

**GOVERNMENT OF GRENADA
LETTER OF GUARANTEE**

REGISTRATION NUMBER:	GR-005P
AMOUNT:	US\$10,000,000.00 (Ten Million US Dollars)
CURRENCY:	United States Dollars (USD)
TERM:	Five Years and One Day
DATE OF ISSUE	August 7th, 1996
DATE OF MATURITY	August 8th, 2001
PLACE OF ISSUE:	St. George's, Grenada.
TELEPHONE & FACSIMILE NUMBER	1-809-440-2383 & 1-809-440-4116

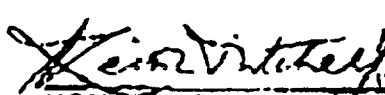
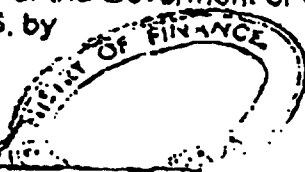
For value received, we the undersigned, the Government of Grenada hereby issue our Irrevocable, Transferable, Assignable Guarantee, and unconditionally, without protest or notifications, promise to pay against this Letter of Guarantee to the order of GRAYSCHILD LIMITED, duly registered in the Bahamas, the bearer or holder thereof, at Maturity Date, the sum of United States Dollars TEN MILLION ONLY (USD10,000,000.00). In the lawful currency of the United States of America, upon presentation and surrender of this guarantee, at the office of the Government of Grenada, at Botanical Gardens, Tanteen, St. George's, Grenada, West Indies.

Such payment shall be made without set-off, free and clear of any deductions or charges, fees, or withholdings of any nature, now or hereafter imposed, levied, collected, withheld or assessed by the Government of Grenada or any political subdivision or authority thereof or therein.

This Guarantee is Irrevocable, Transferable, Assignable and Divisible without notification to us or any charges thereof.

This Guarantee shall be governed by and shall be construed in accordance with the laws of Switzerland and furthermore shall be subject to the latest revisions of the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce, 1993 I.C.C Publication and I.C.C Publication 322. Uniform Commercial Codes as it applies to bank credit instruments and the latest edition and the present revision of the Uniform Rules for Collection of Negotiable Documents

Signed for and on behalf of the Government of Grenada,
this day 7th August 1996, by

HON. DR. KEITH MITCHELL
Prime Minister and Minister of Finance




Dr. LINUS THOMAS
Director General Ministry of Finance