



25 May 2007

St Petersburg 199 155
Morskay Embankment
33 93
RUSSIA

Dear Professor Litvinenko

Thank you for your interest in applying for a direct supply of rough diamonds from the DTC.

Sales by the DTC to its Sightholders are governed by fixed term contracts in accordance with the Supplier of Choice sales strategy. As you may be aware, all our current sales contracts began in July 2005 and will terminate in December 2007. Following a three-month transitional supply period for existing Sightholders, new three-year supply contracts will commence on 31 March 2008 with those businesses that have successfully competed for our finite availability of rough diamonds following a rigorous objective assessment period.

Qualification for the new three-year contract is a competitive process that is open to all applicants that can fulfil certain preliminary mandatory requirements. These are:

- * The ability to comply with certain requirements relating to good business reputation and the professional integrity of key individuals.
- * The ability to produce audited accounts for their operations and their subsidiaries.
- * Current utilisation of rough diamonds in bulk, as evidenced by rough diamond purchases of at least \$20m in calendar year 2006.
- * The DTC's ability to offer you supply at a level that is economically efficient, as evidenced by your organisation's turnover of at least \$30m in calendar year 2006.

Provided your organisation satisfies these minimum criteria, you will be eligible to take part in the competitive process that will determine whether or not the DTC will be able to offer you a supply contract for the 2008-11 supply period. The process will involve you compiling a Contract Proposal, detailing your rough diamond requirements, and providing details of your current capability to process, distribute and market these goods, along with your future development plans. In evaluating applicants' Contract Proposals, the DTC will in every case

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seek to objectively assess those that can evidence the strongest technical capabilities, the most effective distribution facilities and marketing expertise, and the strongest current market focus and future development plans. Once the evaluation of all Contract Proposals is complete, supply contracts will be offered to the most commercially competitive Contract Proposals to which the DTC expects to be able to offer economically efficient supply from its forecast availability.

I enclose further details about the Contract Proposal process for your consideration. Additional information about the process is also available on the internet at sightholderregistrations@dtc.com

The Contract Proposal applications process involves the disclosure of mutually confidential information for the purposes of assessment. If you wish to submit a Contract Proposal, you will first need to sign and return to us a Confidentiality and Process Letter. Even though the deadline for prospective applicants to return confidentiality agreements to us has already elapsed (on 30 April 2007), in view of the discussions you have already undertaken with Mr Gareth Penny, I am prepared in the circumstances to accept on an exceptional basis a late submission of the Confidentiality and Process Letter from your organisation (assuming of course that your organisation fulfils the preliminary mandatory requirements set out above). If you wish to proceed, please would you therefore urgently contact Mr Neil Everitt in the DTC's Commercial Department for a copy of this agreement, and sign and return this document to Mr Everitt no later than Friday 1 June 2007. Mr Everitt is well placed to deal with all technical aspects of your application, and I would request that you direct all future queries and correspondence on this issue directly to him.

Yours sincerely,



Varda Shine
Managing Director