January 8, 2014

H.E. Dr. Ziad Bahaa-Aldin
Deputy Prime Minister and
Minister of International Cooperation
Ministry of International Cooperation
Cairo, Egypt

Re: Ain Sokhna Power Project
Loan No. 7633-EG
Amendment to Loan Agreement

Excellency:

We refer to the Loan Agreement between the Arab Republic of Egypt ("Borrower") and the International Bank for Reconstruction and Development (the "Bank"), dated March 15, 2009, as amended (the "Loan Agreement") and to the Project Agreement of the same date between the Bank and the Egyptian Electricity Holding Company (the "Project Agreement"), both for the above-referenced Project (the "Project").

We also refer to the letter dated June 22, 2011, from Eng. Mohamed Hammam, Assistant to the Minister, Ministry of International Cooperation requesting the Bank to use the savings of US$179.5 million under the Project to strengthen the electricity network. Based on said request and the subsequent discussions between the respective representatives of the Borrower and the Bank, I am pleased to inform you that the Bank concurs with your request. Accordingly, the Loan Agreement is amended as follows:

1. Schedule 1 of the Annex to the Loan Agreement is amended by adding the following new Part A.1 immediately following Part A:

   "Part A.1: Generation Transmission Connection and Strengthening"

   The carrying out of civil works and the provision of goods and consultants services, for the construction of transmission lines and a substation to strengthen existing and new generation connections to the 500 kV network consisting of, inter alia (i) a 2x750 MVA, 500/220 kV Zahraa El-Maadi Substation. (ii) a 100 km, 500 kV double circuit transmission line connecting South Helwan and Zahraa El-Maadi substations; (iii) a 150 km, 500 kV double circuit transmission line connecting the Helwan South substation to the Samalaut and Assuit substations by an in-and-out connection at the Samalaut substation to the already existing 500 kV Samalaut-Assuit transmission line; (iv) a 30 km, 500 kV double circuit transmission line connecting the Zahraa El-Maadi substation by an in-and-out connection to the 500 kV transmission line
connecting the Tebbin and El-Sokhna substations; (v) two 165 MVAR, 500kV switchable line shunt reactors each to be installed at the Assuit and South Helwan substations, and (vi) connection of three existing 220 kV lines (Ain Sira/ Tora (2x7 km), Cairo east / Basateen (2x5 km), Katamia/ Tebbin (15 km)) to Zahraa el- Maadi Substation.”

2. The monitoring indicators referred to in Section II. A of Schedule 2 to the Loan Agreement are revised as set out in the attachment to the amendment letter of the Project Agreement of the same date as this letter.

3. Part B.2 of Section IV of Schedule 2 to the Loan Agreement is amended to read as follows:

   “2. The Closing Date is June 30, 2017.”

4. Paragraph 2 of Section I of the Appendix to the Loan Agreement is amended in its entirety to read as follows:

   “2 “Environmental and Social Management Plan” or “ESMP” means the Borrower’s environmental and social management plan for the Project prepared in accordance with the ESIA and provided to the Bank on August 10, 2008 for Part A of the Project and on August 1, 2012 for Part A.1 of the Project, as such framework may be updated from time to time by agreement between the Borrower and the Bank, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank.”

5. Paragraph 3 of Section I of the Appendix to the Loan Agreement is amended in its entirety to read as follows:

   “3 “ESIA” means the Borrower’s environmental and social impact assessment for the Project provided to the Bank on August 10, 2008 for Part A of the Project and on August 1, 2012 for Part A.1 of the Project, setting forth the matters to be addressed in the ESMP regarding mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank.”

6. Paragraph 8 of Section I of the Appendix to the Loan Agreement is amended in its entirety to read as follows:

   “8 “Resettlement Policy Framework” or “RPF” means the Borrower’s resettlement framework for the Project provided to the Bank on August 10, 2008 for Part A of the Project and on August 1, 2012 for Part A.1 of the Project, setting forth the rules, procedures and guidelines for the acquisition of land and/or other assets from persons affected by the Project (if any), and/or the resettlement and rehabilitation of such persons (if any), and the compensation thereof.”
Please confirm your agreement with the foregoing amendments by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the countersigned copy of this letter as well as the countersigned copy of the letter amending the Project Agreement, this amendment will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Hartwig Schafer
Director
Egypt, Yemen and Djibouti County Department

AGreed:
ARAB REPUBLIC OF EGYPT

By
Authorized Representative

Name Dr. Ziad Sabra - Eldin
Title Deputy Prime Minister and Minister of International Co-operation
Date 10/01/2014