

DRAFT

PRIMARY BUY – BACK CONTRACT No _____

Dated: “__” “_____” 2010

As per negotiations provided, _____ (The First Party) accepted the proposal of _____ (The Second Party), related to the offer for supply on COMPENSATION TRADE terms the _____ processing lane - (the PROJECT), with the working capacity to process _____ t./h of raw material.

It was stated that:

1. COMPENSATION TRADE obligations (the PROJECT) will be implemented through two integrated, parallel contracts:
 1. For the installation - referred to as the "Purchase Contract";
 2. The "Buy-Back Contract" related to the products of the installation;
Each Contract will be backed by the appropriate Letter of Credit;
2. The Second Party is capable to supply the above mentioned processing plant on a “Turn Key” terms and subsequently buy back the products produced by this installation to ensure economic balance between these two distinct operations.

The Irrevocable Buy – Back Letter of Credit will be opened in this regard.

3. The Second Party states that the processing plant offered is completely new and modern, and corresponds to all international technical requirements.
4. The Second Party is obliged:
 - to supply the plant suitable to produce the products corresponding to the contractual specifications based on international market standards - (Appendix #1), in case of proper maintenance and feeding the plant with appropriate raw material by the First Party;

The “Performance Guarantee” will be issued in this regard.

- to purchase back the products produced by this plant which correspond to mentioned above contractual specifications;

The Irrevocable Buy – Back Letter of Credit will be opened in this regard.

5. The quality and conformity check will be effected, as a standard international use, by SGS or Bureau Veritas, and their results will be binding for both Parties.

6. The Parties agree that the duration of the PROJECT should be not less than 5 years, regardless of fulfillment of the Buy – Back obligations, to ensure the marketing of the products from the new line during the most critical stage for entering a new market.

The “Corporate Guarantee” - (Appendix #2) in favor of “ _____ ” Ltd. covering the buy – back of the plant production for the stated period of time (5 years) will be issued in this regard.

7. The total cost of the Purchase Contract is - Euro _____
(_____)

8. PAYMENT TERMS

8.1 For the Purchase Contract:

- 30 % as advance payment – payable as - 5% immediately after the signature of the contract, 25% - against the following documents: 1. Preliminary lay out with the equipment location and utilities connections; 2. Data necessary to calculate the executions of civil engineering works related to the installation.
- 65 % by means of an irrevocable at sight letter of credit (payable at the presentation of the shipping documents to the negotiating bank);
- 5 % after successful running test and signature by the parties of the acceptance protocol.

- a. The Second Party will issue a Dawn – Payment Guarantee – (Appendix #3) in order to secure that such amount would be transferred back in case of shipment of the plant will not be performed in accordance with the Purchase L/C terms and conditions.
- b. The Letter of Credit for the purchase of the equipment shall be opened from _____ (Georgian Bank) to Credit Suisse, Trade Finance Center, Lugano, Switzerland, in favor of _____, not later than “__”th of “_____”, 2010, and after receipt and acceptance of the purchase Letter of Credit, the Buy-Back Letter of Credit related to the Buy-Back Contract in favor of _____ for this particular Contract will become operative.

8.4 For the Buy - Back Contract:

- Not operative, irrevocable, revolving, not cumulative, documentary at sight Letter of Credit payable against presentation of the appropriate conform documents.

8.5 The Purchase and Buy-back Letters of Credit will come into force simultaneously upon confirmation from the appropriate Banks by duly tested swift/telex.

- 9 The Purchase and Buy-back Contracts will come into force simultaneously upon receipt of the advance payment and coming into force of the related Letters of Credits.

10 The Appendixes #1, #2 and #3 are considered as integral parts of the present contract.

11 Done in English in Two originals on “_____” “___”, 2010.

12 Any supplement or amendment to this document shall be made in writing and shall be considered as effective after being signed by all parties.

For the First Party:

For the Second Party: