

DFCC BANK

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Mr Leel Wickremarachchi  
Managing Director  
Vallibel Power Erathna Limited  
27-02 East Tower, World Trade Center  
Echelon Square  
Colombo 1

6 September 2007

Dear Sir

**Vallibel Power Erathna Limited – Loan of Rs 150.0 Mn**

For your clarification, we wish to inform as follows:

- a) DFCC Bank is the pioneering financier to the hydropower sector in Sri Lanka.
- b) In evaluating hydropower projects for possible financing, DFCC Bank is cognisance of the benefits of carbon credits and the significant impact that cashflows thus generated can have on the profitability of hydropower generating companies.
- c) Carbon Credits was one of the factors considered in the post-implementation phase of Vallibel Power Erathna Limited.

We trust this clarifies our position.

Yours faithfully

A handwritten signature in blue ink that reads 'Tyrone De Silva'.

**Tyrone De Silva**  
**Senior Vice President**  
**Corporate Banking**