

AGREEMENT

On amendment to the Memorandum of Understanding signed between the Government of Georgia, "Achar Energy 2007" LTD, "Energo Trans" LTD and "Electricity System Commercial Operator" LTD, dated: July 1st, 2011.

This Agreement is executed on [8 July] 2013 in Georgia (Tbilisi), between:

- The Government of Georgia (hereinafter referred to as "GOG"), represented by the Minister of Energy of Georgia, Kakha Kaladze;
- Energo Trans LTD (hereinafter referred to as "ET") represented by Director Kakha Sekhniashvili;
- Electricity System Commercial Operator JSC (hereinafter referred to as "ESCO") represented by General Director Irina Milorava; and
- "Achar energy 2007" LTD. (hereinafter referred to as "Company"), registered under the Georgian Law, represented by Directors Ismail Kuris and Saban Ozer.

Whereas the Khelvachauri II HPP, according to the Memorandum of Understanding signed between the Government of Georgia, "Achar energy 2007" LTD, "Energo Trans" LTD and "Electricity System Commercial Operator" LTD on July 1st, 2011, (hereinafter referred to as "Memorandum") and the Agreement on amendment to the Memorandum signed between GOG, ET, ESCO and the Company on July 18th, 2012 was an optional project and implementation of this project was the subject of Company's decision and the Company on December 27, 2012 has submitted the letter to the Ministry of Energy and Natural Resources informing it's decision about the construction of the Khelvachauri II HPP;

Whereas during the feasibility study the new data has been emerged in connection with the Projects details (Power and Annual Production Amount of Khelvachauri I HPP and Khelvachauri II HPP and), the Company on April 26, 2013 has submitted the letter to the Ministry of Energy and Natural Resources asking for the relevant amendments.

1. Therefore, the parties sign the present Agreement to make following changes in the Memorandum:
 - 1.1 Extend the dates of Procedures of Obtaining Construction Permit, Construction Works and Exploitation of the Khelvachauri II HPP project. Consequently, Annex 4 of the Memorandum shall be formed as enclosed edition;
 - 1.2 Amend the Power and Annual Production Amount of Khelvachauri I HPP and Khelvachauri II HPP. Consequently, Annex 2 and Annex 5 of the Memorandum shall be formed as enclosed edition

1.3 The first paragraph of the sub article 2.1 of article 2 of the Memorandum shall be amended and read as follows:

“The principal parties of this MOU hereby agree that, in accordance with Feasibility Report, Project details considered under the first MOU has been changed and instead of the Hydro Power Plants considered under the first MOU and its Annexes the Company is obliged to construct the Khelvachauri I, Khelvachauri II and Kirnati regulators with total MW 111.069, installed capacity and total GWh of 512.7 annual energy production.”.

1.4 The fourth paragraph of the sub article 2.1 of article 2 of the Memorandum shall be amended and read as follows:

“If the Company decides to construct the third regulator, the specified dates of Obtaining Construction Permit, Construction Works and Exploitation of third regulator Khelvachauri II and effectiveness of the relevant bank guarantee shall be extended for a time period equal to that elapses until the Company renders its decision regarding the third regulator Khelvachauri II, unless otherwise agreed by the parties.”.

1.5 The sub article “a” of article 3.1 of the Memorandum shall be amended and read as follows:

“(a) Submit the GoG reports (Feasibility Report and Environmental Impact Assessment Report) prepared by the Company on the third regulator Khelvachauri II;”.

1.6 The Article 4.6 shall be added to the Memorandum:

“4.6 However, the GoG agrees and undertakes that, upon commencement of exploitation of one or more of the Facilities, the Company will have the right to request from the GoG to release the relevant amount of the bank guarantee, which will be calculated in proportion with the total amount of bank guarantee held by the GoG by taking into account the capacity of such Facility. In such case, upon request of the Company, the GoG within the reasonable time shall send the relevant letter to the bank for a SWIFT message to be sent to the Company’s bank for the release of the related amount. In this case the parties sign the relevant agreement on amendment of Memorandum”;

1.7 The paragraph following article 4.3 of the Memorandum shall be amended and read as follows:

“Within the ten days after commencement of operation of the last Facility (considering the released amount in accordance with article 4.6 of the memorandum), the bank guarantee provided by the Company shall be released by the GoG.”.

1.8 The definition of “Project” shall be amended and read as follows:

““Project” means the construction and operation on BOO basis of cascade of 3 (three) hydro power plants including Kirnati (operation water and tailwater elevations 53-42), Khelvachauri I (operation water and tailwater elevations 42-



30.64) and Khelvachauri II (operation water and tailwater elevations 30-22) in the Achara region of Georgia on the river Chorokhi according to the laws of Georgia and MOU.”.

2. By signing the present Agreement company undertakes the obligation to implement the Khelvachauri II Project according the terms and conditions set out in the Memorandum. Accordingly, in the scope of Khelvachauri II Project all terms and conditions of the Memorandum fully apply to the Company, ET, ESCO and GOG.
3. Within the 60 days after signing the present Agreement the Company shall extend the validity of presented Bank Guarantee until October 30, 2018;
4. In case the Company fails to fulfill the obligation under the article 3 of present Agreement the Company loses all rights on Khelvachauri II project and Government is entitled to transfer and/or grant all rights on Khelvachauri II project to any third party or reserve it for itself;
5. Other provisions of the Memorandum of Understanding shall remain unaltered and shall maintain full legal power.
6. The present Agreement, apart from Articles 1 and 2 enters into force following its execution. The Articles 1 and 2 of present Agreement enters into force only in case the Company has fully fulfilled its obligation under the Article 3 of the present Agreement;
7. The present Agreement shall form an integral part of the MOU signed by the parties on July 1st, 2011 and is made in English language into four equally binding copies.

Government of Georgia
Represented by the Minister of Energy of Georgia
Mr Kakha Kaladze



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Electricity System Commercial Operator
Irina Milorava



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ENERGO Trans LTD
Koba Sekhniashvili



Achara Energy 2007 Ltd.
Esmail Kuris

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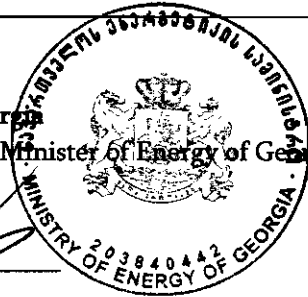
Saban Ozer

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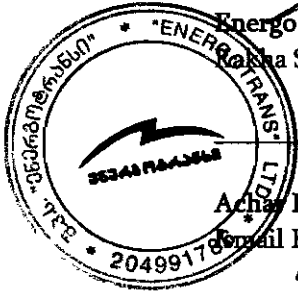
Power (Estimated)

| Number | Project Name | MW |
|--------|-------------------------------------|----------------|
| 1. | Kirnati Hydroelectric Plant | 34.664 |
| 2. | Khelvachauri Hydroelectric Plant I | 47.480 |
| 3. | Khelvachauri Hydroelectric Plant II | 28.925 |
| | Total | 111.069 |

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Energo Trans LTD
 Kakha Sekhniashvili



Electricity System Commercial Operator JSC
 Irina Mlorava



Achak Energy 2007 Ltd.
 Emzail Kuris



Saban Ozér

The Dates of Obtaining of Construction Permit, Construction Commencement and Exploitation

| # | Project Name | Procedures to Obtaining Construction Permit | Construction Works | Exploitation |
|---|-------------------------------------|---|---|--|
| 1 | Kirnati Hydroelectric Plant | Start: 01.05.2011 | Start: 01.01.2012 | Test Period: January 2017; Launch: February 2017. |
| 2 | Khelvachauri Hydroelectric Plant I | Finish: 31.12.2011 | Finish: 31.12.2016 | |
| 3 | Khelvachauri Hydroelectric Plant II | Start: 01.07.2013 Finish: 01.07.2015 | Start: 01.07.2015 Finish: 30.06.2018 | Test Period: July 2018; Launch: August 2018. |

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Energotrans LTD
 Kakha Sekhniashvili



Electricity System Commercial Operator JSC
 Irina Mitorava



Achar Energy 2007 Ltd
 Ismail Kuris

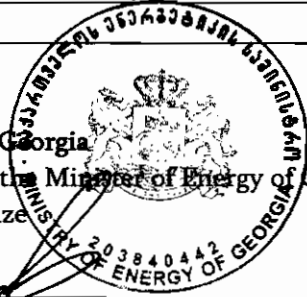


Saban Ozer

Annual Production Amount (Estimated)

| Number | Project Name | GWh |
|--------|-------------------------------------|-------|
| 1. | Kirnati Hydroelectric Plant | 153.9 |
| 2. | Khelvachauri Hydroelectric Plant I | 229.8 |
| 3. | Khelvachauri Hydroelectric Plant II | 129.0 |
| | Total | 512.7 |

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Energy Trans LTD
 Kakha Sekhniashvili

Electricity System Commercial Operator JSC
 Irina Milorava



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