



**European Bank**  
for Reconstruction and Development

Dr Dalius Misiunas  
Chairman and CEO  
Lietuvos Energija, UAB  
Zveju st. 14, LT-09310, Vilnius  
Lithuania

15 October 2014

Dear Dr Misiunas,

**Vilnius and Kaunas CHP Projects**

I refer to the announcement made by Lietuvos Eneigijos Gamyba AB regarding first stage of the tendering process in respect of Vilnius and Kaunas CHP projects. We understand that Lietuvos Energija is contemplating the construction of two large biomass CHP plants with total installed capacity of 145MWe/274MWth in Vilnius and 41MWe/134MWth in Kaunas (together the “Project”). We further understand that Lietuvos Energija invited investors to express their interest in which the selected investor will partner with Lietuvos Energija in implementing the Project and that the deadline for submitting expressions of interest together with certain documents for pre-qualification purposes is 19 October 2014.

This letter confirms the European Bank for Reconstruction and Development's in principle support for this important project. The Bank recognises the need to increase the renewable power generation capabilities throughout the country which can be done through participation with the private sector and believes that this project can play an important role in delivering a more reliable energy supply for Lithuania.

The Bank is therefore willing to enter into discussions with Lietuvos Energija for the provision of long term financing in the form of a senior secured limited recourse loan and/or equity financing of up to 35% of the total project cost for both debt and equity. The Bank would also be willing to enter into discussion with any interested partner that contemplates investing alongside Lietuvos Energija and meets the Bank's policy requirements and standards. Please note that until such partner has been selected by Lietuvos Energija, the EBRD will have to remain non-exclusive.

Any financing by the EBRD would be subject to (i) satisfactory results from legal, financial, environmental and social and integrity due diligence, (ii) negotiation of an overall financing plan for the Project documentation, (iii) compliance with the Bank's Environmental and Social Policy, (iv) formal approval by the Bank's management and Board of Directors and (v) negotiation and execution of appropriate financing documentation and fulfilment of all applicable conditions precedent.

Interested parties may contact:

- Julien Mauduit at [mauduitj@ebrd.com](mailto:mauduitj@ebrd.com) or + 44 20 7338 7568; or



- Matti Hyyrynen at [hyyrynem@ebrd.com](mailto:hyyrynem@ebrd.com) or +370 6822 5966.

The European Bank for Reconstruction and Development hereby gives its consent to Lietuvos Energija to share this letter with all potential partners through its website or by any other mean Lietuvos Energija deems appropriate.

Please note that this letter is not intended to be and does not constitute a legally binding agreement under any applicable law.

The Bank looks forward to the further development of this important project and to the opportunity to support it.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nandita Parshad', written in a cursive style.

**Nandita Parshad**  
**Director, Power and Energy Utilities**

Cc. Darius Kasauskas, Member of the Board, Finance and Treasury Director  
Liudas Stembra, Project Manager, Lietuvos Energija  
Matti Hyyrynen, Senior Banker, Head of Vilnius Resident Office, EBRD  
Julien Mauduit, Senior Banker, Power and Energy Utilities, EBRD