

Letter of Intent

Emission Reductions arising from Renewable Energy Projects in the PRC

This LoI ("Letter of Intent") confirms the principal terms of understanding among:

ENEL TRADE S.p.A., Viale Regina Margherita 125 – 00198, Rome (Enel Trade S.p.A.)

Xuan'en Zhongneng Hydroelectric Power Development Co.,Ltd. ("Zhongneng") Zhushanzhen, Xuan'en Country, Hubei Province

and

Beijing Tianqing Power International CDM Consulting, Co., Ltd. Room 818, Huaneng Tower, No.A23 Fuxing Road, Beijing 100036 ("Tianqing Power")

following referred to individually as a "Party" and collectively as the "Parties".

WHEREAS

- a) Tianqing Power has already reached an agreement with Zhongneng on the development of a CDM project finalized to the production of electric energy by the exploitation of renewable energy (the "Yuquan Hydroelectric Power Station Project");
- b) Enel Trade and Tianqing Power have signed a Memorandum of Understanding ("MoU") about the possible purchase by Enel Trade S.p.A. of Certified Emission Reductions resulting from CDM projects in the plant owned by Zhongneng.

NOW, THEREFORE, in consideration of the recitals above,

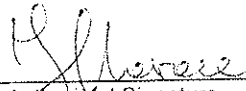
1. Possible Transaction and Purchase of CERs

Enel Trade S.p.A. intends to evaluate the possibility to purchase the CERs (approximately 31,290 tons of CO₂ equivalent per year) from 2006 to 2012 free of all third party interests, generated from the renewable energy project (the "Yuquan Hydroelectric Power Station Project") in the plant owned by Zhongneng, provided that the Project from which Enel Trade S.p.A. would purchase all the Certified Emission Reductions satisfies the following criteria:

- a) The project obtains and maintains all relevant clearances required to pursue the project which are required by the Government of the Peoples Republic of China;
- b) The project generates benefits required by the Government of the People's Republic of China to constitute the "Sustainable Development Facility" ("SDF");
- c) The project baseline, monitoring plan, project design document, validation, and "due diligence" are completed to the satisfaction of relevant domestic rules and international rules;
- d) All necessary approvals of the Chinese government are obtained;
- e) All procedures for verification and certification are followed and applied to the satisfaction of relevant domestic rules and international rules;
- f) Zhongneng and Enel Trade S.p.A. will agree upon, and execute the Emission Reduction Purchase Agreement ("ERPA") governing the purchase and sale of the Emission Reductions from the Project within the term set forth in this LOI;

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in three copies in English, in Beijing.

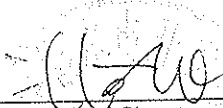
On behalf of Enel Trade S.p.A.


Authorized Signature

Title:

Date: 24/11/2005

On behalf of Zhongneng


Authorized Signature

Title:

Date: 2005. 11. 30

On behalf of Tianqing Power


Authorized Signature

Title:

Date: 2005. 11. 24