

AMENDATORY LETTER

May 22, 2009

Mrs. Emily Gaynor Dick-Forde
Minister of Planning, Housing and the Environment
Ministry of Planning, Housing and the Environment
Level 14
Eric Williams Finance Building
Independence Square
Port of Spain
Republic of Trinidad and Tobago

Re: Adjustable Rate Loans to the Republic of Trinidad and Tobago (the “Borrower”). Conversion Offer and Amendment of Interest Rate and Prepayment Provisions. *Amendatory Letter*.

Dear Madam,

On January 14, 2009, the Inter-American Development Bank’s (the “Bank”) Board of Executive Directors approved a proposal authorizing the Bank to offer its borrowers the ability to convert on a date at the end of one of the two available conversion periods (the “Conversion Periods”), outstanding and undisbursed loan balances under the Currency Pooling System and the Single Currency Facility adjustable rate (CPS-ADJ and SCF-ADJ) loans, to a US dollar (USD) LIBOR-based rate (“USD LIBOR-based Rate”) or a USD fixed rate (“USD Fixed Rate”) equivalent of such USD LIBOR-based Rate or a combination thereof (the “Conversion Offer” or “Offer”). In both cases, said conversion would be accompanied by an updating of the prepayment provisions applicable if the Borrower were to prepay the loan.

In connection with the above, the purposes of this letter and its annexes (the “Letter” or “Amendatory Letter”) are as follows: (a) to inform the Borrower of its options under the Conversion Offer, and the terms and conditions on which such options may be exercised; and (b) to agree with the Borrower on the necessary contractual amendments of the interest rate and prepayment provisions set forth in the Borrower’s CPS ADJ and SCF-ADJ loan contracts, should the Borrower opt for any of these options.

Please note that the exercise of any of these options is totally discretionary on the part of the Borrower, who is not in any way required to do so. Its decision to agree with the terms and conditions of the Letter, in general, and to the Offer, in particular, should be

made on the basis of a thorough analysis of the options, bearing in mind that the Bank assumes no responsibility for the Borrower's decisions.

- (a) **Annexes.** Appended to this Letter you will find the following annexes:
- (i) **Annex I.** The list of CPS-ADJ and SCF-ADJ loans made to the Borrower which are eligible for the application of the Conversion Offer ("Eligible Loans");
 - (ii) **Annex II.** The new interest rate provisions and updated prepayment provisions (***USD LIBOR-based Rate Provisions*** and ***USD Fixed Rate Provisions***) to be applied to the Eligible Loans on the conversion date of selected Eligible Loans (the "Converted Eligible Loans"); and
 - (iii) **Annex III.** A form letter of conversion request from the Borrower ("Letter of Conversion Request") to be used by the Borrower to exercise the options of this Offer and request the conversion of the interest rates of selected Eligible Loans once this Amendatory Letter has become effective.
- (b) **Conversion Periods.** (i) **First Period:** The first Conversion Period is from January 14, 2009 through August 1, 2009. It consists of a sign-up phase and a subsequent execution phase. The sign-up phase ends June 30, 2009, while the execution phase ends with the first conversion date on August 1, 2009 (the "Conversion Date").
- (ii) **Second Period:** The second Conversion Period is from August 2, 2009 through August 1, 2010. It consists of a sign-up phase and a subsequent execution phase. The sign-up phase ends June 30, 2010, while the execution phase ends with the second conversion date on August 1, 2010 (the "Conversion Date").
- (c) **Conversion Offer and Options.** The Conversion Offer is a one-time offer to all Bank Borrowers with Eligible Loans to be exercised exclusively on the Conversion Periods.
- Options available to the Borrower:
- (i) The Borrower has the option to request the application of a USD LIBOR-based Rate to the entirety of selected Eligible Loans, namely, both the outstanding and undisbursed balances of said loans, so that future disbursements of Converted Eligible Loans would be carried out at the USD LIBOR-based Rate established at the time of the Conversion Date (***USD LIBOR-based Rate Provisions***).
 - (ii) In addition, the Borrower has the option to request simultaneously the application of a USD Fixed Rate to the total or a part of the outstanding loan balances of Eligible Loans (***USD Fixed Rate Provisions***).
- (d) **Future rate fixing requests.** (i) The Borrower with outstanding loan balances converted at USD LIBOR-based Rate will have the option to request at its

convenience, with the concurrence of the Guarantor, if any, a conversion to a USD Fixed Rate, which will reflect market conditions at the time of its execution, either at an automated or at a discrete rate fixing, subject to a minimum amount of the larger of USD3,000,000 or 25% of the net approved amount of the financing, *i.e.* approved minus cancelled amount of the financing (***USD Fixed Rate Provisions***).

(ii) The Borrower may also request at its convenience, with the concurrence of the Guarantor, if any, a reconversion of all or part of the outstanding balance of the Loan with USD Fixed Rate back to a USD LIBOR-based Rate, subject to a minimum amount of the larger of USD3,000,000 or 25% of the net approved amount of the financing, *i.e.* approved minus cancelled amount of the financing (***USD LIBOR-based Rate Provisions***).

- (e) **Currency Provision.** The conversion of the interest rate to any of the options indicated in (c) above would entail a change of the currency of the Eligible Loan balances to USD in cases where the Eligible Loan is denominated in currencies other than USD, including loans denominated in Units of Account.
- (f) **New Interest Rates of Converted Eligible Loans.** The interest rate applicable to the outstanding loan balances of Converted Eligible Loans once the Borrower has exercised the options set forth in this Amendatory Letter, shall be a USD LIBOR-based Rate or a USD Fixed Rate equivalent to such USD LIBOR-based Rate or a combination thereof. The interest rate applicable to undisbursed balances of Converted Eligible Loans will be the USD LIBOR-based Rate.
- (g) **Other Provisions of the Amended Loan Contracts.** Except for the amendments set forth in Annex II to this Letter and the conversion of the currency of the Converted Eligible Loan balances to USD, where applicable, which will be applicable upon the Bank's execution of the Borrower's Letter of Conversion Request of selected Eligible Loans, all other contractual provisions of such selected Eligible Loans, including but not limited to, those provisions relating to contractual dates, repayments and maturity conditions, shall remain in full force and effect.
- (h) **Borrower's Exercise of Options.** The conversion process will take place in two steps, as follows: (i) this Amendatory Letter becomes effective upon its acceptance by the Borrower and the Guarantor, if any, and its subsequent ratification or additional internal approval, as necessary; and (ii) the Borrower subsequently exercises any of the options of the Conversion Offer by completing and submitting to the Bank the Letter of Conversion Request and its Annex as follows:
 - (1) **Letter of Conversion Request.** Please confirm the Borrower's request for conversion of interest rates as set forth in the Annex to the Letter of Conversion Request, by having the duly authorized representative of the Borrower sign the Letter of Conversion Request in the space provided for that purpose; and if such Eligible Loans are guaranteed by the Borrower's country, by having the Guarantor of such Eligible Loans confirm its

agreement to such request by having the duly authorized representative of the Guarantor also sign the Letter of Conversion Request on the signature page in the space provided for that purpose;

- (A) If the Borrower wishes to amend the terms of any Eligible Loan that is subject to CPS-ADJ terms so as to apply the:
 - (a) **USD LIBOR-based Rate Provisions**, please indicate in Column 2, “Apply %”, of **Table 1** of the **Annex** to the Letter of Conversion Request, next to the loan number of such Eligible Loan, in percentages, whether the Borrower wants this interest rate conversion to be applied to the total or to a part of the outstanding Eligible Loan balance; and/or.
 - (b) **USD Fixed Rate Provisions**, please indicate in Column 3, “Apply %”, of the same **Table 1** of the **Annex** to the Letter of Conversion Request, next to the loan number of such Eligible Loan, in percentages, whether the Borrower wants the conversion to be applied to the total or to a part of the outstanding Eligible Loan balance.
 - (c) Please note that the outstanding Eligible Loan balance USD LIBOR-based Rate and USD Fixed Rate equivalent to the USD LIBOR-based Rate “Apply %” distribution must add up to 100%.
- (B) If the Borrower wishes to amend the terms of any Eligible Loan that is subject to SCF-ADJ terms so as to apply:
 - (a) **USD LIBOR-based Rate Provisions**, please indicate in Column 2, “Apply %”, of **Table 2** of the **Annex** to the Letter of Conversion Request, next to the loan number of such Eligible Loan, in percentages, whether the Borrower wants this interest rate conversion to be applied to the total or to a part of the outstanding Eligible Loan balance; and/or.
 - (b) **USD Fixed Rate Provisions**, please indicate in Column 3, “Apply %”, of the same **Table 2** of the **Annex** to the Letter of Conversion Request, next to the loan number of such Eligible Loan, in percentages, whether the Borrower wants the conversion to be applied to the total or to a part of the outstanding Eligible Loan balance.
 - (c) Please note that the outstanding Eligible Loan balance USD LIBOR-based Rate and USD Fixed Rate equivalent to the USD LIBOR-based Rate “Apply %” distribution must add up to 100%.

- (2) **Borrower Contact.** Please indicate in the space provided in the Letter of Conversion Request for that purpose, the appropriate person to contact should the Bank have questions about the Letter of Conversion Request;
 - (3) **Submission to Bank.** Please submit to the Bank the completed and signed Letter of Conversion Request and its Annex within the sign-up phase of either one of the two Conversion Periods. Such submission should take the form of a hard copy to the Bank's country office and in e-mail form addressed to the below indicated Bank officers; and
 - (4) **Acceptance by the Bank.** The Letter of Conversion Request will be reviewed and accepted by the Bank, at its discretion. The Bank's decision will be notified to the Borrower as promptly as possible.
- (i) **Periods for Receipt and Revocability of the Letters of Conversion Offer Requests.** Please note that the Bank will only consider Letters of Conversion Offer Request received from the Borrower during the sign-up phase of one of the two Conversion Periods. At any time during the sign-up phase of the corresponding Conversion Period, the Borrower may revoke a Letter of Conversion Request submitted to the Bank by submitting a new one. However, once the sign-up deadline of the corresponding Conversion Period is reached, the last Letter of Conversion Request submitted during said period will become irrevocable (the "Irrevocable Letter of Conversion Request") and will render null and void any previous Letter of Conversion Request.
 - (j) **Execution of Irrevocable Letters of Conversion Offer Request.** The corresponding dates for the execution of the Borrower's Irrevocable Letters of Conversion Offer Request are August 1, 2009, for requests received by the Bank during the sign-up phase of the first Conversion Period, and August 1, 2010, for the ones received by the Bank during the sign-up phase of the second Conversion Period.
 - (k) **Timing of Conversion Requests.** Please note that the Borrower is not required to request the conversion of interest rates of all the Eligible Loans in the sign-up phase of one of the Conversion Periods. The Borrower may request the conversion of interest rates of some of the Eligible Loans on the sign-up phase of the first Conversion Period ending June 30, 2009, and it may request the conversion of interest rates of other Eligible Loans on the sign-up phase of the second Conversion Period ending June 30, 2010. In either case, the Borrower must send to the Bank a separate Letter of Conversion Request duly completed as indicated above.
 - (l) **Application of Conversions.** Please also note that the converted interest rates for any Eligible Loan will apply for that Eligible Loan on each Conversion Date, namely August 1, 2009 or August 1, 2010, as the case may be, which will be notified in due course by the Bank to the Borrower by means of a conversion notification letter.

- (m) **Non-execution of Conversion Requests.** In order to protect the Borrower from erratic pricing due to market irregularities or disruption, the Bank will not execute a conversion request if the applicable interest rate is 50bps or higher than the final indicative quotes provided by the Bank to the borrowers five (5) days prior to the sign-up deadline of the corresponding Conversion Period. In case of a non-execution of a conversion request, the Bank will determine a conversion date with a new sign-up phase, during which the Borrower will have to reconfirm the conversion requests.
- (n) **Amendatory Letter and Legislative Ratification or any other internal approval.** This Amendatory Letter is submitted to the Borrower in two originals. If the Borrower accepts the Offer contained in the Letter, the Borrower and the Guarantor, if any, should sign one of the originals in the spaces provided for that effect and return that signed original to the Bank. The Amendatory Letter will enter into effect on the date of acceptance by the Borrower and the Guarantor, if any, as indicated by the Borrower and the Guarantor in the spaces provided for this purpose in this Amendatory Letter. Once this Amendatory Letter has been signed by the Borrower and the Guarantor, if any, and returned to the Bank, as indicated above, this Letter will constitute a binding contract.. However, under the applicable laws these amendments need legislative ratification or any other internal approval before they can become effective, the Borrower and the Guarantor, if any, should so indicate to the Bank in writing when returning to the Bank the signed original, as indicated above. In the latter case, the Amendatory Letter will only become effective when the Borrower and the Guarantor, if any, informs the Bank that the ratification or any other internal approval have been duly completed. The provisions set forth in Annex II will be applicable to the loan contract for each of the Eligible Loans selected by the Borrower for conversion, on the Conversion Date of such Eligible Loans.
- (o) **Additional Information.** If you have any questions about this Conversion Offer, please contact the following officers:

Ms. Claudia Franco, Chief
Client Services Section
Finance Department
E-mail address: cfranco@iadb.org
Telephone: (1) 202-623-2836

Mr. Carlos Herrera, Chief
Financial Services Unit
Finance Department
E-mail address: carlosh@iadb.org
Telephone: (1) 202-623-2238

Very truly yours,

INTER-AMERICAN DEVELOPMENT BANK

/s/ Iwan P. Sewberath Misser

Iwan P. Sewberath Misser
Representative of the Bank in Trinidad and Tobago

ACCEPTED:

REPUBLIC OF TRINIDAD AND TOBAGO

/s/ Emily Gaynor Dick-Forde

Emily Gaynor Dick-Forde
Minister of Planning, Housing and the Environment

Date June 30, 2009

ANNEX I

ELIGIBLE LOANS

List of Currency Pooling System and Single Currency Facility adjustable rate (CPS-ADJ and SCF-ADJ) loans made to Republic of Trinidad and Tobago, which are eligible for conversion ("Eligible Loans")

CONTRACT NO.	SIGNATURE DATE	APPROVED AMOUNT
1. CPS-ADJ loans:		
700/OC-TT	31/03/1993	31,500,000.00
758/OC-TT	5/08/1993	65,000,000.00
759/OC-TT	5/08/1993	15,000,000.00
764/OC-TT	28/09/1993	10,500,000.00
881/OC-TT	11/06/1996	65,000,000.00
2. SCF-ADJ loans:		
872/OC-TT	16/05/1997	28,000,000.00
876/OC-TT	16/05/1997	5,000,000.00
882/OC-TT	20/05/1997	9,000,000.00
932/OC-TT	20/05/1997	120,000,000.00
937/OC-TT	20/05/1997	134,000,000.00
1180/OC-TT	6/07/1999	105,000,000.00
1402/OC-TT	21/06/2002	32,000,000.00
1454/OC-TT	21/05/2003	5,000,000.00
1808/OC-TT	16/03/2007	28,000,000.00
1965/OC-TT	5/04/2008	24,500,000.00

ANNEX II

NEW INTEREST RATE PROVISIONS

The provisions set out in part A apply to conversion requests to a USD LIBOR-based Rate, whereas those set out in part B apply to conversion requests to a USD Fixed Rate equivalent to the USD LIBOR-based Rate. If the Borrower requests the conversion of an Eligible Loan to both interest rates, either simultaneously or separately, then both parts A and B will apply to the same contract. These provisions replace the ones in the Converted Eligible Loan contracts regarding interest rates and prepayment, as indicated above, on the Conversion Date of such Eligible Loans.

(A) USD LIBOR-BASED RATE PROVISIONS

I. Interest

The new provisions of the Loan Contract applicable if the Borrower chooses to apply a USD LIBOR-based Rate to the Converted Eligible Loans are the following:

(a) The Borrower shall pay interest on the daily outstanding balances of the Loan, at a USD LIBOR-based Rate, which shall be at a rate per annum as determined by the Bank, calculated as follows: (i) the LIBOR-based Rate as defined in the following paragraphs; plus (ii) the IDB's ordinary capital variable lending spread as approved periodically by the Bank's Board of Executive Directors. The Bank shall notify the Borrower of the rate of interest applicable during each Quarter, as soon as practicable after the determination thereof. Interest shall be payable semi-annually in the corresponding payment dates.

(b) For purposes of the foregoing:

(A) “***LIBOR-based Rate***” means (i) the respective 3-month USD LIBOR as defined in the following paragraphs; plus (ii) the respective SCF or CPS Fixed Spread determined at the time of the Conversion Date or the respective spread determined at the time of the reconversion date of a USD Fixed Rate.

(B) “***3-month USD LIBOR***” means the LIBOR on an Interest Rate Determination Date of the LIBOR for each Quarter, namely the “USD-LIBOR-BBA,” which is the rate for deposits in Dollars for a period of three (3) months that appears on the Reuters Page <LIBOR01> as of 11:00 a.m., London time, on the day that is two (2) London Banking Days preceding that Interest Rate Determination Date of the LIBOR for each Quarter. If such rate does not appear on the Reuters Page <LIBOR01>, the rate for that Interest Rate Determination Date of the LIBOR for each

Quarter will be determined as if the parties had specified “USD-LIBOR-Reference Banks” as the applicable LIBOR.

- (C) ***“USD-LIBOR-Reference Banks”*** means that the rate for an Interest Rate Determination Date of the LIBOR for each Quarter will be determined on the basis of the rates at which deposits in Dollars are offered by the Reference Banks at approximately 11:00 a.m., London time, on the day that is two (2) London Banking Days preceding that Interest Rate Determination Date of the LIBOR for each Quarter to prime banks in the London interbank market for a period of three (3) months commencing on that Interest Rate Determination Date of the LIBOR for each Quarter and in a Representative Amount. The Calculation Agent or Agents utilized by the Bank will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two (2) quotations are provided, the rate for that Interest Rate Determination Date of the LIBOR for each Quarter will be the arithmetic mean of the quotations. If fewer than two (2) quotations are provided as requested, the rate for that Interest Rate Determination Date of the LIBOR for each Quarter will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent or Agents utilized by the Bank, at approximately 11:00 a.m., New York City time, on that Interest Rate Determination Date of the LIBOR each Quarter for loans in Dollars to leading European banks for a period of three (3) months commencing on that Interest Rate Determination Date of the LIBOR for each Quarter and in a Representative Amount. If more than one Calculation Agent provides an interest rate to the Bank as a result of the procedure described above, the Bank will determine, in its own discretion, the applicable LIBOR for each Quarter for the Interest Rate Determination Date, based on the interest rates received from the Calculation Agents. For purposes of the foregoing provision, if the Interest Rate Determination Date of the LIBOR for each Quarter is not a Banking Day in New York City, the rates quoted on the first day immediately thereafter which is a Banking Day in New York City shall be utilized.
- (D) ***“Interest Rate Determination Date of the LIBOR for each Quarter”*** means the 15th day of the months of January, April, July and October of each calendar year. The LIBOR determined by the Bank on an Interest Rate Determination Date of the LIBOR for each Quarter shall apply retroactively to the first fifteen (15) days of the respective Quarter, and shall continue to apply through and including the last day of the Quarter.
- (E) ***“Quarter”*** means each of the following three-month (3-month) periods of the calendar year: the period beginning on January 1 and ending on March 31; the period beginning on April 1 and ending on June 30; the period beginning on July 1 and ending on September 30; and the period beginning on October 1 and ending on December 31.

- (F) “**USD**” means the lawful currency of the United States of America.
- (G) “**SCF Fixed Spread**” means a fixed spread over three-month LIBOR applicable to converted SCF-ADJ loans to be determined by the Bank at the time of the Conversion Date and specified in a conversion notification letter.
- (H) “**CPS Fixed Spread**” means a fixed spread over three-month LIBOR applicable to converted CPS-ADJ loans to be determined by the Bank at the time of the Conversion Date and specified in a conversion notification letter.

(c) Whenever, in light of changes in market practice affecting the determination of the LIBOR, the Bank determines that it is in the interest of its borrowers as a whole and of the Bank to apply a basis for determining the interest rate applicable to the Loan other than as provided in sub paragraph (b) above, the Bank may modify the basis for determining the interest rate applicable to the Loan upon not less than three (3) months’ notice to the Borrower and the Guarantor, if any, of the new basis. The new basis shall become effective on the expiration of the notice period unless the Borrower or the Guarantor notifies the Bank during said period of its objection thereto, in which case said modification shall not apply to the Loan.

(d) If the Borrower chooses not to exercise its option to apply fixed rates at the time of this Conversion Offer, the Borrower, with the express written consent of the Guarantor, if any, may request a conversion at a future date of all or part of the outstanding loan balances set at USD LIBOR-based Rate, to a USD Fixed Rate, which will reflect market conditions at the time of its execution, as determined by the Bank and notified, in writing, to the Borrower. For the purpose of applying the USD Fixed Rate to the outstanding loan balance, each conversion shall only be made in amounts which correspond to at least 25% of the net approved amount of the Financing (amount of the Financing minus cancellation) or three million dollars (US\$3,000,000), whichever is greater. Once the Borrower has notified the Bank of its intention to carry out a conversion, as described in this paragraph, the Bank will provide the Borrower with model letters to be used by the Borrower for effecting such conversion.

II. Prepayment

The new provisions of the Loan Contract applicable if the Borrower chooses to prepay all or part of the balance of a Converted Eligible Loan with USD LIBOR-based Rate are the following:

(a) Upon an irrevocable advance notice in writing to the Bank, accompanied by the expressed written consent of the Guarantor, if any, of at least thirty (30) days, the Borrower may prepay, on one of the amortization payment dates, all or part of the outstanding balance of the Loan with USD LIBOR-based Rate, provided that on the payment date no sum is due and outstanding in respect of fees or interest. The Borrower shall specify in the notice the amount the Borrower intends to prepay. In the event that

the prepayment does not cover the entire outstanding balance of the Loan with USD LIBOR-based Rate, the prepayment will be applied proportionately to the remaining amortization installments. The Borrower may not prepay the outstanding balance of a Loan with USD LIBOR-based Rate in an amount lower than three million dollars (US\$3,000,000), unless the remaining outstanding balance of the Loan is lower than that amount.

(b) Notwithstanding the provision of sub paragraph (a) above, in cases of partial or total prepayment of the outstanding balance of a Loan with USD LIBOR-based Rate as set forth in that sub paragraph, any gain or loss resulting from the cancellation or change of the Bank's funding associated with the corresponding prepayment will be either credited or charged to the Borrower, within thirty (30) days from the date of prepayment. In the event of any gain, it will be credited in first place to any amounts due and payable by the Borrower to the Bank.

(c) The Bank shall also charge the Borrower any cost the Bank may incur as a result of failure on the part of the Borrower to comply with the written request for partial or total prepayment of the outstanding balance of the Loan in accordance with the provisions of sub section (a) of this Section.

(B) USD FIXED RATE PROVISIONS

I. Interest

The new provisions of the Loan Contract applicable if the Borrower chooses to apply a USD Fixed Rate to the outstanding loan balances of Converted Eligible Loan are the following:

(a) The Borrower shall pay the Bank a fixed interest rate per annum on the daily outstanding balances of the Loan equal to the Fixed Base Rate plus the prevailing ordinary capital lending spread expressed in basis points (bps) which shall be determined by the Bank periodically pursuant to its lending rate policy. Interest shall be payable semi-annually in the corresponding payment dates.

(b) The Bank shall promptly notify the Borrower of the Fixed Base Rate upon its determination, at the time of the conversion execution date.

(c) The Borrower, with the express written consent of the Guarantor, if any, may request in writing to the Bank, that all or part of the outstanding balance of the Loan with USD Fixed Rate be reconverted to a USD LIBOR-based Rate at a future date. Each reconversion of the Loan to a UDS LIBOR-based Rate shall be made only on the remaining balance of the respective conversion or for three million dollars (US\$3,000,000), whichever is greater. Any gain or loss resulting from the cancellation or change of the Bank's funding associated with the reconversion, will be either credited or charged to the Borrower, within thirty (30) days from the date of reconversion. In the event of any gain, it will be credited initially to any outstanding balance that the Borrower owes the Bank.

- (d) For purposes of this Section:
- (A) ***“Fixed Base Rate”*** means the market swap rate on the effective date of the LIBOR-based Rate fixing.
- (B) ***“LIBOR-based Rate”*** means (i) the respective 3-month USD LIBOR as defined in the preceding sections; plus (ii) the respective SCF Fixed Spread or CPS Fixed Spread determined at the time of the Conversion Date.
- (C) ***“SCF Fixed Spread”*** means a fixed spread over three-month LIBOR applicable to converted SCF-ADJ loans to be determined by the Bank at the time of the Conversion Date and specified in a conversion notification letter.
- (D) ***“CPS Fixed Spread”*** means a fixed spread over three-month LIBOR applicable to converted CPS-ADJ loans to be determined by the Bank at the time of the Conversion Date and specified in a conversion notification letter.

II. Prepayment

The new provisions of the Loan Contract applicable if the Borrower chooses to prepay all or part of the balance of a Converted Eligible Loan with USD Fixed Interest Rate are the following:

(a) Upon an irrevocable advance notice in writing to the Bank, accompanied by the expressed written consent of the Guarantor, if any, of at least thirty (30) days, the Borrower may prepay, on one of the amortization payment dates, all or part of the outstanding balance of the Loan with USD Fixed Rate, provided that on the payment date no sum is due and outstanding in respect of fees or interest. The Borrower shall specify in the notice the amount the Borrower intends to prepay. In the event that the prepayment does not cover the entire outstanding balance of the Loan with USD Fixed Rate, the prepayment will be applied proportionately to the remaining amortization installments. The Borrower may not prepay the outstanding balance of a Loan with USD Fixed Rate in an amount lower than three million dollars (US\$3,000,000), unless the remaining outstanding balance of the Loan is lower than that amount.

(b) Notwithstanding the provision of sub paragraph (a) above, in cases of partial or total prepayment of the outstanding balance of the Loan with USD Fixed Rate as set forth in that sub paragraph, any gain or loss resulting from the cancellation or change of the Bank's funding associated with the corresponding prepayment will be either credited or charged to the Borrower, within thirty (30) days from the date of prepayment. In the event of any gain, it will be credited in first to any amounts due and payable by the Borrower to the Bank.

(c) The Bank shall also charge the Borrower any cost the Bank may incur as a result of failure on the part of the Borrower to comply with the written request for partial

or total prepayment of the outstanding balance of the Loan in accordance with the provisions of sub section (a) of this Section.



**MINISTRY OF PLANNING, HOUSING AND THE ENVIRONMENT
OFFICE OF THE MINISTER**

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P.O. Box 834

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PHE:12/9/68

June 25, 2009

Mr. Iwan P. Sewberath Misser
Inter-American Development Bank
17 Alexandra Street
St. Clair
Port of Spain

Dear Mr. Misser

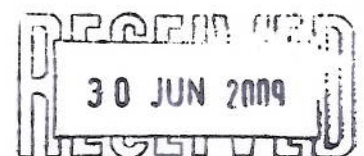
**Re: CPS-ADJ and SCF-ADJ Loans to the Republic of Trinidad and Tobago
Conversion Request**

I refer to the Amendatory Letter from the Inter-American Development Bank dated May 22, 2009 which was accepted by the Government of the Republic of Trinidad and Tobago on June 18, 2009, by means of which the Government of the Republic of Trinidad and Tobago has agreed to amend the interest rate and prepayment provisions of eligible loans in order to enable the Government of the Republic of Trinidad and Tobago to exercise the options of the Conversion Offer in regard to selected Eligible Loans.

As per the terms and conditions stipulated under the Conversion Offer, the purpose of this letter is to request the Bank to apply the new interest rate provisions to the selected Eligible Loan as indicated in the Annex to this Letter.

If you should have any questions relating to this letter and for notification of the acceptance to this Letter of Conversion Request by the Bank, please contact:

Name : Esmé Rawlins-Charles
Title : Permanent Secretary, Ministry of Planning, Housing and the Environment
Address : 44-46 South Quay, Port of Spain
Telephone : 624-3378
e-mail: esme.rawlins-charles@phe.gov.tt



Sincerely,

REPUBLIC OF TRINIDAD AND TOBAGO

Emily Gaynor Dick-Forde
Minister of Planning, Housing and the Environment

Date 29th June, 2009

ACCEPTED BY THE BANK

Iwan P. Sewberath Misser
Representative of the Bank in Trinidad and Tobago

Date July 3, 2009

Cc:

Ms. Claudia Franco, Chief
Client Services Section
Finance Department
E-mail address: cfranco@iadb.org
Telephone: (1) 202-623-2836

Mr. Carlos Herrera, Chief
Financial Services Unit
Finance Department
E-mail address: carlosh@iadb.org
Telephone: (1) 202-623-2238

ANNEX TO LETTER OF CONVERSION REQUEST

TABLE 1

LIST OF CPS-ADJ LOANS TO BE CONVERTED¹:

Column 1 Loan No.	Column 2 USD LIBOR-based Rate Apply %	Column 3 USD Fixed Rate Apply %
700/OC-TT	100%	0%
758/OC-TT	100%	0%
759/OC-TT	100%	0%
764/OC-TT	100%	0%
881/OC-TT	100%	0%

¹ USD Libor-based Rate: Applicable to the outstanding and undisbursed loan balances.

ANNEX TO LETTER OF CONVERSION REQUEST

TABLE 2

LIST OF SCF-ADJ LOANS TO BE CONVERTED¹:

Column 1 Loan No.	Column 2 USD LIBOR-based Rate Apply %	Column 3 USD Fixed Rate Apply %
872/OC-TT	100%	0%
876/OC-TT	100%	0%
882/OC-TT	100%	0%
932/OC-TT	100%	0%
937/OC-TT	100%	0%
1180/OC-TT	100%	0%
1402/OC-TT	100%	0%
1454/OC-TT	100%	0%
1808/OC-TT	100%	0%
1965/OC-TT	100%	0%

¹ USD Libor-based Rate: Applicable to the outstanding and undisbursed loan balance