

RUSSIAN FEDERATION
HEAD
OF TUAPSE REGION
of Krasnodar Territory

352800, Tuapse, ul. Svobody, 3
Tel. 2-31-11

21.04.2004 № *03-1/567*

Re: №..... from

To the Chief of the Department
of economical development,
investments and external relations
of Krasnodar Territory
A.A. Vylomov

To the President of YACONTO LLC
S.P. Yakunin

On the support of the non-state investment
YACONTO Integrated Program

The Administration of Tuapse region has reviewed the report presented by Yakunin S.P., the President of YACONTO LLC, on the Meeting in the Administration of Krasnodar Territory on April 7th, 2004 for the discussion of questions and proposals related to the implementation of non-state investment YACONTO Integrated Program for the construction of a large modern «Commercial Black Sea Port YACONTO» with respective infrastructure according to the YACONTO List of Projects from 05.01.2004.

This is to let you know that the Administration of Tuapse region fully supports the YACONTO Integrated Program, confirms the decision of the Interdepartmental Committee for the allocation of productive forces in the Tuapse region from 20.02.2003 and at this stage asks the Administration of Krasnodar Territory to take a principal decision to support YACONTO Integrated Program and agree to allocate land necessary for the construction of «Commercial Black Sea Port YACONTO» with production, transport and social infrastructure according to the YACONTO List of Projects from 05.01.2004 and proposals made in the Report of the President of YACONTO LLC from 07.04.2004.

Administration of Tuapse region, for its part, suggests including the following projects into YACONTO Integrated Program:

- creation of a landscaped beach and strengthening of the coastline on the sea shore of Shepsie rural district and from «Commercial Black Sea Port YACONTO» to the administrative border of the Big Sochi;
- creation of a timber processing complex for the production of sawn timber and products made out of it, including waste management;
- creation of a plant for sorting, processing and recycling of industrial and household waste.

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At the same time the Administration of Tuapse region considers construction of the Shepsie refinery inappropriate, as it would negatively impact the environmental condition of Shepsie village.

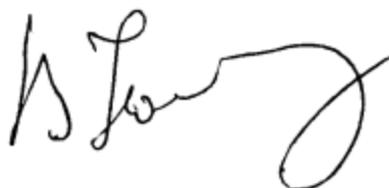
YACONTO Integrated Program is fully in line with the interests of socio-economic development of Tuapse region, will create jobs and significantly improve living standards of the residents of Tuapse region and the city of Tuapse.

In order to secure the implementation of YACONTO Integrated Program it's necessary to make changes to the regulatory framework on the status and intended usage of the territory of Tuapse region of Krasnodar Territory.

Coordinated implementation of all related projects of the YACONTO Integrated Program will ensure maximum efficiency and timely return of long-term investments attracted by YACONTO.

The Administration of Tuapse region supports the non-state investment YACONTO Integrated Program for the construction of «Commercial Black Sea Port YACONTO» with its infrastructure and suggests including it into the Program of socio-economic development of Krasnodar Territory.

Head of Tuapse region

A handwritten signature in black ink, appearing to read 'V.V. Koshel', written in a cursive style.

V.V. Koshel

(The Russian text of this letter is an original.)