

**Overseas Private Investment Corporation**  
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**Washington, D.C. 20527**  
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October 1, 2009

State Minister Carlos Minc  
MINISTRY OF THE ENVIRONMENT  
Ministério do Meio Ambiente  
Esplanada dos Ministérios, Bloco B, 5º andar  
CEP: 70.068-900, Brasília, DF  
BRAZIL

Dear State Minister Carlos Minc:

The Overseas Private Investment Corporation (OPIC) is considering providing consent to Latin Power Trust III Fund's investment in PST S.A. – PCH Santa Luzia Alto, a 28.5 MW hydroelectric facility located on the Chapecó River, near São Domingos and Ipuaçú in Santa Catarina State. 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. The project that is the subject of this notification involves the generation of hydroelectric power via construction of a dam on the Chapecó River.

OPIC also is required by U.S. law 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. OPIC has enclosed these guidelines.

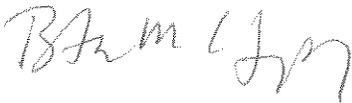
According to the documentation submitted by the portfolio company, the key areas of concern are related to the construction of infrastructure on the Chapecó River, and potential impacts to the ecology of the immediate project area. We understand that the

project was designed to minimize impacts on the environment. The hydroelectric facility will use internationally accepted environmental management practices to mitigate potential impacts to acceptable levels. Based on the information provided by the portfolio company, this project does not appear to pose significant hazards to the environment, public health or safety.

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

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

Respectfully yours,



Berta Heybey, Ph.D.  
Acting Vice President for Investment Policy

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Enclosures: International Finance Corporation's General Environmental, Health and Safety Guidelines; International Finance Corporation's Performance Standard 5 (Land Acquisition and Involuntary Resettlement) and Performance Standard 8 (Cultural Heritage); U.S. Department of Energy Federal Energy Regulatory Commission – Division of Hydropower Administration and Compliance: Compliance Handbook.