H. E. Mr. Tigran Davtyan  
Minister of Finance  
Ministry of Finance  
Yerevan, Republic of Armenia

Re: Republic of Armenia: GEF Grant Number TF093653  
GEOFUND 2 - Geothermal Project  
Amendment of the Grant Agreement

Dear Mr. Minister:

We refer to the Global Environmental Facility Grant Agreement for the GEOFUND 2 – Geothermal Project dated February 26, 2009, as amended (the Grant Agreement), between the Republic of Armenia (the Recipient) and the International Bank for Reconstruction and Development (the World Bank), acting as an Implementing Agency of the Global Environmental Facility. We also refer to your letter dated May 11, 2010, requesting the World Bank to amend the Grant Agreement.

We are pleased to inform you that the World Bank, after due consideration, has acceded to your request. Accordingly, the Grant Agreement is hereby amended as follows:

1. Paragraph 2 of the Section A to the Schedule 1 (Project Description) is amended to read as follows:

   “2. Provision of consultants’ services for further geophysical investigation works on one selected site as a result of the services provided in 1 above, including: (a) conducting and interpretation of the three dimensional magneto-telluric sounding study (3DMTS); (b) supervision over the implementation of the scope of 3DMTS; and (c) overall assessment of the economic and financial viability of the selected site.”

2. All the terms and conditions of the Grant Agreement that have not been amended hereby shall remain unchanged and in full force and effect.
Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Letter Agreement and returning it to the World Bank.

Sincerely yours,

/s/ Asad Alam
Regional Director
South Caucasus Country Unit
Europe and Central Asia Region

AGREED AND CONFIRMED:

REPUBLIC OF ARMENIA

By: /s/ Tigran Davtyan
Minister of Finance
Date: August 12, 2010
cc: Rudolf Jan Treffers, Executive Director for Armenia, World Bank
    Aristomene Varoudakis, Country Manager, World Bank
    Armen Movsisyan, Minister of Energy and Natural Resources, Republic of Armenia