To: Project Participants
"ANI" Open Joint-Stock Company, Yerevan, Republic of Armenia
Danish Environmental Protection Agency, Copenhagen, Denmark

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 voluntary in the Clean Development Mechanism and in the "Project" identified in paragraph 1(iii) of the present letter;
   (iii) Based on the information provided in the "Project" as defined in the Project Design Document "Jradzor Small Hydro Electric CDM Project", submitted on October 24, 2006 to the Designated National Authority of Armenia for the CDM, and other supporting documents, the implementation of the proposed "Project" will assist the Republic of Armenia in achieving sustainable development objectives.

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.

Please note that the issuance of this Letter of Approval shall not exempt the Project Participants from complying with all applicable laws, rules and regulations of the Republic of Armenia.

Project Participants shall regularly update the Designated National Authority for CDM in Armenia on the status of implementation of the "Project". Based on the provided information the Designated National Authority for CDM will evaluate compliance of the "Project" implementation with the conditions stipulated in the approved Project Design Document.

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