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**July (1) 2007 issue of Balkan Energy  
NEWS, with limited data.**

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**In this issue:****Analysis:**

- » Privatization of Oil industry of Serbia (NIS)

**News headlines****Albania:**

- » EVN announced construction of three HPPs
- » ARMO to sell petrol stations
- » Two companies interested for HPP Bushati
- » KESH announced potential power cuts
- » Parliament approved project for AMBO pipeline

**Bosnia and Herzegovina:**

- » The oil production in Brod refinery to start in October
- » EP HZHB reported profit of 0.5 million euros
- » BH Gas and Aluminum factory discussed on potential natural

gas supply and construction of TPP

- » ERS considers Gornji Horizonti project as one of the priorities
- » Dispute over the joint venture between CEZ and ERS

**Bulgaria:**

- » Preparation for the South stream gas pipeline
- » EVN paid 32 million euros for heating utility in Plovdiv
- » NEK started payment of debts toward NPP Kozloduy
- » TPP Martisa Iztok 2 to select supplier of sulfur dioxide removal equipment
- » Maritsa Iztok mining company and RWE to cancel the cooperation agreement
- » Solar power plant to be built in Shumen
- » Tsankov Kamak hydro project 18 months behind the schedule

**Croatia:**

- » The contract for construction of 400kV power line Ernestinovo-Pec signed
- » The INA and unions agreed on sale of 7 % of shares
- » INA presented plans for new oil and gas fields in Syria
- » Solar power plant to be built near Split
- » Reduction of hydropower production in the first half of 2007th

**Greece:**

- » Hellenic Petroleum and Edison to establish joint venture
- » Metka to build TPP Aliveri
- » GEK to lease TPP to PPC
- » The protests endangered power production in TPP Agios Dimitrios
- » Signing the cooperation protocol with Azerbaijan
- » Hellenic Petroleum continue with the upgrade of Elefsina refinery

**Macedonia:**

- » Makpetrol opened the first bio diesel factory in the country
- » ESM to invest 43 million euros in distribution grid
- » TPP Oslomej to secure coal supplies
- » ESM disconnected public lightning in Skopje due to unpaid bills

**Montenegro:**

- » Hellenic Petroleum submitted report on oil and natural gas researches
- » Berane coalmine to be sold to Balkan Energy

- » Petrol and Montenegrobonus to establish joint venture
- » Tender for sale of TPP and coalmine Pljevlja officially cancelled
- » Subsidies to underprivileged customers

### **Romania:**

- » Unit 2 in NPP Cernavoda in service in the end of July
- » Oil and gas reserves sufficient for 15 years
- » The report on energy resources
- » E.ON Gaz Romania to increase natural gas storage in 2007th
- » CEZ interested in several projects in energy sector
- » Termoelectrica to start units in case of electricity shortage
- » Electricity distributors to invest 600 million euros in 2007th

### **Serbia:**

- » NIS to acquire 380 million euros loan
- » New increase in electricity prices possible from September
- » CEZ to deliver electricity to KEK
- » Energy minister confirmed the EPS would not be privatized yet, tender for NIS to be published this autumn
- » EMS to invest 60 million euros for construction of new power line
- » Enlargement of Kolubara coalmine to start soon
- » Electricity report in June
- » The construction of the fifth excavating system in Drmno started

**Tenders:** (Electricity, Nuclear, Oil and gas, Wind)



Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey

## Balkan Energy NEWS publication

Balkan Energy NEWS service provides energy related news from countries of South East Europe. Covered countries are Albania, Bulgaria, Bosnia & Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey. Besides all regional energy related news, we are giving you in each issue one market analysis and review of the tenders announced and held in this area. You will be also able to see review of energy market data and relevant power exchanges.

On our website, you can find FREE SAMPLE issues and easily request FREE TRIAL issue.

The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

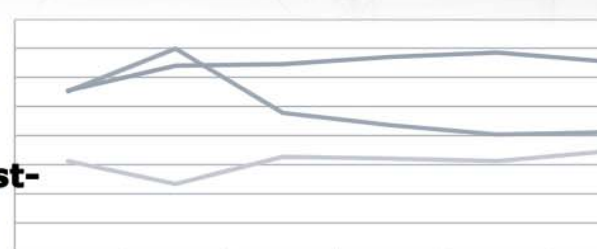
106	1022	Slovenia	2007	12267	1083	941	978	828	1116
148	1134		2010	12267	1083	991	1054	941	1054
181	1077		2011	12590	955	1051	1127	997	1127

OPCOM

Annual electricity consumption in GWh

12	Year	Sum	1	2	3	4
116	2007	11182	1027	891	953	850
95	2008	11570	1094	998	1012	911
61	2009	10994	1099	932	963	816
00	2010	11722	1074	979	1016	910
86	2011	12186	1155	1038	1075	938

ELU/MWh



## Country Reports on Energy Business in South Eastern Europe

Country reports provide detailed overview of energy sector:

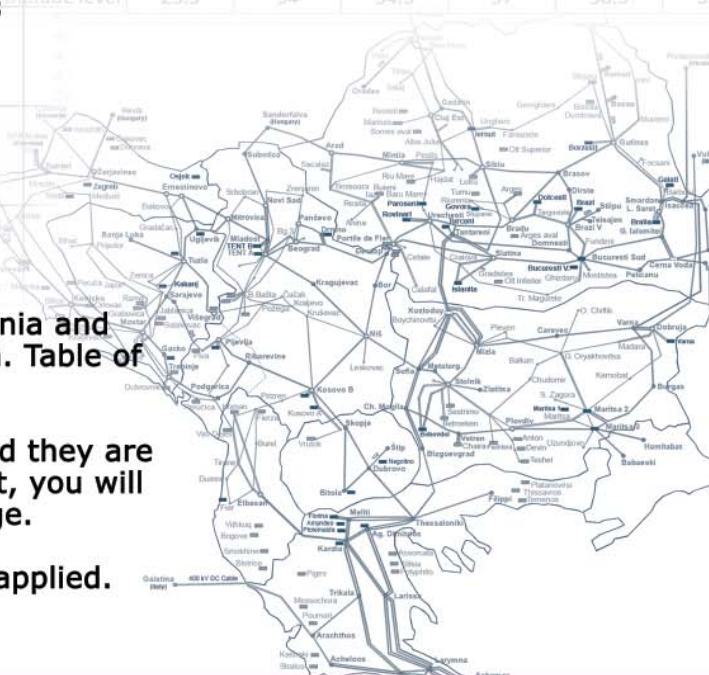
- Overview of the electricity market,
- Consumption, production and export characteristics
- Actualities - hot topics
- Key market players,
- Legislation and electricity market opening
- Electricity prices and tariffs,
- Potentials for investments in power generation,
- Privatizations in power industry
- Current state of RES sector

2012 Price	55.23	69.87	47.81	43.6	40.39	41.1
T Deviation	1.2	-6.6	2.7	2.1	1.2	4.1
Danube level	25.5	34	34.5	37	38.5	35

At the moment we have available up-to-date country reports for Bulgaria, Romania, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia and FYR Macedonia. Table of content is available on our website

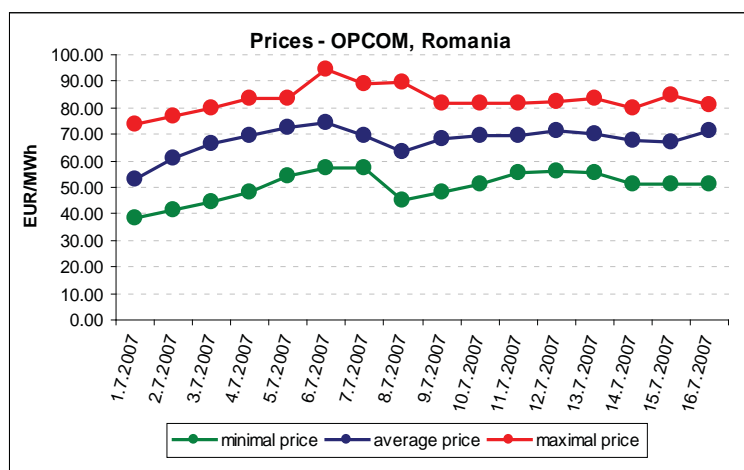
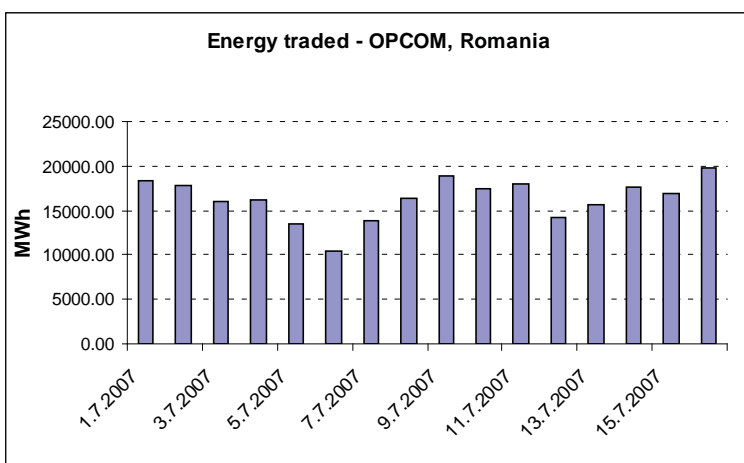
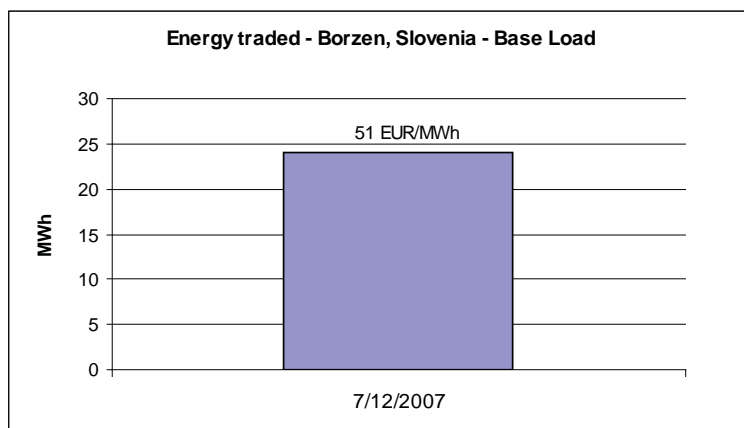
Price of individual reports is 490 EUR per country, and they are updated every three months. For each ordered report, you will receive updates during one year period, free of charge.

For ordering all of the reports, 20% discount will be applied.



**Power exchanges data:**

Trades performed by Borzen in the period from 1.7.2007 till 16.7.2007



Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	687.549	60.84
2	768.188	57.64
3	857.252	57.64
4	817.276	57.31
5	889.800	57.63
6	801.058	55.39
7	827.711	57.00
8	761.129	60.84
9	715.655	75.25
10	697.695	76.85
11	713.832	75.25
12	708.972	75.25
13	730.219	75.25
14	723.836	76.85
15	730.773	75.25
16	743.572	80.05
17	784.723	75.25
18	795.957	73.96
19	768.428	75.25
20	799.834	73.64
21	777.863	73.96
22	676.209	79.41
23	604.031	81.65
24	674.010	73.64
<b>Total</b>	<b>18,055.572</b>	

Opcom, Romania: Energy Traded on Wednesday, July 11, 2007

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	615.975	73.69
2	681.722	55.11
3	756.681	48.06
4	813.314	48.06
5	748.345	48.06
6	800.827	48.06
7	908.218	44.85
8	793.329	48.06
9	778.030	57.67
10	745.771	64.08
11	610.412	70.49
12	570.878	73.69
13	606.977	70.49
14	630.139	70.49
15	676.034	70.49
16	694.164	70.49
17	692.391	70.49
18	681.567	70.49
19	674.097	70.49
20	660.144	73.69
21	611.754	74.34
22	491.830	83.62
23	474.212	89.71
24	592.960	70.49
<b>Total</b>	<b>16,309.771</b>	

Opcom, Romania: Energy Traded on Sunday, July 8, 2007



### Tables with offered Available Transfer Capacities (ATC) in Balkan region for August 2007

NOS BIH - Bosnia & Herzegovina						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > BIH	-	-	600	-	200	01.-31.08.2007.
Montenegro > BIH	-	-	340	-	170	01.-31.08.2007.
Serbia > BIH	-	-	200	-	100	01.-13.08.2007.
	-	-	100	-	50	14.-31.08.2007.
<b>EXPORT</b>						
BIH > Croatia	-	-	680	-	340	01.-31.08.2007.
BIH > Montenegro	-	-	440	-	160	01.-31.08.2007.
BIH > Serbia	-	-	200	-	89	01.-31.08.2007.

ESO - Bulgaria						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Bulgaria	-	-	80	-	-	01.-24.08.2007.
	-	-	100	-	-	01.-31.08.2007.
Romania > Bulgaria	-	-	100	-	-	01.-12.08.2007.
	-	-	200	-	-	13.08.2007.
	-	-	350	-	-	14.-18.08.2007.
	-	-	100	-	-	19.08.2007.
	-	-	200	-	-	20.-24.08.2007.
	-	-	350	-	-	25.08.2007.
	-	-	100	-	-	26.08.2007.
	-	-	350	-	-	27.-31.08.2007.
Greece > Bulgaria	-	-	0	-	-	01.-31.08.2007.
<b>EXPORT</b>						
Bulgaria > Serbia	-	-	100	-	-	01.-12.08.2007.
	-	-	200	-	-	13.-18.08.2007.
	-	-	150	-	-	19.-24.08.2007.
	-	-	200	-	-	25.-31.08.2007.
Bulgaria > Romania	-	-	100	-	-	01.-31.08.2007.
Bulgaria > Greece	-	-	570	-	-	01.-31.08.2007.

OPS HEP - Croatia						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Croatia	-	-	-	-	75*	01.-31.08.2007.
Slovenia > Croatia	-	-	-	-	300	01.-31.08.2007.
Serbia > Croatia	-	-	-	-	25	01.-31.08.2007.
BIH > Croatia	-	-	-	-	140	01.-31.08.2007.
<b>EXPORT</b>						
Croatia > Hungary	-	-	-	-	200*	01.-31.08.2007.
Croatia > Slovenia	-	-	-	-	200	01.-31.08.2007.
Croatia > Serbia	-	-	-	-	50	01.-31.08.2007.
Croatia > BIH	-	-	-	-	150	01.-31.08.2007.

\* Common auction conducted by MAVIR

MAVIR - Hungary						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > Hungary	500	200	300	100	200*	01.-31.08.2007.
Romania > Hungary	300	100	200	50	50	01.-31.08.2007.
Serbia > Hungary	300	100	200	50	50	01.-31.08.2007.
<b>EXPORT</b>						
Hungary > Croatia	875	200	675	598	77*	01.-31.08.2007.
Hungary > Romania	400	100	300	25	125	01.-31.08.2007.
Hungary > Serbia	400	100	300	25	125	01.-31.08.2007.

\* Common auction conducted by MAVIR

MEPSO - Macedonia						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Macedonia	400	100	300	150	0	01.-12.08.2007.
	450	100	350	175	0	13.-31.08.2007.
Greece > Macedonia	100	100	0	0	0	01.-31.08.2007.
<b>EXPORT</b>						
Macedonia > Serbia	350	100	250	125	0	01.-31.08.2007.
Macedonia > Greece	130	100	30	0	0	01.-31.08.2007.

Remark: No transparent allocation procedure on Greek and Bulgarian border

Transelectrica - Romania						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Bulgaria > Romania	200	100	100	0	50	01.-31.08.2007.
Serbia > Romania	200	100	100	50	0	01.-26.08.2007.
	0	0	0	0	0	27.-29.08.2007.
	200	100	100	50	0	30.-31.08.2007.
Hungary > Romania	400	100	300	25	125	01.-31.08.2007.
Ukraine > Romania	300	0	300	25	275	01.-19.08.2007.
	0	0	0	0	0	20.-26.08.2007.
	300	0	300	25	275	27.-29.08.2007.
	250	0	250	25	225	30.-31.08.2007.
<b>EXPORT</b>						
Romania > Bulgaria	200	100	100	50	0	01.-12.08.2007.
	300	100	200	50	50	13.08.2007.
	450	100	350	50	125	14.-18.08.2007.
	200	100	100	50	0	19.08.2007.
	300	100	200	50	50	20.-24.08.2007.
	450	100	350	50	125	25.08.2007.
	200	100	100	50	0	26.08.2007.
	450	100	350	50	125	27.-31.08.2007.
Romania > Serbia	200	100	100	50	0	01.-26.08.2007.
	0	0	0	0	0	27.-29.08.2007.
	350	100	250	50	75	30.-31.08.2007.
Romania > Hungary	200	100	100	50	0	01.-12.08.2007.
	300	100	200	50	50	13.-31.08.2007.
Romania > Ukraine	0	0	0	0	0	01.-31.08.2007.

EMS - Serbia						August 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Serbia	400	100	300	0	150	01.-31.08.2007.
Romania > Serbia	200	100	100	0	50	01.-26.08.2007.
	0	0	0	0	0	27.-29.08.2007.
	350	100	250	0	125	30.-31.08.2007.
Bulgaria > Serbia	200	100	100	0	50	01.-12.08.2007.
	300	100	200	0	100	13.-18.08.2007.
	250	100	150	0	75	19.-24.08.2007.
	300	100	200	0	100	25.-31.08.2007.
Macedonia > Serbia	350	100	250	0	125	01.-31.08.2007.
Albania > Serbia	260	50	210	0	105	01.-31.08.2007.
Montenegro > Serbia	600	150	450	0	225	01.-31.08.2007.
BIH > Serbia	300	100	200	75	25	01.-31.08.2007.
Croatia > Serbia	200	100	100	0	50	01.-31.08.2007.
<b>EXPORT</b>						
Serbia > Hungary	300	100	200	0	100	01.-31.08.2007.
Serbia > Romania	200	100	100	0	50	01.-26.08.2007.
	0	0	0	0	0	27.-29.08.2007.
	200	100	100	0	50	30.-31.08.2007.
Serbia > Bulgaria	180	100	80	0	40	01.-24.08.2007.
	200	100	100	0	50	25.-31.08.2007.
Serbia > Macedonia	400	100	300	0	150	01.-12.08.2007.
	450	100	350	0	175	13.-31.08.2007.
Serbia > Albania	200	50	150	0	75	01.-12.08.2007.
	260	50	210	0	105	13.-31.08.2007.
Serbia > Montenegro	450	100	350	110	120	01.-31.08.2007.
Serbia > BIH	300	100	200	75	25	01.-12.08.2007.
	200	100	100	25	25	13.-31.08.2007.
Serbia > Croatia	300	100	200	0	100	01.-12.08.2007.
	150	100	50	0	25	13.-26.08.2007.
	250	100	150	0	75	27.-31.08.2007.

\* No price information available

General remark: Sign - in all tables means that data is not available

TTC (Total Transfer Capacity), TRM (Transmission Reliability Margin) and NTC (Net Transfer Capacity) values in previous tables, represents commonly correlated values, given per each border and per each direction on the respective border. (Please note that some of TSOs on their web sites publish only one-half of the NTC value, i.e. their own part of NTC, and therefore NTC data can be different)

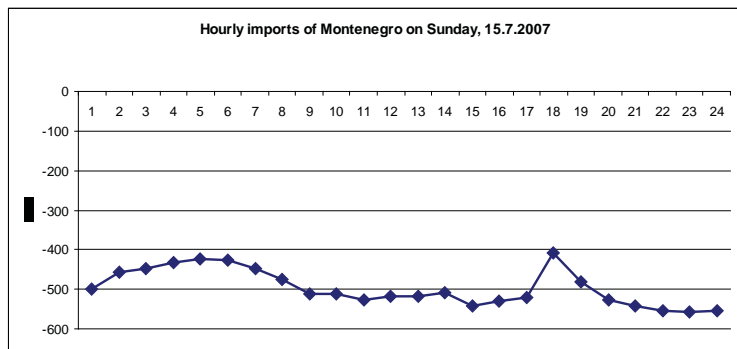
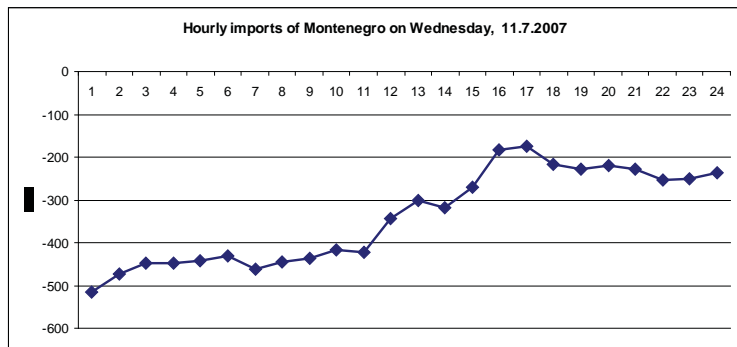
AAC (Already Allocated Capacity) value represents part of transmission capacity allocated earlier by TSO in which table this value appears.

ATC (Available Transfer Capacities) value represents amount of transmission capacity, which will be offered by the TSO in which table this value appears to the interested market participants through allocation procedure: usually by pro-rata or explicit auctions method. (Please note that

some of TSOs on their web sites within their ATC value publish ATC part of the neighboring TSO, and therefore ATC data can be different)

### Important dates regarding allocation of cross-border transmission capacity for August 2007

AUGUST 2007	Publication of ATC	Deadline for bid submission	Allocation results	Date of contract	Settlement report of allocation fee	Maturity date of allocation fee
NOS BIH	16.07.	23.07.	25.07.	-	-	-
OPS HEP	10.07.	17.07.	18.07.	23.07.	24.07.	-
MAVIR	10.07.	17.07.	18.07.	20.07.	23.07.	31.07.
EMS	11.07.	12.07.	16.07.	17.07.	18.07.	26.07.

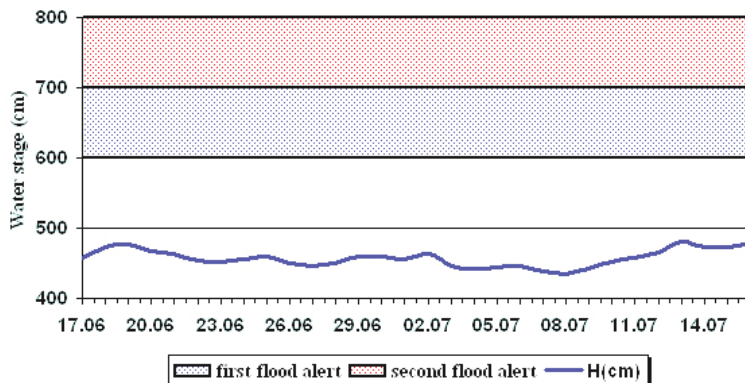


\*Physical imports are shown, i.e. with included generation of HPP Piva in exchange total of Montenegro

In the period from 1.7.2007 till 15.7.2007:  
 Montenegro maximum daily consumption: 12.61 GWh  
 Montenegro maximal hourly consumption: 620 MWh

### Danube water-level

relevant for:  
 HPP Portile de Fier I, 1167 MW, Romania  
 HPP Portile de Fier II, 270 MW, Romania  
 HPP Djerdap I, 1058 MW, Serbia  
 HPP Djerdap II, 270 MW Serbia



### Weather conditions

	17.07.	18.07.	19.07.	20.07.	21.07.
<b>Albania</b> <i>Tirana</i>	T: 21-37 W: NE 9 R: -	T: 22-38 W: NW 8 R: -	T: 22-37 W: SW 9 R: -	T: 22-37 W: NW 4 R: -	T: 22-38 W: W 6 R: -
<b>Bosnia and Herzegovina</b> <i>Sarajevo</i>	T: 12-33 W: - R: -	T: 12-34 W: - R: -	T: 12-35 W: - R: -	T: 11-35 W: L-V R: -	T: 11-34 W: NW 4 R: -
<b>Bulgaria</b> <i>Sofia</i>	T: 12-34 W: - R: -	T: 16-33 W: - R: -	T: 16-35 W: - R: -	T: 18-32 W: - R: -	T: 13-37 W: - R: -
<b>Croatia</b> <i>Zagreb</i>	T: 15-36 W: NW 6 R: -	T: 20-37 W: L-V R: -	T: 18-36 W: NE 8 R: -	T: 14-36 W: NW 4 R: -	T: 17-35 W: N 9 R: -
<b>Greece</b> <i>Athens</i>	T: 22-33 W: N 30 R: -	T: 23-32 W: NE 28 R: -	T: 25-35 W: NE 20 R: -	T: 25-35 W: N 14 R: -	T: 23-36 W: NW 11 R: -
<b>Macedonia</b> <i>Skopje</i>	T: 18-34 W: - R: -	T: 19-35 W: - R: -	T: 19-34 W: - R: -	T: 20-35 W: - R: -	T: 20-35 W: L-V R: -
<b>Montenegro</b> <i>Podgorica</i>	T: 20-37 W: L-V R: -	T: 20-38 W: NW 4 R: -	T: 20-36 W: SW 6 R: -	T: 18-37 W: NW 4 R: -	T: 18-36 W: W 8 R: -
<b>Romania</b> <i>Bucharest</i>	T: 21-35 W: - R: 2	T: 21-36 W: - R: -	T: 22-37 W: - R: -	T: 22-38 W: - R: -	T: 22-38 W: - R: -
<b>Serbia</b> <i>Belgrade</i>	T: 21-39 W: SW 9 R: -	T: 22-38 W: SE 4 R: -	T: 23-38 W: SE 4 R: -	T: 23-38 W: SE 8 R: -	T: 23-37 W: SW 11 R: -

### Average weather conditions for July

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
<b>Bosnia and Herzegovina</b> <i>Sarajevo</i>	12.8	25.5	79.0	9.0
<b>Bulgaria</b> <i>Sofia</i>	13.8	25.9	63.0	10.0
<b>Croatia</b> <i>Zagreb</i>	14.2	26.7	81.0	10.9
<b>Greece</b> <i>Athens</i>	20.8	33.5	5.8	1.9
<b>Macedonia</b> <i>Skopje</i>	14.8	29.8	34.0	7.0
<b>Montenegro</b> <i>Podgorica</i>	20.3	31.8	38.0	5.0
<b>Romania</b> <i>Bucharest</i>	15.6	28.8	64.0	7.0
<b>Serbia</b> <i>Belgrade</i>	16.3	27.3	66.0	10.0

T: Ts in Celsius degrees.

W: Ws in km/h, S – South, W – West, N – North, E – East and variables; L-V - light and variable

R: Rain in mm

**Analysis:****Privatization of Oil industry of Serbia (NIS)**

During last two years privatization of Oil industry of Serbia was one of the major issues in energy sector of Serbia, and during this period approach of government of Serbia changed from privatization of NIS including refineries to selection of strategic partner to whom government will offer minority stakes of NIS. Present standpoint of the government is that privatization of NIS and other important public companies should be gradual in order to revitalize those companies, increase their worth and attract investors. Also, government now has interest to preserve oil refineries in Pancevo and Novi Sad and to find partner willing to invest in their renewal.

In June 2005, government announced privatization consultants regarding privatization of two oil refineries oil refineries owned by NIS. Together with oil refineries, government have been considering to sell petrol stations as well in the same package. At the same time executive board of NIS reached decision for seclusion of state strategic activities of NIS in two separate public companies: 1) Transnafta - the public company for transport of oil and oil derivate, and 2) Srbijagas - the public company for transport, trade and storage of natural gas. The rest of NIS became the joint stock company for a exploration, production, refinement, distribution and transport of oil and oil derivatives and exploration and production of natural gas. The company will keep old name of Oil Industry of Serbia (NIS). The head office of the NIS and Srbijagas will be in Novi Sad, the capital of Vojvodina province, while Transnafta will be located in Pancevo, also in Vojvodina. After the restructuring, NIS a.d. had 13,900 employees, Srbijagas had 1,000.

Bookkeeping value of NIS was evaluated at 1.6 billion euros, and the assessment had been done by the Deloit & Tush agency. Deloit & Tush determined financial evaluation of bookkeeping worth of the company in accordance to the latest international standards and regulations. But their estimation was not evaluation of worth of NIS's capital nor to determination of selling price of the company. Experts from believed that worth of NIS at the time was 2 billion euros, that if privatization of NIS were made in several phases, sale price would reach up to 7 billion euros, and that investments of only 300 million euros could increase company's worth up to 2 to 3 times higher than was at the time.

Since at the first round Parliament of Serbia did not adopt government's draft law proposal regarding the restructuring of the NIS into three independent companies, IMF warned the Serbian prime minister that IMF would give up the agreement with Serbia, in case if Serbia did not start the sale of the oil refineries and the reforms of the pension system. Serbian vice prime minister said that Serbia had accepted the agreement with IMF and in case that Serbia did not fulfill its obligations, it would lose its international credibility. The IMF proposed the selling of the oil refineries and petrol stations too, but the members of Serbian government opposed to the selling of the petrol stations and IMF has accepted compromise solution. IMF expressed serious remarks regarding the intention of the NIS management to increase the capital value of the company through new loans, and then to step into the privatization process. IMF said that higher value of the company could be incorporated into the selling price. IMF also recommended that government should sell majority stock in oil refiners in the beginning of 2006, but the ministry of energy and mining rejected the recommendations proposed by the IMF officials. IMF insisted on the sale of the refiners, while the Serbian government had named numerous reasons why the sale would not be good enough.

23 companies with 38 subcontractors applied in the first round of the tender for the privatization advisor of the NIS. Serbian government appointed the Privatization agency (PA) to carry out the tender procedure. The following companies submitted bids:

- » 1. Joint offer: McKinsey, EKI Investment, Synergy Capital, Deloitte, Simmons & Simmons, Harrison's Solicitors, JP Morgan together with subcontractors Purvin & Gertz, ERM.
- » 2. Joint offer: Morgan Stanley, Citadel Financial Advisory together with subcontractors Freshfield Bruckhaus Deringer, Lawyer's office Janković, Popović, Mitić, PFC Energy, KBC Process Technology, AMEC Earth & Environment, PGS Reservoir, Citadel Securities.
- » 3. Joint offer: Deutsche Bank AG, London Branch, Roland Berger Strategy Consultants GmbH, Beč, CSP Consult & Strategy GmbH, Berlin with subcontractors Allen & Overy LLP, London, BfU Buro fur Umweltfragen GmbH, Hersing, KPMG d.o.o. Beograd.
- » 4. Joint offer: Rothschild S.p.A., NM Rothschild & Sons Ltd with subcontractors Altis Kapital d.o.o, Allen & Overy, Karanović & Nikolić lawyers, WSP Environmental, KPMG d.o.o.
- » 5. Joint offer: Merrill Lynch International, Reiffeisen Investment AG with subcontractors Linklaters Miculiti, Miah & Asociatii, Karanović & Nikolić lawyers.
- » 6. Joint offer: Credit Suisse First Boston (Europe) Limited, Dewey Balantine, Drazic, Beatovic & Partners with subcontractors Jacobs Consultancy UK Ltd.
- » 7. BNP Paribas SA, Paris, France with subcontractors Worley Parsons, IFP (French Petroleum Institute), URS Corporation Ltd, Tekon – Tehnokonsalting, Cleary Gottlieb Steen & Hamilton LLP, Prica & Spasic, BDO BC Excel Transaction Advisory Services, BDO BC Excel d.o.o.
- » 8. Joint offer: CA IB Corporate Finance, Goldman Sachs International with subcontractors Altis Kapital d.o.o, Purvin & Gertz, Inc., Grant Thornton, Environmental Resources Management Limited, Linklaters Miculti, Mihai & Asociati sca, Joksović, Stojanovic & partners.
- » 9. Jefferies Intl. Ltd with subcontractors Gaffney Cline (technical), Amec (environmental), Kojović & Nedin (legal), Anđelka Mihajlov (local environmental).

The government of Serbia decided that privatization of advisor for NIS would be the consortium Merrill Lynch International and Raiffeisen Investment AG. The decision was based on the best economic offer, government confirmed. The Merrill Lynch offered the lowest price for its services: the 900,000 euros as the fixed payment and commission fee of 1.2 % of privatization incomes. The selection of the privatization advisor was one of the conditions for Serbia set by the IMF for the finishing of the current financial arrangement and write-off of 700 million euros of debts by the Paris Club Creditors.

In March 2006 Management board of NIS announced the merger of refineries in Novi Sad and Pancevo. An establishment of one instead of two refineries is aimed to increase the business activities, to speed up the modernization process and to provide lower prices of company's products.

In May 2006 privatization advisor for NIS, the consortium of Merrill Lynch (ML) and Raiffeisen Investment (RI), presented privatization strategy for national oil company to the government of Serbia. Government of Serbia adopted and presented model of privatization strategy of NIS. According to the approved privatization strategy, NIS will be privatized in two phases. During the first phase, government and future strategic partner should acquire equal stake in the company of 37.5 % of shares. Strategic partner should acquire 37.5 % of shares through capital stake increase, for which some 250 million dollars should be invested, minister estimated. The rest of 25 % of shares in NIS should be partially transferred to the NIS's employees (6.3 %) and partially the shares should be transferred to the national privatization registry (18.7 %). The NIS employees would receive 200 euros per year spent in the company if they decide to leave the com-



pany, and employees will be free to sale their shares immediately. The privatization advisor set the lowest prices of shares in NIS at 158 dollars, with overall number of 8.15 million shares and overall share capital of NIS of 1.024 billion dollars.

Government decided to entrust managerial rights to future partner, where the exact relationship between government and strategic partner should be precisely defined by the contract or by new company's statute. It implies that strategic partner should not have unlimited managerial rights.

The second phase of privatization should start three years after, during which strategic partner would acquire 49 % of the shares in the company, through increase of capital stake or through the sale of shares by the state. At the end of the second phase, state should own 21 % of shares in NIS, privatization registry will control 15 % of shares, and the same amount of shares should be listed on stock exchange. During this stage, strategic partner should invest another 250 million dollars. In addition, strategic partner will be obliged to obey rules on environmental protection, quality of fuel and working conditions.

In the third phase of privatization, the government will have privileged right to decide how it will sell its remaining stake in NIS. The participation in the tender will be allowed to consortiums, but not to financial investors or investments funds, which main line of business is different from main line of business of NIS. The government would also have privileged right to reject the bid from particular consortium if it has estimated that particular consortium would not preserve NIS as vertically integrated company.

In October 2006 Privatization agency published public invitation for potential investors regarding privatization of NIS. The invitation is aimed to find how many investors are interested in privatization of NIS. In the invitation the government had been offering for sale 25 % of shares in the NIS. The letter of intentions by potential investors should have been submitted by the mid October. In the same time, privatization advisor of NIS had agreed on separation of the branch NIS-Liquefied petroleum gas (LPG) into separate company.

Ttender for privatization of NIS, which should have been launched in October, was postponed due to parliamentary elections in Serbia, which was to be held on January 21st 2007th. After late constitution of the new Serbian government, minister of energy and mining Aleksandar Popovic said that tender for privatization of NIS should be expected in autumn this year, Government had earlier reached decision not to sell majority stake in national oil company, but minister announced changes in privatization model adopted in the 2006th. Popovic confirmed that changes would not be significant. The future strategic partner would be offered to acquire minority stake in NIS. After the strategy was adopted, the government should initiate changes in the related legislation during autumn, and finally, it should launch the privatization tender. According to the energy minister, negotiations with future strategic partner could be finished in the first half of 2008th, which would enable finishing the modernization of oil refineries by 2010th.

The presentation of changed strategy for privatization of NIS, scheduled for the end of June 2007, was postponed due to preoccupancy of vice prime minister Bozidar Djelic, officials from ministry of energy and mining said. In the same time, vice prime minister Bozidar Djelic announced that none of the large public companies, such as NIS, will undergo majority privatization during mandate of the current government. The privatization of NIS and other important public companies should be gradual in order to revitalize those companies, increase their worth and attract investors. Vice president confirmed interest of Serbia to preserve oil refineries in Pancevo and Novi Sad and to find partner willing to invest in their renewal, in order not to shut them down in any case.

Companies that publicly expressed interest into privatization of NIS are: Russian Rosneft Rosneft, Romanian oil company Rompetrol, Austrian OMV, MOL, Hellenic Petroleum, PKN Orlean, Motor Oil, Slovenian Petrol, Israeli Merhab Group and Delek,

Romanian oil company Rompetrol announced it was willing to pay the highest price in order to win in the privatization tender for NIS. By this, Rompetrol wants to become the dominant oil company in the region. Rompetrol's refinery Petromidia, and NIS's refinery in Pancevo are both located on Danube, which would provide direct route for supply of Romanian oil market. In the same time, Rompetrol's refinery in Ploesti and NIS's refinery in Novi Sad also have certain similarities that open possibilities for technological improvements. CEO of Rompetrol Dinu Patriciu confirmed the Rompetrol is willing to invest almost 1 billion dollars for upgrade of NIS's oil refineries in the period of three years. Hellenic Petroleum was considering the option for submitting the joint bid with OMV in the incoming

## News:

### EVN announced construction of three HPPs (Albania)

The government of Albania supported the project initiated by the Austrian EVN regarding the construction of three hydropower plants (HPPs) at the Devol River in Albania.

The decision was reached after the positive feasibility study on the project was presented. According to project, three HPPs will be supplied with water through system of tunnels. Overall power output in new HPPs should be 400 MW, where the worth of the project would be 1 billion euros.

In the related news, during the meeting of the National Council on Water, prime minister Sali Berisha said the project for construction of HPPs on Devol river, would be the biggest hydropower project in the country.

Berisha also reminded that construction of HPP Kalivac (100 MW) is underway. The government will also approve the construction of HPPs in Skavica and Bushati as well as construction of 82 small HPPs. As for thermal power plants (TPPs), the government plans to increase output of TPP Fier at 300 MW after government launched the international tender for sale of the TPP. The construction of TPP Vlora (90 MW) should also start soon, Berisha said.

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### ARMO to sell petrol stations (Albania)

Albanian national oil company (ARMO) announced privatization of 33 petrol stations and 2 storage tanks. The sale procedure will be initiated after completion of privatization documentation. All these petrol stations were already leased to the private companies in accordance to the contract signed in 1999th. The preemptive purchase rights will be granted to the former owners of the land, where the petrol stations were built.

In the same time, ARMO announced that US company Patton Boggs was selected to be a consultant for privatization of the company. According to the government's plans, privatization procedure of the ARMO should be completed by the end of the year.

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### **Two companies interested for HPP Bushati (Albania)**

Office of the prime minister of Albania confirmed that two companies, the VA TECH Hydro and Pöyren Energy, expressed interest for construction of hydropower plant (HPP) Bushati, northern Albania.

The cost of the project is estimated at 44 million euros, where the HPP could be built in the period of 18 months. The construction of HPP Bushati is the old project. In the past, the project was never started since it was showed the new HPP would affect the hydrology of entire Lake of Shkodra.

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### **KESH announced potential power cuts (Albania)**

Albanian power corporation (KESH) announced possible power cuts in September this year due to estimated lack of domestic production and low import. The estimated lack is 800 GWh. Albanian annual electricity import reached some 2.5 TWh in the past years.

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### **Parliament approved project for AMBO pipeline (Albania)**

Parliamentary Commission for Production Activities, Trade and Industry approved the law regarding the ratification of trilateral convention between the Republic of Albania, Bulgaria and FYROM on Trans-Balkan oil pipeline system, the AMBO pipeline.

The convention creates the regulatory and institutional framework, in compliance with the legislation of each participating state, to cooperate in facilitation of development, construction and operation of the pipeline in the territory of three states.

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### **The oil production in Brod refinery to start in October (Bosnia and Herzegovina)**

According to minister of energy and economy of Republic of Srpska (RS), Rajko Ubiparip, the oil refinement in oil refinery in Brod could start in the beginning of October. This would most certainly happen in case if there were no problems during the renewal works. The renewal will be carried out (in accordance to privatization contract) by the new owner NeftaGazInkor. According to plans, annual production in the refinery should reach 4.2 million tons.

Minister confirmed that privatization of oil companies in RS was going in accordance to plans despite the political and financial problems, which preceded and arose during the process.

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### **EP HZHB reported profit of 0.5 million euros (Bosnia and Herzegovina)**

During the shareholders assembly, Power utility of Herzeg Bosnia (EP HZHB) adopted final financial report as well as the changes in business plan for this year.

In 2006th, the company reported some 0.5 million euros of profit. This final financial position was different comparing to one presented in preliminary financial report, which showed 4.9 million euros of losses in 2006th. Assembly reached a decision on distribution of profit and compensation of part for the company's losses.

General manager of EP HZHB, Vlado Maric, informed the shareholders on the problems that had arisen after Federal regulatory energy agency (FERK) rejected request for increase in electricity prices. The decision was brought in favor of large customers, and against the households and small business customers, Maric believes.

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### **BH Gas and Aluminum factory discussed on potential natural gas supply and construction of TPP (Bosnia and Herzegovina)**

General manager of Aluminum factory from Mostar and director of BH Gas (national gas company) met in Mostar in mid July. Two officials discussed on potential project for delivering natural gas to the factory. The project would be in accordance to memorandum of understanding signed by BH Gas and Croatian Plinacro. The MoU predicted construction of natural gas pipeline between Croatia and BiH as well as construction of new pipelines in BiH, which would connect cities Ploce, Mostar, Sarajevo and Bosanski Brod.

The management of the factory believes they could boost the gasification in Herzegovina, having in mind the significance of the factory. The Aluminum is the one of the most important exporters in the country, with 150 million euros of reported annual export.

During the meeting, the head of the factory confirmed the management has been considering options for construction of natural gas fired power plants in order to provide electricity for the production process in the factory. The Aluminum factory is the largest industrial electricity customer in the country and large part of its expenses is related to purchase and import of electricity.

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### **ERS considers Gornji Horizonti project as one of the priorities (Bosnia and Herzegovina)**

Executive director of development and investment department in Power utility of Republic of Srpska (ERS) confirmed the ERS considers the Gornji Horizonti project as one of the axis of economic development of that part of RS. This was said during the experts convention organized by RS, Montenegro and Serbia, where experts discussed on utilization of hydro potential of rivers Drina, Lim and Trebisnjica.

Director confirmed that ERS had prepared project papers in order to attract potential investors. The Gornji horizonti project was initiated 50 years ago, where worth of the project is estimated at several hundred million euros. The project is related to channeling the precipitation waters from confluence of Neretva River to the Trebisnjica River.

On the other hand, ERS still did not reach the decision regarding the participation in construction of hydro power plant (HPP) Dubrovnik 2 in cooperation with Croatia, director confirmed.

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## **Dispute over the joint venture between CEZ and ERS (Bosnia and Herzegovina)**

The participants of the round table, organized by the Transparency International Bosnia and Herzegovina (TIBiH) with the support of International Finance Corporation (IFC) in Banja Luka in the beginning of July, accused the government of Republic of Srpska (RS) on negligent behavior during the establishment of joint venture between Power utility of RS (ERS) and Czech CEZ.

TIBiH believed that all citizens that invested in privatization-investments funds and minority shareholders in thermal power plant (TPP) Gacko had become damaged parties. TIBiH claim that capital market as well as the price of the shares of TPP Gacko considerably declined after the latest agreement between ERS and CEZ due to non-transparency of the process.

Participants in the round table said the government could correct its mistake by presenting all elements in the contract signed with CEZ. They pointed out that the better solution for ERS would be recapitalization in order to finance the new projects.

The director of Banja Luka Stock Exchange (BLSE) confirmed that developments related to TPP Gacko and contract with CEZ affected capital market, because expectations of the investors were not in the line with the current situation. In the last two months, BLSE lost some 1 billion euros, mostly on the shares of ERS, since investors were not sure on how the management of ERS would manage their future investments, director said.

After the latest accusations, the minister of economy, energy and development of RS, Rajko Ubiparip reacted by open letter. In the letter, minister reminded that public was informed on time regarding the 1.4 billion euros project for renewal of existing unit in TPP Gacko, the construction of new unit and enlargement of the coalmine. The government was forced to initiate this project, having in mind that operational life of TPP Gacko was only 15 years, while the coal supplies from existing coalmines would be sufficient for only 4-5 year of operation. In the same time, ERS was obliged to invest considerable funds for environmental projects, which could not be done by ERS and TPP Gacko alone.

Regarding the decline in the share price of TPP Gacko, minister reminded that after the establishment of joint venture, in the beginning of December 2006th, the prices were in constant rise, until the BLSE unlisted shares of TPP Gacko from securities market, which caused disturbances. The situation became more complicated after BLSE unlisted the shares of TPP Ugljevik after ERS and AES had signed cooperation agreement. BLSE explained these actions with the same reason, the lack of transparency and information from both companies.

Minister pointed out that shareholders assembly of TPP Gacko informed the BLSE on time regarding the company's plans and public was informed on official website of TPP Gacko and ERS. In the same time, the public in RS was constantly informed on the development, so that final decision could not be a surprise particularly for minority shareholders, minister concluded.

He also believes that minority shareholders would not lose their capital, since  $\frac{3}{4}$  majority must reach all vital decision in new company. In the same time, ERS will have 3 out of 5 members in the management board. As a reminder, CEZ will own 51 % in the joint venture (for which should invest some 212 million euros) and ERS will own 49 % since estimated worth of TPP Gacko was 204 million euros.

At the end, minister was convinced that the agreement with CEZ was based on law and that it would be the right way for carrying out the

large investment, where the most of the risks should be suffered by CEZ. The investment would make future of TPP Gacko more certain, and it would increase the overall energy potential of RS, minister concluded.

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## **Preparation for the South stream gas pipeline (Bulgaria)**

Bulgaria's media reported that experts from various institutions have been preparing the intergovernmental agreement regarding the construction of recently announced South stream natural gas pipeline.

The experts' team will include deputy economy and energy minister and the representatives from the Economy and Energy, Regional Development and Public Works, Foreign, Finance, Environment and Water Affairs and Administration Ministries, the Cabinet and Bulgargaz Holding. The experts will be obliged to provide continuous reports to the government regarding the progress of the project.

The construction of the natural gas pipeline was recently initiated by Italian Eni and Russian Gazprom, which signed a memorandum of understanding. The pipeline should originate from the same point as the Blue Stream pipeline, from Beregovava in Russian Black Sea shore, and it would go to the Bulgarian Black Sea coast. The annual capacity of the pipeline should be 30 billion cubic meters.

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## **EVN paid 32 million euros for heating utility in Plovdiv (Bulgaria)**

The Privatization agency (PA) confirmed it had signed the contract for sale 100 % of shares in heating company in Plovdiv (the second largest city in the country) to Austrian EVN. The contract was signed on July 12th and EVN is obliged to pay 32.1 million euros for the company. EVN won in the tender for the Plovdiv heating utility in October 2006th.

EVN, which already owns electricity distributors in Plovdiv and Stara Zagora, announced to invest several millions euros in the heating utility in the cogeneration equipment. EVN must not sell majority stake in the company during the next three years, according to contract.

In the same time, EVN would consider merging the heating and electricity company in the city by the end of the year, so that starting from the next year, the company could offer the heating energy and electricity in one package.

The contract was signed despite the announcement it would take place after the sale of electricity distributor in Sunny Beach resort, where EVN is the potential buyer.

EVN confirmed the agreement with Sunny Beach was agreed in principle. The sale of Sunny Beach was agreed as the part of EVN's acquisition of Plovdiv and Stara Zagora electricity distributors. EVN offered 27.1 million euros for the company, where minority shareholders rejected the sale price and stopped the sale procedure. EVN even launched the arbitration with the International Arbitration Court in Paris.

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### **NEK started payment of debts toward NPP Kozloduy (Bulgaria)**

National electric company (NEK) has started payment of the debts for electricity delivered by the nuclear power plant (NPP) Kozloduy, director of NPP Ivan Genov confirmed. Because of that, NEK's debt toward NPP reduced from 55 million euros down to 41 million euros. NEK and NPP agreed on the rescheduling of payments, where NEK will pay monthly payments of 7.7 million euros until the end of 2007th.

NEK explained the delays in payment with reduced electricity export after the shutdown of units 3 and 4 in NPP.

In the related news, NPP Kozloduy produced 8.335 TWh during the first half of the year, which was 4.52 % higher than planned. Only units 5 and 6, each with 1,000 MW power output, remained operational in the NPP. In the beginning of July, unit 5 was under maintenance works, while unit 6 operated at full capacity.

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### **TPP Maritsa Iztok 2 to select supplier of sulfur dioxide removal equipment (Bulgaria)**

Thermal power plant (TPP) Maritsa Iztok 2 recently launched a tender for purchase of sulfur dioxide removal equipment. The bids in the tender were submitted by Italian subsidiary of Alstom Power, Energy and Environment (Austria) and Rafalco (Poland). The management of the TPP said the Hitachi&Hitachi Power Europe consortium would take part in the tender procedure.

The winner in the tender will be selected by the end of the year, while the new equipment should be installed by July 2010th.

The tender was delayed for more than a year, after European Commission was not consulted in time regarding the entire process.

The installation of equipment at unit 5 in TPP should start in June 2008th, while the retrofitting of unit 6 should start in August the same year.

The renewal has been carried out by Japanese Mitsui, which was pressured by the government to speed up the procedure since the project was delayed. The Japanese company should finish the renewal of units 1 and 2 until December 2007th, if not, they would be forced to pay the penalties, deputy energy minister confirmed.

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### **Maritsa Iztok mining company and RWE to cancel the cooperation agreement (Bulgaria)**

According to sources, State-owned mining company Maritsa Iztok would most certainly cancel the cooperation agreement signed with German RWE. The agreement was signed in May this year, which was considered as the first step in the construction of new power plant in the basin.

The contract needs to be canceled having in mind that government officially decided to start the procedure for selection of strategic investor in June. The strategic investor will build new 600-700 MW power plant in the Maritsa Iztok coal basin. The mining company would be in charge for tender procedure, where contract with RWE would be conflict of interest.

Besides RWE, the Enel, Brikel, AES, E.ON and EVN expressed the interest for the project. Italian Enel confirmed it already had made the feasibility study for the project and that it has been conducting the researches on the environmental impact of new TPP.

According to the decision of the government, the strategic partner will be obliged to sign the long-term contract for purchase of coal from the Maritsa Iztok mines.

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### **Solar power plant to be built in Shumen (Bulgaria)**

The local Innovation Company announced plans for construction of solar power plant in the high-tech park of Bulgarian city Shumen.

The cost of the project is estimated at 220 million euros. The construction should start in 2008th and it should be finished in 4 years. The funds for the project should be provided by German-Swiss fund ICS.

In the next four years, the Innovation Company plans to build solar installation in cities Ruse, Silistra, Shumen, Dobrich and Varna

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### **Tsankov Kamak hydro project 18 months behind the schedule (Bulgaria)**

CEO of National electric company (NEK), Lyubomir Velkov, told to the parliamentary committee that the Tsankov Kamak hydro project would be completed 18 months behind the schedule. The main reason for the delays was the difference between project design and the geological surveys of site. The original deadline for finishing the project was set in 2008th.

The project is related to construction of 85 MW hydro power plant (HPP) and construction of 11 million cubic meter dam lake. Austrian Mayreder Bau GmbH has been carrying out the project. The project was conducted under Austrian-Bulgarian memorandum for understanding and bilateral co-operation to conduct mutual actions on the Kyoto Protocol.

In the same time, Velkov informed the committee that renewal of Dolna Arda hydro complex was proceeding in according to schedule. The 65 million euros worth project has been carried out by Austrian VA TECH. The overall power output of the complex will be increased at 331 MW after the project was finished.

NEK recently announced it would invest some 72 million euros in this year, where some 33 million euros will be allocated for construction and renewal of HPPs.

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### **The contract for construction of 400kV power line Ernestinovo-Pec signed (Croatia)**

Director of Croatian transmission system operator (HEP-OPS), Du-bravko Sabolic, and the member of the management board of Hungarian transmission system operator (MAVIR) signed the contract for construction of overhead double 400kV power line Ernestinovo – Pecs. The contract was signed in Osijek in mid July.



The power line will be 86.6km long and it should be completed in March 2010th at the latest. The overall cost of the project will be 40 million euros, where almost equal amounts of 20 million euros will be invested by HEP-OPS and MAVIR.

The Croatian section of the line is 44.1km long. The new line will increase the safety in electricity supply in Croatia as well as the safety and stability of both power systems. It is expected that new power line will boost electricity trade in this part of the Europe.

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### **The INA and unions agreed on sale of 7 % of shares (Croatia)**

The government and representatives of three trade unions in Croatian oil industry (INA) signed the agreement for the sale of 7 % of shares or some 700,000 of shares to the employees. This agreement set all terms under which the workers, employed in INA since 1963rd, will be able to acquire the shares under favorable conditions.

The sale should be completed until end of September this year. It is estimated there is some 49,000 former and current workers entitled for shares. The price of shares will be equal to the price during the previous IPO, i.e. some 232 euros per share. The employees will be entitled for 8 shares, and the employees which spent in INA more than a year will be entitled for another 10 shares. The contract also set up the lock up period, during which employees would not be allowed to sell shares. This was done in order not to cause fluctuation of share prices.

INA did not grant the right for purchase of shares to former INA's companies, the Beopetrol (Serbia) and Krajinapetrol (Bosnia and Herzegovina), until the legal disputes were resolved.

The government selected Zagreb Bank in the tender to be the provider of financial services during this stage of privatization of INA.

As a reminder, during the first IPO, which took place in November 2006th, 15 % of shares was sold to Croatian citizens and investors.

In the related news, the minority owner of INA, the Hungarian MOL strongly rejected claims regarding sale of its share in INA in order to finance defense against the hostile takeover announced by OMV. On the other hands, some Hungarian media reported that MOL will sell its stake in INA due to inability to achieve profit in Croatia (due to regulated oil prices) as well as due to decision of the government of Croatia not to sell additional shares in INA to MOL. MOL owns 25 % plus one share in INA.

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### **INA presented plans for new oil and gas fields in Syria (Croatia)**

The management of Croatian oil industry (INA) announced the start of oil production in oil field Jazal in Syria. The field was discovered in the end of 2006th, while Syrian authorities approved the exploitation rights in March this year.

According to estimations, there are some 1.42 million cubic meters of oil. The production should start in September this year, where daily production should reach 300-500 cubic meters.

In the end of June, INA also submitted the report on the commercial discovery of the fifth oil field in the Hayan block to the Syrian ministry of oil.

INA should also present the program for exploitation of natural gas field Mustadir, with initial daily production of 500,000 cubic meters.

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### **Solar power plant to be built near Split (Croatia)**

According to Croatian press, the memorandum of understanding regarding the project for construction of solar power plant near Split should be signed very soon. It is expected that name of the investors would be revealed when that happens.

The worth of the project is estimated at some 140 million euros, where the power plant should be spread over 1 million square meters. The physical plans of Split municipality (yet to be approved) predicted two suitable locations for such plants

The MoU has been prepared by the Agency for foreign investments, while one of the interested companies is local company Solarne celije.

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### **Reduction of hydropower production in the first half of 2007th (Croatia)**

According to data of Croatian power utility (HEP) during the first half of this year, the production of electricity in hydropower plants (HPPs) in Croatia was 0.8 TWh lower comparing to average values. HEP was forced to import electricity and to increase the production in thermal power plants (TPPs), which increased overall costs by 40 million euros according to preliminary estimations.

The average production in HPPs in Croatia is 5.8 TWh comparing to overall average consumption of 17 TWh. In the same time, 50 % of HEP's overall installed power output is in HPPs.

In the related news, HEP informed the public that it expects that peak demand during this summer should reach between 2,700 and 2,800 MW. In the last year, the peak demand reached 2,600 MW. During summer this year, maximum daily electricity consumption reached 50.3 GWh on June 21st, while the maximum consumption last year of 52.23 GWh was achieved on July 23rd. According to estimations, some 400 MW of power demand during summer is related to usage of air conditioners.

The peak power demand during the last winter was 3,060 MW. In the same time, increase in summer electricity consumption, due to increased number of tourists and increased usage of air conditioners, could be even favorable for HEP, which tends to more balanced consumption during the year. This was not the case in the past, when winter peak was considerably higher comparing to summer peak. The main problem for HEP could be the fact (mentioned above) that 50 % of the power output comes from HPPs, which are mostly affected by the drought during summer.

§ § §

### **Hellenic Petroleum and Edison to establish joint venture (Greece)**

Hellenic Petroleum and Italian Edison had signed the contract for establishment of joint venture. The joint venture will be involved in electricity production, where new company should operate some 1,500 MW, in existing and new power plants. The venture's portfolio should include CCGT power plant, the one lignite or coal fired power plant and renewable energy sources. The new company will be also involved in electricity trade, cogeneration projects, and natural gas supply.

HP will contribute all of its power generation facilities into the new company including 390 MW CCGT power plant in Thessalonica. Edison will contribute 65 % of participation in Thisvi Power Generation, which is in the process of construction of 420 MW CCGT power plant, as well as the share in the project for construction of 600 MW coal-fired plant. In the same time, Edison will be obliged to pay 55 million euros to HP and to assume 50% of Thessalonica Power's debt, which amounted to 220 million euros.

Two companies will have equal share in the management as well as in the capital in the new company. The clause in the agreement has left the option for participation of other investors in new company. Edison said the two companies target 12 % market share in Greece.

§ § §

### **Metka to build TPP Aliveri (Greece)**

According to sources quoted by Greek media, Public power corporation (PPC) should award the contract for construction of 400 MW CCGT power plant in Aliveri to Metka.

PPC was given the approval from EU to continue with the procedure after reconsidering the appeal on the tender procedure.

As a reminder, the initial tender deadline was prolonged until March 26th due to complaints of Damco. The bids in the tender were submitted by Metka-Alstom and consortium Damco (Kopelouzou group)-Ansaldo. The worth of the project is estimated at 220 million euros. In that time, both bidders claimed their offer for construction of the power plant was more favorable.

The offer of Metka is valid until July 31st., so that PPC could request from Metka to extend the bid's time frame.

§ § §

### **GEK to lease TPP to PPC (Greece)**

The company GEK agreed to lease 147 MW gas-fired thermal power plant (TPP) to Public power corporation (PPC). The TPP would be used for covering the peak demand. GEK had the similar agreement regarding the lease of TPP with Hellenic Transmission System Operator (HTSO). The new agreement with PPC is effective from July 1st and it will last for three years.

In the related news, PPC announced international tender for purchase of fuel oil for its TPPs in 2008th. The PPC should spend several hundreds million euros for this purpose.

§ § §

### **The protests endangered power production in TPP Agios Dimitrios (Greece)**

Public power corporation (PPC) was very close to impose power cuts due to protest of unemployed people that occupied the thermal power plant (TPP) Agios Dimitrios, near city of Kozani. The protesters want to get jobs in local factories and TPP also, so that they blocked coal supply for the TPP during three days. PPC reminded that this TPP comprise 20 % of overall PPC's power output. The similar protests were launched in February this year.

TPP resumed the normal operation since the protesters temporarily stopped the protest until July 20th.

§ § §

### **Signing the cooperation protocol with Azerbaijan (Greece)**

Greece and Azerbaijan signed the protocol of cooperation in Athens in the first half of July. The protocol is aimed to strengthen economic and trade relations between two countries.

The deputy foreign minister of Greece Evripidis Stylianidis and minister of economical development of Azerbaijan, Hayder Babayev, who signed the document, made special address to the Turkey-Greece-Italy pipeline, which will transport natural gas from Azerbaijan to the Western Europe. The pipeline will be officially inaugurated by the Greek and Turkish prime ministers in the next couple of months.

After the agreement signed by Russia and Italy regarding the transport of natural gas from Black Sea to Italy, through South stream pipeline, the Turkey-Greece-Italy pipeline is seen even more as the alternative to the supplies from Russia.

Stylianidis pointed out that the new pipeline represents the diversification of energy supplies, which was one of the main requirements in energy policy of the EU. He hoped that Azerbaijan would be reliable natural gas and oil supplier.

Development Minister Dimitris Sioufas proposed to Babayev that Greece, Italy, Turkey and Azerbaijan should sign the interstate agreement regarding the details on the natural gas pipeline. Sioufas also proposed that Greece and Azerbaijan should sign the special agreement on oil and natural gas cooperation.

§ § §

### **Hellenic Petroleum continue with the upgrade of Elefsina refinery (Greece)**

In the beginning July, Hellenic Petroleum (HP) submitted the environmental study regarding the upgrade of Elefsina refinery. The study showed that future improvements would result in reduction of harmful emissions.

According to study prepared by Italian Wheeler Italiana in association with Asprofos SA, the sulfur dioxide emission should be reduced by 70 %, emission of particles should be reduced by 84 % and the liquid waste volume should be reduced by 24 %. The study showed that emission of CO2 should be reduced from present value of 154,000 tons down to 3,500 tons.

HP should invest some 850 million euros for the new production units in the refinery, which would be built on the 160,000 square

meters. The investment should be finished until 2010th. The renewed refinery should produce fuel with almost no sulfur, in accordance to EU regulations. The processing output of the refinery should remain at 100,000 barrels per day.

§ § §

### **Makpetrol opened the first bio diesel factory in the country (Macedonia)**

The oil company Makpetrol opened the first bio diesel factory in Macedonia. The official ceremony was attended by the prime minister of Macedonia Nikola Gruevski and director of Makpetrol.

The factory is located near capital Skopje and Makpetrol invested 12 million euros in the new facility. The bio diesel will be produced from rape oil. Director of Makpetrol confirmed the company would continue to invest in alternative fuels.

The annual capacity of the new factory will be 30,000 tons, which would cover domestic needs and enable export of bio diesel. The entire production process will be highly automated so that only 20 people will be employed in the factory. The factory was built in period of 11 months.

The government of Macedonia plans to increase the share of bio diesel at 10 % of overall fuel consumption in 2010th, and at 15 % in 2015th.

§ § §

### **ESM to invest 43 million euros in distribution grid (Macedonia)**

Power utility of Macedonia (ESM) announced to invest overall amount 43 million euros for the renewal of distribution grid during this investment cycle. The half of the amount was already allocated for concrete projects for upgrade of power networks of all voltages levels.

The deputy head of the management board of ESM confirmed this during putting in service new power network in region of Kumanovo. The main aim of ESM was to provide modern electricity supply in entire country, which should boost economic development, deputy said.

§ § §

### **TPP Oslomej to secure coal supplies (Macedonia)**

By dislocation of Temnica river, which should be finished very soon, the thermal power plant (TPP) Oslomej (100 MW) will be able to enlarge the coalmine and to provide continuous coal supply in the next seven to eight years. The head of Macedonian power plants (ELEM) Vlatko Cingoski confirmed this.

TPP Oslomej has been losing some 2 million euros per month during the standstill caused by the lack of coal. According to Cingoski, enlargement of the coalmine should have happened in 2005th.

The old coalmine of the TPP was exhausted and ELEM started construction works for opening of new coalmine in May this year. The works should last six months. The old coalmine was shutdown in the beginning of April, as well as the TPP.

§ § §

### **ESM disconnected public lightning in Skopje due to unpaid bills (Macedonia)**

In the beginning of July, Power utility of Macedonia (ESM) disconnected public lightning in major and most important avenues and boulevards in capital Skopje due to unpaid power bills.

The power was cut for 15-30 minutes for several days. This was the action of ESM aimed to force city authorities to pay electricity bills, which amounted to 2 million euros.

On the other hand, local authorities claimed that payment of the electricity debts should be responsibility of government, i.e. ministry of finance and ministry of local self-governance.

The bills for public lightning are paid through special 0.8 euros fee within regular power bills. The ESM transfers the collected money to ministry of finance, which in the end pays the bills of particular municipalities to ESM.

Government claims that only Skopje is exception, where municipality is obliged to collect the funds and to pay electricity bills for public lightning services in the largest boulevards, avenues and motorways. Local authorities in Skopje called for changes of law, which would enable that public lightning fee in Skopje was transferred directly to local government.

While the dispute between central and local government continues, ESM announces continuation of power cuts.

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### **Hellenic Petroleum submitted report on oil and natural gas researches (Montenegro)**

The Greece's Hellenic Petroleum (HP) had submitted a report on the oil and natural gas researches in Adriatic shore to the government of Montenegro. The report (submitted in the beginning of July) showed that certain reserves of natural gas exist in the researched area near Ulcinj close to Albanian border.

On the other hand, according to sources, the report did not give expected results so that government would establish special Commission, the task of which would be to analyze previous oil and gas researches in Montenegro seaside.

Deputy minister of economic development said the report was incomplete and that it had not given the exact locations of the potential drillings wells. The report showed only potential gas reserves in the shallow part of the seaside. According to earlier estimations, the oil reserves in the Montenegro seaside should be 7 million barrels, while natural gas reserves were estimated at 15 million cubic meters.

In July 2006th, the government of Montenegro cancelled the concession agreement for oil and gas researches in Adriatic with HP's subsidiary Jugopetrol due to delays and lack of progress. The new tender for the concession explorations should be launched this autumn, after analyses of previous researches were finished.

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### **Berane coalmine to be sold to Balkan Energy (Montenegro)**

The bankruptcy manager of the coalmine Berane confirmed that the contract for sale of the coalmine would be signed with Balkan Energy on August 6th. The government of Montenegro was a mediator during the negotiations and it strongly supported the signing the sale contract. The management of the coalmine is willing to accept all elements in the bid submitted by the Balkan Energy.

The Balkan Energy was the second ranked bidder in the latest tender. As a reminder, the first ranked bidder, British company Global Steel, did not pay the entire sale price of 2 million euros in accordance to preliminary agreement, after which the management of the coalmine cancelled the contract.

According to the initial offer, Balkan Energy offered 1.51 million euros and 7 % of the profit achieved through the coal production. The company also offered to invest 120 million euros of investment in the next four years. The 100 million euros will be invested for construction of 110 MW power plant, and the rest will be invested in the coalmine. Balkan Energy also obliged itself to preserve the current number of employees in the coalmine.

The black coal reserves in Berane basin are estimated at 167 million tons, where the Petnik coalmine has 16 million tons of exploitable reserves

Balkan Energy was registered in Podgorica on January 23rd this year. The founders of the company are Greek citizens Konstantinos Polimeropulos and Stasis Petros, but according to sources, the company is related with domestic investors with capital from Cyprus. The company is the subsidiary of the Greek based Retis Group.

In the same time, Global Steel demanded refunding the 100,000 euros paid as the deposit, but the management of the coalmine refused to do that, claiming the British company did not respect the terms in the sale contract.

§ § §

### **Petrol and Montenegrobonus to establish joint venture (Montenegro)**

Slovenian oil company Petrol confirmed it would sign the contract for establishment of joint venture with state oil company Montenegrobonus during July. Petrol and Montenegrobonus will own 50 % of the joint venture each.

Petrol was the first ranked bidder in the recent tender for selection of strategic partner, ahead of Hungarian MOL and Croatian INA. Petrol was willing to invest 154.5 million euros in the joint venture, where the main projects will be sale and storage of oil derivatives, the construction of petrol stations and natural gas network. New company should build oil terminal in Port of Bar with 20,000 cubic meters of capacity.

The head of Petrol Marko Krizanovski recently announced that Petrol and Russian Lukoil would soon establish joint venture, by which the network of 565 petrol stations owned by two companies in the countries of former Yugoslavia will be unified.

§ § §

### **Tender for sale of TPP and coalmine Pljevlja officially cancelled (Montenegro)**

In the beginning of July, Privatization council reached a decision regarding the cancellation of privatization procedure for thermal power plant (TPP) Pljevlja and coalmine Pljevlja. The decision was reached in accordance to the recent conclusions of the government and parliament.

Minister of economy Branimir Govozdenovic believes that winner in the tender, the EN Plus (which reached final stage of negotiations) as well as other participants in the tender would not file any complaints regarding the cancellation of the entire process.

As a reminder, the management of Power utility of Montenegro (EPCG), coalmine Pljevlja and SDP party were against the privatization of power complex in Pljevlja, while head of ruling DPS, major of Pljevlja and minister of economy were in favor of the privatization. The privatization procedure lasted for two and a half years, while negotiations with EN Plus lasted for a year.

In the same time, the government of Montenegro approved so-called plan B for revitalization of power complex in Pljevlja. The plan was presented by the management of EPCG, in April this year, in the middle of privatization procedure. The management was strongly against the privatization of only TPP in the country and the plan was their alternative to the privatization.

On the other hand, deputy minister of economy warned the management of EPCG they would be dismissed if the revitalization were not properly carried out. The media in Montenegro described this as the end of silent war between EPCG and ministry of economy. Plan B predicted merger of the TPP and the coalmine into one company majority owned by the state and construction of the second 200 MW in the TPP. The funds for the project would be provided through international loans, EPCG proposed.

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### **Subsidies to underprivileged customers (Montenegro)**

The government of Montenegro should initiate the program for providing the subsidies for paying electricity and heating bills to the underprivileged citizens.

The ministry of health, labor and social care should determine the minimum needs of the households in terms of electricity and heat energy. In February this year, the government provided one-time subsidies for such customers.

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### **Unit 2 in NPP Cernavoda in service in the end of July (Romania)**

According to the officials from Nuclearelectrica, the unit 2 in nuclear power plant (NPP) Cernavoda will be connected to national power grid in the end of July and it will start commercial operation.

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### **Oil and gas reserves sufficient for 15 years (Romania)**

According to the report of ministry of economy and finance, national oil and gas reserves could be exploited in the next 15 years at most. In the same time, despite the worrying figures, the report claims that technological progress will result in finding of new deposits.

The report Energy strategy of Romania 2002-2020 estimated crude oil reserves at some 74 million tons, while natural gas reserves are estimated at 185 billion cubic meters. The annual crude oil production reduced from 15 million tons (30 years ago) down to 5 million tons in the last year, the report said. The report also outlined the decrease in natural gas output.

Due to aforementioned data, director of the Energy Policy Department with the Ministry believes that Romania will focus on development of renewable energy sources in the future.

The one of the important problems in Romania's electricity sector is the fact that some 80 % of power plants are way pass their operational life and that they do not have pollution reduction equipment, the report said.

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### **The report on energy resources (Romania)**

According to data presented by the National Institute of Statistics, the main primary energy resources in the first five months of 2007th reached 16.798 million tons of oil equivalent (toe), which was 1.063 million toe or 6 % lower comparing to the same period last year.

The domestic output reached 9.97 million toe, which was 3.9 % lower comparing to last year, while import stood at 6.828 million toe (8.8 % reduction).

The domestic coal production reached 2.007 million tons, while import reached 3.022 tons.

The natural gas production reached 4.085 million cubic meters, while import stood at 1.085 million cubic meters.

In the same period, electricity resources decreased by 5.4 % and stood at 25.81 TWh. The domestic production reduced by 173 GWh or 5.5 % and import increased by 4.9 GWh or 1 %.

The most of the electricity or 64.6 % was produced in TPPs , while 25.3 % of the electricity was produced in HPPs. The overall electricity consumption reached 21.27 TWh, which was 0.5 % higher comparing to the 2006th. Electricity export reduced by 42.4 % comparing to the last year., the public lightning consumption increased by 6.8 % GWh, while the household consumption increased by 3.6 %.

§ § §

### **E.ON Gaz Romania to increase natural gas storage in 2007th (Romania)**

Natural gas distributor, E.ON Gaz Romania announced plans for storing some 950 million cubic meters of natural gas in during this year, which would be 28 % higher comparing to the last year.

The storage will be done during summer having in mind that domestic natural gas production would not cover the demand during the winter.

Starting from July 1st, the company was restructured into two separate companies, in charge for distribution and supply, respectively. The supply of natural gas, operation and maintenance of the distribution network is provided by E.On Gaz Distributie SA.

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### **CEZ interested in several projects in energy sector (Romania)**

Czech CEZ expressed interest for privatization of electricity distributors Electrica Muntenia Nord, Electrica Transilvania Sud and Electrica Transilvania Nord. In this moment, CEZ is the majority shareholder of Electrica Oltenia (south), the biggest out of the eight branches of electricity distribution held by Electrica, serving seven counties - Arges, Dolj, Gorj, Olt, Mehedinti, Teleorman and Valcea.

CEZ has been also reconsidering an option for participation in the project for construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda. CEZ would also invest in the green field projects related to renewable energy sources, having in mind that ANRE requested that most important companies have to reach 8.3 % portfolio of renewable energy until 2010th.

In the same time, CEZ submitted bids for upgrade of energy complexes in Borzesti and Galati. In Galati, CEZ intends to modernize and expand 535 MW coal fired thermal power plant (TPP). In Borzesti, CEZ wants to build 400-500 MW TPP. Both tenders were launched by Termoelectrica.

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### **Termoelectrica to start units in case of electricity shortage (Romania)**

Minister of economy and finance Varujan Vosganian confirmed the Termoelectrica was ready to restart thermal power plants in case if nuclear power plant (NPP) Cernavoda was forced to stop production due to low Danube inflow and if Hidroelectrica reduced the output due to drought.

According to forecasts, Hidroelectrica's electricity production in period July – September would be reduced by 15 -25 % comparing to the planned amount of 4 TWh due to drought and the need to provide water for population and agriculture. Because of that, the part of planned Hidroelectrica's export will be redirected to domestic market. The company should produce some 16 TWh in this year, instead of originally planned amount of 19 TWh.

In the related news, Vosganian announced the government has been considering listing the power plants in the stock exchanges, in short term, in order to acquire missing funds for environmental projects. This should be done before privatization. The idea should be verified by the consultants, minister said.

Minister also confirmed that government would list additional shares in Transelectrica and to list shares of Transgaz, Nuclearelectrica, Romgaz and Hidroelectrica.

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### **Electricity distributors to invest 600 million euros in 2007th (Romania)**

Minister of economy and finance, Varujan Vosganian announced that electricity distributors in the country would invest some 600 million euros for the new projects and maintenance of the electricity grid in this year. He said this at the press conference after the meeting with representatives of those companies.

Until the end of May, some 40 % of the aforementioned amount was invested.

According to investment program for the period 2008th -2012th, electricity distributors should invest overall amount of 1.5-2 billion euros, after which the entire network will be renewed.

Minister announced that some 80,000 households, which are not connected to electricity grid, would be connected by 2009th, where electricity distributors agreed to cover 33 % of the expenses. In return, the government announced to pay several million euros debt of Romanian railway company to the electricity distributors.

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### **NIS to acquire 380 million euros loan (Serbia)**

The management of Oil industry of Serbia (NIS) confirmed it had had talks with 17 banks, which expressed readiness to grant 14-year loan to NIS, after which the company had selected the best offer.

Due to delays in privatization procedure, NIS was forced to acquire 380 million euros loan for the planned investments, general manager of NIS Srdjan Bosnjakovic said. The Shareholders assembly must approve this decision, after which the government of Serbia would reach its final decision on the loan.

NIS earlier announced that overall investments in 2007th should reach 260 million euros, where NIS should invest 100 million euros of its own funds. The most of the funds, 180 million euros, should be invested for modernization of oil refineries in Novi Sad and Pančevo. In the same time, Bosnjakovic confirmed that 90 million euros should be invested for recapitalization of the company.

The acquiring of the loan should be also approved by the privatization advisor of NIS, the consortium Merrill Lynch-Raiffeisen Investment.

The chairman of the shareholders assembly Radomir Naumov said that management still did not send the official request for approval of the loan arrangement. Naumov was not against the loan, yet he said this should be reconsidered in order to evaluate the influence of the loan to the selection of future strategic partner, which should happen very soon. Naumov, who was former minister of energy and mining, said the government adopted program for modernization of NIS three years ago, by which it confirmed the need for investments in NIS. In other hand, nothing was done regarding modernization so far, Naumov concluded.

The privatization of NIS was postponed last year due to parliamentary elections. So far, the officials from MOL, Petrol, Hellenic Petroleum, Rompetrol and Gazpromneft visited NIS and expressed interest for privatization of Serbian national oil company.

According to some sources, the Serbian government fears that some of the interested parties could shutdown oil refineries of NIS and supply Serbian market from its refineries. Because of that, gov-

ernment would most certainly look for the partner willing to invest in modernization of two oil refineries operated by NIS.

In the related news, NIS reported 78 million euros of profit in 2006th. The overall incomes stood at 3.2 billion euros, the auditors from Deloitte Touche confirmed.

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### **New increase in electricity prices possible from September (Serbia)**

According to Serbian press, the government of Serbia has been re-considering to impose another increase in electricity prices, which should happen in September. By this new price increase (the last one was imposed in mid May), the considerable difference in price paid by households and industrial customers would be reduced. Sources imply that increase for household customers will be 5 %, while electricity prices for industrial customers could rise by 20 %.

The minister of energy and mining Aleksandar Popovic earlier said it was unfair for industrial customers to make high profits due to low prices, where the household's customers pay part of their costs at the end.

In May, Power utility of Serbia (EPS) demanded from government to approve 25 % increase for industrial customers and 15 % increase for the households. Instead of that, government approved 15 % increase for all categories of customers. In this moment, households pay 4.8 eurocents/kWh in average, while industrial customers pay 3.8 eurocents/kWh.

Starting from September 1st, new methodology for calculation of electricity prices and new procedure for approving new prices will be effective. EPS will be obliged to submit proposal on new prices to Regulatory energy agency (REA). REA's task is to verify the request in accordance to new cost methodology and to submit its opinion to the government, which should reach the final decision on the prices.

Even with new price increase, the customers in Serbia will still pay the lowest tariffs for electricity comparing to the neighboring countries. Experts estimated that electricity prices in Serbia should rise up to 7 eurocents/kWh until 2012th.

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### **CEZ to deliver electricity to KEK (Serbia, Kosovo)**

Czech CEZ has been delivering electricity to Kosovo Energy Corporation (KEK) starting from July 1st. The delivery period is July-October this year. The CEZ was selected as the supplier in the tender organized by KEK.

The price of electricity will be 90 euros/MWh, where the exact amount of the delivery was not revealed. The electricity is acquired in Bulgaria and Hungary, CEZ confirmed.

Spokesman of CEZ said that company would deliver electricity to Albania too at the same price of 90 euros/MWh.

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## **Energy minister confirmed the EPS would not be privatized yet, tender for NIS to be published this autumn (Serbia)**

In the comprehensive interview to the Serbian daily paper, minister of energy and mining of Serbia Aleksandar Popovic once again confirmed that Power utility of Serbia (EPS) would remain 100 % owned by the state. On the other hand, EPS must be restructured, having in mind that despite the improvements, EPS's business performance was still inadequate comparing to similar companies in the region. Minister announced changes of tariff policy of EPS, especially regarding industrial customers.

Minister believes that average price of electricity in Serbia should reach 5.5 eurocents/kWh, so that EPS could provide funds for new investments.

During this autumn, the government should publish the tender for privatization of NIS as well as the tender for strategic partner for construction of thermal power plant (TPP) Kolubara B and unit 3 in TP Nikola Tesla B.

Minister confirmed that government would try to reach the agreement with UNMIK, regarding the delivery of electricity to Kosovo province, so that all citizens in Kosovo would have regular supply. The government would try to reach such agreement, which would provide regular supply to Serbian enclaves in the province. Minister reminded that power plants in Kosovo produced more electricity in 1998th than it is the case today.

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## **EMS to invest 60 million euros for construction of new power line (Serbia)**

The construction of the first section of the 400kV interconnection power line between city of Nis and Macedonian border should start in October or in November at the latest, general manager of Serbian transmission system and market operator (EMS), Dragan Vignjevic said.

The construction should be finished in two years, where the cost of the project is 27 million euros. The most of the funds or 21.5 million euros were provided by European agency for reconstruction (EAR).

The new line will be parallel to the existing power line toward Kosovo province, which should eliminate congestion in that direction and increase the reliability of transmission.

In this year, EMS should start the construction of large substation Belgrade 20. The worth of the project will be between 32 and 33 million euros. EMS is currently revitalizing substation Belgrade 8, and the renewal of substation in Nis and Novi Sad will start soon. The overall worth of the renewal projects will be between 15 and 17 million euros.

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## **Enlargement of Kolubara coalmine to start soon (Serbia)**

General manager of the largest coalmine in Serbia, the coalmine Kolubara, Dragan Tomic expects that agreement for dislocation of Vreoci village will be reached soon. By this, 570 million tons of lignite could be exploited. The agreement should be reached in the beginning of September. The dislocation of Vreoci should last 8 years, where the state would provide 143 million euros for the

project. The project includes dislocation of several companies and part of the regional roads and railways tracks.

The activities related to opening of new field E are in progress, and the expansion of field C will start soon, Tomic said. The dislocation of part of the river Kolubara should be finished by the end of the year, after which the coal production in new open pit mine Veliki Crljeni will start.

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## **Electricity report in June (Serbia)**

According to the latest data, overall electricity consumption in Serbia (without Kosovo) was 2.265 TWh (2.3 % lower than planned), while consumption in Kosovo was 294 GWh. The average daily consumption was 85.3 GWh, while during days with increased use of air conditioners, the consumption reached 93 GWh. Average daily temperature was 23.5°C, which was 3.5°C higher comparing to multiyear average.

Overall production stood at 2.994 TWh, which was 7.3 % higher than planned or 5.5 % higher comparing to the last year.

Thermal power plants (TPPs), without Kosovo, produced 1.91 TWh, which was 22 % higher than planned and 29 % higher comparing to the last year. In the same time, TPPs in Kosovo produced 52 % more electricity comparing to the last year.

Storage type hydropower plants (HPPs) produced 105 GWh, which was 138 % higher than planned and 22 % lower comparing to the last year.

Due to drought, the electricity production in run of the river HPPs was 31 % lower than planned or 37 % lower comparing to the last year.

At the end of June, the coal reserves were 20 % higher than planned, while the electricity stored in accumulation lakes was 14 % below plan.

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## **The construction of the fifth excavating system in Drmno started (Serbia)**

The officials from ministry of energy and mining had officially announced the start of the installation of fifth excavating BTO system (excavator - belt transporter - depositor) in open pit mine in Drmno near Kostolac. The project will be carried out by German Takraf, while the local companies Gosamont, Gosa FOM, PRIM and Kolubara metal are hired as subcontractors. Takraf will install the srs2000 type excavator, which would compensate the reduction in coal production in calamines Cirkovac and Klenovik, which will be shutdown.

The worth of the investment is 65 million euros. The new BTO system will increase the coal production in the coalmine from 6 up to 9 million tons of coal per year. The coal production should be sufficient for thermal power plants in Kostolac, which have 1,000 MW of installed power output. The new BTO system should be operational in mid December 2008th.

General manager of Power utility of Serbia (EPS), Vladimir Djordjevic, announced that EPS plans to build the sixth excavating sys-

tem in Drmno coalmine, which would provide possibility for construction of new power plants.

## Tenders:

### Electricity

Company / organization:	EAR, related Kosovo
<b>Construction of Fly ash Load out, Storage silos and Mixing Facilities for Stan Trg Mine, re - launch</b>	
Content:	<p>The contract consists of Construction of Fly ash Load out, Storage silos and Mixing facilities for Stan Trg Mine in order to provide continuous supply of fly ash from Kosovo Energy Corporation (KEK) power plant, to fill the voids left after the extraction of ore at Stan Trg mine.</p> <p>The project includes the construction works for fly ash load out facilities at KEK power plant and construction of storage and mixing facilities at Stan Trg mine including design, steel and reinforced concrete works, electronic and mechanical fittings and other appropriate works..</p>
Deadline:	16 August 2007 at 17:00 CET.
Contact:	<p>Operational Centre Pristina Procurement Unit Head of Procurement Unit 1, Kosovo Street Pristina, Kosovo UNMIK Fax: + 381 38 51 31 308 E-mail: kwinten.joniaux@ear.europa.eu</p>

Company / organization:	<b>EBRD, related Romania</b>
<b>Timisoara District Heating - Works and Consultancy</b>	
Content:	<p>CLT Colterm S.A. ("Colterm" or the "Company"), the district heating company owned by the City of Timisoara, has applied for a loan from the European Bank for Reconstruction and Development (the "Bank") for the modernisation of the municipal district heating system. The Company intends using the proceeds of the loan for the installation of new gas turbine units of 20 MW gross electricity production with a 29 MW thermal output and for district heating and corporate management consultants. Colterm will be the implementing agency.</p> <p>The proposed project, which has a total estimated cost of EURO 22.5 million, will require the procurement of works and services for the following components:</p> <p>(a) supply and installation of gas turbine units; (b) procurement and implementation supervision; (c) corporate development programme (donor financed)</p> <p>Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country</p>
Deadline:	21 Aug 2007 at 24:00, Timisoara time

Contact:	<p>Aurel Matei, Deputy General Manager Colterm S.A. Str. Ep. Joseph Lonovici nr. 4 300092, Timisoara Romania Tel: 0040 256 434 614 Fax: 0040 256 434 616 Email: aurel.matei@colterm.ro</p>
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Company / organization:	EBRD, related Romania
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#### Iasi District Heating Project

Content:	<p>This General Procurement Notice (GPN) updates the first GPN for this project published in Procurement Opportunities, on 6 February 2006 with the Ref: 5189-GPN -35162.</p> <p>S.C. Centrala Electrică de Termoficare (CET).Iași S.A. has received a loan from the European Bank of Reconstruction and Development and intends using the proceeds for refurbishment of the city district heating.</p> <p>The Project, which has a total estimated cost of about €31.8 million, proposed to be financed by the Bank, the Swiss Government and S.C.CET Iasi S.A, will require the procurement of the following goods and works:</p> <ul style="list-style-type: none"> <li>- Supply and Installation of thermal modules (expected to be partly donor funded)</li> <li>- Supply and Installation of the equipment in the Central Sub-stations, including the automation equipment (expected to be partly donor funded)</li> <li>- Rehabilitation Works for the Central Sub-stations, including Buildings Rehabilitation</li> <li>- Rehabilitation Works for the Heat Distribution Network</li> </ul> <p>Tendering for the above is expected to start in the 1st quarter 2007.</p> <p>Contracts to be financed with the proceeds of a loan from the bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	25 Apr 2008 at 24:00, Iasi time
Contact:	<p>Centrala Electrica de Termoficare Iasi ( CET) SA Project Implementation Unit Contact name: Mrs. Buzea Doina Address: Calea Chisinaului Street, no. 25 Iasi; Postal code: 700265 Iasi, Romania Phone: +40-232-231675 Fax: +40-232-231675</p>

Company / organization:	EAR, related Kosovo
<b>Overhaul of Overburden System for Sibovc South West Mine</b>	
Content:	<p>Bucket Wheel Excavator and Spreader</p> <p>The works consist of the overhaul of the existing Excavator and Spreader as part of an overburden removal system in the Kosovo lignite mines. The contract/s will be based on the FIDIC "Conditions of Contract for Plant and Design-Build" First Edition 1999 (Yellow Book).</p> <p>The project concerns the rehabilitation of a Bucket Wheel Excavator SRs 1300 for excavating of overburden transported by a belt conveyor system and dumped by a Spreader and the rehabilitation of a Spreader for dumping of overburden excavated by the BWE. The Hopper car is to be delivered as new, matching in capacity and size to BWE and conveyor belt line, while the tripper car shall be refurbished and shall match the conveying capacity as it was designed for. Design and installation of operational control, electrical system, and technical diagnostic system for BWE and Spreader will be part of scope of the works as well.</p> <p>This project will lead to increasing the reliability of coal supply to the existing generation units and prepare the system for the operation of the new Sibovc South West Mine.</p> <p>Lot 1: Overhaul of Bucket Wheel Excavator SRs 1300 Lot 2: Overhaul of the Spreader A2RsB 4400 x 60</p>
Deadline:	24 September 2007 at 17hrs00 (CET)..
Contact:	European Agency for Reconstruction E-mail: luisa.lopez@ear.europa.eu Copy to: majlinda.statovci@ear.europa.eu

Company / organization:	EAR, related Kosovo
<b>Overhaul of Overburden System for Sibovc South West Mine</b>	
Content:	<p>Supply of mechanical and electrical parts and components for Conveyor Line B-1600 for Sibovc South West Mine</p> <p>The project concerns the design, manufacturing and delivery of mechanical and electrical parts and components for overhaul of conveyor line 1600 mm belt width, in order to increase the reliability of coal supply to the existing generation units and prepare the conveyor belt for the operation in the new Sibovc South West Mine.</p> <p>Under Lot 1 for supply of mechanical parts and components for the conveyor line are foreseen to be delivered the suitable 320 kW belt drive gear boxes with heating including necessary connection material and claw coupling with brake drum to the motor, flange coupling to the belt drum and related adapter frames (one for brake and one for electrical motor), double shoe drum brake including brake thrusters with internal limit switch, drive drum (including bearings, bearing houses and flange coupling between drum and drive gear), special tool set for hydraulic disassembling and assembling of the flange coupling discs, take-up pulley, parabolic baffle plates (impact walls).</p> <p>The aim of Lot 2 for supply of electrical parts and components is to deliver the slip-ring 6kV, min 320 kW AC motors for the required belt drive gear boxes under the Lot 1.</p> <p>Lot 1: Supply of mechanical parts and components for conveying line 1600 mm belt width. Lot 2: Supply of electrical parts and components for conveying line of 1600 mm belt width</p>
Deadline:	17 September 2007 at 17hrs00 (CET).
Contact:	European Agency for Reconstruction E-mail: luisa.lopez@ear.europa.eu Copy to: majlinda.statovci@ear.europa.eu

Company / organization:	EBRD, Serbia
<b>Electric Power Industry of Serbia</b>	
Content:	<p>This notice updates the General Procurement Notice for this project which was posted on the EBRD website on 19 November 2003.</p> <p>Electric Power Industry of Serbia (EPS) is constructing and conducting an installation of a reliable overburden removal system at Tamnava West lignite mine financed from a loan from the European Bank for Reconstruction and Development (EBRD) and the Kreditanstalt fuer Wiederaufbau (KfW).</p> <p>EPS has applied for an EBRD loan for the realization of the following parts of the new lignite mining system:</p> <ul style="list-style-type: none"> <li>• New Bucket Wheel Excavator</li> <li>• New Belt Conveyor system (co-financed by KfW)</li> <li>• New shifting devices</li> </ul> <p>EPS has further applied for KfW loan for the following parts of the new system:</p> <ul style="list-style-type: none"> <li>• Parts of the new belt conveyor system</li> <li>• New power supply system</li> <li>• Spreader integrating new and available parts</li> </ul> <p>Tendering process is completed and contract realization for the above goods and services is ongoing and project completion is planned for the second quarter of 2009.</p>
Deadline:	12 Jun 2008 at 24:00, Beograd time
Contact:	Mr. Slobodan Mitrović or Mr. Aleksandar Gajić Tel.. + 381-11-397-1926 Fax: + 391-11-397-1923 e-mail: slobodan.mitrovic@eps.co.yu or aleksandar.gajic@eps.co.yu

Company / organization:	EBRD, related Bulgaria
<b>Pernik District Heating Rehabilitation Project</b>	
Content:	<p>Toplofikacija Pernik EAD, hereinafter referred to as "The Employer", intends using part of the proceeds of a Grant from the Kozloduy International Decommissioning Support Fund (KIDSF) administrated by the European Bank for Reconstruction and Development (the Bank) towards the cost of "Pernik District Heating Rehabilitation Project". The project has accumulated savings of €180,000 which is intended to be used for Construction and Installation Works (CIW) needed for the rehabilitation of the heat transmission network.</p> <p>Contracts to be financed with the KIDSF grant will be subject to the Bank's Procurement Policies and Rules. Tendering for contracts to be financed with the proceeds of a grant administered by the Bank is now open to firms from Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Portugal, Spain, Sweden, Switzerland, UK, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, the Netherlands, Poland, Romania, Slovakia, Slovenia, all the so called PHARE and countries of EBRD operations.</p>
Deadline:	12 Jun 2008 at 24:00, Pernik time
Contact:	eng. Gergana Koleva Moshino, CHP Plant Republika 2303 Pernik, Bulgaria Tel./Fax.: +359 (076) 670 675



Company / organization:	NEK, related Bulgaria
<b>Bridge Financing for the Belene NPP Project</b>	
Content:	Natsionalna Elektricheska Kompania EAD has announced a tender to raise debt financing in the amount of MEUR250. This credit facility will be used to finance the design, procurement of equipment and civil works (construction and erection works) under the Project for Construction of NPP Belene during the first year of its implementation. This period is planned for implementation of the first phase of the Project that mainly covers design and preparatory works and within this period of 1 year NEK in its capacity as the company responsible for the development of the Project will complete the process of its structuring. The purpose of this credit facility will be to play the role of bridge financing until the required financial resources are provided for the complete implementation of the Project for construction of NPP Belene. Therefore NEK EAD as Borrower intends to repay entirely the credit immediately after the financial close of the Project is achieved or to keep the credit on its balance sheet with option for long term repayment. The announcement is published on the page of the Public Procurement Agency <a href="http://www.aop.bg">http://www.aop.bg</a> and in the Supplement to the Official Journal of the European Union <a href="http://ted.europa.eu">http://ted.europa.eu</a> . The documents for participation in the public procurement procedure may be obtained at the Head Office of NEK EAD or via e-mail upon submission of a document evidencing payment of the documentation fee of 500 Euro. The payment may be made either at the pay-office of NEK EAD or by bank transfer to the NEK account: IBAN: BG35KORP92201400534102, BIC: KORPBG5F in Corporative Commercial Bank AD.
Contact:	Yulian Kiossev, tel. (+3592) 9263490 ykiossev@nek.bg.

Company / organization:	EBRD, related Romania
<b>CFR TRACTION ENERGY NETWORK MANAGEMENT PROJECT</b>	
Content:	<p>This notice updates the General Procurement Notice published on Ebrd Website dated 22nd July 2005 under reference 5104-GPN-36043.</p> <p>CFR SA and its subsidiary CFR Electricare have received a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 27 million equivalent (EUR 22.5 m from the Bank and EUR 4.5m in VAT and other taxes), will require the procurement of the following goods, works and services;</p> <ol style="list-style-type: none"> <li>1. Supply and installation of equipment sets consisting of traction substations, switching equipment, railway station distance control equipment, and central dispatching equipment and communication facilities;</li> <li>2. Supply of catenary maintenance vehicles; and</li> <li>3. Consultancy services for contract supervision.</li> </ol> <p>Tendering for the above contracts started in the second half of 2006.</p>
Deadline:	24 Jul 2007 at 24:00, Bucharest time

Contact:	Mr. Tiberiu Angelescu, Director of Foreign Financing Directorate Compania Nationala de Cai Ferate CFR – SA 38, Dinicu Golescu Blvd., 3rd floor, room no. 26 010873 Bucharest 1 Romania Tel.: +40 21 224 84 06 Fax: +40 21 222 14 45
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Company / organization:	EBRD, related Bulgaria
<b>Sofia District Heating Rehabilitation Project</b>	
Content:	<p>Toplofikacia Sofia AD hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from European Bank for Reconstruction and Development (the Bank) and a grant from Kozloduy International Decommissioning Support Fund (KIDSF) towards the cost of Sofia District Heating Rehabilitation Project.</p> <p>The Purchaser now invites sealed tenders from suppliers for the following contracts to be funded from part of the proceeds of the loan and the grant for the Supply of 1700 District Heating Substations and Associated Services including delivery of substations, dismantling of existing substations, preparatory work in substations' rooms, installation, adjustment and commissioning of substations.</p> <p>The supply of 1700 district heating substations and associated services is divided into five (5) separate lots as follows:</p> <ul style="list-style-type: none"> <li>-Lot 1 refers to 500 substations located in DHR "Sofia" (central and north part of Sofia city).</li> <li>-Lot 2 refers to 470 substations located in DHR "Sofia east" (south-east part of Sofia city).</li> <li>-Lot 3 refers to 320 substations located in DHR "Zemlyane" (south part of Sofia city).</li> <li>-Lot 4 refers to 240 substations located in DHR "Luilin" (north-west part of Sofia city).</li> <li>-Lot 5 refers to 170 substations located in DHR "Sofia" (central and north part of Sofia city) and DHR "Sofia east" (south-east part of Sofia city).</li> </ul> <p>Tenders are invited for one or more lots. Each lot must be priced separately.</p> <p>Contracts for Lot 1, 2, 3 and 4 will be financed with the proceeds of the KIDSF grant, and Contract for Lot 5 will be financed with the proceeds of the loan. The Contract for Lot 5 will be awarded in case of availability of financial sources from EBRD Loan</p> <p>Tendering for contracts to be financed with the proceeds of the KIDSF grant (Lot 1, 2, 3 and 4) will be administered by the EBRD under the procurement rules of the EBRD and the KIDSF. Tendering for contract to be financed with the proceeds of the KIDSF grant is open to firms from eligible countries of the Fund. The eligible countries in accordance with the Rules of the KIDSF are EU member states, Switzerland, so called PHARE countries and countries of EBRD operation.</p> <p>All tenders must be accompanied by a tender security of:</p> <ul style="list-style-type: none"> <li>Lot 1 - EUR 61 000 (sixty one thousand)</li> <li>Lot 2 - EUR 48 000 (forty eight thousand)</li> <li>Lot 3 - EUR 33 000 (thirty three thousand)</li> <li>Lot 4 - EUR 26 000 (twenty six thousand)</li> <li>Lot 5 - EUR 18 000 (eighteen thousand)</li> </ul> <p>or its equivalent in a convertible currency.</p>
Deadline:	20 Jul 2007 at 14:00, Sofia time
Contact:	Mr. Peter Petrov fax + 359 (2) 859 91 24 phone +359 (2) 859 81 05

Company / organization:	EBRD, related Bosnia and Herzegovina
<b>Power Distribution Reconstruction Project</b>	
Content:	<p>This GPN updates the notice published on the EBRD website on 11 November 2005. Bosnia and Herzegovina has applied for a loan from the European Bank for Reconstruction and Development ("The Bank") towards the cost of reconstructing and modernising the electricity distribution infrastructure in Bosnia and Herzegovina, enabling the three local power utilities (Elektroprivreda Bosne Hercegovine ("EPBIH"); Elektroprivreda Republike Srpske ("EPRS") and Elektroprivreda Hrvatske Zajednice Herceg Bosne ("EPHZHB")) to improve reliability and quality of electricity supply, reduce losses and improve energy efficiency.</p> <p>The proposed project has a total estimated cost of Euro 55 million, proposed to be financed by the EBRD, and will require the procurement of the following goods, works and services for:</p> <p>(a) Goods and related Services for purchasing of metering equipment for residential consumption and Low and Medium Voltage substations, Low and Medium Voltage transformers, cables and auxiliary equipment for Low and Medium Voltage lines, machinery and equipment for the installation of the aforementioned items;</p> <p>(b) Works for the installation of the aforementioned items;</p> <p>(c) Consulting services to support the three Project Implementation Units established by the three power utilities.</p> <p>Tendering for contracts under (c) above was completed in June 2006. Procurement for goods &amp; services and works under (a) and (b) above has started and should be completed by December 2007.</p>
Deadline:	2 Jun 2008 at 24:00, Mostar time
Contact:	<p>Mr. Josip Jerkovic PIU Director Tel:+387 36 323 788 Fax:+387 36 322 831 Email: josip.jerkovic@ephzhb.ba</p>

Company / organization:	EBRD, Bosnia and Herzegovina
<b>PROCUREMENT OF SUBSTATIONS 10(20)/0.4 kV</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published in EBRD Procurement Opportunities on 11 November 2005.</p> <p>JP ELEKTROPRIVREDA BOSNE I HERCEGOVINE – d.d. SARAJEVO (hereinafter referred to as: the Employer), intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Procurement of Substations 10(20)/0.4 kV</p> <p>The Employer now invites sealed tenders from all interested Suppliers and/or Contractors for the following contract to be funded from part of the proceeds of the loan:</p> <p>Supply of various electrical equipment for 48 (forty eight) pcs of Substations 10(20)/0.4 kV in concrete /metal housing; 78 (seventy eight) pcs of pole mounted substations 10 (20)/04 kV; and 131(one hundred and thirty one) pcs of remotely controlled pole mounted switch disconnectors.</p>
Deadline:	15 Aug 2007 at 12:00, Sarajevo time

Contact:	<p>ELEKTROPRIVREDA BOSNE I HERCEGOVINE – d.d. Sarajevo Project Implementation Unit Mr. Nedeljko Despotović, PIU Director Wilsonovo šetalište 15 71000 Sarajevo BOSNIA AND HERZEGOVINA Tel.+387 33 751 030 Fax.+387 33 751 033 e-mail: n.despotovic@elektroprivreda.ba</p>
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Company / organization:	EBRD, related Bosnia and Herzegovina
<b>ENERGY METERS AND AMR CENTRE</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published on EBRD website dated 11 November 2005.</p> <p>J.P. ELEKTROPRIVREDA HRVATSKE ZAJEDNICE HERCEG BOSNE d.d. Mostar hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Goods and associated Services for equipment and materials for Energy Meters and AMR Centre.</p> <p>The Purchaser now invites sealed tenders from all interested Suppliers and/or Manufacturers for the following contracts to be funded from part of the proceeds of the loan:</p> <p><b>ENERGY METERS AND AMR CENTRE</b></p> <p>Energy Meters and AMR centre cover design, manufacturing, testing, transportation, installation services and commissioning for 0,4 kV current measuring transformers –5668 pcs (five thousand six hundred and sixty eight); 10(20) kV voltage measuring transformers (ninety) 90 pcs; el. energy meters with possibility of remote readings –2750 pcs (two thousand seven hundred and fifty); connecting material for installation , integration of the equipment in the 10(20)/0,4 kV substations and automatic meter reading centre and preparation of "As Built" documentation in Mostar.</p>
Deadline:	17 Jul 2007 at 12:00, Mostar time
Contact:	<p>ELEKTROPRIVREDA HRVATSKE ZAJEDNICE HERCEG BOSNE d.d. Mostar Project Implementation Unit Mr. Božidar Jovanović, PIU Director Zagrebačka 1 88 000 Mostar BOSNIA AND HERZEGOVINA Tel. +387 36 323 788 Fax. +387 36 322 831 E-mail: bozidar.jovanovic@ephzhb.ba</p>

Company /  
organization:**EBRD, related Romania**

**Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress**

Content:

The Kazakhstan Electricity Grid Operating Company (KEGOC) has received a loan from the European Bank for Reconstruction and Development, and it intends to use part of the proceeds of the loan for payments under the contract for consulting services for Management and Monitoring of Construction Contract implementation process. The assignment is expected to be carried out in three Phases as described below.

Phase I

1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.

1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.

1.3 Final review and approval of the made up design estimates for the construction of 500 kV OTL 500 kV Agadyr SS– 500 kV YuKGRES SS.

Phase II

2.1 Managerial and monitoring support during contracting.

2.2 Analyses of the results of the tests performance for the quality conformance of the equipment and materials supplied under the project to the quality and technical characteristics operated together with KEGOC JSC specialists. Tests results evaluation.

2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.

2.4 Environmental measures monitoring during implementation of the construction and erection works.

2.5 Verification of implementation according to the PIP and review of any changes to the PIP.

2.6 Verification of the proper use of available funds.

2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.

Phase III

3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Report

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**Oil & Gas**Company /  
organization:

INA, related Croatia

**ADSORBENT FOR MERCURY REMOVING FROM VIRGIN NAPHTHA**

Content:

ADSORBENT FOR MERCURY REMOVING FROM VIRGIN NAPHTHA for Refinery Sisak in accordance with INA Technical Specification SN-745/07/NJ in quantities of 8.000 kg.  
Tenderers are obliged to offer total subject of procurement

Tender documentation in Croatian or in the English language can be requested by Tenderers in writing on the following address: INA – Industrija nafte d.d., Av. V. Holjevca 10, Zagreb, Procurement Sector, Nikolina Jelekovac, fax: 6452 145; tel: 6451 015, e-mail: nikolina.jelekovac@ina.hr, with remark «SN-745/07/NJ» on working days from 12 till 16 hours. Documentation can be obtained upon payment of non-repayable fee of HRK 400.00 to account No. 2340009-1100022902, respectively 60 EUR to account No. 70000-978-170334, IBAN HR 92 2340 0091 1000 2290 2, swift PBZGHR2X by Privredna banka Zagreb in favor of INA - Industrija nafte d.d., with remark «for open tendering No. SN-745/07/NJ

Deadline:

31.07.2007. until 16 hours. local time

Contact:

nikolina.jelekovac@ina.hr

Company /  
organization:

INA, related Croatia

**TAPER PLUG VALVES AND BALL VALVE – FULL BORE (trunnion mounted-top entry)**

Deadline:

July 26, 2007., until 11,00 hours, local time

Contact:

Ms. Ana Čičerić , tel: +385-1- 64 51 048, fax +385-1-64 52 048, e-mail: ana.ciceric@ina.hr

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