


**GOVERNMENT OF GEORGIA ANNOUNCES THE SIGNING PRODUCTION SHARING CONTRACT WITH ENSEARCH PETROLEUM GEORGIA AND JINDAL STEEL & POWER LIMITED**

 GEL/US\$: 1.6950    GEL/EUR: 2.1538  
 Galt & Taggart Index: 126

Government of Georgia (GoG) signed on 15 January 2009 a Production Sharing Contract (PSC) with EnSearch Petroleum Georgia and Jindal Steel & Power Limited for four oil license blocks covering the East, West and South of Georgia. The PSC was concluded for a 25-year period with a five-year prolongation option.

According to the PSC, GoG will receive consideration of US\$17.4 million until the end of this year, of which US\$11.4 million (65%) has already been transferred. In addition, once oil and gas exploration turns out to be commercially feasible, GoG will obtain US\$11 million on block VIIA, US\$13.7 million on block IX, US\$21 million on block X and US\$12.5 million on block XIII A. The minimum investment commitment over the next four years on all four blocks is estimated in the US\$100-US\$150 million range.

“I would like to congratulate all my colleagues who worked on this agreement. I am delighted to see EnSearch Petroleum Georgia’s and Jindal Steel & Power Limited’s investments in Georgian oil and gas market and wish them success in their exploration activities” commented **Alexander Khetaguri**, Minister of Energy of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008E
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,072.4
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.0%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,912.7
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%	5.5%
Net FDI (US\$ mln)	483	542	1,076	2,014.8	1,219.5
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%	-21.9%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59	1.66
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33	2.34
Galt & Taggart Index (e-o-p)	194	320	790	1,041	197

Source: Department of Statistics, Ministry of Economic Development, Ministry of Finance, National Bank of Georgia

**Georgia has, as of the date hereof, the following sovereign credit ratings:**

Standard & Poor's	Sovereign Credit Rating	'B/ Stable/B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/ Negative /B/B+'

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