

PROTOCOL
on the Meeting of the Delegations
between the Republic of Moldova and Pridnestrovie

December 1, 1998

Tiraspol

The Parties having considered issue of mutual relationship in the fuel-energetic sector with the aim of a more rational use of the Moldovan GRES potential, find it expedient to launch mutual electric power production on this power station; for this reason the Moldovan side is to work out methods of fixing recording and distribution of produced energy and introduce concrete propositions by December 15, 1998.

Prior to working out of methods, the Parties undertook the following:

§1. The Moldovan side:

1.1. By December 15, 1998 ensures transfer of financial assets to the Moldovan GRES amounting 2.0 million dollars USA for partial repayment of the debt of the State Enterprise “Moldtranselectro” by equal portions in 7 days, 4 days and 4 days.

1.2. Repayment schedule of the remaining debt of the State Enterprise “Moldtranselectro” for the consumed electricity from the Moldovan GRES to be discussed at the meeting on December 15-20, 1998.

1.3. Ensures 100% payment for current energy consumption.

1.4. To achieve release price of electric power from the Moldovan GRES at level of 3.2 cents per 1 kWh, the Moldovan side provides supply of gas and coal for joint work with Pridnestrovie of the three gas-oil fuel generating units and three dust and coal blocks (gas – 2 mln. m³ per day, coal – about 4, 000 tones per day).

1.5. By December 10, 1998 settles the question of signing of an act of reciprocal payment of the Moldovan GRES and the State Enterprise “Moldtranselectro” for August 1998.

1.6. State Enterprise “Moldtranselectro” by December 15, 1998 draws up an application on the volume of supply of electric power for 1999 from the Moldovan GRES, and fuel supply to the station provided that 1 kWh should cost no more than 3.2 cents.

§2. The Pridnestrovian side:

2.1. Ensures placing in service of 2 more generating blocks in addition to the four functioning ones and supply of electric power for the needs of the Republic of Moldova at level of 300 mln. kWh monthly at a price of no more than 3.2 cents per 1 kWh. provided that articles of §1 of the current Protocol are fulfilled.

2.2. Submits draft Agreement for 1999 proceeding from the terms of the current Protocol by January 15, 1999.

§3. The Pridnestrovian and Moldovan sides:

3.1. By December 15, 1998 settle issue of delivery of oil fuel in exchange for burnt gas of Pridnestrovie for start-stop blocks and highlighting on the blocks working for the supply of electric power to consumers of the Republic of Moldova.

§4. To inform top leaders of the Parties on any agreements reached within this Protocol.

For the Republic of Moldova

I.Chubuk

(signed)

For Pridnestrovie

V. Sinev

(signed)