

Overseas Private Investment Corporation
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October 15, 2010

Nemzeti Fejlesztési Minisztérium
Dr. Fellegi Tamás, Miniszter
H-1011 Budapest, Vám utca 5-7
1054 Budapest, Akadémia utca 3

Dear Minister Fellegi,

The Overseas Private Investment Corporation (OPIC) is proposing to issue financing to Pannonia Ethanol Zrt. for the construction and operation of an ethanol production facility in Dunaföldvár, Hungary. The facility will consist of a dry mill plant operation and will process approximately 575,000 tons of maize annually to produce up to 240 million liters of fuel grade ethanol. In addition, the facility will produce 175,000 tons of high protein dried distiller's grains with soluble each year which will be sold as animal feed.

OPIC is an agency of the United States Government with a mandate to encourage and support U.S. private sector investments in developing countries and emerging economies. All OPIC-supported projects must be economically and environmentally sound. OPIC is required by U.S. law to notify appropriate governmental authorities of investments under consideration for OPIC assistance that have the potential to pose significant consequences for the environment.

OPIC also is required by U.S. to provide your government with information about standards and guidelines that have been developed by international organizations and by federal environmental regulatory authorities of the United States and that are applicable to such investments. OPIC applies guidelines and standards established by the World Bank Group and other similar international organizations. The web site links to these relevant guidelines are attached to this letter.

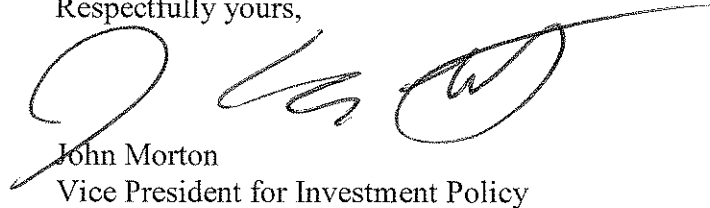
According to the documentation submitted by Pannonia Ethanol Zrt., the key areas of concern for the project are related to: the use of resources, such as water and natural gas, needed for the production of ethanol; the generation of air emissions, odor, and noise; and the potential impacts related to the transportation of ethanol and its by-products to market. Our analysis confirms that the project has been designed to minimize impacts on the environment. The facility will use internationally accepted environmental

management practices to mitigate potential impacts to acceptable levels. Based on information provided by Pannonia Ethanol Zrt., the project does not appear to pose significant hazards to the environment, public health and safety.

We understand that the project will be subject to the laws of Hungary with regard to protection of the environment, public health and safety.

If you have any questions about OPIC's environmental assessment of these projects, you may contact OPIC's Director of Environmental Affairs at the above address.

Respectfully yours,

A handwritten signature in black ink, appearing to be 'John Morton', written over a horizontal line.

John Morton
Vice President for Investment Policy

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Applicable International Standards and Guidelines

- (1) International Finance Corporation's General Environmental, Health and Safety Guidelines:
[http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/gui_EHSGuidelines2007_GeneralEHS/\\$FILE/Final+-+General+EHS+Guidelines.pdf](http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/gui_EHSGuidelines2007_GeneralEHS/$FILE/Final+-+General+EHS+Guidelines.pdf)
- (2) International Finance Corporation's Performance Standards
[http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_full/\\$FILE/IFC+Performance+Standards.pdf](http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_full/$FILE/IFC+Performance+Standards.pdf)
- (3) 40 CFR Part 80, U.S. Environmental Protection Agency Regulation of Fuels and Fuel Additives: Renewable Fuel Standards Program
<http://www.epa.gov/otaq/renewablefuels/rfs-finalrule.pdf>