


**GOVERNMENT OF GEORGIA SIGNED A MEMORANDUM OF UNDERSTANDING WITH  
 SOCAR REGARDING THE SUPPLY OF NATURAL GAS TO GEORGIA FOR THE NEXT  
 FIVE YEARS**

 GEL/US\$: 1.6500 GEL/EUR: 2.0823  
 Galt & Taggart Index: 246

Government of Georgia (GoG) and SOCAR, the state oil and gas company of Azerbaijan signed a memorandum of understanding (MoU) regarding the supply of natural gas to Georgia to fully meet the retail and power generation demand in Georgia for the next five years, from 1 January 2009 through 31 December 2013. According to the MoU, gas supply prices will not be increased throughout the next five years.

“I would like to congratulate all my colleagues who worked on this memorandum. The agreement we have reached with SOCAR enhances considerably the visibility of the medium-term gas supply and is a significant new element of a stable macro-economic environment we are striving to create in Georgia” commented **Alexander Khetaguri**, Minister of Energy of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A
Nominal GDP (GEL mln)	9,824.3	11,621.0	13,783.9	16,998.6
Real GDP Growth (y-o-y: %)	5.9%	9.6%	9.4%	12.4%
GDP per Capita (US\$)	1,187.2	1,478.4	1,758.7	2,315.2
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%
Net FDI (US\$ mln)	483	542	1,076	2,014.8
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33
Galt & Taggart Index (e-o-p)	194	320	790	1,041

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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