Guarantee Agreement

(Electricity Generation Rehabilitation and Restructuring Project)

between

REPUBLIC OF TURKEY

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated September 12, 2006
GUARANTEE AGREEMENT

AGREEMENT, dated September 12, 2006, entered into between REPUBLIC OF TURKEY (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and Elektrik Üretim A.Ş (“Borrower”) (“Loan Agreement”). The Guarantor and the Bank hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

Section 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

ARTICLE II - GUARANTEE; PROVISION OF FUNDS

Section 2.01. Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

ARTICLE III – OTHER COVENANT

Section 3.01. The Guarantor shall take out all measures necessary to ensure the satisfactory implementation of the Project.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

Section 4.01. The Guarantor’s Representative is the Undersecretary of Treasury.

Section 4.02. The Guarantor’s Address is:

Basbakanlik
Hazine Müstesarligi
Inönü Bulvarı
Emek Ankara
Republic of Turkey

Facsimile:

(312) 212 8550
Section 4.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (202) 477-6391

AGREED at Ankara, Turkey, as of the day and year first above written.

REPUBLIC OF TURKEY

By /s/ Memduh Aslan Akcay
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Andrew N. Vorkink
Director
Turkey Country Unit
Europe and Central Asia