



European Bank
for Reconstruction and Development

Mr. Žygimantas Vaičiūnas
Minister of Energy of the Republic of Lithuania
Ministry of Energy
Gedimino pr. 38,
LT-01104 Vilnius,
Lithuania

27 November 2020

Dear Minister,

I am writing in regard to the public consultation process of the proposed amendments to the Resolution No. 1354 of 7 November 2012 of the Government of the Republic of Lithuania in relation to the scheme of supply of Liquefied Natural Gas (LNG) by which the LNG mandatory quantity supplied by Ignitis Grupe (Ignitis) is determined, as well as the amendments proposed to the Law on Liquefied Natural Gas.

We would like to express our belief that any change in policy or the scheme governing the above mentioned resolution should take due account of any commercial liabilities relying on government policy. More specifically those changes should take into consideration compensation of any losses arising where an entity reasonably entered into legally binding commitments based on government policy with a legitimate expectation that this policy would be maintained and who then suffers losses if the policy is changed.

As you are aware Ignitis has entered into long-term LNG purchase arrangements in order to provide a service of general economic interest. Since these arrangements were central to the government's long-term policy for Lithuania's energy security and were endorsed by both the Lithuanian and European authorities we believe that they do fall into this category.

Therefore a change in government policy without sufficient regard to legitimate commercial expectations may damage investor confidence in Lithuania. This is relevant in the context of the recent successful Initial Public Offering (IPO) of Ignitis which the European Bank for Reconstruction and Development (EBRD or the Bank) played a key role in and acquired a minority stake in Ignitis.

Let me finally take this opportunity to thank you for the excellent cooperation between EBRD and your Ministry. We trust that you will take our views, expressed above, in this matter into consideration, and we would be happy to discuss this in more detail with you and your colleagues if this would be helpful.

Kind regards.

Yours sincerely,

Ian Brown

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