



9 February 2017

Mr. Bakhyt Sultanov
Minister of Finance
Ministry of Finance
11 Pobedy Avenue
Astana 010000
Republic of Kazakhstan

Dear Mr. Sultanov:

Subject: **Loan No. 2967-KAZ: CAREC Corridor 2 [Mangystau Oblast Sections] Investment Program – Project 2
—Amendment to Loan Agreement**

1. We refer to the Loan Agreement (Ordinary Operations) dated 18 June 2013 between the Republic of Kazakhstan ("Borrower") and Asian Development Bank ("ADB") ("Loan Agreement") for the captioned project. All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement, unless the context requires otherwise.

2. On 10 July 2015, 18 January 2016 and 9 February 2017, ADB approved changes in Project to allow, among others, the (i) reconstruction of the Zhetybay–Zhanaozen road section (Km 0–73); (ii) financing of a project management consultant to assist in the supervision and monitoring of the Project; and (iii) reallocation of loan proceeds to finance these changes. To give effect to the changes, ADB proposes that the Loan Agreement be amended as follows:

(i) Subparagraphs (a) and (b) of Paragraph 3 in Schedule 1 (Description of the Project) of the Loan Agreement shall be revised to read as follows:

"(a) reconstruction of (i) approximately 170 km road section (from Km 632.3 to Km 802 between the settlement of Shetpe and the city of Aktau; and (ii) approximately 73 km road section (Km 0 - 73) between Zhetybay and Zhanaozen of the Zhetybay - Zhanaozen - Fetisovo - to the border with the Republic Turkmenistan (to Turkmenbashi) road; and"

(b) construction supervision and project management,"

(ii) The Table set out in the Attachment to Schedule 3 of the Loan Agreement is hereby amended and replaced by the Attachment to this amendment letter.

3. Save and except to the extent set out in this letter agreement, the Loan Agreement remains unchanged.

4. Please indicate the Borrower's concurrence to the amendments set out in this amendment letter, and to the terms of this amendment letter, by countersigning each of the two originals of this letter in the space indicated below. Please retain one fully signed original of this amendment letter for your records and return the other to ADB. The amendments shall take effect on the date of receipt by ADB of the countersigned original of this amendment letter.

Yours sincerely,



Sean M. O'Sullivan
Director General
Central and West Asia Department

Accepted and agreed.

For and on behalf of
REPUBLIC OF KAZAKHSTAN

Name: Bakhyt Sultanov

Designation: ✓ [Signature]

Date: 20 June 2017

cc: Mr. ZhenisKassymbek, Minister, Ministry of Investments and Development
Mr. Roman Sklyar, Vice Minister, Ministry of Investments and Development
Mr. RuslanBeketayev, Vice Minister, Ministry of Finance
Mr. MerekePshembayev, Chairman, Committee of Roads, MID

| ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (CAREC Corridor 2 [Mangystau Oblast Sections] Investment Program – Project 2) | | | |
|---|---------------------|---|---|
| CATEGORY | | | ADB FINANCING |
| Number | Item | Total Amount Allocated for ADB Financing (\$) Category | Basis for Withdrawal from the Loan Account |
| 1 | Works | 328,800,178 | 100% of total expenditure claimed* |
| 2 | Consulting Services | 9,199,822 | 100% of total expenditure claimed* |
| 3 | Contingencies | 33,300,000 | 100% of total expenditure claimed* |
| | Total | 371,300,000 | |

* Exclusive of value added tax imposed within the territory of the Borrower.