

# Alternative Energy Investment Note

## Listed on the London Stock Exchange Initial Offer ends 22/02/2007

This investment may not be suitable for you. You should ensure that you understand the nature of this investment and its risk prior to investing. Remember, the information in this document does not constitute tax, legal or investment advice and Barclays Bank PLC has given you no advice. If you are at all unsure about how the investment works or its suitability for your needs, you should discuss it with a qualified adviser.

### Alternative Energy Investment Note at a glance

- This is a 5 year growth investment linked to the performance of a basket (the "Basket") comprising shares in companies in the alternative energy sector.
  - It is designed to produce 100% of any rise in the Basket.
  - It has 100% capital protection if held for the full 5 year term.
  - The final level used to calculate the Percentage Growth on the Investment Note will be averaged over the final year of the Investment Note. This averaging will limit the effect of large rises and falls in that year on the returns you will receive.
  - You can invest from as little as £500.
  - Trade (Buy or Sell) daily through Barclays Stockbrokers.
  - Available as qualifying investment for self select ISAs<sup>†</sup> PEPs and SIPPs .
- <sup>†</sup> Not eligible for ISA investment if purchased after 23 February 2007.

### Important information – Realising your investment

Economic Terms and Conditions can be found on Page 4.

Please be aware that you should instruct your stockbroker to sell your Investment Note on the Final Valuation Date (as defined below) to ensure that you receive the Final Valuation Amount (as summarised in the Economic Terms and Conditions on page 4). If you do not sell your Investment Note on the Final Valuation Date, you will not receive the Final Valuation Amount. The amount you receive may be more or less than the Final Valuation Amount.

#### To sell your Investment Note

If you hold your investment in an Investment Note with Barclays Stockbrokers on the Final Valuation Date, Barclays Stockbrokers will automatically sell the Investment Note on your behalf to ensure you receive the Final Valuation Amount.

If at any point during the term of the Investment Note, you transfer your holding to another broker, you will need to make your own arrangements with that broker to ensure that your sale instruction is carried out on the Final Valuation Date.

Furthermore, failure to sell your Investment Note before the Maturity Date (as defined in the Economic Terms and Conditions) will result in your Investment Note going through the redemption process outlined in Section 4 of the Terms and Conditions of the Notes in the Base Prospectus and Final Terms (details to right).

The additional consequences of not selling before the Maturity Date will include:

- 1 Replacement of your Investment Note with a product which will not be eligible for ISAs or PEPs;
- 2 Having to pay commission in order to sell your Investment Note.

This document, including the Economic Terms and Conditions (on page 4), is intended to convey the overall economic terms of the Note. Full details of the terms of the Note will be contained in the Base Prospectus [Offering Circular] of the £5,000,000,000 Programme for the issuance of Structured Investment Management Plan Linked to Equity (S.I.M.P.L.E.) Notes. ("Base Prospectus") (which is available at <http://www.stockbrokers.barclays.co.uk>) and the Final Terms of the Investment Note ("Final Terms") which will detail the terms that are specific to this Investment Note (which will be available at <http://www.stockbrokers.barclays.co.uk>).

#### Key investment dates

Offer starts: 18/01/2007

Offer ends\*: 22/02/2007

Investment start date (Initial Basket level date): 22/02/2007

Final Valuation Date: 22/02/2012

Proceeds available by: 01/03/2012

\*continued availability after this date through Barclays Stockbrokers.

# Alternative Energy Investment Note

This section is designed to provide you with greater detail about the Alternative Energy Investment Note.

## What is the Alternative Energy Investment Note?

It is a 5 year term note which is a debenture issued by Barclays Bank PLC. The Investment Note has been designed to be bought and sold during its term, just like a share. The value of the Investment Note at the end of the 5 year term is linked to the underlying shares of the companies in the Basket, the level of which may increase or decrease daily.

## What is capital protection?

Capital protection means that any investment you decide to make into the Investment Note will be protected at the rate stated if the underlying Basket does not perform. However the protected element of your original investment will only be returned to you if you hold the Investment Note for the full length of the term. If you sell your Investment Note before the term is over, you will only get the current market value and no capital protection will apply.

## What are the shares (the “Shares”) in the Basket?

- Gamesa Corporacion Technologica
- FPL Group
- Scottish & Southern Energy
- Iberdrola S.A.
- Fortum OYJ
- Archers-Daniels-Midland Company
- Praxair Inc.
- Air Products and Chemicals Inc.

(collectively, the “Companies”).

## Will I benefit from the dividends paid by the Companies?

No. The Investment Note is linked to the market value of the Basket of Shares, but does not include the dividends paid by the Companies. Investors in the Investment Note benefit from more capital protection than would have been the case if the value of the Investment Note was linked to the Shares and included dividends paid by the Companies.

## Do I have a claim on the underlying investments that make up the Basket?

No. You are purchasing an Investment Note which is linked to the value of the underlying investments but does not comprise of the underlying investments. Your Investment Note does not give you any rights to the underlying investments comprising the Basket.

## How is the investment return calculated?

The Note is designed to provide investors with a return equal to 100% of any rise in the Basket, and protect 100% of the money invested if the Investment Note is held to maturity. To determine the amount you will receive if you sell your Investment Note on the Final Valuation Date we perform the following calculations:

We add your Capital Protection (100%) to the Percentage Growth. Percentage Growth is calculated by dividing the final level\* (ShareiF) by the initial level (Shareil) of each Share in the Basket. In each case, this number is multiplied by 1/8 and the result of each calculation is added together. From this weighted final Basket level we subtract 1 to calculate Percentage Growth. Notwithstanding the above calculation method, Percentage Growth shall not be less than zero. Please note that a negative performance in one of the Shares could offset the positive performance in another.

The sum of Capital Protection and Percentage Growth is multiplied by your initial investment amount to calculate your Final Valuation Amount.

\*Please note that the final level (ShareiF) of each Share in the Basket is subject to monthly averaging over the year prior to the Final Valuation Date (please see the Economic terms and conditions). This will serve to limit the effect on your Final Valuation Amount of large downwards or upwards moves in the year prior to the Final Valuation Date.

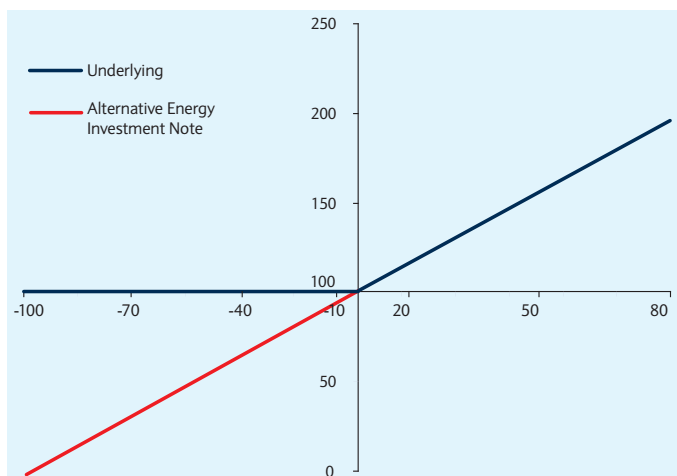
## Examples of potential returns

The table below will help you understand how the returns are calculated at the end of the five-year period.

Amount Invested	Percentage change for the Basket	What you could receive after 5 years
£20,000	+50%	£30,000
£20,000	+20%	£24,000
£20,000	+10%	£22,000
£20,000	No Change	£20,000
£20,000	-10%	£20,000
£20,000	-20%	£20,000
£20,000	-50%	£20,000

Please note that the above figures are examples only and that changes in the Basket level have been chosen to demonstrate potential returns. If you sell your Investment Note before the end of the 5 year term, you might not receive back the full amount you originally invested.

## Payoff Profile



# Is this Investment Note right for you?

To help you decide if this is the right sort of investment for you, here is a summary of key points you should be considering. Before you invest in this or any other Investment Note, please consider all of the risks involved and the commitment you are making. In addition to the information below, investors should also read the Base Prospectus [Offering Circular] of the £5,000,000,000 Programme for the issuance of Structured Investment Management Plan Linked to Equity (S.I.M.P.L.E.) Notes. (which is available at <http://www.stockbrokers.barclays.co.uk/in>) and the Final Terms which will detail the terms that are specific to this Investment Note (which will be available at <http://www.stockbrokers.barclays.co.uk/in>).

### Yes I'm happy to invest with Investment Notes because:

I want to share in the growth potential of the Alternative Energy basket.

I am looking to invest for a period of 5 years and, although I will be able to sell my investment whenever I want to, I recognise that I might not get back the amount that I invested even if the Basket has not fallen.

I want the option to invest and potentially receive tax-efficient returns on my money if I include the Investment Note within a self select ISA, PEP or SIPP.

I will receive back 100% of my initial investment if I hold the Investment Note to maturity.

### No, Investment Note probably isn't right for me because:

I want regular income from my money and want to participate in an investment with dividend payments.

I don't want to risk losing my money if I sell the investment before the end of its 5 year term.

I don't have enough spare cash to cover any unexpected emergencies.

I don't want to risk getting back less than I would have done if I had invested in an ordinary deposit account, or indeed to risk getting no return at all.

# Economic terms and conditions

<b>Note</b>	Alternative Energy Investment Note	<b>Final Valuation Amount</b>	Denomination x (Capital Return + Percentage Growth)
<b>Upfront Fees</b>	None – please read “fees and commission” section on page 5	<b>Percentage Growth</b>	$100\% \times \text{Max} (0, \sum_{i=1}^8 1/8 * ((\text{Share}_{iF} / \text{Share}_{iI}) - 1))$ Share <sub>iI</sub> is the initial level of Share i (see below) Share <sub>iF</sub> is the final level of Share i (see below) Where
<b>Note Issuer</b>	Barclays Bank PLC	<b>Capital Protection</b>	<b>i Share</b>
<b>Issuer Rating</b>	AA by S&P / Aa1 by Moody’s	<b>Share<sub>iI</sub></b>	1 Gamesa Corporacion Technologica
<b>Lead Manager</b>	Barclays Bank PLC	<b>Share<sub>iF</sub></b>	2 FPL Group
<b>Status</b>	Unsecured and unsubordinated		3 Scottish & Southern Energy
<b>Form</b>	Global bearer		4 Iberdrola S.A.
<b>Currency</b>	GBP		5 Fortum OYJ
<b>Nominal Value</b>	GBP 1.00		6 Archers-Daniels-Midland Company
<b>Denomination</b>	GBP 500, then GBP 1.00 increments		7 Praxair Inc.
<b>Trade Date</b>	22/02/2007		8 Air Products and Chemicals inc.
<b>Issue Date</b>	18/01/2007		100%
<b>Strike Date</b>	The Trade Date		The closing level of Share i on the first business day falling on or after the Strike Date
<b>Calculation Date</b>	Each date on which the value of the Basket is calculated, expected to be each business day		The average of the closing levels of Share i on 13 monthly observation points which commence one year before the Final Valuation Date as follows:
<b>Calculation Time</b>	Intraday		Tue 22 Feb 2011      Thu 22 Sep 2011
<b>Final Valuation Date</b>	22/02/2012		Tue 22 Mar 2011      Mon 24 Oct 2011
<b>Maturity Date</b>	29/02/2012		Tue 26 Apr 2011      Tue 22 Nov 2011
<b>Issue Price</b>	100% of nominal value		Mon 23 May 2011      Thu 22 Dec 2011
<b>Basket</b>	An equally weighted basket (1/8 of each Share) of Shares in: <ul style="list-style-type: none"> <li>• Gamesa Corporacion Technologica</li> <li>• FPL Group</li> <li>• Scottish &amp; Southern Energy</li> <li>• Iberdrola S.A.</li> <li>• Fortum OYJ</li> <li>• Archers-Daniels-Midland Company</li> <li>• Praxair Inc.</li> <li>• Air Products and Chemicals Inc.</li> </ul>		Wed 22 Jun 2011      Mon 23 Jan 2012
<b>On-going Fees</b>	None		Fri 22 Jul 2011      Wed 22 Feb 2012
<b>Realising the Return</b>	You should instruct your Stockbroker to sell any Investment Note that you still hold on the Final Valuation Date at the closing price on the Final Valuation Date. If you choose to hold the Investment Note beyond the Final Valuation Date, the value of the Investment Note will continue to change, and could be greater or less than the Final Valuation Amount (as defined above).		Mon 22 Aug 2011.

If you have still not sold your Investment Note by the Maturity Date, this will trigger the redemption process outlined in Section 4 of the Terms and Conditions of the Notes in the Base Prospectus and Final Terms. The redemption process will not affect the full terms of the Investment Note included in the Base Prospectus (which is available at <http://www.stockbrokers.barclays.co.uk> and/or the Final Terms, which will shortly be available at <http://www.stockbrokers.barclays.co.uk>) but it will mean that the value of your investment will not equal the Final Valuation Amount, and could be greater or less than that amount.

# Things to consider before investing

This section is designed to provide you with additional information and help you decide whether this investment might be appropriate for you.

Barclays does not offer investment advice or make any recommendations in relation to this Investment Note. The Investment Note is not suitable for everyone. If you have any doubt whether it is suitable for you, you should obtain expert advice from a professional adviser.

## Market risk

This Investment Note is linked to the Basket of Shares in the Companies. If you sell your Investment Note on the Final Valuation Date you will receive 100% of your initial investment. The value of the Investment Note may go up or down and as such could provide a return of less than the original investment if you sell your Investment Note before the Final Valuation Date.

If you sell your Investment Note before the Final Valuation Date (as defined above), the amount that you receive will be determined by market conditions prevailing at the relevant time (including, but not limited to, interest rates and the level of the Basket), and so the amount that you receive may be less than or greater than the amount that you originally invested.

Investing in the Investment Note is not the same as investing in a bank or building society account where capital is guaranteed and, with instant access accounts, is readily available without penalty.

## Credit risk

Your capital will be at risk if Barclays Bank PLC defaults under the Investment Note. However, Barclays Bank PLC's capacity to meet its financial commitments is deemed very strong. This is supported by a number of independent assessments from leading credit rating agencies such as Standard & Poor's.

## Currency risk

There are no currency risks in this investment.

## Liquidity may be restricted

In normal market conditions, trading will be available on a daily basis through Barclays Stockbrokers on the terms set out in the Economic Terms & Conditions. In abnormal market conditions, if for some reason it has been impossible to calculate the Basket level or if we are unable to fulfil our financial obligations in the market, then your ability to cash-in your investment may be restricted.

## Unexpected events

The terms of the Investment Note include provisions that permit Barclays, in prescribed (but, in our view, unlikely) circumstances,

to adjust the level of the Basket, to delay payment, or even terminate the Investment Note, details of which can be found under "RISK FACTORS" in the Base Prospectus and Final Terms. While Barclays Bank PLC will exercise due care and diligence in undertaking its responsibilities in relation to the Investment Note, Barclays will not be liable for the effect of such exceptional circumstances upon the value of your investment.

## Will I get an income?

No, the objective of the Investment Note is to achieve capital growth.

Also, the investment has no claim on the dividends paid by the Companies whose Shares comprise the Basket underlying the Investment Note.

## Will I have to pay tax?

That depends.

If you invest via an ISA (subject to the minimum 5 year holding requirement) there will be no further obligation on you to pay tax: all ISA investments are tax-free.

If you invest directly into the Investment Note (outside of an ISA) the returns will normally be subject to Capital Gains Tax (CGT). Gains subject to CGT can be reduced by taper relief and offset against your CGT allowance in the year the disposal is made.

All UK resident individuals have an annual CGT allowance (for 2006/07 it is £8,800) which means any gains realised up to this amount will be free of CGT. This could include any gains from the Investment Note. Any gain achieved in excess of this amount is liable to tax at your highest income tax rate in the year the Investment Note is sold/transferred (which at current rates could be up to 40%). The rates of tax and allowances quoted are those applying in the 2006/07 tax year. These rates and the basis of taxation may change.

The tax position described above and the favourable tax treatment of ISAs might not continue in future. The value of any tax relief will depend on your individual circumstances. For tax advice potential investors should consult a professional adviser.

## What about fees and commissions?

There are no initial charges or ongoing fees related to the product. All costs for structuring and issuing the Investment Note are built into the initial product and are reflected in the terms of the Investment Note. These charges will not normally exceed 4% of your original investment. You will pay a dealing commission for buying the investment, the rates will depend on the account the investment is to be held in.

# How easy is it to invest?

Investing couldn't be easier.

Just call the Barclays Stockbrokers Client Services team on

**0845 300 9040\***

[www.stockbrokers.barclays.co.uk/in](http://www.stockbrokers.barclays.co.uk/in)

## Complaints

Further information on capital-at-risk products is available from the FSA's Consumer Helpline on 0845 606 1234 or their website:

[www.fsa.gov.uk/consumer](http://www.fsa.gov.uk/consumer)

\*Lines are open from 7.30am to 8.30pm Monday to Thursday, from 7.30am to 6pm Friday, excluding Bank Holidays, from 9am to 2pm Saturday and 11am to 4pm Sunday. 0845 calls will cost no more than 4p per minute, minimum call charge 5.5p (current at May 2006) for BT customers. The price on non BT phone lines may be different.

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