

Republic of Bulgaria

MINISTRY OF ENVIRONMENT AND WATER



Letter of Approval

Undersigned, as a legal and authorized representative of the Republic of Bulgaria;

Acknowledging that the Republic of Bulgaria has ratified the United Nations Framework Convention on Climate Change in 1995;

Recalling that the Republic of Bulgaria has ratified the Kyoto Protocol in 2002;

Referring to:

Proposal number/date:	№ 26-00-2316/10.06.2008 r.
Title:	Small Hydropower Station SHPS Potochnitsa
Location:	In the lower part of the valley of Arda river, on the riverbanks of the river Arda, 5300 m after the drainage of HPS Studen Kladenez and about one kilometre from the flow of the Krumoviza river.
Project Company (Supplier of the ERUs):	FINAUTO Ltd.

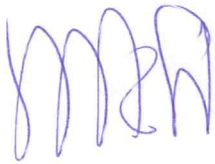
Hereinafter referred to as "the JI project" that is expected to provide a reduction in greenhouse gas emissions by sources that are additional to any that would otherwise occur.

Declares that:

1. The Republic of Bulgaria recognises the JI Project as in accordance with Article 6 of the Kyoto Protocol and its underlying decisions;

March 30th, 2010
Sofia, Bulgaria

Minister of Environment and Water of the Republic of Bulgaria



Signature:

2. The Republic of Bulgaria authorises the Project Company and any future owner of the JI Project to generate ERUs by operation of the JI Project;
3. The Republic of Bulgaria accepts and will issue and transfer 71,118 t CO₂ equivalent of verified ERUs generated by the JI Project, to the Kingdom of Denmark during the period 2009-2012;
4. In case that the Republic of Bulgaria and the Kingdom of Denmark fully comply with the eligibility requirements on paragraph 21 from the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol), the verification of emission reductions generated by the JI project and the transfer of ERUs will be based on paragraph 23 from this Annex ('JI Track one').
5. The project is listed in the planned reserve for Approved Joint implementation projects in the National Allocation Plan for cancellation to avoid double counting, according to the Directive 2004/101/EC and the relevant decisions of the European Commission.