

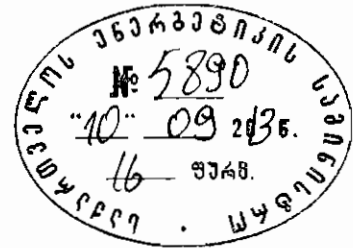


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9 სექტემბერი, 2013წ.

საქართველოს ენერჯეტიკის სამინისტროს იურიდიული დეპარტამენტის
უფროსის მოვალეობის შემსრულებელს

ბატონ ზაზა ნანობაშვილს



ბატონო ზაზა,

თქვენი ამა წლის 29 აგვისტოს N08/4085 წერილის პასუხად, გთხოვთ, იხილოთ საქართველოს მთავრობას, „Clean Energy Invest AS“-ს და შპს „აჭარისწყალი ჯორჯია“-ს შორის გაფორმებული განხორციელების ხელშეკრულების საჯარო ინფორმაციის შემცველი ნაწილის ასლი.

დანართი: 15 ფურცელი.

პატივისცემით,

ოლაფურ ბირგისონი

დირექტორის მოადგილე

Agreement

ON AMENDMENT TO THE BUILD, OWN AND OPERATE AGREEMENT

dated June 10, 2011

between

**THE GOVERNMENT OF GEORGIA
REPRESENTED BY
THE MINISTRY OF ENERGY AND NATURAL RESOURCES OF GEORGIA**

CLEAN ENERGY INVEST AS

AND

ADJARISTSQALI GEORGIA LLC

**28.09.2012
GEORGIA**

THIS AGREEMENT relating to Amendment to the Build, Own and Operate Agreement signed on June 10, 2011 between THE GOVERNMENT OF GEORGIA, CLEAN ENERGY INVEST AS and ADJARISTSQALI LTD, is made on September 28, 2012 between:

- (1) THE GOVERNMENT OF GEORGIA, represented by the Ministry of Energy and Natural Resources of Georgia (the "GOG");
- (2) CLEAN ENERGY INVEST AS, a limited liability company incorporated under the laws of Norway, registered in the company register of Brønnøysund under registration number 995 144 409, having its registered office at Parkveien 33 b, 0258 Oslo, Norway (the "Company");
- (3) ADJARISTSQALI GEORGIA LLC, incorporated under the laws of Georgia, with identification #404401438, having its registered office at #6 Labashidze Street, 6010 Batumi, Georgia (the "Project Company").

Each of the GOG, the Company and the Project Company shall be referred to individually as a "Party" and collectively as the "Parties".

PREAMBLE

WHEREAS: On 23 March 2012, Project Company submitted the draft technical feasibility study for the Plants Project to the GOG with the plans to develop four projects, the 175 MW Shnakhevi project, the 9,8 MW Skhalti project, the 150 MW Koromkheti project and the 65 MW Kherivlisi project, with a combined total of 399,8 MW installed capacity, instead of the previously planned 7 hydro project with an installed capacity of 175 MW; and

WHEREAS: The Parties engaged in additional negotiations and consider it appropriate to make certain amendments to the June 10, 2011 agreement between the Parties:

NOW, THEREFORE, the Parties entered into this Agreement on Amendment to the Build, own and operate Agreement and have agreed to make following changes:

Article 1. Following Articles, Paragraphs, Subparagraphs and definitions are amended/added and shall read as follows:

1. Following definitions and interpretation of the paragraph 1.1.
 "Actual Final Completion Date" means, with respect to a particular Plant, the date when the construction works of the Plant is finished and is ready for operation.

"IFC Performance Standards" means those standards of the International Finance Corporation concerning environmental and social sustainability dated April 30, 2006 and published on the world-wide-web (Internet) as of July 23, 2012 at:

<http://www1.ifo.org/wps/wcm/connect/ac3381804886593bb892fa6a6315bb18/IFC%2BPerformance%2BStandards.pdf?MOD=AJPERES&attachment=true&id=1322803957411>.

"Plant" means hydro power plant Skhalta, Shuakhevi, Koromkheti or Khertvisi separately.

"Plants" means collectively, the Adjariatsqali cascade hydro power plants, consisting of Skhalta, Shuakhevi, Koromkheti and Khertvisi, as set forth in Annexes 1-5 respectively, as long as this is not changed according to Article 3.1.2.1 and/or 3.1.2.3.

"Project" means conduction of the full technical and economic feasibility study, environmental and social impact assessment, detailed design study, as well as financing, construction, testing, commissioning, ownership, operation and maintenance of a cascade of Adjariatsqali hydro power plants: Skhalta, Shuakhevi, Koromkheti and Khertvisi.

"Project Company" means Adjariatsqali Georgia LLC - the special-purpose entity formed by the Company and constituted under the Laws of Georgia for the purposes of implementation of the Project and funded by the Company in accordance with this Agreement.

"Scheduled Final Completion Date" in respect of each Plant means the date of completion of construction works given in Annex 4 and which is different for each Plant.

"Site" means the site located around the Adjariatsqali River in Adjara region for the implementation of the Project.

"USD" means the currency of the United States of America, denominated in dollars."

2. Paragraph 2.1.2:

"2.1.2 The Company's obligation under this Agreement is to develop the Plants."

3. Subparagraph "b" of the paragraph 2.2.2:

"(b) harness, utilize, divert and release water resources from the Adjariatsqali River and its tributaries required by the Project Company for the operation of the Project at the planned level of installed capacity subject to article 2.2.6. (a);"

4. Paragraph 2.2.4:

"2.2.4.

(a) The GOG shall register all state-owned land needed for the construction of the Project within one month of receiving a detailed overview of the land required for construction of the Project from the Project Company. The GOG shall submit to the President of Georgia a proposal for providing the necessary state-owned land plots (including the 99 year usage right of the necessary part of the river bed) for the Project with nominal price to the Company and/or the Project Company.

(b) In the case of state-owned lands previously in use- by private individuals Project Company shall be entitled to purchase these land from the State for the amount of one (1) Georgian Lari. With respect to all other state-owned lands, the GOG shall sell such land to Project Company for a nominal price. The GOG, within the scope of its authority and in accordance with the Law, shall take all necessary measures so that any state-owned land required for the Project that is currently not subject to privatization due to its status as agricultural land or other statutory protection (including based on cultural, environmental or other significance) obtains the required clearance, if legally feasible, to allow it to be used for the Project.

7. Paragraph 2.2.7:**"2.2.7 Access to Infrastructure**

The GOG shall ensure that the Company and the Project Company have access without interference or interruption to the Site as well as all existing national and district roads, bridges or other such infrastructure, provided that the Company/Project Company shall be responsible for the cost of prompt repair of such roads, bridges or other infrastructure damaged by the reason of such use. The Company and the Project Company shall have the right, at the Company's or Project Company's cost, to construct and/or maintain any such temporary or permanent infrastructure necessary or desirable for the construction and/or operation of the Project, so long as they do so in accordance with Georgian Law and other regulations. The Company and/or the Project Company shall have the authority to restrict access and use of the relevant infrastructure to personnel authorized by the Company and/or the Project Company in the interests of safety and catchment management".

10. Preamble of subparagraph "b" of the paragraph 3.1.1:

"(b) Within no later than fifteen (15) months from the Effective Date, as such period may be extended pursuant to Articles 3.2.6 or 3.4, the Company shall:"

13. Paragraph 3.2.2:

"3.2.2 Design and Construction

The Company shall, at its own risk and expense, undertake the engineering, procurement, construction and Performance Tests for the Plants in accordance with this Agreement and Good Industry Practice, including:

- (a) The Conceptual Design;
- (b) The Detailed Design;
- (c) Milestone Dates given in Annex 4 (Milestone Schedule); and
- (d) The comprehensive and detailed technical specifications to be submitted to the GOG Representative three (3) months prior to the beginning of the Construction Works, which shall be reviewed by the GOG Representative and if the GOG Representative has comments to thereto, such comments shall be incorporated therein."

14. Subparagraph "a" of the paragraph 3.3.1:

"a) Start the operation of the Plants;"

15. Article 3.4:

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16. Paragraph 4.1:

"4.1 OBLIGATIONS AND RESPONSIBILITIES OF THE PROJECT COMPANY

The Project Company undertakes all the Company's obligations and responsibilities, with the Company towards the GOG, remaining jointly and separately liable for the same obligations and responsibilities, and the obligations and responsibilities of the Company herewith means the obligations and responsibilities of the Project Company. Also all the obligations and responsibilities of the Project Company herewith means the obligations and responsibilities of the Company."

17. Paragraph 4.3:

"4.3 IFC Performance Standards

The Parties shall jointly develop project guidelines to ensure that the construction, operation, maintenance, management and monitoring of the Project complies with the requirements of the IFC Performance Standards, and the requirements according to the Georgian legislation."

19. Subparagraph "b", "c" and "e" of the paragraph 6.2:

"(b) The Construction Security shall secure the proper and timely performance of all of the Company's obligations hereunder (including those obligations which are not fulfilled at the start of the Construction Phase) during the Construction Phase.

(c) The Company shall renew the Construction Security on an annual basis during the Construction Phase and shall provide each renewed Construction Security to the GOG no later than thirty (30) Business Days before the expiry of the then outstanding Construction Security. Under any circumstances (including collection under the existing Construction Security), the Company shall ensure availability of a valid Construction Security during the entire Construction Phase period of all Plants."

"(e) The GOG shall release the Construction Security in full upon the Actual Completion Date of the latest Plant, or upon earlier termination of this Agreement in accordance with the terms hereof, unless the GOG collects under the Construction Security in accordance with the terms of this Agreement."

Location

Annex No.1

No	Name	Region, River
1	Sabarha HPP	Adjara, Adjaratskhal
2	Shuskhoni HPP	Adjara, Adjaratskhal
3	Korotikhedi HPP	Adjara, Adjaratskhal
4	Khetitskhi HPP	Adjara, Adjaratskhal

Capacity

No	Name	Installed Capacity in MW
1	Schaba HPP	9.80
2	Suzakovi HPP	175.00
3	Koromkheti HPP	150.00
4	Kharbishi HPP	65.00
	Total	399.80

Terms of Obtaining Construction Permits, Commencement of Construction and Commencement of Operations

No	Name	Date of Obtaining Construction Permits after Effective Date	Commencement of construction works after obtaining construction permit	Completion of Construction Works after obtaining construction permit	Commencement of Operations after obtaining construction permit
1	Slyvina	48 Month	1 Month	58 Month	60 Month
2	Starobivji	15 Month	1 Month	31 Month	33 Month
3	Korovinovi ²	48 Month	1 Month	58 Month	60 Month
4	Kharovskij ²	72 Month	1 Month	46 Month	49 Month

² Loss of development license if construction permit not obtained

Annual Capacity

No	Name	Annual Capacity GWh net
1	Sibaha HPP	27.1
5	Shuakhevi HPP	436.5
2	Koromkheti HPP	463.0
4	Khartvisi HPP	239.0
	Total	1165.6

IN WITNESS WHEREOF, this Agreement has been signed by duly authorized representative of the Parties hereto on the day, month and year first above written.

THE GOVERNMENT OF GEORGIA, REPRESENTED BY THE MINISTRY OF ENERGY AND NATURAL RESOURCES OF GEORGIA

By: _____
Name: Vpkhtang Balavadze
Title: Minister

THE COMPANY

By: _____
Name: Bård Mikkelsen
Title: Chairman of the Board

THE PROJECT COMPANY

By: _____
Name: Björn Brandtzaag
Title: Director

THE PRESENT AGREEMENT ON AMENDMET IS ALSO AGREED AND SIGNED BY:

ELECTRICITY SYSTEM COMMERCIAL OPERATOR, JSC

By: _____
Name: Irish Mitorava
Title: General Director

ENERGOTRANS LLC

By: _____
Name: Kakha Sekhniashvili
Title: Director

GEORGIAN STATE ELETROSYSTEM JSC

By: _____
Name: Sul Khan Zumburidze
Title: Chairman of the Management Board

