H.E. Somdy Douangdy
Minister of Finance
Ministry of Finance
23 Singha Road, Saysetha District
P.O. Box 046, Vientiane
Lao PDR

Excellency:

Re: Development Grant Agreement for the Rural Electrification Phase I Project (Grant No. H218-LA) (the “DGA”)

Amendments to the Development Grant Agreement

We refer to the DGA dated June 2, 2006, between the Lao People’s Democratic Republic (“Recipient”), and the International Development Association (“IDA”). We also refer to your letter number 1429/MOF dated June 22, 2010, requesting for a reallocation of the Grant proceeds.

I am pleased to inform you that after due consideration, the IDA concur with your request and consequently, the Disbursement Table in Schedule 1 of the DGA is hereby amended as provided in Annex to this Letter.

Except as specifically amended by this letter of amendment, all other provisions of the DGA remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the form of confirmation below and returning one signed original copy of this amendment letter for our files. Upon receipt by the IDA of a copy of this letter of amendment duly countersigned by an authorized representative of the Recipient, this letter of amendment shall become effective as of the date of countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Annette Dixon

Annette Dixon
Country Director, Lao PDR
East Asia and Pacific Region
H.E. Somdy Douangdy

AGREED:
LAO PEOPLE’S DEMOCRATIC REPUBLIC

By: /s/ Somdy Douangdy

Title: Minister of Finance

Date: March 1, 2011
ANNEX

AMENDMENTS TO THE DGA

1. The Table in Paragraph 1 of Schedule 1 to the DGA is amended as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Grant Allocated (Expressed in SDR equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods under:</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(a) Parts A.1 through A.5 of the Project</td>
<td>4,089,000</td>
<td></td>
</tr>
<tr>
<td>(b) Parts B.1, B.3(b) and B.4(a) of the Project</td>
<td>1,800,000</td>
<td></td>
</tr>
<tr>
<td>(2) Consultants’ Services and Training under:</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(a) Parts A.1 through A.5 of the Project</td>
<td>1,111,000</td>
<td></td>
</tr>
<tr>
<td>(b) B.3(b) and (c), and B.5 of the Project</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>