May 9, 2013

Dr. P. B. Jayasundera
Secretary to the Treasury
Ministry of Finance and Planning
Colombo 1

Democratic Socialist Republic of Sri Lanka: Credit 4138-CE and Credit 4906-LK (Road Sector Assistance Project)
Amendment to the Development Credit Agreement and the Financing Agreement

Dear Sir:

We refer to the Development Credit Agreement dated January 16, 2006, as amended (Credit Agreement) and the Financing Agreement dated April 29, 2011 (Financing Agreement), both entered into between the Democratic Republic of Sri Lanka (the Recipient) and the International Development Association (the Association) for the above-referenced Project. We refer also to your request dated March 6, 2012 for amendments to Development Credit Agreement and the Financing Agreement.

I am pleased to inform you that after due consideration the Association has agreed with your request and consequently proposes to hereby amend the above agreements as follows:

CR-4906

1. Part A.2 in Schedule 1 to the Financing Agreement is amended to read in its entirety as follows:

"2. Phase 2 – Rehabilitation of: (i) 17 km of the Colombo-Galle-Hambantota-Wellawaya Road (A02); and (ii) 17.7 km of the Peliyagoda-Puttalam Road (A003)."

CR 4138-CE

2. The Table in Section IV of Schedule 2 to the Development Credit Agreement is revised to read as set out in Attachment 1 to this letter:
Please indicate your agreement to these amendments by signing the form of countersignature below and returning one original to us. Upon receipt of the countersigned original by us, this amendment shall come into force.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Ivan Rossignol
Acting Country Director for Sri Lanka and the Maldives

CONFIRMED

DEMOCRATIC REPUBLIC OF SRI LANKA

By

Authorized Representative

P. B. JAYASUNDERA
Secretary
Ministry of Finance and Planning
Colombo 01
Sri Lanka

Name: ____________________________
Title: ____________________________
Date: May 31, 2013
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount to the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In respect of Part A and C of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1(A) Works</td>
<td>49,264,094</td>
<td>80% up to June 30, 2006; 70% up to June 30, 2007; and 65% thereafter</td>
</tr>
<tr>
<td>1(B) Goods</td>
<td>970,000</td>
<td>100%</td>
</tr>
<tr>
<td>1(c) Consultant Services &amp; Training</td>
<td>7,672,271</td>
<td>100%</td>
</tr>
<tr>
<td>1(D) Incremental Operation Costs</td>
<td>1,317,414</td>
<td>100%</td>
</tr>
<tr>
<td>2(A) Goods, works, consultant's services, training, and incremental operating costs for Northern-Central Province under Part B of the Project</td>
<td>2,951,893</td>
<td>100%</td>
</tr>
<tr>
<td>2(B) Goods, works, consultant's services, training, and incremental operating costs for Southern Province under Part B of the Project</td>
<td>3,348,893</td>
<td>100%</td>
</tr>
<tr>
<td>2(c) Goods, works, consultant's services, training, and incremental operating costs for Uva Province under Part B of the Project</td>
<td>3,022,893</td>
<td>100%</td>
</tr>
<tr>
<td>3. Refunding of Project Preparation Advances</td>
<td>552,542</td>
<td>Amount due pursuant to Section 2.02 (c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL</td>
<td>69,100,000</td>
<td></td>
</tr>
</tbody>
</table>