Re: Loan No. 8679-7E
(Trans-Anatolian Natural Gas Pipeline Project)

Representations

Dear Sirs and Mesdames:

In connection with the Loan Agreement of this date between the International Bank for Reconstruction and Development (the Bank) and Southern Gas Corridor Closed Joint Stock Company (the Borrower) for the above-captioned Project, the Borrower hereby undertakes and warrants to the Bank that, as of the date of this letter:

1. The audited financial statements for the year ending 2015, along with the interim condensed consolidated financial statements for the six-month period ending 30 June 2016, copies of which have been furnished to the Bank, correctly set forth the financial and operating condition of the Borrower as of 31 December 2015 and 30 June 2016, respectively, and since 30 June 2016, there have been no material adverse changes in the financial and operating conditions of the Borrower.

2. The Borrower is not engaged in litigation as plaintiff or defendant, the outcome of which might materially and adversely affect its financial condition.

3. The Borrower has no outstanding agreements or liabilities, contingent or otherwise (including taxes), that might materially and adversely affect its financial condition, other than those reflected in the Borrower’s interim condensed consolidated financial statements for the six-month period ending 30 June 2016 [and those disclosed to the Bank as reflected in the Annex].

4. No debt of the Borrower is secured by any mortgage, pledge, charge, priority, or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority, or other lien.

5. There are no existing defaults in the payment of principal of, or interest or other charges on, any of the debts of the Borrower.

6. The Borrower is not in violation of, and execution and delivery of the Loan Agreement and the compliance with all its terms do not and will not result in any violation of, any provisions of any existing agreement, franchise, concession, license, or permit, or of any statute, law, decree-law, executive decree,
regulation, or any other legal rule of a similar nature presently in effect and applicable to the Borrower, in each case, in any material respect, either individually or cumulatively.

7. The Borrower is a duly existing joint-stock company under the laws of the Republic of Azerbaijan, with full authority to carry out its present business, to finance the Project (as described in Schedule I to the Loan Agreement), and to execute and deliver the Loan Agreement, and has furnished to the Bank true copies of its founding documents presently in effect and governing the Borrower.

It is our mutual understanding that the preceding representations are material factors in the Bank’s decision to make the Loans. Should any adverse material change occur in the financial position of the Borrower prior to our receipt of the notice of the Bank’s acceptance of the evidence required by Section 9.01 of the General Conditions, we shall promptly inform the Bank.

Very truly yours,

SOUTHERN GAS CORRIDOR CLOSED JOINT STOCK COMPANY

By [Signature]
Authorized Representative

Afgan Isayev
General Director