

Lijiang Yongli Hydropower Development Center

Mudiqing Secondary Power Plant

AND

mitsubishi corporation

CERTIFIED EMISSION REDUCTIONS PURCHASE
AGREEMENT

西尾龍太郎

THIS CERTIFIED EMISSION REDUCTIONS PURCHASE AGREEMENT (the "Agreement") is made on: **August 4th, 2007**

BETWEEN

1. Lijiang Yongli Hydropower Development Center Mudiqing Secondary Power Plant , a company incorporated in China, whose registered office is at Yongning Village, Nilang Yi Autonomous County, Lijiang City, Yunnan Province the People's Republic of China (the "**Seller**") and
2. Mitsubishi Corporation, a company incorporated in Japan, whose registered office is at 3-1 Marunouchi 2-Chome, Chiyoda-Ku, Tokyo 100-8086, Japan (the "**Buyer**")

The Seller and the Buyer may hereinafter be collectively referred to as the "**Parties**" or individually as the "**Party**".

WHEREAS:

- (A) The Governments of the Peoples Republic of China and Japan have ratified the United Nations Framework Convention on Climate Change and the Protocol that was adopted at the third session of the conference of parties to the UNFCCC in Kyoto, Japan on 11 December 1997.
- (B) The Seller agrees to sell CERs generated by the Project to the Buyer, and the Buyer has agreed to purchase such CERs on the terms and conditions set forth in this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. **INTERPRETATION AND CONSTRUCTION**

- 1.1 In this Agreement the following words shall have the following meanings:

"**Annex I Country**" means those of the 36 industrialised countries and economies in transition listed in Annex I of the UNFCCC with a commitment inscribed in Annex B of the Kyoto Protocol and which has ratified the Kyoto Protocol.

"**Annual ER Report**" means a report provided by the Seller setting out the number of GHG Reductions generated by the Project during the previous Year as monitored in accordance with the Project Documents;

"**Business Day**" means a day on which the banks in the jurisdictions of both the Buyer and the Seller are open for business;

"**Certified Emission Reduction**" or "**CER**" means a unit pursuant to Article 12 of the Kyoto Protocol as well as all other relevant International Rules and is equal to one tonne of carbon dioxide equivalent, calculated in accordance with the International Rules;

"**Certification**" and "**Certified**" each means the written assurance by the Designated Operational Entity that, during a specified time period, the Project has achieved the GHG Reductions as reported in the Verification Report;

14.7.1 With respect to CERs generated by the Project in each Year from 2013, the Parties agree to discuss in good faith the terms and conditions of sale and purchase of such CERs, provided that the agreements under the Kyoto Protocol would continue or be likely to continue in substance after 31 December 2012.

14.7.2 Nothing in this clause shall be construed as creating any rights or obligations under this Agreement in relation to either Party.

14.8 Sale and Purchase Only

The Buyer and the Seller hereby irrevocably acknowledge that the relationship created pursuant to this Agreement is one of buyer and seller on an arm's length basis. For the avoidance of all doubt, the Parties agree (and have relied upon the agreement) that there are no fiduciary duties owed to one another by virtue of this Agreement.

14.9 Survival of Provisions

The respective rights and obligations of the parties contained within clauses 1, 9, 10.3, 10.4 12, 13, 14 (except 14.2, 14.5 and 14.7) of this Agreement shall survive any termination under this Agreement.

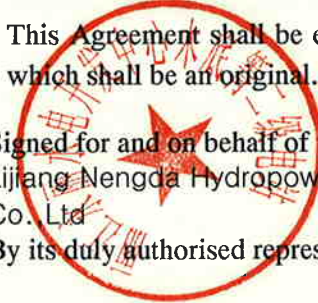
14.10 Entire Agreement

This Agreement together represent the whole and only agreement between the Parties in relation to the sale and purchase of the Contracted CERs and supersede any previous Agreement (whether written or oral) between the parties in relation to the subject matter of any such document save that nothing in this agreement shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

14.11 Execution in counterparts; Language

This Agreement shall be executed in two counterparts in the English language, each of which shall be an original.

Signed for and on behalf of
Lijiang Nengda Hydropower
Co. Ltd
By its duly authorised representative



Handwritten signature of Gengliang Li

Signature of authorised representative

Gengliang Li
General Manager

Name of authorised representative

Signed for and on behalf of
Mitsubishi Corporation



by its duly authorised representative:

Handwritten signature of Ichiro Keida

Signature of authorised representative

Ichiro Keida
Senior Vice President & General Manager
Emissions Reduction Business Unit

Name of authorised representative