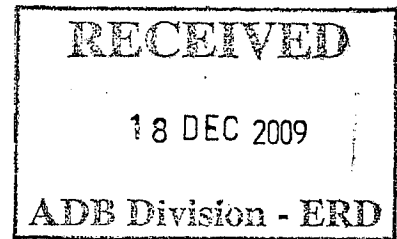


Dr. P B Jayasundera
 Secretary to the Treasury
 Ministry of Finance and Planning
 The Secretariat
 Colombo 01



Dear Dr. Jayasundera:

**Grant No. 0130 – SRI: Dry Zone Urban Water and Sanitation Project
 (Water Financing Partnership Facility)
 Amendment to the Grant Agreement**

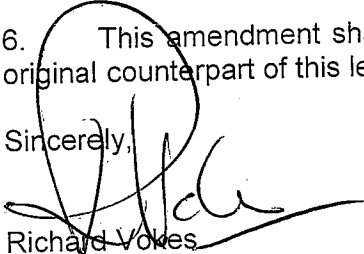
1. This refers to the Grant Agreement dated 29 June 2009 between the Democratic Socialist Republic of Sri Lanka ("Sri Lanka") and Asian Development Bank ("ADB") ("the Grant Agreement") in respect of the Dry Zone Urban Water and Sanitation Project (Grant No. 0130-SRI).
2. The capitalized terms used and not defined herein have the same meanings as defined in the Grant Agreement.
3. Sri Lanka has requested that the imprest account for the Grant be established at the Central Bank of Sri Lanka instead of a commercial bank. This is acceptable to ADB. Therefore, Sri Lanka and ADB have agreed to amend the Grant Agreement as follows:

Schedule 2, paragraph 5(a) - the first sentence is hereby amended to read as follows:

"Except as ADB may otherwise agree, Sri Lanka shall establish immediately after the Effective Date, an imprest account at the Central Bank of Sri Lanka."

4. According to ADB's Public Communications Policy (PCP) on disclosure and exchange of information, any amendment to the Grant Agreement will automatically be publicly disclosed within 2 weeks after its effectiveness, unless ADB is advised by return mail that the amendments contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.
5. Kindly indicate the agreement of Sri Lanka to the amendment set out herein by countersigning the two originals of this letter in the space indicated below. Please retain one signed original for your records, and return one signed original to ADB.
6. This amendment shall come into force and effect on the day ADB receives the signed original counterpart of this letter.

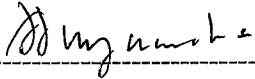
Sincerely,


 Richard Vokes
 Country Director

Accepted and agreed.

Confirmed that the amendment set out herein does not contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.

Democratic Socialist Republic of Sri Lanka



Name: J.H.J. Jayamaha

Title: Director General, Department of External Resources
Ministry of Finance and Planning

Date: 28.12.2009