

Memorandum of Understanding

The present Memorandum of Understanding is signed on 28th February, 2014 by and between:

- The Ministry of Energy of Georgia (Hereinafter referred to as “Ministry”);
- Skinest Hydro AS. (Hereinafter referred to as “Company”).

WHEREAS, in line with the major trends of the state policy of Georgia in the energy sector, the private enterprises are granted right and facilitated to participate in energy projects in Georgia;

WHEREAS, at this period, in Georgia there are many ongoing projects in energy sector;

WHEREAS, parties are willing to continue and deepen the partnership in implementing the energy projects in Georgia;

WHEREAS, the Ministry appreciates the additional investment in energy sector of Georgia;

WHEREAS, the Company intends to make additional investment up to 100 MW in power generation projects in energy sector of Georgia;

NOW THEREFORE:

The Company intends to conduct additional studies to identify the energy projects to be implemented by the Company and make proposals to the Ministry;

The Ministry declares that it will discuss the proposals of the Company and in case of agreement by the parties, the Ministry will assist the Company in implementing the energy projects in frames of the relevant legislation of Georgia;

The parties acknowledge that the present Memorandum of Understanding reflects the mutual intentions of the parties and it is in no way legally binding.

The Ministry of Energy of Georgia

Minister

Kakha Kaladze

Skinest Hydro AS.

Oleg Ossinovski