



Paris, February 2, 2004

Dear Sirs,

We have read with interest your letter dated 22nd October 2003 expressing concerns about the Baku-Tbilisi-Ceyhan pipeline Project and our potential participation to its financing. While we believe that some of the concerns expressed in your letter should be directed to the Sponsors, the IFC or EBRD, we would like to make the following comments regarding the issues you have raised.

Firstly, we would like to assure you that Crédit Agricole Group reviews with great care the environmental and social issues related to the projects where it is involved as a financier. Our Group is proud to bear the values of mutualism which are in particular reflected in the promotion of sustainable development.

With respect to the BTC Project, our project finance teams have given proper attention to the environmental and social aspects of the project in the normal course of their due diligence and from the beginning of their involvement. In this respect, they have taken benefit from the extensive amount of work that has been undertaken by the Sponsors and through the involvement of the IFC and the EBRD to fully assess the environmental and social impacts of the project. They have also relied on the conclusions of the Independent Environmental Consultant hired by the initial Mandated Lead Arrangers to review the Environmental Impact Assessment and the Environmental Management Plan, which work was monitored by one of the initial Mandated Lead Arrangers.

While we were confident that the opportunity has been given for all concerns in respect of the environmental and social impacts of the BTC Project to be expressed and heard and have appreciated that a significant amount of time and effort has been expended by all parties, including the Sponsors and potential Lenders, on ensuring that the construction and operation will meet, and even exceed, international best practice, we have specifically raised your concerns with the Independent Environmental Consultant.

We have received a detailed advice from him and based on this advice and on the role that the IFC and the EBRD have played in the due diligence process, we are confident that the BTC Project is fully compliant with best practice in the banking industry and with the environmental and social standards of the IFC, OPIC and the Equator Principles.

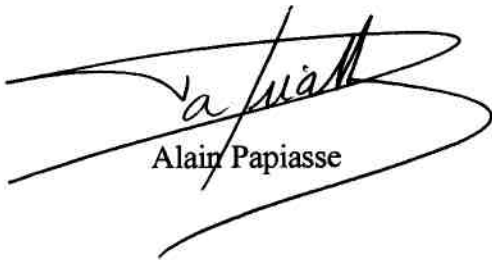
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In addition, we expect that financing agreements will require continuing compliance with these standards as well as with local regulations and laws and that such compliance will be monitored in close conjunction with the Independent Environmental Consultant. In particular, requirements will cover the Environmental Management Plan developed to mitigate potential impacts of the Project and the Resettlement Action Plan designed to comply with IFC guidelines. We also understand that an independent Expert Panel has been established to monitor the implementation of the Social and Resettlement Action Plan and that IFC is also monitoring the implementation process.

As a potential Lender to the BTC Project, and as a result of our own due diligence process, we therefore believe that the project satisfies very demanding environmental and social standards.

Finally, we want to reassure you that we have reviewed with the greatest care the environmental and social aspects of the BTC Project and have given proper consideration to the concerns expressed in your letter to us. In particular, we believe that you will appreciate that we have preferred to review carefully the concerns expressed in your letter before answering to you. We trust that our response will convince you of our commitment, as a financier, to act in an environmentally and socially responsible manner.

Yours truly,



Alain Papiasse