Guarantee Agreement

(Electricity Distribution Rehabilitation Project)

between

REPUBLIC OF TURKEY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated February 11, 2008
GUARANTEE AGREEMENT

AGREEMENT, dated February 11, 2008, 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 Turkiye Elektrik Dagitim A.S. ("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 reasonable measures necessary to cause the Borrower to ensure the satisfactory implementation of the Project.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

Section 4.01. The Guarantor’s Representative is Undersecretary of Treasury.
Section 4.02. The Guarantor’s Address is:

Basbakanlik
Hazine Mustesarligi
Inonu Bulvari
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: Telex: Facsimile:

INTBAFRAD 248423 (MCI) or (202) 477-6391
Washington, D.C. 64145 (MCI)
AGREED at Ankara, Turkey, as of the day and year first above written.

REPUBLIC OF TURKEY

By /s/ Memduh Aslan Akçay
   Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Ulrich Zachau
   Director
   Turkey Country Unit
   Europe and Central Asia