



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA REAFFIRMS ITS COMMITMENT TO GEORGIA'S DEVELOPMENT

*USTDA Director Walther Awards Grant to Facilitate the
Development of Georgia's CBM/CMM Resources*

TBILISI, GEORGIA (August 27, 2008) – Reflecting the strength of the agency's partnership with Georgian project sponsors in promoting the country's development, USTDA Director Larry W. Walther today awarded a grant to the Georgian International Energy Corporation (GIEC), a private natural gas and electric power company. Director Walther is in Georgia as part of an interagency delegation led by Under Secretary of State for Economic, Energy and Agricultural Affairs Reuben Jeffery III. Earlier today, the delegation toured the city of Gori to assess its reconstruction needs and to identify potential areas for U.S. involvement.

"This grant signifies the confidence that the U.S. Government has in the future of economic development of Georgia and our desire to support Georgia's energy independence," said USTDA Director Larry W. Walther, who signed an agreement officially conferring today's grant on behalf of the U.S. Government. "We are especially pleased to see that our assessment is shared by the Georgian and U.S. private sector partners in this project, both of whom are contributing significant resources to the study in addition to the USTDA funding," continued Director Walther. General Director Natia Turnava signed the grant agreement for GIEC. U.S. Ambassador to Georgia John F. Tefft signed as a witness to the grant agreement.

Currently, Georgia operates with a severe energy deficit, producing less than six percent of its domestic fuel requirements from its own resources. All of Georgia's natural gas supply is imported from neighboring countries, with the majority coming from Russia. To strengthen the country's energy security, the Government of Georgia has prioritized the development of its methane resources. The \$540,000 grant awarded today will support this effort by funding an evaluation of the economic, financial and technical viability of recovering methane from coal seams, active coal mines and abandoned coal mines in the Tkibuli-Shaori coal basin, as well as various end-use options for the recovered methane.

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GIEC has selected Covalent Energy Corporation (Covalent), based in Arlington, Virginia, to perform the study. In addition to the USTDA grant, GIEC and Covalent will contribute resources toward the completion of the study.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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