

Letter of Approval

Concerning

Sri Balaji 6 MW Non-conventional Renewable Sources Biomass Power Project

PREAMBLE

Whereas:

- A. Sweden has ratified the Kyoto Protocol to the United Nations Framework Convention on Climate Change on May 31, 2002.
- B. The Swedish Energy Agency has been appointed Designated National Authority for the Clean Development Mechanism.
- C. Sri Balaji Biomass Power Limited ("Project Entity") owns and is implementing the Sri Balaji 6 MW Non-conventional Renewable sources Biomass Power Project in Chennur Village, Chennur Mandal, Cuddapah district, Andhra Pradesh, India ("The Project"), which aims at utilising biomass to generate electricity that will be exported to a grid system, described in the Project Design Document dated October 25, 2005.
- D. The Project Entity and Carbon Asset Services AB ("The Purchaser") have agreed to the sale and purchase of certified emission reductions generated by the project.

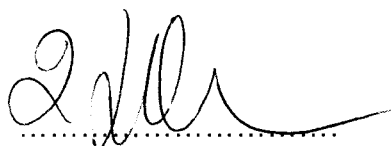
NOW THEREFORE the undersigned as legal and authorized representative of the Government of Sweden declares that:

DECLARATION:

1. Sweden *approves* the Project as a Clean Development Mechanism (CDM) project in accordance with Article 12 of the Kyoto Protocol and the relevant rules, decisions, guidelines, modalities, and procedures thereunder and confirms that the participation in the Project is voluntary.
2. Sweden *authorizes* the Purchaser to participate in the Project activity in accordance with the Kyoto Protocol, the Marrakech Accords and the relevant rules, decisions, guidelines, modalities, and procedures thereunder.
3. Sweden *confirms* that public funding is not used for the purchase of Certified Emission Reductions from the Project.

Eskilstuna 2006-02-28

For and on behalf of
The Government of Sweden

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

Zofia Lublin
Acting Director General
Swedish Energy Agency