Hon. Charles Abel, MP
Deputy Prime Minister & Minister for Treasury
Department of Treasury
The Treasury Level 10
P.O. BOX 542
Waigani 131, NCD
Papua New Guinea

Dear Deputy Prime Minister and Minister for Treasury,

Independent State of Papua New Guinea: GEF Grant No. TF014583
Grant for the Energy Sector Development Project
Amendment to the GEF Grant Agreement

We refer to the Global Environment Facility ("GEF") Grant Agreement between the Independent State of Papua New Guinea ("Recipient") and the International Bank for Reconstruction and Development, acting as Implementing Agency of the GEF ("World Bank"), for the PNG Energy Sector Development Project ("Project"), dated May 29, 2013, as amended ("GEF Grant Agreement"). We also refer to the Recipient's letter dated June 29, 2017, requesting the World Bank to make some amendments to the GEF Grant Agreement.

We are pleased to inform you that the World Bank concurs with your request, and proposes to amend the GEF Grant Agreement by way of this letter ("Amendment Letter"), as set out below:

1. The withdrawal table detailed in Section 3.01 of the Annex to the GEF Grant Agreement is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant allocated (in United States Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Non-Consulting Services and Consultants' Services (other than those for Category (3) below)</td>
<td>885,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training</td>
<td>15,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ Services for Project Management under Part 1 of the Project</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>900,000</td>
<td></td>
</tr>
</tbody>
</table>

August 15, 2017
All capitalized terms used in this Amendment Letter have the same meanings assigned to them in the GEF Grant Agreement. All the terms of the GEF Grant Agreement not hereby amended shall remain in full force and effect.

In addition, the Financing Agreement for the Project between the Recipient and the International Development Association, dated the same date as the GEF Grant Agreement and as amended to date (Credit Number 5201-PG) (the “Financing Agreement”), which provides funds to assist in financing of the Project, is being amended by way of a letter of amendment to the Financing Agreement dated the same date as this Amendment Letter.

Please confirm your agreement to the amendments set out above by having an authorized representative of the Recipient sign and date the form of confirmation set forth below, and returning one fully countersigned original of this Amendment Letter to the World Bank. Upon receipt by the World Bank of: (a) a duly countersigned original of this Amendment Letter by an authorized representative of the Recipient; and (b) a duly countersigned original of the letter of amendment to the Financing Agreement by an authorized representative of the Recipient, the amendments detailed in this Amendment Letter shall become effective as of the date of the last countersignature of this Amendment Letter and the letter of amendment to the Financing Agreement.

Sincerely,

Michel Kerf
Country Director
Papua New Guinea & Pacific Islands
East Asia and Pacific Region

AGREED:
INDEPENDENT STATE OF PAPUA NEW GUINEA

By: Thomas Charles Abel
Authorized Representative

Name: Thomas Charles Abel
Title: Dean & Treasurer
Date: 03/10/17