



Warsaw, 21st July 2009

MINISTER OF THE ENVIRONMENT

Maciej Nowicki

DZKiOAzk/072/1853/2009/eb

Mr. Paweł Jarczewski
Chairman
Zakłady Azotowe „Puławy” S.A. in Puławy
13 Aleja Tysiąclecia Państwa Polskiego St.,
24-110 Puławy

LETTER OF APPROVAL

Referring to the project “Catalytic Reduction of N₂O inside the Ammonia Burners of the Nitric Acid Plant in Puławy, Poland” (the Joint Implementation Project – the JI Project), submitted by Zakłady Azotowe Puławy S.A. (Poland - the Project Host), I herewith declare that:

- 1 The Republic of Poland is a Party to the United Nations Framework Convention on Climate Change and the Kyoto Protocol.
- 2 The Republic of Poland comply with the requirements to participate in Article 6 Kyoto Protocol projects as stated in Dec.9/CMP.1.
- 3 I recognize the JI Project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
- 4 I authorize the Project Host Zakłady Azotowe Puławy S.A., 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 article 6 of the Kyoto Protocol.
- 5 In case of any changes in the legislation for installation Zakłady Azotowe Puławy S.A., that may result in defining the N₂O emission limits, Zakłady Azotowe Puławy S.A. are obliged to verify the baseline and to inform the Ministry of the Environment about the changes and adoption of the new baseline scenario connected with it.

- 6 I accept the transfer of verified ERUs generated through the JI Project during the period 2008-2012. Using the baseline scenario the transfer of verified ERUs is estimated to an amount of:
- 40% ERUs for the Orbeo and Rhodia Japan Ltd., which is estimated to an amount of 40 000 ERUs for the year 2008 and 624 960 ERUs annually in the period 2009-2012,
 - 40% ERUs for the BNP Paribas, which is estimated to an amount of 40 000 ERUs for the year 2008 and 624 960 ERUs annually in the period 2009-2012,
 - 20% ERUs for the BASF as a remuneration resulting from the implementation of the project and as a reserve, which is estimated to an amount of 20 000 ERUs for the year 2008 and 312 480 ERUs annually in the period 2009-2012.
- 7 Transfer of verified ERUs generated through the JI Project during the period 2008 - 2012 to following entities or entities designated by them:
- Rhodia Japan Ltd, Roppongi First Bldg., 1-9-9 Roppongi, Minato-ku, Tokio (Japan),
 - BNP Paribas London Branch, 10 Harewood Avenue, London NW1 6AA (United Kingdom),
 - Orbeo, Tour Société Générale-S7W 17, Paris (France),
- will be proceeded when the Ministry of the Environment receives confirmation in writing that affirms that the above entities has authorization for participation in the JI Project in accordance with the international an domestic rules.
- 8 Provisions of this Letter of Approval will enter into force when the Ministry of the Environment receives the writing confirmation of ERUs purchase agreement (ERPA) between the Project Host and entities purchasing the ERUs.
- 9 The transfer of verified ERUs will be free of any taxes or levies, if it is pursuant to the law of European Union and law of the Republic of Poland and eligible State purchasing the ERUs.

