To: Project Participant
“Bazenc” Closed J-S Company
Yerevan, Republic of Armenia

Letter of Approval

1. As Minister of Nature Protection of the Republic of Armenia and appointed Designated National Authority for the Clean Development Mechanism (CDM) under the Kyoto Protocol of the United Nations Framework Convention on Climate Change, I hereby confirm:

(i) The Republic of Armenia has ratified the United Nations Framework Convention on Climate Change in May 14, 1993 and the Kyoto Protocol in December 26, 2002;

(ii) The Republic of Armenia participates voluntarily in the Clean Development Mechanism and in the “Project” identified in paragraph 1(iii) of the present letter;

(iii) The “Project” as defined in the Project Design Document “Yeghegis Small-Scale Hydro Project”, submitted on April 4, 2006 to the Designated National Authority of Armenia for the CDM, will assist the Republic of Armenia in achieving sustainable development objectives. The Project Design Document is available on the following web site: www.cdm.nature-ic.am

2. I further inform that the “Project” can be submitted to the Clean Development Mechanism Executive Board in order to request registration of the “Project” as a Clean Development project activity.

3. I henceforth declare that the Designated National Authority of Armenia for CDM reserves the right to submit to the CDM Executive Board a request for review of the “Project” in case the Project Design Document submitted to the CDM Executive Board for registration does not correspond to the document identified in paragraph 1(iii) above.

4. I look forward to the project smooth start up according to the procedures.

Yours Sincerely,

Minister of Nature Protection of the Republic of Armenia
and Designated National Authority for the Clean Development Mechanism
under the Kyoto Protocol

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