



**LIETUVOS RESPUBLIKOS APLINKOS MINISTERIJA**  
**THE MINISTRY OF ENVIRONMENT OF THE REPUBLIC OF LITHUANIA**

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AB „Achema“  
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Kauno apskritis LT-55550

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Copies to:

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UAB „COWI Baltic“  
Lukiškių g. 3,  
LT-01108 Vilnius

Lithuanian Environmental Investment Fund

**LETTER OF APPROVAL**

The undersigned, as a legal and authorized representative of the Republic of Lithuania (the host country), referring to the Joint Implementation project „Nitrous Oxide Emission Reduction Project at GP Nitric Acid Plant in AB Achema Fertilizer Factory“ (hereinafter referred to as the JI Project) of AB „Achema“ (hereinafter referred to as the project proponent), herewith declares that:

1. The Republic of Lithuania ratified the Kyoto Protocol of the United Nations Framework Convention on Climate Change.
2. In order to participate in the activities under Article 6 of the Kyoto Protocol, the Republic of Lithuania is aware that it should comply with the participation and eligibility requirements as stated in the Kyoto Protocol and the relevant rules, decisions, guidelines, modalities and procedures adopted thereunder. The Republic of Lithuania intends to comply with the above mentioned requirements.
3. The Republic of Lithuania recognises the JI Project to be a Joint Implementation project in accordance with Article 6 of the Kyoto Protocol and its underlying decisions, relevant rules, guidelines, modalities and procedures adopted thereunder.
4. The Republic of Lithuania authorises the project proponent and any future owner of the JI project to generate claims on Emission Reduction Units (ERUs), by operation of the JI project, in accordance with the Article 6 of the Kyoto Protocol and to participate in actions leading to the generation of ERUs from the JI Project and the issuance and transfer of the ERUs generated by the JI Project.

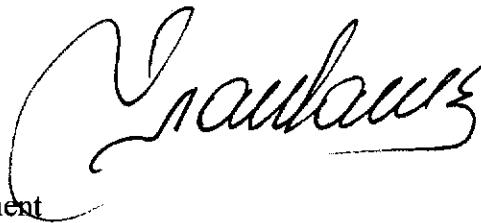
5. The Republic of Lithuania will issue and transfer, free of any taxes, levies or charges, ERUs (estimated 2 603 560 t CO<sub>2</sub> eq) to accounts specified by the project participant AB Achema as soon as the emission reductions are generated during the period 2008- 2012, verified and certified by an Accredited Independent Entity in accordance with Article 6 of the Kyoto Protocol. An investor country has to be specified by that time and a Letter of Approval of the investor country has been issued. The transfer of ERUs is irrespective of any legal or other transfer of the JI Project to third parties.

6. The Republic of Lithuania is aware that part of the ERUs generated by the JI Project will be transferred to BASF SE.

7. In case the host country allocates emission allowances to any installation affected by the JI Project under the scheme for greenhouse gas emission allowance trading within the European Community or otherwise includes the JI Project in its national allocation plan, the host country will take into account the early action by the JI Project to reduce greenhouse gas emissions and make any necessary adjustments in order to avoid double counting of emission allowances.

Faithfully yours,

Artūras Paulauskas  
Minister of Environment

A handwritten signature in black ink, appearing to read 'Paulauskas', written over a horizontal line.