

**AGREEMENT
BETWEEN THE

GOVERNMENT OF THE REPUBLIC OF AUSTRIA
REPRESENTED BY THE FEDERAL MINISTER OF FINANCE

AND THE

GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT
REPRESENTED BY THE MINISTER OF INTERNATIONAL
COOPERATION

ON
FINANCIAL CO-OPERATION**

The Government of the Republic of Austria represented by the Federal Minister of Finance and the Government of the Arab Republic of Egypt represented by the Minister of International Cooperation, hereunder called the "Contracting Parties",

- desiring to promote further the close and friendly relations existing between their two countries,

- desiring to develop, extend and deepen the successful co-operation in the financial field,

have agreed as follows:

Article 1 – Introduction to the financing scheme

Austria has established a concessional financing scheme under which concessional credits for the purchase of goods and services from Austria can be granted on a case-by-case basis upon request from exporters, in compliance with relevant international obligations (including, inter alia, the OECD - "Arrangement on Officially Supported Export Credits", complemented by the ex-ante guidance gained under the "Helsinki" tied aid disciplines) and national criteria. The Austrian concessional financing scheme is based on pre-mixed credits, under which the required concessionality level for financing Austrian supplies is achieved by a single integrated loan offering a combination of long tenors, grace periods and interest rates below market terms.

The Contracting Parties will endeavour, within the framework of their respective existing laws, regulations and policies as well as their international obligations, to make use of the Austrian concessional financing scheme as a means of promoting and expanding financial co-operation.

Article 2 – Basic elements of the concessional loans and indicative financial framework

The Austrian Federal Minister of Finance, through Oesterreichische Kontrollbank Aktiengesellschaft, Vienna, acting as the Austrian export credit agency and commercial banks acting as lenders under tied aid credits, is prepared to support the granting of credits on concessional terms for financing of 100% of the contracts concerning the supply of exports of Austrian capital goods and related services for financially non-viable development projects in the Arab Republic of Egypt.

An indicative financial framework of up to EUR 50,000,000.- (Euro fifty million) is provided on an exceptional basis for a period of two years from the date of entry into force of this Agreement. An extension of this Agreement in accordance with Article 12 of this Agreement could be envisaged.

Article 3 – Entities for the loans

The borrowers acting under this agreement will be governmental/public entities.

Article 4 – Conditions for the concessional loans

The terms and conditions of the loans will be set in conformity with international obligations resulting from the "Arrangement on Officially Supported Export Credits" under the auspices of the OECD. Accordingly, the concessionality level will be at least 35%.

The Contracting Parties note that the terms and conditions are subject to change due to the annual resetting of the discount rate under the auspices of the OECD, and may be further subject to change due to the OECD country risk classification and due to national Austrian risk considerations.

As per January 15, 2007, concessional credits for Austrian exports of goods and services to Egypt can be granted up to an amount of Euro 10 million per project; one of the following two sets of terms and conditions may be selected on a case by case basis according to the nature of the project in question. Additional grants equivalent to 10% of the up front calculated guarantee charges will be allocated on a case by case basis for both sets of terms and conditions:

Option I - 18 years, including a grace period of 2 years and a repayment by 32 equal, semi-annual instalments thereafter. The interest rate amounts to 0.90% p.a.

Option II - 12 years, including a grace period of 4 years and a repayment by 16 equal, semi-annual instalments thereafter. The interest rate amounts to 0 % p.a.

For both options a guarantee premium will additionally be charged, payable either as a per annum margin or up front.

Calculated as a per annum margin, the guarantee premium corresponds to approximately 1.28% p.a. (Option I) and 1.209% p.a. (Option II) respectively (based on the assumption of a 2 year drawdown period). Taking into account the additional grants equivalent to 10% of the guarantee premium calculated up front, the reduced guarantee premium will lie in a range from 1.1% p.a. to 1.2% p.a.

Calculated up front, the guarantee premium corresponds to approximately 8.84% (Option I) and 7.24% (Option II) respectively. Taking into account the additional grants equivalent to 10% of the guarantee premium calculated up front, the reduced guarantee premium corresponds to approximately 7.96% (Option I) and 6.52% (Option II) respectively.

Notwithstanding the fact that the calculation of all bank fees lies beyond the sphere of influence of the Austrian Federal Ministry of Finance and Oesterreichische Kontrollbank Aktiengesellschaft, the banking charges, fees and cost of the lender, to be negotiated case-by-case between the lender and the borrower, should be kept at the lowest possible level in order to adequately reflect the development purpose of projects financed under this Agreement.

Article 5 – Inclusion of contracts under this Agreement

The inclusion of contracts under this Agreement shall be agreed upon through exchange of letters between the Ministry of International Cooperation of the Arab Republic of Egypt and the Federal Ministry of Finance of the Republic of Austria. It shall be effected in a consecutive manner during a period of 24 months (or, in case of an extension, during the period agreed upon according to Article 12 of this Agreement) starting from the date of the entry into force of the present Agreement.

All financial transactions in connection with the present Agreement shall be deemed to have been duly effected if notified in writing by the Egyptian side to the Central Bank of Egypt, 31 Kasr el Nil Street, Cairo/Egypt.

Article 6 – Use of loans

The loans granted are to be utilized for the purchase of Austrian capital goods and related services for development projects in the Arab Republic of Egypt, which may include up to 30 % of capital goods and related services originating outside Austria.

Article 7 – Guarantees for the loans

The Government of the Arab Republic of Egypt will issue irrevocable and unconditional guarantees for the fulfilment of all payments resulting from concessional loan agreements concluded under this Agreement with governmental/public entities. The Government of the Arab Republic of Egypt hereby irrevocably recognizes these guarantees' legal enforceability.

Article 8 – Taxes and duties

All payments of interest and instalments shall be exempted from all taxes and duties imposed by the Government of the Arab Republic of Egypt. Custom duties and taxes to be paid in connection with the implementation of the development projects financed under this Agreement will be paid by the beneficiary and cannot be charged to the loan. No withholding tax will be charged to the banks acting as lenders under this Agreement.

Article 9 – Review of progress

The Contracting Parties will on an annual basis or whenever deemed necessary by the Contracting Parties, review progress, agree on any other matter arising and discuss necessary updates including on the attached indicative list of priority projects, which forms an integral part of the present Agreement.

Article 10 – Evaluation of the use of the loans

In order to evaluate the use of the concessional credits granted under this Agreement and the sustainability of the corresponding projects, the Government of the Arab Republic of Egypt will facilitate the provision of all necessary documentation for evaluation, auditing and monitoring.

Article 11 – Dispute settlement

Any disputes between the Contracting Parties concerning the interpretation and/or implementation of this Agreement shall be settled amicably through diplomatic channels.

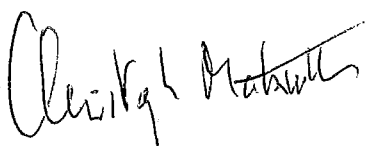
Article 12 – Duration of the Agreement

The provisions of the present Agreement will come into force on the date of receiving the last notification of fulfilment of all national necessary procedures.

The present Agreement shall be valid for a period of two years. The mentioned period could be extended by a period of time to be agreed upon through an exchange of letters between the Contracting Parties of this Agreement in case the indicative financial framework as mentioned in Article 2 has not been fully utilized. Such extension would start at the date of receiving the last letter and would refer to the unutilized portion of the indicative financial framework only.

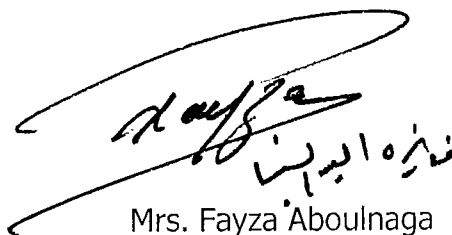
Done in Cairo on October 22nd, 2007 in two originals, in the English, Arabic and German language, each of which are equally authentic. In case of difference of interpretation, the English text shall prevail.

For the Government of
the Republic of Austria
Represented by the
Federal Minister of Finance



Dr. Christoph Matznetter
(State Secretary at the Federal
Ministry Of Finance)

For the Government of
the Arab Republic of Egypt
Represented by the Minister
of International Cooperation



Mrs. Fayza Aboulnaga
(Minister of International
Cooperation)

