


**GOVERNMENT OF GEORGIA ANNOUNCES ANOTHER SUCCESSFUL SIGNING OF A PRODUCTION SHARING AGREEMENT WITH ENSEARCH PETROLEUM GEORGIA AND JINDAL STEEL & POWER LIMITED**

 GEL/US\$: 1.6701 GEL/EUR: 2.2045  
 Galt & Taggart Index: 125

The Government of Georgia (GoG) announces that on 24 March 2009 it signed a Production Sharing Agreement (PSA) with EnSearch Petroleum Georgia and Jindal Steel & Power Limited for another oil license block – XI-B, sited in East Georgia. The PSA was concluded for a 25-year period with a five-year prolongation option.

According to the PSA, GoG will receive consideration of US\$15.3 million, of which US\$11 million is due within two months from the signing and the rest will be paid by 1 December 2009. In addition, once oil and gas exploration turns out to be commercially feasible, GoG will receive US\$6.1 million and 16,000 tons of base oil annually for the next 10 years (with a 10% reduction rate a year). The minimum investment commitment over the next four years is estimated in the range of US\$20-US\$25 million.

“I am delighted that EnSearch Petroleum Georgia’s and Jindal Steel & Power Limited’s interest in investing in Georgian oil and gas exploration remains strong. I wish them further success in exploration activities” commented **Alexander Khetaguri**, Minister of Energy of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008A
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,069.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.1%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,920.3
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%	-22.3%
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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