovery		2,498,218		
Reimbursement of legal and tax costs from TXU Corp settlement		695,553		
Sale of tax losses		359,633		
Other debtors		308,667		
Barking group relief receipts		1,640,644		
VAT refund (pre-appointment)		2,625		
Receipts from other companies to pay distributions ^(b)				187,949,890
Transfer from administrator re direct claimants				39,965,744
Transfer from administrator				413,459,404
	37,020	595,061,162	NIL	641,375,038

Notes: (a) PPA contributions are monies paid by certain PPA creditors, as part of the overall compromise, upon implementation of the BTL CVAs. See paragraph C2.6.7 of Operating Company CVA. When the ATL CVAs became effective in October 50% of this was paid to the Conduit Companies pro-rata to their claims against TXUEG.

(b) All distributions to banks and bonds were paid through TXUEL. Accordingly EFC, EGO BV and EH3 forwarded their payments to TXUEL for this purpose.

Source: Office holders records.

Receipts and payments accounts (cont.)

TXUEL				
£	Administration		CVA	
	Six months 9 Jan 10 to 8 Jul 10	Cumulative 19 Nov 02 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Payments				
Transfer to Supervisor		413,459,404		
Allocation of TXU Corp settlement to other companies		50,302,913		
Transfer to Supervisor re direct claimants		39,965,744		
Legal fees	3,749	24,774,309		
Administrators' fees and expenses		14,337,669		
Payment to disputed claims account		9,439,607		
Reallocation of PPA contribution ^(a)		5,750,000		
Interim funding		-		
VAT	(48,481)	26,074		
Payment of insurance refund to TXUEG from TXU Corp settlement		1,631,488		
Advisors' fees	6,387	6,044,559		
Other expenses	20	2,025,945		
Bond trustee costs	(9,223)	885,048		
Payment to TXUAL for legal costs		680,553		
Irrecoverable VAT	(6,510)	722,233		
EGO BV VAT loan		-		
Group relief payment		24,219		
Un-recovered unfair prejudice costs		2,100,841		
Distributions of other company obligations ^(b)				187,949,890
Distributions to external creditors				388,997,536
Payments to direct claimants				39,965,744
Net interest on disputed claims				5,386
Distributions to connected companies				24,456,482
	(54,058)	572,170,606	NIL	641,375,038
Balance as at 8 July 2010	91,078	22,890,556	NIL	NIL

Notes: (a) PPA contributions are monies paid by certain PPA creditors, as part of the overall compromise, upon implementation of the BTL CVAs. See paragraph C2.6.7 of Operating Company CVA. When the ATL CVAs became effective in October 50% of this was paid to the Conduit Companies pro-rata to their claims against TXUEG.

(b) All distributions to banks and bonds were paid through TXUEL. Accordingly EFC, EGO BV and EH3 forwarded their payments to TXUEL for this purpose.

Source: Office holders records.

Receipts and payments accounts (cont.)

TXUA				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 19 Nov 02 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL Intercompany debt		298,523,716		
Distributions from TXUEG CVA		161,356,218		
Tax equalisation receipts ^(c) (paragraph C7, Operating Company CVA)		35,000,000		
Reimbursement of investigation costs		14,300,000		
Release of credit derivatives ^(a)		11,355,551		
Proceeds of settlement with TXU Corp (Part C7 of CVA)		6,999,046		
Release of monies held in solicitors' trust accounts (advance distribution from TXUEG)		5,000,000		
Sale of intercompany debt owed by TXU Europe Group Plc (in administration) ^(a)		1,788,589		
Bank interest (gross) ^(b)	32,378	4,228,374		
PPA contribution (paragraph C2.6.7, Operating Company CVA)		2,159,975		
Reimbursement of legal costs		680,553		
Receipts from disputed claims account		522,561		
Proceeds from TOPrS settlement		98,333		
Tax refunds		88,500		
Other receipts		8,464		
Sale of tax losses		2,436,689		
Barking group relief		308,781		
Transfer from Administrator				467,270,611
	32,378	544,855,350	NIL	467,270,611

Notes: (a) Of the £10,752,500 under the agreement for the sale of inter-company debt, £10,227,797 has been released following the first three distributions by TXUEG. The balance of £524,703 is secured in favour of certain counterparties.

(b) £1,327,598 of this figure relates to the proceeds of the sale of the inter-company debt of which approximately £839,840 has been released.

(c) TXUEG paid £28,957,112 to ATL companies for agreed tax equalisation. All of these funds were paid to TXUA to distribute to the other relevant companies. TXUA's share of this is £10,877,674. The balance has been reallocated to the other companies.

Source: Office holders records.

Receipts and payments accounts (cont.)

TXUA				
£	Administration		CVA	
	Six months 9 Jan 10 to 8 Jul 10	Cumulative 19 Nov 02 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Payments				
Transfer to Supervisor		467,270,611		
Tax equalisation payments ^(a) (paragraph C7, Operating Company CVA)		26,937,998		
Payment to BTL top-up creditors (paragraph C8, Operating Company CVA)		7,500,000		
TXUEG investigation costs (paragraph C4, Operating Company CVA)		6,800,000		
Repayment of advance distribution		5,000,000		
Administrators' fees and expenses		3,584,044		
Legal fees		776,874		
Payment to disputed claims account		658,024		
Group relief payments		677,100		
Professional fees	4,723	210,298		
Irrecoverable VAT		19,859		
Un-recovered unfair prejudice costs		1,786,709		
Other expenses	26	127,955		
Committee expenses		12,349		
Distributions to connected companies				464,579,125
Distributions to external creditors				2,687,152
Net interest on disputed claims				4,334
	4,749	521,361,821	NIL	467,270,611
Balance as at 8 July 2010	27,629	23,493,529	NIL	NIL

Notes: (a) Of the £10,752,500 under the agreement for the sale of inter-company debt, £10,227,797 has been released following the first three distribution by TXUEG. The balance of £524,703 is secured in favour of certain counterparties.

(b) £1,327,598 of this figure relates to the proceeds of the sale of the inter-company debt of which approximately £839,840 has been released.

(c) TXUEG paid £28,957,112 to ATL companies for agreed tax equalisation. All of these funds were paid to TXUA to distribute to the other relevant companies. TXUA's share of this is £10,877,674. The balance has been reallocated to the other companies.

Source: Office holders records.

Receipts and payments accounts (cont.)

TEGL				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 19 Nov 02 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
Distribution from TXUEG CVA		82,383,455		
ATL Inter-company debt		49,898,330		
Tax equalisation receipts ^(a) (paragraph C7, Operating Company CVA)		17,492,794		
Proceeds of settlement with TXU Corp (part C7 of CVA)		3,573,495		
PPA contribution (paragraph C2.6.7, Operating Company CVA)		1,102,816		
Surrender of ACT		812,230		
Costs awarded (further allocation required)		769,043		
Interest received	11,357	1,532,038		
Barking group relief		696,381		
Receipt from disputed claims account		165,374		
Proceeds from TOPrS settlement		50,253		
Transfer from administrator				141,617,487
	11,357	158,476,209	NIL	141,617,487
Payments				
Transfer to Supervisor		141,617,487		
Administrators' fees and expenses		2,708,355		
Legal fees (including reimbursement from other group companies and related irrecoverable VAT)	2,179	522,974		
Interim funding		1,240,515		
Payment to disputed claims account		163,988		
Other professional fees		119,148		
VAT	327	11,929		
Committee expenses		11,599		
Group relief payments		36,354		
Other expenses		3,416		
Un-recovered unfair prejudice costs		1,068,812		
Distributions to connected companies				141,466,274
Distributions to external creditors				150,744
Net interest on disputed claims				469
	2,506	147,504,577	NIL	141,617,487
Balance as at 8 July 2010	8,851	10,971,632	NIL	NIL

Notes: (a) TXUEG paid £28,957,112 to ATL companies for agreed tax equalisation. All of these funds were paid to TXUA to distribute to the other relevant companies. TEGL's share of this was £5,553,801.

Source: Office holders records.

Receipts and payments accounts (cont.)

EH2				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 2 May 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL Inter-company debt		205,073,924		
Shares and investments		169,548,990		
Share transfer premiums		440,258		
Bank interest	7,082	429,911		
Receipts from disputed claims accounts		91		
Transfer to Supervisor				366,913,499
	7,082	375,493,174	NIL	366,913,499
Payments				
Transfer to Supervisor		366,913,499		
Share purchase consideration		1,926,141		
Administrators' fees and expenses		2,244,361		
Subsidiary liquidation costs		176,420		
Professional and advisors fees		74,022		
Irrecoverable VAT	13,683	458,323		
Legal fees (including reimbursement from other group companies)	93,534	137,704		
Other expenses	61	796		
Payments to disputed claims account		90		
Distributions to external creditors				1,515,341
Distributions to connected companies				365,398,158
	107,278	371,931,356	NIL	366,913,499
Balance as at 8 July 2010	(100,196)	3,561,818	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

Finco 2				
£	Administration		CVA	
	Six months 9 Jan 10 to 8 Jul 10	Cumulative 2 May 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL intercompany debt		270,239,706		
Proceeds of settlement with TXU Corp (part C7 of CVA)		10,091,019		
Interest received	1,576	271,075		
Sale of tax loss		4,779,822		
Group relief receipts		3,072,266		
Receipt from disputed claims account		316		
Transfer from Administrator				285,761,164
	1,576	288,454,204	NIL	285,761,164
Payments				
Transfer to supervisor		285,761,164		
Administrators' fees and expenses		274,014		
Irrecoverable VAT		47,810		
Payment to disputed claims account		308		
Other expenses		302		
Un-recovered unfair prejudice costs		846,503		
Distribution to connected companies				285,761,164
	NIL	286,930,101	NIL	285,761,164
Balance as at 8 July 2010	1,576	1,524,103	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

EH4				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 2 May 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL intercompany debt		512,313,462		
Shares and investments		4,236,277		
Interest received	1,249	114,855		
Corporation tax refund		480,170		
Receipt from disputed claims account		217		
Group relief receipts		241,531		
Transfer from Administrator				515,965,126
	1,249	517,386,512	NIL	515,965,126
Payments				
Transfer to supervisor		515,965,126		
Share transfer fee		53,000		
Administrators fees and expenses		136,352		
Irrecoverable VAT		23,844		
Payment to disputed claims account		215		
Other expenses		278		
Distribution to connected companies				515,965,126
	NIL	516,178,815	NIL	515,965,126
Balance as at 8 July 2010	1,249	1,207,697	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

EH5				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 2 May 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL intercompany debt		128,702,339		
Tax refunds		4,380,359		
Interest received	273	850,261		
Shares and investments		3,843,952		
Receipt from disputed claims account		61		
Transfer from Administrator				133,977,849
	273	137,776,972	NIL	133,977,849
Payments				
Transfer to supervisor		133,977,849		
Surrender of ACT		2,465,941		
Group relief payments		672,320		
Administrators' fees and expenses		90,857		
Irrecoverable VAT		15,874		
Other expenses		302		
Payment to disputed claims account		60		
Share transfer premium		290,000		
Distributions to external creditors				880,818
Distributions to connected companies				133,097,031
	NIL	137,513,203	NIL	133,977,849
Balance as at 8 July 2010	273	263,769	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

TXU Eastern Funding Company				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 3 Nov 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
Proceeds of settlement with TXU Corp (part C7 of CVA)		4,779,956		
Bank interest	1,186	171,702		
Other income		275		
Barking group relief		1,092,322		
Receipt from disputed claims account		19,647		
Transfer from administrator				3,747,302
	1,186	6,063,902	NIL	3,747,302
Payments				
Transfer to supervisor		3,747,302		
Administrators fees and expenses		169,249		
Subsidiary liquidation costs		12,283		
Irrecoverable VAT	812	101,740		
Legal fees	911	462,056		
Payment to disputed claims account		19,489		
Group relief payment		445		
Other expenses	4,500	9,600		
Un-recovered unfair prejudice costs		400,975		
Distribution to external companies				3,747,257
Net interest on disputed claims				45
	6,223	4,923,139	NIL	3,747,302
Balance as at 8 July 2010	(5,037)	1,140,763	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

TXU Eastern Finance (A) Limited and TXU Eastern Finance (B) Limited				
	EFA Administration		EFB Administration	
	Six months 9 Jan 10 to 8 Jul 10	Cumulative 3 Nov 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 3 Nov 03 to 8 Jul 10
£				
Receipts				
Loan from TXU Eastern Funding Company		1,705		1,705
	NIL	1,705	NIL	1,705
Payments				
Statutory advertising		1,451		1,451
VAT		254		254
	NIL	1,705	NIL	1,705
Balance as at 8 July 2010	NIL	NIL	NIL	NIL

Source: Administrators' records.

Receipts and payments accounts (cont.)

EGH BV				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 20 Nov 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
Receipts from disputed claims account		12		
Inter-company receivables		32,988		
Interest received	3	350		
Receipt from administrator				27,988
	3	33,350	NIL	27,988
Payments				
Transfer to Supervisor		27,988		
Payment to disputed claims account		12		
Legal fees		3,495		
Irrecoverable VAT		296		
Distributions to connected companies				27,988
	NIL	31,791	NIL	27,988
Balance as at 8 July 2010	3	1,559	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

EGO BV				
	Administration		CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 20 Nov 03 to 8 Jul 10	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts				
ATL Inter-company debt		19,980,839		
Inter-company loan		1,622,359		
Receipt from disputed claims account		100,184		
Interest received	1,021	398,566		
Barking group relief		366,939		
Other income		10,430		
Receipt from administrator				17,944,956
	1,021	22,479,317	NIL	17,944,956
Payments				
Transfer to supervisor		17,944,956		
Administrators' fees and expenses		1,797,881		
Subsidiary administration costs		22,436		
Legal fees	911	1,353,619		
Irrecoverable VAT	2,483	546,343		
Payment to disputed claims account		99,380		
Dutch tax payment		83,319		
Professional fees	1,130	49,998		
VAT	(2,346)	-		
Other expenses		5,525		
Distributions to external creditors				13,840,718
Distributions to connected companies				4,104,007
Net interest on disputed claims				231
	2,178	21,903,457	NIL	17,944,956
Balance as at 8 July 2010	(1,157)	575,860	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

EH3		
	CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts		
Bank interest received		
Receipts from disputed claims account		
VAT refunds		
TXUEL loan		
Intercompany receipts		
Receipts from administrator		318,845,491
	NIL	318,845,491
Payments		
Group relief payments		
Administrators' fees and expenses		
Transfer to supervisor		
Payments to disputed claims account		
VAT		
Other costs		591,038
Distributions to external creditors		182,942,534
Distributions to connected companies		135,311,906
Net interest paid on disputed claims		13
	NIL	318,845,491
Balance as at 8 July 2010	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

TEGHO		
	CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts		
Bank interest received		
Receipts from disputed claims account		
VAT refunds		
TXUEL loan		
Intercompany receipts		
Receipts from administrator		7,050,060
	NIL	7,050,060
Payments		
Group relief payments		
Administrators' fees and expenses		
Transfer to supervisor		
Payments to disputed claims account		
VAT		
Other costs		
Distributions to external creditors		21,854
Distributions to connected companies		7,027,816
Net interest paid on disputed claims		390
	NIL	7,050,060
Balance as at 8 July 2010	NIL	NIL

Source: Office holders records.

Receipts and payments accounts (cont.)

EH1		
	CVA	
£	Six months 9 Jan 10 to 8 Jul 10	Cumulative 31 Mar 05 to 8 Jul 10
Receipts		
Bank interest received		
Receipts from disputed claims account		
VAT refunds		
TXUEL loan		
Intercompany receipts		
Receipts from administrator		6,786,000
	NIL	6,786,000
Payments		
Group relief payments		
Administrators' fees and expenses		
Transfer to supervisor		
Payments to disputed claims account		
VAT		
Other costs		
Distributions to external creditors		
Distributions to connected companies		6,786,000
Net interest paid on disputed claims		
	NIL	6,786,000
Balance as at 8 July 2010	NIL	NIL

Source: Office holders records.