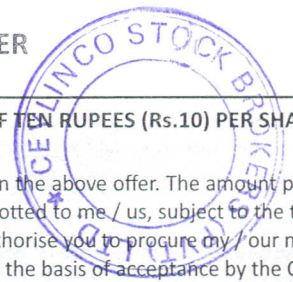


Application Form

HYDRO POWER FREE LANKA LIMITED - INITIAL PUBLIC OFFER

(Please read instructions on the reverse and use BLOCK CAPITALS)



OFFERING OF THIRTY FIVE MILLION (35,000,000) ORDINARY SHARES OF THE COMPANY AT AN ISSUE PRICE OF TEN RUPEES (Rs.10) PER SHARE

TO: The Directors - Hydro Power Free Lanka Limited, No.168, Negombo Road, Peliyagoda

I / We, the undersigned hereby apply for and request you to allot to me / us the number of ordinary shares stated below on the above offer. The amount payable on application is remitted herewith. I / We hereby agree to accept the shares applied for or such smaller number as may be allotted to me / us, subject to the terms and conditions contained in the Prospectus dated 28th September 2010 and the Articles of Association of the Company. I / We authorise you to procure my / our name(s) to be placed in the Register of Members of Hydro Power Free Lanka Limited for such number of shares that may be allotted on the basis of acceptance by the Company.

DATE 2010

ISSUE OPENS October 26, 2010 ISSUE CLOSES November 15, 2010 EARLIEST CLOSING October 26, 2010

| NUMBER OF SHARES SUBSCRIBED FOR | ISSUE PRICE OF RS. 10/= | AMOUNT PAYABLE (RS.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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MODE OF PAYMENT (PLEASE TICK ✓ APPROPRIATE) CHEQUE BANK DRAFT GUARANTEE

CHEQUE / BANK DRAFT / GUARANTEE DETAILS

| | | |
|--------------|------------------|-------------------------------------|
| NAME OF BANK | BANK BRANCH NAME | CHEQUE / BANK DRAFT / GUARANTEE NO. |
| | | |

SOLE / PRIMARY APPLICANT JOINT APPLICANTS (1 & 2)

| | | | | | |
|--------------------------------------|----------------------------|----|------------|----|--------------|
| STATUS (MR / MRS / OTHER) | | 1. | | 2. | |
| SURNAME WITH INITIALS / COMPANY NAME | | 1. | | | |
| | | 2. | | | |
| OTHER NAMES (AS DENOTED BY INITIALS) | | 1. | | | |
| | | 2. | | | |
| ADDRESS | | 1. | | | |
| | | 2. | | | |
| CONTACT NO. | | 1. | | 2. | |
| NIC / PP / CO. REG. NO. | | 1. | | | |
| | | 2. | | | |
| OCCUPATION | | 1. | | | |
| | | 2. | | | |
| NATIONALITY | SRI LANKAN OTHER | 1. | SRI LANKAN | | OTHER |
| | | 2. | SRI LANKAN | | OTHER |
| RESIDENCY IN SRI LANKA | RESIDENT NON-RESIDENT | 1. | RESIDENT | | NON-RESIDENT |
| | | 2. | RESIDENT | | NON-RESIDENT |

NAME AND ADDRESS OF FINANCIER (MARGIN TRADING ONLY)

CDS ACCOUNT NUMBER (FOR DIRECT DEPOSITS ONLY)

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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REFUND INSTRUCTIONS

PLEASE TICK (✓) TICK AS APPROPRIATE DIRECT TRANSFER VIA SLIPS CHEQUE SENT VIA POST TO SOLE / PRIMARY APPLICANT

DETAILS FOR DIRECT TRANSFER VIA SRI LANKA INTER-BANK SYSTEM (SLIPS)*

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------|----------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| BANK NAME | BRANCH NAME | ACCOUNT TYPE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BANK CODE | BRANCH CODE | ACCOUNT NUMBER | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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DECLARATION IN TERMS OF SECTION 15 OF THE EXCHANGE CONTROL ACT OF SRI LANKA

| | |
|---------------------------------------|---|
| APPLICANTS MUST TICK (✓) ONE BOX ONLY | <p>I / We the above applicant(s), of the above mentioned ordinary shares hereby declare that I am / we are citizens of and resident in Sri Lanka and I am / we are not acting as nominee(s) of any person(s) resident outside Sri Lanka. (For Sri Lankan Citizens of and resident in Sri Lanka and Corporate bodies incorporated in Sri Lanka in terms of Section 15 of the Exchange Control Act).</p> <p>I / We the above applicant(s), of the above mentioned ordinary shares hereby declare that I / we have made remittances enclosed out of funds authorised by the Controller of Exchange. Confirmation from the Bank to such effect is attached to this application. (For non-residents, foreign citizens and corporate bodies established outside Sri Lanka).</p> |
|---------------------------------------|---|

SIGNATURES

| | | |
|--------------------------|----------------------------|-----------------------------|
| SOLE / PRIMARY APPLICANT | FIRST JOINT APPLICANT (1.) | SECOND JOINT APPLICANT (2.) |
| | | |

INSTRUCTIONS

Application Form

- The Application Form must be completed in FULL in BLOCK CAPITAL LETTERS. Please tick (✓) in the appropriate boxes.
- Applications must be made for a minimum of two thousand (2000) shares and multiples of one thousand (1000) shares thereof.
- Payment should be calculated by multiplying the number of shares applied for by the issue price of ten rupees (Rs.10/-).
- Applications made for less than two thousand (2000) shares or for a number which is not in multiples of one thousand (1000) shares will be rejected.
- Applications are invited from the following categories of applicants:
 - Citizens of Sri Lanka who are resident in Sri Lanka and are above 18 years of age.
 - Companies, Corporations or Institutions incorporated or established within Sri Lanka.
 - Approved provident funds and approved contributory pension schemes registered / incorporated / established in Sri Lanka. In the case of approved provident funds and approved contributory pension schemes the application should be in the name of the Trustee / Board of Management in order to facilitate the opening of the CDS accounts.
 - Citizens of Sri Lanka resident outside Sri Lanka and are above 18 years of age.
 - Corporate bodies incorporated or established outside Sri Lanka.
 - Foreign Citizens above 18 years of age (Irrespective of whether they are resident in Sri Lanka or overseas).
 - Global, Regional and Country funds approved by the SEC.
- If the ownership of shares is desired in the name of one individual, full details should be given only under the heading, SOLE / FIRST APPLICANT.
- In the case of joint applicants, the signatures and particulars in respect of both applicants must be given under the relevant headings.
- In the case of Applications made under Power of Attorney (POA), a copy of the original POA certified by a Notary Public should accompany such Applications to be lodged with the Registrars to the Offer. The original POA should not be attached.
- Applicants are requested to state their nationality and residency in the appropriate cages provided in the Application Form.
- The passport number will be accepted only when the NIC number is not available provided such applicants directly lodge their shares with the CDS.
- The CDS account must be for the same passport number.
- Foreign citizens must state the passport number in the space provided.
- Corporate entities must provide the company registration number.
- **Any Application Form which does not state NIC, passport or company registration number as the case may be will be rejected.**
- In the event of **joint Applications**, the applicants should note that both parties should either be residents of Sri Lanka or non-residents.
- An applicant of a joint Application may not apply through a separate Application Form either individually or jointly.
- Only one Application will be accepted on behalf of a natural person or a corporate body.
- Multiple Applications will be rejected.
- Applicants who wish to apply through their **Margin Trading Account**, should submit the Application in the name of the "Margin Provider / Applicant's Name" signed by the Margin Provider. An applicant under a Margin Trading Account should state their relevant identification number as applicable. The applicants should state the relevant CDS account number relating to the Margin Trading Account in the space provided for the CDS account number in the Application Form. A photocopy of the Margin Trading agreement must be submitted along with the Application.
- Please note that the Margin Provider can apply under its own name and such Applications will not be construed as multiple Applications.

Mode of Remittance

- Payments should be made separately in respect of each Application by way of cheque or bank draft or bank guarantee. Each Application should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the full amount indicated in the Application Form.
- Anyone wishing to pay cash may obtain a bank draft at a nominal fee from any commercial bank providing such facility.
- Cheques or bank drafts should be drawn on any commercial bank in Sri Lanka and crossed "Account Payee Only" and made payable to "Hydro Power Free Lanka Limited – Initial Public Offer".

- The bank guarantee should be payable on demand, issued in favour of "Hydro Power Free Lanka Limited – Initial Public Offer" and should be in a manner acceptable to the Company.
- Payment for Applications for values up to Rupees One Hundred Million (Rs. 100,000,000/-) could be supported by a cheque or bank draft or bank guarantee.
- Payment for Applications above and inclusive of Rupees One Hundred Million (Rs. 100,000,000/-) should only be accompanied by a bank guarantee.
- Investors residing in outstation areas from which cheque clearance may take over two (02) days are advised to pay via bank drafts to avoid delays. An Application with two or more cheques or bank drafts or bank guarantees will be rejected. **Cash will not be accepted.**
- Please refer to Prospectus for further Mode of Remittance details.

Refund Payments

In the event of an oversubscription, if the applicant has provided accurate details of his/her bank account in the Application Form, the refund payment will be made to the bank account specified by the applicant via the Sri Lanka Inter Bank Payment System (SLIPS). In such instances, a payment advice shall be issued to the applicant. In the event the details provided under SLIPS are inaccurate, refund payments will be made via cheques.

Forwarding Completed Application Forms

The Application Form duly completed together with the remittance for the full amount payable should be dispatched by post or delivered by hand in an envelope addressed to **REGISTRARS TO THE OFFER, S S P CORPORATE SERVICES (PRIVATE) LIMITED, NO. 101, INNER FLOWER ROAD, COLOMBO 03** and marked "HYDRO POWER FREE LANKA LIMITED - INITIAL PUBLIC OFFER" on the top left hand corner. Completed Applications could also be handed over to the collection points given below.

Application Collection Points

Managers to the Offering

- Taprobane Holdings Limited
No. 10, Gotham Road
Colombo 08

Bankers to the Offering

- Seylan Bank PLC and its designated branches.

Please refer Annex C of the Prospectus on further details of Seylan Bank PLC branches.

Member Firms of the CSE

- Acuity Stockbrokers (Pvt) Limited
- Asha Phillip Securities Limited
- Asia Securities (Pvt) Limited
- Assetline Securities (Pvt) Limited
- Bartleet Mallory Stockbrokers (Pvt) Limited
- Capital Trust Securities (Pvt) Limited
- Ceylinco Stockbrokers (Pvt) Limited
- CT Smith Stockbrokers (Pvt) Limited
- DNH Financial (Pvt) Limited
- J B Securities (Pvt) Limited
- John Keells Stockbrokers (Pvt) Limited
- Lanka Securities (Pvt) Limited
- NDB Stockbrokers (Pvt) Limited
- S C Securities (Pvt) Limited
- Somerville Stockbrokers (Pvt) Limited

Trading Members of the CSE

- Capital Alliance Securities (Pvt) Limited
- First Guardian Equities (Pvt) Limited
- Heraymila Securities Limited
- IIFL Securities Ceylon (Pvt) Limited
- SKM Lanka Holdings (Pvt) Limited
- SMB Securities (Pvt) Limited
- Taprobane Securities (Pvt) Limited

PLEASE REFER PROSPECTUS FOR FURTHER DETAILS. APPLICATIONS NOT MADE IN LINE WITH INSTRUCTIONS WILL BE REJECTED.