



**THE
WORLD
BANK**

CONFORMED COPY

Level 19, 14 Martin Place
CML Building
SYDNEY NSW 2000
AUSTRALIA
Telephone (61-2) 9223 7773
Fax (61-2) 9235 6593

23/11/10

August 30, 2010

Honorable Peter O'Neil
Minister for Treasury and Finance
Department of Treasury
Vulupindi Haus
Waigani Drive
Waigani, 131 NCD
PAPUA NEW GUINEA

Dear Minister,

***Re: First Amendment to Financing Agreement
(Second Mining Institutional Strengthening Technical Assistance Project)
IDA Credit No. 4491-PG***

Please refer to the Financing Agreement dated February 19, 2009, between Independent State of Papua New Guinea (the Recipient") and International Development Association (the "Association") with respect to the above-mentioned Project (the "Financing Agreement").

We are pleased to inform you that, pursuant to recent discussions between our staff and your officials on the subject, the Association hereby agrees to amend the Financing Agreement as follows:

1. The table under Section IV A.2 of Schedule II of the Financing Agreement shall be replaced by the following:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, consultants' services, Training and workshops, and Incremental Operating Costs for the Project	10,280,000	100%
(2) Small Grants	120,000	100% of all amounts disbursed
TOTAL AMOUNT	10,400,000	

2. A new paragraph 5 is added to Schedule 2, Section IV A, which shall read as follows:

“Training: means training conducted in the territory of the Borrower or abroad, including purchase and publication of materials, rental of facilities, course fees, workshop expenses, and travel and subsistence of trainees.

Please confirm your agreement with the foregoing amendment by signing and dating this letter in the spaces provided below. This amendment letter shall be executed in two counterparts each of which shall be an original.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this amendment letter shall become effective as of the date of effectiveness of the Financing Agreement, upon receipt by the Bank of one original of this amendment letter duly signed on behalf of the Recipient.

Sincerely,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION

By/s/ Ferid Belhaj

Ferid Belhaj
Country Director
Timor-Leste, Papua New Guinea
and Pacific Islands
East Asia and Pacific Region

AGREED:

INDEPENDENT STATE OF PAPAUA NEW GUINEA

By/s/ Peter O'Neill

Name: Peter O'Neill

Date: 24/11/2010