

May 15, 1989

Mr Wasef-Azar
Managing Director of
Jordan Phosphate Mines Co , Ltd
P O Box 30
Amman, Jordan

Re: Loan No. 2902 JO
(Shidiya Phosphate Mine Project)
Revisions to the Bank's Lending Rate System

Dear Sir:

1. The International Bank for Reconstruction and Development (the Bank) has revised its lending rate system for new loans, with effect from July 1, 1989. Specifically, the Bank will now allocate its borrowings separately: (i) to the funding of its standard variable interest rate loans and pre-1982 fixed rate loans; and (ii) to the funding of its investments. Only those borrowings allocated to (i) will be included in the Cost of Qualified Borrowings on which the Bank's standard variable interest rate is based. Further details on this and other technical changes are provided in the accompanying letter.

2. The Bank would permit the revised lending rate system to apply also to any variable rate loan already approved after July 1, 1982, by amending the relevant Sections of the Loan Agreement. The above Loan is eligible for this purpose; the revised language for the Loan Agreement is set out in the Attachment to this letter.

3. The Bank hereby agrees to amend the Loan Agreement to read as set out in the Attachment. If you wish to amend the Loan Agreement, kindly confirm the agreement of the Borrower and the Guarantor to these amendments by signing and dating the confirmation form on the enclosed copy of this letter and returning it to us for our files. These amendments will, if you agree, take effect at the start of the next Interest Period under the Loan following our receipt of your letter.

Very truly yours,

Ardy J. Stoutjesdijk
Director
Country Department III
Europe, Middle East and
North Africa Region

CONFIRMED

JORDAN PHOSPHATE MINES CO., LTD.

HASHEMITE KINGDOM OF JORDAN

By/s/Wasef Azar

By _____
Authorized Representative
Date: 26/10/1989

Authorized Representative
Date: 26/10/1989

ATTACHMENT
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"(a) The Borrower shall pay interest on the principal

amount of the Loan withdrawn and outstanding from time to time, at a rate for each Quarter equal to the Cost of Qualified Borrowings determined in respect of the preceding Quarter, plus one-half of one percent (1/2 of 1%). On each of the dates specified in Section 2.06 of this Agreement, the Borrower shall pay interest accrued on the principal amount outstanding during the preceding Interest Period, calculated at the rates applicable during such Interest Period."

"(b) As soon as practicable after the end of each Quarter, the Bank shall notify the Borrower and the Guarantor of the Cost of Qualified Borrowings determined in respect of such Quarter."

"(c) (iii) 'Quarter' means a three-month period commencing on January 1, April 1, July 1 or October 1 in a calendar year."

- (e) Notwithstanding the provisions of paragraph (a) of this Section, the interest rate for the Interest Period commencing in the first Semester of 1989 shall be seven and sixty-five hundredths percent (7.65%)."

NOTE: The amendment under paragraph (d) above makes the following changes in paragraphs (a), (b) and (c) (iii) of Section 2.05:

(i) in paragraph (a), the term "Interest Period" in the first sentence is replaced by the term "Quarter" and the word "rate" in the second sentence is replaced by the word "rates";

(ii) the term "Semester", whenever it appears in paragraphs (a) and (b), is replaced by the term "Quarter"; and

(iii) sub-paragraph (c) (iii) replaces the definition of "Semester" in its entirety.

