

About:

Main focus of Balkan Energy NEWS is energy related news from countries of South East Europe. Countries involved are: Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, and Serbia. 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 relevant power exchanges.

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Consulting, intellectual and assistance services related to energy business in South Eastern Europe

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In this issue:

October (2) 2008 issue of Balkan Energy NEWS, with limited data.

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Actual data

- » Power sector operational and market data for the period of 16.10.-31.10.2008
- » Forecasted weather conditions for the following period

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Analysis:

- » Power plants in Croatia

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News headlines**Region**

- » The start of construction of Bourgas- Alexandropoulos oil pipeline to be delayed
- » Rumors on participation of Romania in South stream projects, Bulgaria denied it would be replaced
- » INA the most successful company in SE Europe in 2007

Albania

- » Albania received 90 million euros loan from Germany

Bosnia and Herzegovina:

- » Refinery in Brod ready to start production
- » EFT opened administrative building of TPP Stanari, construction of main facilities to start in mid 2009
- » Gazprom to cut delivery of natural gas over debts starting from January 1
- » Government approved draft strategy for energy sector
- » TPP Gacko in service after annual overhaul
- » RS and General Electric signed cooperation protocol

- » Five companies submitted letters of interest for oil and natural gas researches

Bulgaria:

- » State allocated 150 million euros for NPP Belene
- » Output in wind farms to be increased up to 170 MW by the end of 2008
- » Government extended guarantees for Belene project
- » Melrose Resources confirmed new natural gas field discovery
- » AES continues investments despite the financial crisis

Croatia:

- » Prime minister against construction of nuclear power plant
- » Koncar company established subsidiary for construction of wind farms
- » MOL published official report on takeover of shares in INA
- » 12.4 % increase in profit for Janaf
- » Modernization of oil refinery in Rijeka started
- » LNG Croatia to be established
- » Government and MOL to continue negotiations regarding share swap

Greece:

- » PPC union blocked management building

Macedonia:

- » Electricity price 13.61% higher
- » Tender for construction of 12 SHPP
- » Macedonia awaits offer for NPP Belene
- » 1 500 households canceled district heating due to high price

Montenegro:

- » TPP Pljevlja out of service for regular maintenance
- » EPCG published tender for import of 1 TWh in 2009
- » Statkraft to take part in tender for privatization of EPCG
- » Government published invitation for construction of HPPs on Moraca River
- » Government approved Action plan for Strategy of energy development
- » EPCG demanded new increase in electricity prices
- » Announcement for closure of KAP, government reconsiders consequences
- » Credit crisis not to affect recapitalization of EPCG

Romania:

- » National energy company to be operational in March next year
- » New electricity link with Hungary in December this year
- » Romgaz posted 5 % increase in profit, decrease in production
- » 1.25 billion euros of turnover for Electrica
- » Rompetrol to import LPG from Kazakhstan
- » Elcen approved the list of qualified bidders for modernization of CHPPs Fantanele and Progresu
- » Termoelectrica to seek new investors for TPP Doicesti
- » CEZ demands veto rights for each investor in Cernavoda project

Serbia:

- » Feasibility study for South stream project to be completed by 2010
- » Joint venture for Banatski Dvor by the end of the year
- » Energy contracts with Russia to be signed by the end of the year
- » EPS to invest 9.2 billion euros until 2015
- » Transport capacity of South stream pipeline to reach 20 billion cbm
- » EFT to open lignite mine, possible construction of TPP
- » Increase in natural gas prices caused political turmoil

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

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.

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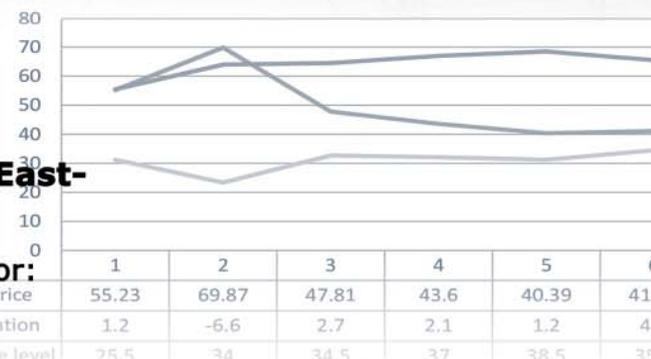
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106	1134	Slovenia	2009	1052	1116	1052	978	838
148	1077		2010	12287	1083	981	1054	841
181			2011	12590	955	1051	1127	997

OPCOM

Annual electricity consumption in GWh

Year	Sum	1	2	3	4
2007	11182	1027	891	953	850
2008	11570	1094	998	1012	911
2009	10994	1099	932	963	816
2010	11722	1074	979	1016	910
2011	12186	1155	1038	1075	935
2008	34506	3299	2960	2837	2837
2009	32722	3299	3196	2836	2836
2010	31954	3486	3052	3021	2443
2011	33452	3475	3107	3087	2577
2008	17842	1680	1543	1570	1570
2009	17507	1625	1530	1551	1323
2010	17174	1536	1568	1568	1358
2011	17174	1553	1481	1553	1395
2009	53306	4915	4539	4289	4105
2010	53504	4652	4271	4401	3894
2011	53565	4666	4107	4327	3913
2009	54174	4571	4155	4423	3865
2010	54174	432	777	664	664
2011	54174	933	795	761	667
2009	7576	862	747	753	486
2010	7576	862	747	753	486
2011	7576	862	747	753	486
2009	54174	4735	4418	4660	4087
2010	54174	5170	4801	4795	4396
2011	54174	4735	4418	4660	4087
2009	50636	4736	4268	4473	3803
2010	53365	4874	4473	4237	3513



Country Reports on Energy Business in South Eastern Europe

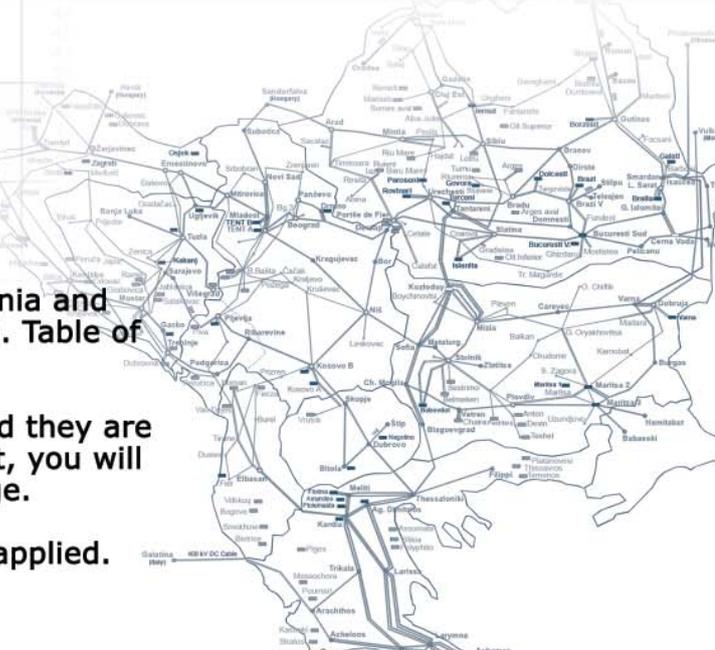
Country reports provide detailed overview of energy sector:

- 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

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

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Power exchanges data:

Bosnia and Herzegovina: Electricity production in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	1261	1203	1147	1133	1140	1205	1390	1620	1733	1718	1701	1688	1654	1637	1638	1649	1651	1662	1840	1928	1837	1716	1593	1472
17.10.2008	1432	1390	1284	1283	1281	1354	1577	1778	1861	1931	1920	1928	1905	1878	1898	1860	1840	1948	2020	2074	1994	1850	1685	1583
18.10.2008	1429	1347	1316	1329	1309	1321	1457	1614	1737	1843	1811	1793	1768	1735	1760	1725	1725	1731	1936	1993	1933	1815	1661	1560
19.10.2008	1433	1343	1286	1281	1263	1285	1359	1486	1631	1744	1793	1768	1714	1637	1620	1624	1634	1669	1902	1981	1923	1816	1636	1493
20.10.2008	1406	1331	1287	1274	1294	1349	1564	1730	1829	1902	1868	1860	1828	1816	1825	1835	1699	1720	1956	1984	1922	1782	1655	1510
21.10.2008	1249	1199	1155	1172	1161	1194	1432	1628	1735	1795	1734	1720	1668	1629	1632	1642	1630	1642	1637	1638	1637	1552	1387	1227
22.10.2008	1332	1313	1244	1204	1176	1264	1460	1636	1743	1768	1756	1746	1617	1571	1566	1592	1661	1649	1783	1797	1711	1646	1514	1378
23.10.2008	1314	1240	1200	1198	1191	1247	1393	1561	1686	1751	1718	1731	1707	1681	1739	1741	1768	1841	1959	1956	1863	1747	1604	1462
24.10.2008	1278	1183	1163	1141	1143	1170	1442	1629	1700	1770	1773	1719	1738	1690	1704	1688	1694	1752	1894	1879	1817	1753	1622	1503
25.10.2008	1369	1314	1290	1258	1261	1273	1377	1475	1622	1702	1700	1719	1703	1655	1657	1647	1652	1731	1842	1831	1797	1665	1548	1438
26.10.2008	1307	1233	2441	1233	1206	1208	1329	1422	1544	1661	1639	1552	1527	1462	1422	1437	1497	1699	1733	1707	1663	1541	1401	1275
27.10.2008	1087	1081	1047	1039	1033	1071	1265	1468	1601	1614	1614	1579	1569	1561	1573	1553	1573	1784	1828	1786	1649	1562	1417	1297
28.10.2008	1207	1164	1122	1111	1100	1233	1392	1587	1691	1711	1669	1650	1624	1628	1628	1623	1657	1872	1875	1843	1767	1628	1503	1382
29.10.2008	1267	1209	1129	1078	1123	1240	1445	1580	1695	1701	1686	1686	1755	1789	1781	1752	1835	2058	2045	1981	1832	1703	1623	1497
30.10.2008	1411	1322	1318	1313	1298	1362	1538	1688	1835	1903	1881	1817	1821	1835	1808	1786	1904	2020	2042	2002	1895	1813	1707	1546
31.10.2008	1408	1317	1300	1255	1263	1300	1503	1699	1834	1797	1802	1713	1678	1656	1647	1662	1728	1941	1949	1889	1769	1667	1510	1370
Average:	1324	1262	1296	1206	1203	1255	1433	1600	1717	1769	1754	1729	1705	1679	1681	1676	1697	1795	1890	1892	1813	1704	1567	1437

Bosnia and Herzegovina: Electricity consumption in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	1151	1067	1027	1013	1029	1085	1263	1461	1524	1506	1473	1455	1435	1423	1449	1442	1426	1420	1639	1747	1656	1539	1421	1270
17.10.2008	1148	1074	1018	998	1019	1095	1248	1433	1520	1550	1536	1566	1551	1543	1565	1538	1509	1601	1679	1711	1648	1524	1417	1291
18.10.2008	1153	1076	1035	1040	1032	1070	1176	1320	1448	1511	1516	1499	1476	1469	1471	1438	1429	1430	1657	1716	1627	1520	1373	1272
19.10.2008	1153	1071	1024	1018	999	1034	1072	1182	1340	1400	1446	1422	1382	1354	1333	1336	1350	1383	1634	1712	1632	1529	1378	1198
20.10.2008	1110	1026	988	982	1007	1081	1263	1464	1531	1564	1527	1498	1460	1442	1441	1461	1422	1437	1674	1723	1666	1546	1388	1248
21.10.2008	1153	1063	1026	1022	1041	1090	1285	1464	1545	1572	1518	1490	1466	1444	1433	1451	1433	1444	1441	1440	1442	1440	1441	1441
22.10.2008	1143	1086	1024	1032	1024	1097	1293	1451	1522	1498	1470	1453	1444	1432	1445	1417	1408	1440	1683	1732	1647	1542	1396	1251
23.10.2008	1141	1061	1028	1024	1022	1127	1287	1459	1543	1567	1515	1500	1466	1461	1513	1501	1518	1598	1740	1717	1668	1550	1417	1273
24.10.2008	1165	1059	1043	1019	1037	1112	1291	1439	1539	1537	1519	1491	1494	1470	1500	1479	1477	1540	1737	1734	1653	1525	1408	1279
25.10.2008	1173	1087	1061	1014	1042	1082	1165	1339	1480	1536	1548	1555	1529	1530	1526	1525	1529	1602	1718	1717	1654	1510	1409	1298
26.10.2008	1180	1088	2090	1020	1030	1075	1144	1313	1436	1493	1480	1471	1433	1413	1377	1393	1495	1715	1721	1687	1608	1485	1337	1204
27.10.2008	1072	1034	1005	991	1018	1108	1282	1459	1556	1536	1503	1471	1448	1461	1453	1423	1492	1734	1734	1692	1634	1520	1358	1236
28.10.2008	1145	1078	1042	1037	1050	1160	1309	1492	1567	1549	1506	1473	1450	1478	1467	1472	1524	1762	1754	1707	1637	1521	1376	1231
29.10.2008	1134	1062	1053	997	1027	1131	1273	1431	1502	1506	1463	1461	1437	1492	1484	1450	1528	1752	1730	1647	1604	1498	1352	1202
30.10.2008	1101	1022	1001	980	998	1077	1217	1377	1467	1480	1465	1411	1417	1443	1425	1432	1509	1698	1704	1665	1590	1496	1372	1193
31.10.2008	1111	1019	1001	964	970	1070	1216	1402	1468	1454	1434	1430	1384	1417	1414	1404	1483	1703	1689	1639	1573	1476	1353	1211
Average:	1140	1061	1092	1009	1022	1093	1237	1405	1499	1516	1495	1478	1455	1455	1456	1448	1471	1579	1683	1687	1621	1514	1387	1256

Bosnia and Herzegovina: Electricity exports in last 15 days (MWh)

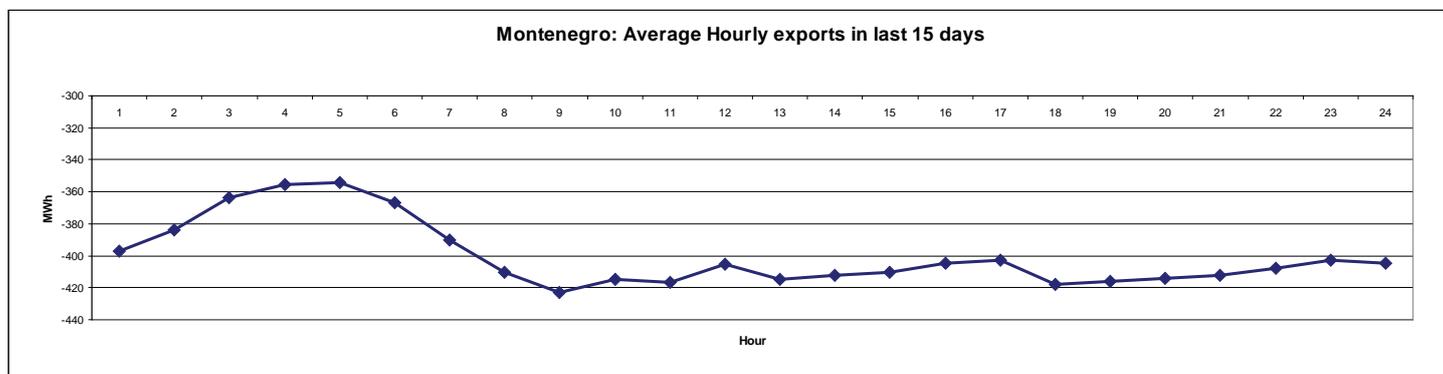
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	110	136	120	120	111	120	127	159	209	212	228	233	219	214	189	207	225	242	201	181	181	177	172	202
17.10.2008	284	316	266	285	262	259	329	345	341	381	384	362	354	335	333	322	331	347	341	363	346	326	268	292
18.10.2008	276	271	281	289	277	251	281	294	289	332	295	294	292	266	289	287	296	301	279	277	306	295	288	288
19.10.2008	280	272	262	263	264	251	287	304	291	344	347	346	332	283	287	288	284	286	268	269	291	287	258	295
20.10.2008	296	305	299	292	287	268	301	266	298	338	341	362	368	374	384	374	277	283	282	261	256	236	267	262
21.10.2008	96	136	129	150	120	104	147	164	190	223	216	230	202	185	199	191	197	198	196	197	195	112	-54	-214
22.10.2008	189	227	220	172	152	167	167	185	221	270	286	293	173	139	121	175	253	209	100	65	64	104	118	127
23.10.2008	173	179	172	174	169	120	106	102	143	184	203	231	241	220	226	240	250	243	219	239	195	197	187	189
24.10.2008	113	124	120	122	106	58	151	190	161	233	254	228	244	220	204	209	217	212	157	145	164	228	214	224
25.10.2008	196	227	229																					

Montenegro: Electricity exports in last 15 days per border (MWh)

	16.10.2008	17.10.2008	18.10.2008	19.10.2008	20.10.2008	21.10.2008	22.10.2008	23.10.2008	24.10.2008	25.10.2008	26.10.2008	27.10.2008	28.10.2008	29.10.2008	30.10.2008	31.10.2008
Montenegro - Albania	2011	2292	1863	1884	613	527	399	619	102	266	193	-340	-345	591	1028	481
Montenegro - BiH	-3475	-4245	-5928	-5989	-3801	-3217	-4534	-4590	-4085	-4484	-4819	-4642	-5975	-6587	-5469	-3157
Montenegro - Serbia	-5389	-5096	-6604	-6726	-7189	-8155	-6593	-6870	-6944	-6728	-6734	-5886	-4770	-4487	-3247	-3806
Total	-6853	-7049	-10669	-10831	-10377	-10845	-10728	-10840	-10927	-10946	-11359	-10868	-11090	-10483	-7688	-6482

Montenegro: Electricity export in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	-281	-253	-237	-229	-220	-234	-278	-301	-328	-318	-306	-332	-391	-350	-373	-363	-253	-243	-237	-248	-256	-242	-266	-315
17.10.2008	-350	-410	-383	-384	-387	-397	-324	-216	-243	-243	-220	-240	-363	-360	-350	-266	-233	-240	-233	-234	-236	-232	-246	-262
18.10.2008	-329	-414	-409	-392	-379	-396	-409	-428	-468	-489	-491	-477	-460	-459	-466	-466	-458	-473	-456	-472	-471	-464	-473	-473
19.10.2008	-447	-421	-397	-392	-391	-390	-406	-433	-462	-466	-467	-460	-473	-472	-470	-454	-455	-472	-509	-503	-484	-472	-459	-479
20.10.2008	-430	-412	-401	-388	-384	-407	-424	-465	-448	-469	-471	-454	-457	-444	-449	-437	-414	-402	-420	-415	-422	-418	-473	-472
21.10.2008	-438	-421	-399	-391	-385	-401	-428	-475	-452	-463	-477	-465	-480	-472	-459	-460	-467	-449	-469	-468	-479	-488	-482	-480
22.10.2008	-449	-417	-390	-388	-385	-401	-438	-462	-465	-480	-491	-463	-445	-442	-433	-435	-459	-452	-465	-468	-476	-471	-478	-477
23.10.2008	-441	-420	-389	-389	-384	-398	-431	-445	-468	-468	-450	-451	-459	-470	-456	-469	-471	-477	-473	-493	-488	-484	-484	-483
24.10.2008	-451	-416	-390	-378	-386	-391	-430	-458	-450	-218	-238	-148	-172	-198	-184	-222	-229	-232	-149	-97	-108	-151	-98	-304
25.10.2008	-433	-411	-383	-378	-381	-386	-410	-438	-469	-481	-476	-471	-473	-465	-459	-459	-458	-482	-508	-516	-520	-511	-498	-479
26.10.2008	-448	-417	-389	-382	-378	-394	-431	-463	-490	-489	-489	-468	-463	-481	-498	-490	-507	-551	-550	-550	-539	-518	-511	-465
27.10.2008	-429	-398	-395	-385	-384	-399	-443	-461	-460	-457	-452	-440	-445	-461	-460	-446	-433	-514	-521	-505	-508	-503	-508	-463
28.10.2008	-443	-420	-399	-385	-392	-394	-414	-460	-467	-467	-468	-457	-456	-452	-453	-444	-476	-522	-529	-543	-526	-534	-509	-481
29.10.2008	-439	-412	-384	-378	-384	-399	-431	-463	-468	-456	-482	-485	-467	-453	-457	-470	-491	-502	-472	-444	-436	-408	-378	-326
30.10.2008	-290	-262	-252	-236	-240	-254	-282	-312	-332	-357	-386	-370	-339	-329	-323	-329	-348	-359	-363	-378	-361	-358	-333	-298
31.10.2008	-256	-238	-220	-212	-210	-227	-264	-287	-303	-313	-307	-306	-292	-287	-273	-267	-292	-316	-302	-290	-286	-270	-247	-218
Average:	-397	-384	-364	-355	-354	-367	-390	-410	-423	-415	-417	-405	-415	-412	-410	-405	-403	-418	-416	-414	-412	-408	-403	-405

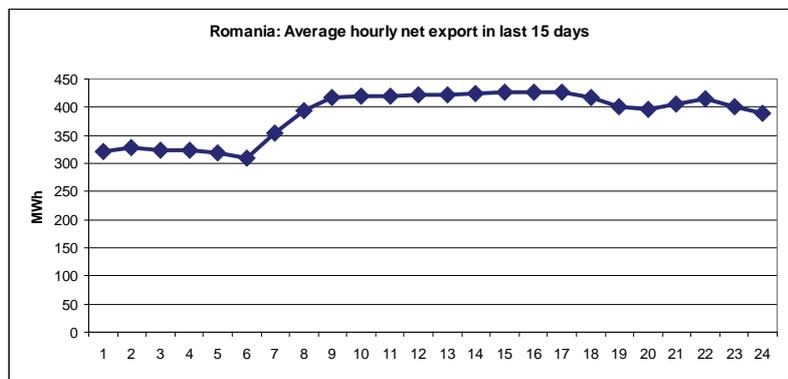
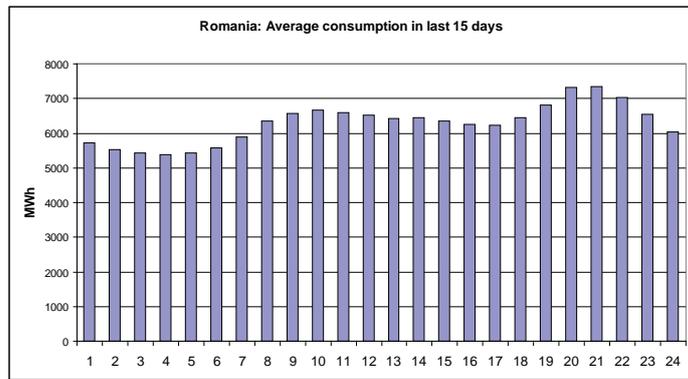


Romania: Electricity consumption in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	5674	5532	5385	5338	5402	5562	5913	6547	6766	6783	6719	6570	6519	6490	6457	6232	6152	6148	6302	7214	7443	7090	6609	6035
17.10.2008	5769	5566	5435	5395	5437	5594	5988	6560	6812	6824	6759	6594	6467	6462	6388	6188	6174	6160	6376	7280	7450	7155	6649	6043
18.10.2008	5745	5474	5350	5283	5331	5352	5449	5585	5811	5979	5962	5922	5854	5815	5723	5701	5694	5680	5927	6764	6946	6708	6269	5883
19.10.2008	5504	5298	5143	5073	5076	5095	5103	5034	5146	5263	5319	5380	5353	5333	5266	5270	5262	5292	5615	6229	6404	6203	5833	5442
20.10.2008	5329	5094	5039	4994	5049	5251	5667	6220	6637	6796	6764	6684	6656	6632	6501	6304	6227	6213	6456	7313	7448	7122	6561	6064
21.10.2008	5747	5551	5481	5469	5477	5677	6060	6662	6904	6968	6852	6750	6583	6600	6443	6393	6323	6311	6726	7403	7573	7180	6643	6027
22.10.2008	5879	5703	5597	5586	5604	5705	6135	6860	7011	7022	6903	6788	6742	6755	6609	6475	6396	6463	6817	7590	7623	7274	6772	6170
23.10.2008	5872	5651	5551	5533	5541	5766	6187	6827	7015	7045	6851	6704	6567	6631	6468	6405	6339	6331	6870	7612	7667	7362	6784	6279
24.10.2008	5896	5667	5583	5556	5558	5752	6214	6824	6965	7055	6937	6832	6702	6698	6552	6448	6407	6423	6930	7649	7703	7389	6855	6313
25.10.2008	5889	5691	5602	5495	5545	5624	5671	5875	6147	6315	6369	6278	6176	6160	6045	6032	6064	6122	6371	6981	7105	6862	6435	6031
26.10.2008	5773	5595	5437	5372	5373	5369	5362	5383	5347	5533	5642	5640	5628	5625	5622	5607	5591	5789	6309	6830	6767	6615	6382	5964
27.10.2008	5436	5268	5211	5229	5273	5474	5932	6668	7048	7225	7130	7035	6974	7021	6924	6884	6962	7380	7713	7678	7560	7240	6776	6249
28.10.2008	5700	5595	5495	5439	5457	5644	6049	6642	6920	6964	6850	6727	6713	6809	6657	6554	6579	7218	7650	7656	7499	7079	6539	6137
29.10.2008	5864	5647	5565	5542	5604	5780	6186	6741	7042	7104	6992	6912	6739	6707	6667	6563	6588	7243	7693	7692	7460	7123	6581	6088
30.10.2008	5816	5599	5513	5428	5479	5719	6108	6633	6872	6946	6803	6729	6661	6701	6652	6549	6559	7243	7739	7665	7463	7027	6499	6016
31.10.2008	5745	5632	5526	5470	5516	5734	6100	6488	6834	6927	6809	6733	6610	6643	6535	6428	6475	7173	7672	7673	7507	7122	6486	5978
Average:	5727	5535	5432	5388	5420	5569	5883	6347	6580	6672	6604	6517	6434	6443	6344	6252	6237	6449	6823	7327	7351	7034	6542	6045

Romania: Electricity net export in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	453	454	454	452	443	446	588	709	711	713	714	715	716	717	719	720	720	710	691	693	702	713	645	623
17.10.2008	357	358	358	357	347	347	539	703	705	705	706	706	706	707	708	710	709	699	679	681	692	686	616	597
18.10.2008	428	430	430	429	420	422	510	580	581	581	582	584	585	587	587	587	585	575	552	554	566	582	553	543
19.10.2008	422	424	425	430	423	429	493	503	503	505	507	508	508	509	509	509	506	497	479	481	489	504	485	434
20.10.2008	304	304	304	303	293	282	354	418	421	422	424	425	425	427	427	429	426	415	395	400	412	405	363	364
21.10.2008																								



Opcom, Romania: Traded energy in last 15 days (MWh)

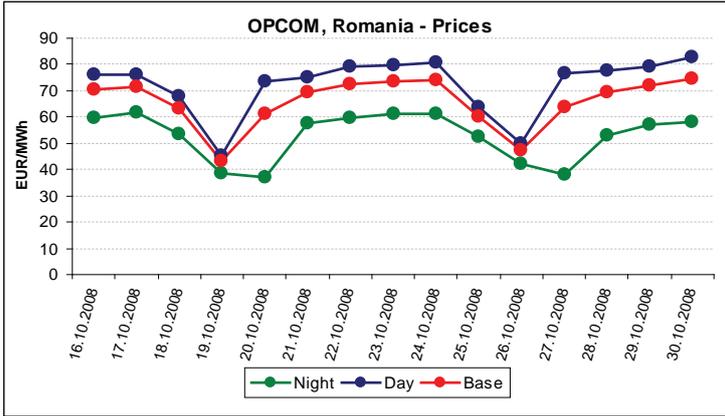
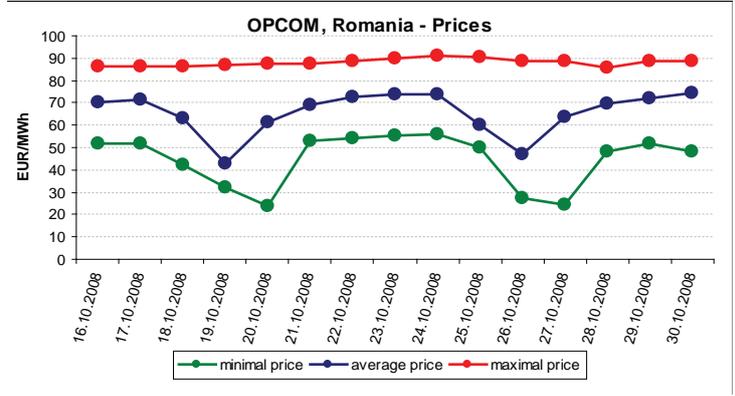
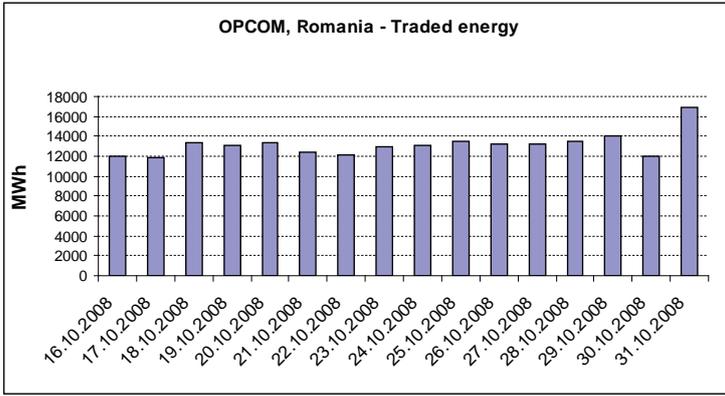
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	465	651	602	598	588	547	559	579	452	463	497	521	529	526	545	497	488	479	513	384	332	379	415	451
17.10.2008	326	479	551	556	517	427	443	538	411	516	542	564	612	595	642	477	505	507	511	386	358	388	532	525
18.10.2008	872	513	520	539	535	501	461	441	529	557	573	582	581	556	549	542	525	540	630	562	532	554	610	625
19.10.2008	549	502	504	474	490	478	478	499	522	553	545	553	554	533	511	505	504	489	534	699	676	714	650	565
20.10.2008	602	616	614	613	623	603	630	623	588	549	545	561	596	576	542	560	534	510	448	446	430	497	525	486
21.10.2008	473	558	536	495	493	402	440	474	546	552	603	595	606	611	609	547	557	555	484	409	386	487	518	476
22.10.2008	435	594	602	598	603	487	454	484	529	522	537	507	480	481	489	509	534	504	413	427	407	450	518	522
23.10.2008	500	583	618	615	613	501	426	515	506	502	539	537	574	578	587	561	593	599	587	475	446	504	506	525
24.10.2008	495	600	624	603	592	496	456	559	521	535	598	590	624	617	628	552	575	555	566	425	415	501	503	473
25.10.2008	503	600	584	552	556	557	486	510	531	530	550	553	548	572	599	609	582	565	540	557	570	566	646	611
26.10.2008	475	525	499	554	568	569	583	614	623	569	555	534	512	513	516	514	510	521	592	595	590	575	538	529
27.10.2008	475	525	499	554	568	569	583	614	623	569	555	534	512	513	516	514	510	521	592	595	590	575	538	529
28.10.2008	511	518	465	510	483	538	595	686	564	563	623	615	672	651	648	583	613	585	497	481	483	603	569	488
29.10.2008	567	559	568	602	599	576	595	708	582	569	607	577	623	639	591	606	604	639	521	507	527	591	523	539
30.10.2008	512	572	543	536	534	533	425	532	474	479	516	512	531	535	473	475	465	495	423	441	462	509	474	543
31.10.2008	643	646	634	612	602	659	729	797	677	669	713	717	757	773	731	734	720	774	690	703	761	805	742	660
Average:	525	565	560	563	560	528	522	573	542	544	569	566	582	579	573	549	551	553	534	506	498	544	551	534

Opcom, Romania: Prices in last 15 days (EUR/MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.10.2008	66.35	53.08	52.55	51.76	52.02	53.61	55.74	78.51	79.62	79.62	79.62	78.51	76.45	78.30	74.32	66.62	66.36	66.36	74.32	86.58	86.58	86.58	79.69	66.62
17.10.2008	79.22	55.45	53.34	51.50	53.34	55.45	66.02	79.22	79.22	79.22	79.22	79.22	76.06	73.94	66.28	72.62	66.28	66.28	73.94	86.17	86.17	86.17	79.22	66.02
18.10.2008	42.38	53.24	53.24	50.59	51.92	53.24	53.24	60.92	66.22	69.40	66.49	66.49	66.22	66.22	60.92	60.92	60.92	60.92	66.22	86.44	86.44	86.44	69.40	55.63
19.10.2008	48.19	32.66	32.13	32.13	32.13	32.13	32.39	32.39	37.48	38.02	38.02	38.02	37.48	37.48	37.48	37.48	37.48	37.48	40.43	80.31	87.06	77.64	51.13	48.19
20.10.2008	40.16	24.09	24.09	24.07	24.09	32.13	48.46	74.96	78.98	80.31	80.31	78.98	69.34	69.34	69.34	61.31	61.31	64.25	74.96	87.36	87.36	87.06	70.14	56.49
21.10.2008	53.81	53.54	53.54	53.01	53.54	56.22	61.30	80.31	80.31	80.31	77.64	77.11	67.20	69.53	67.20	67.20	67.02	67.20	77.11	87.36	87.36	87.36	70.14	67.20
22.10.2008	68.14	54.51	54.51	54.24	54.51	55.05	62.41	81.77	81.77	81.77	81.76	81.76	81.76	81.76	79.04	69.50	68.14	68.41	81.76	88.94	88.94	88.94	76.32	60.51
23.10.2008	69.05	55.51	55.24	55.24	55.24	55.79	63.24	83.13	83.13	83.13	82.86	82.86	82.86	82.86	71.53	69.32	69.05	69.32	82.86	90.13	90.13	90.13	82.86	61.32
24.10.2008	55.97	55.97	55.70	55.70	55.70	55.97	64.05	83.55	83.83	83.83	83.55	83.55	83.55	83.55	72.41	71.02	70.18	70.18	83.55	90.94	90.88	90.88	83.54	70.18
25.10.2008	55.62	52.57	52.57	49.81	49.81	49.81	55.34	55.06	55.62	63.64	66.41	66.41	63.64	58.11	55.62	55.62	55.62	55.62	66.41	90.30	85.78	69.45	55.62	55.34
26.10.2008	49.36	32.54	33.08	40.68	40.68	32.54	29.56	32.00	27.12	43.93	46.10	48.81	49.36	43.93	40.68	40.68	40.68	49.36	54.24	78.64	84.07	88.50	54.51	54.51
27.10.2008	32.54	29.56	24.41	32.54	29.56	32.81	54.51	81.36	81.63	81.63	81.63	81.36	81.36	81.36	80.00	70.10	54.78	62.10	81.36	88.50	88.50	88.50	70.51	54.51
28.10.2008	51.53	51.53	48.27	48.81	48.81	51.53	54.51	81.36	81.90	81.90	81.36	81.36	74.82	78.64	67.80	67.80	68.07	81.90	85.78	85.78	85.78	81.90	68.07	57.22
29.10.2008	54.25	53.69	51.53	51.53	51.53	54.25	57.23	78.66	82.18	82.73	82.18	82.18	81.37	81.37	69.71	69.17	68.35	84.23	88.69	86.79	85.80	85.80	82.18	57.23
30.10.2008	53.79	53.52	50.84	48.17	50.84	53.52	61.55	81.21	86.35	86.35	86.09	85.63	81.62	81.21	81.21	81.21	81.21	86.35	88.45	86.35	86.35	86.35	86.35	67.17
31.10.2008	54.85	49.12	49.12	40.93	40.93	51.85	54.85	70.13	85.96	87.32	85.96	85.96	78.60	70.13	70.13	70.13	70.13	87.60	88.83	88.15	88.15	85.96	70.13	51.85
Average:	54.70	47.54	46.51	46.29	46.54	48.49	54.65	70.91	73.21	75.19	74.95	74.89	71.98	71.02	65.86	63.46	63.31	68.55	76.00	86.80	87.21	84.35	71.86	59.37

Opcom, Romania: Prices in last 15 days (EUR/MWh)

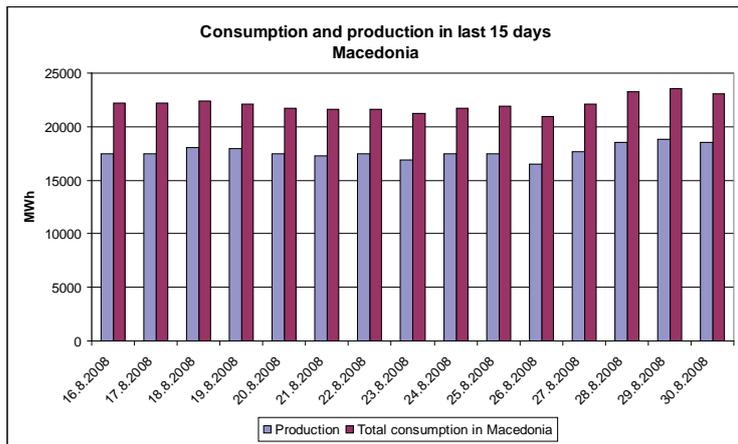
	16.10.2008	17.10.2008	18.10.2008	19.10.2008	20.10.2008	21.10.2008	22.10.2008	23.10.2008	24.10.2008	25.10.2008	26.10.2008	27.10.2008	28.10.2008	29.10.2008	30.10.2008	31.10.2008
Base Price	70.41	71.23	63.09	43.14	61.20	69.27	72.76	73.62	74.09	59.99	47.32	63.93	69.43	71.78	74.65	69.87
Base Quantity	12060	11910	13426	13080	13319	12414	12087	12990	13103	13476	13173	13173	13543	14019	11995	16949
Day Price	75.88	76.00	67.78	45.42	73.35	75.10	79.28	79.78	80.59	63.67	49.85	76.74	77.54	79.15	82.97	79.25
Day Quantity	7743	7997	8713	8868	8637	8461	7727	8530	8717	8868	8916	8916	9461	9487	7749	11750
Night Price	59.46	61.69	53.71	38.59	36.91	57.63	59.72	61.28	61.09	52.64	42.24	38.31	53.22	57.02	58.03	51.10
Night Quantity	4317	3913	4713	4211	4682	3952	4360	4460	4386	4608	4257	4257	4081	4533	4247	5199



Day Energy (06-22h)
 Base energy (00-24h)
 Night energy (22-06h)

Mepso, Macedonia (MWh)

	16.10.2008	17.10.2008	18.10.2008	19.10.2008	20.10.2008	21.10.2008	22.10.2008	23.10.2008	24.10.2008	25.10.2008	26.10.2008	27.10.2008	28.10.2008	29.10.2008	30.10.2008
Production	17503	17492	18058	17917	17486	17288	17445	16914	17433	17499	16513	17694	18522	18830	18543
Import	4675	4694	4344	4187	4255	4380	4223	4355	4255	4375	4464	4399	4715	4735	4527
Total consumption in FYROM	22178	22186	22402	22104	21741	21668	21668	21269	21688	21874	20977	22093	23237	23565	23070



Tables with result of Allocated Available Transfer Capacities (AATC) in Balkan region for November 2008

NOS BIH - Bosnia & Herzegovina								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > BIH	-	-	500	-	109	35	-	01.-30.11.2008.
Montenegro > BIH	-	-	450	-	225	0	-	01.-30.11.2008.
Serbia > BIH	-	-	250	-	125	35	-	01.-30.11.2008.
EXPORT								
BIH > Croatia	-	-	450	-	350	135	-	01.-30.11.2008.
BIH > Montenegro	-	-	400	-	159	121	-	01.-30.11.2008.
BIH > Serbia	-	-	250	-	114	0	-	01.-12.11.2008.
	-	-	300	-	114	0	-	13.-30.11.2008.

OPS HEP - Croatia								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Croatia	-	-	-	-	550*	545	0.10	01.-30.11.2008.
Slovenia > Croatia	-	-	-	-	100	50	0.01	01.-30.11.2008.
Serbia > Croatia	-	-	-	-	75	75	2.45	01.-30.11.2008.
BIH > Croatia	-	-	-	-	175	170	0.03	01.-30.11.2008.
EXPORT								
Croatia > Hungary	-	-	-	-	200*	191	1.75	01.-30.11.2008.
Croatia > Slovenia	-	-	-	-	100	100	0.42	01.-30.11.2008.
Croatia > Serbia	-	-	-	-	75	75	0.05	01.-30.11.2008.
Croatia > BIH	-	-	-	-	75	70	0.25	01.-30.11.2008.

* Common auction conducted by MAVIR

MAVIR - Hungary								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > Hungary	600	200	400	200	200	191	1.75	01.-30.11.2008.
Romania > Hungary	450	100	350	225	125	124	16.00	01.-30.11.2008.
Serbia > Hungary	350	100	250	175	75	68	1.08	01.-30.11.2008.
EXPORT								
Hungary > Croatia	1200	200	1000	450	550	545	0.10	01.-30.11.2008.
Hungary > Romania	200	100	100	75	25	21	0.12	01.-30.11.2008.
Hungary > Serbia	600	100	500	275	225	215	0.19	01.-30.11.2008.

* Common auction conducted by MAVIR

MEPSO - Macedonia								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Serbia > Macedonia	440	100	340	150	20	10	0.00	01.-30.11.2008.
Greece > Macedonia	400	100	300	0	150	-	-	01.-30.11.2008.
EXPORT								
Macedonia > Serbia	300	100	200	0	100	40	0.00	01.-30.11.2008.
Macedonia > Greece	180	100	80	0	0	0	0.00	01.-30.11.2008.

TSO EPCG - Montenegro								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Albania > Montenegro	-	-	-	-	100	0	0.00	01.-30.11.2008.
BIH > Montenegro	-	-	-	-	75	10	0.15	01.-30.11.2008.
Serbia > Montenegro	-	-	-	-	50	30	0.06	01.-12.11.2008.
	-	-	-	-	75	75	0.08	13.-30.11.2008.
EXPORT								
Montenegro > Albania	-	-	-	-	50	50	0.12	01.-30.11.2008.
Montenegro > BIH	-	-	-	-	150	50	0.06	01.-30.11.2008.
Montenegro > Serbia	-	-	-	-	140	50	0.06	01.-30.11.2008.

Transelectrica - Romania								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Bulgaria > Romania	200	100	100	100	0	0	0.00	01.-30.11.2008.
Serbia > Romania	200	100	100	100	0	0	0.00	01.-30.11.2008.
Hungary > Romania	200	100	100	50	50	50	0.07	01.-30.11.2008.
Ukraine > Romania	200	100	100	100	0	0	0.00	01.-30.11.2008.
EXPORT								
Romania > Bulgaria	400	100	300	100	200	200	0.15	01.-30.11.2008.
Romania > Serbia	550	100	450	100	350	350	15.81	01.-18.11.2008.
	400	100	300	100	200	200	20.44	19.-20.11.2008.
	550	100	450	100	350	350	15.45	21.-30.11.2008.
Romania > Hungary	350	100	250	100	150	150	19.38	01.-18.11.2008.
	450	100	350	100	250	250	18.46	19.-20.11.2008.
Romania > Ukraine	350	100	250	100	150	150	19.38	21.-30.11.2008.
	150	100	50	0	50	50	0.00	01.-30.11.2008.

EMS - Serbia								November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Serbia	-	-	-	-	250	250	0.21	01.-30.11.2008.
Romania > Serbia	-	-	-	-	25	25	23.18	01.-18.11.2008.
	-	-	-	-	0	0	0.00	19.-20.11.2008.
	-	-	-	-	25	25	23.18	21.-30.11.2008.
Bulgaria > Serbia	-	-	-	-	200	200	18.10	01.-18.11.2008.
	-	-	-	-	150	150	21.10	19.-20.11.2008.
Macedonia > Serbia	-	-	-	-	200	200	18.10	21.-30.11.2008.
	-	-	-	-	100	90	0.00	01.-30.11.2008.
Albania > Serbia	-	-	-	-	105	0	0.00	01.-30.11.2008.
Montenegro > Serbia	-	-	-	-	190	0	0.00	01.-12.11.2008.
BiH > Serbia	-	-	-	-	215	0	0.00	13.-30.11.2008.
BiH > Serbia	-	-	-	-	125	90	0.00	01.-30.11.2008.
Croatia > Serbia	-	-	-	-	125	125	0.11	01.-30.11.2008.
EXPORT								
Serbia > Hungary	-	-	-	-	125	125	0.61	01.-30.11.2008.
Serbia > Romania	-	-	-	-	50	50	0.17	01.-30.11.2008.
Serbia > Bulgaria	-	-	-	-	50	0	0.00	01.-30.11.2008.
Serbia > Macedonia	-	-	-	-	170	108	0.00	01.-30.11.2008.
Serbia > Albania	-	-	-	-	100	100	0.25	01.-30.11.2008.
Serbia > Montenegro	-	-	-	-	120	95	0.00	01.-12.11.2008.
	-	-	-	-	145	105	0.00	13.-30.11.2008.
Serbia > BiH	-	-	-	-	125	124	0.21	01.-12.11.2008.
	-	-	-	-	150	150	0.14	13.-30.11.2008.
Serbia > Croatia	-	-	-	-	125	125	0.32	01.-30.11.2008.

* - No information 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)

- AATC (ALLOCATED Available Transfer Capacities) values are the results of allocation procedure conducted by respective TSO in which table this value appears

Danube water-level in cm for last 30 days

relevant for:

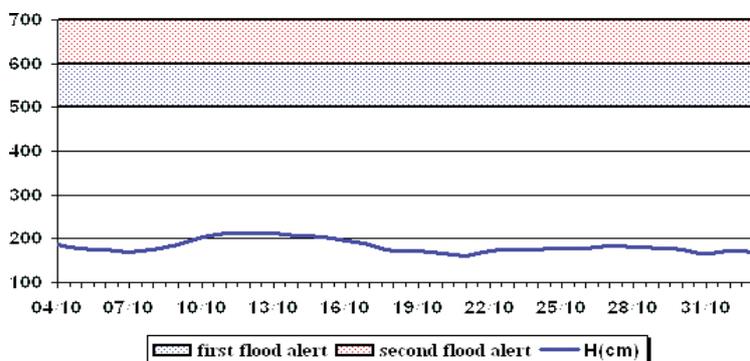
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

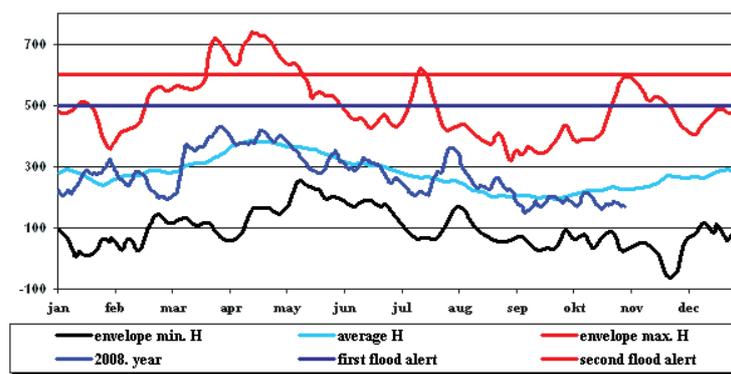
HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

(source: Republic Hydrometeorological Service of Serbia)



Characteristic water stages (in cm)



Forecasted weather conditions for the following period

	03.11.	04.11.	05.11.	06.11.	07.11.	08.11.	09.11.	10.11.	11.11.	November averages.
Albania <i>Tirana</i>	T: 12-27 W: SE 4 R: -	T: 14-27 W: SE 10 R: -	T: 14-24 W: SE 10 R: -	T: 12-21 W: SE 6 R: 4	T: 13-28 W: SE 8 R: 3	T: 9-17 W: E 6 R: 2	T: 8-14 W: NE 9 R: YES	T: 7-13 W: NE 11 R: YES	T: 5-14 W: E 15 R: YES	Temperature: 7-16 Amount of rain: 140 Number of rain days: -
Bosnia and Herzegovina <i>Sarajevo</i>	T: 3-21 W: L-V R: 7	T: 4-22 W: SE 5 R: -	T: 7-20 W: L-V R: -	T: 8-17 W: - R: 30	T: 9-12 W: L-V R: 3	T: 6-12 W: L-V R: 8	T: 7-9 W: E 4 R: YES	T: 3-7 W: E 6 R: YES	T: 0-8 W: NE 11 R: YES	Temperature: 1.6-9.7 Amount of rain: 94 Number of rain days: 10
Bulgaria <i>Sofia</i>	T: 7-22 W: - R: -	T: 6-22 W: - R: -	T: 5-21 W: L-V R: -	T: 4-19 W: - R: -	T: 4-17 W: SE 15 R: 14	T: 7-11 W: E 14 R: 10	T: 4-6 W: NE 12 R: YES	T: 3-6 W: NE 14 R: YES	T: 1-5 W: E 12 R: YES	Temperature: 1.2-9.6 Amount of rain: 48 Number of rain days: 9
Croatia <i>Zagreb</i>	T: 7-22 W: SE 4 R: -	T: 8-18 W: SE 6 R: 1	T: 9-20 W: SE 6 R: -	T: 11-13 W: L-V R: 6	T: 9-11 W: E 6 R: 8	T: 9-12 W: E 4 R: 5	T: 8-11 W: E 4 R: YES	T: 4-8 W: SE 6 R: YES	T: -1-10 W: E 8 R: YES	Temperature: 1.8-9.3 Amount of rain: 85 Number of rain days: 12
Greece <i>Athens</i>	T: 18-24 W: NE 6 R: -	T: 17-24 W: NE 8 R: -	T: 16-23 W: NE 8 R: -	T: 16-21 W: SE 4 R: -	T: 14-20 W: SE 9 R: -	T: 14-18 W: NE 11 R: 6	T: 14-16 W: NE 14 R: YES	T: 13-15 W: NE 14 R: -	T: 13-16 W: NE 20 R: -	Temperature: 9.8-18.1 Amount of rain: 58 Number of rain days: 9
Macedonia <i>Skopje</i>	T: 6-23 W: - R: -	T: 4-23 W: L-V R: -	T: 6-21 W: L-V R: -	T: 7-19 W: - R: -	T: 6-17 W: SE 15 R: 6	T: 6-14 W: E 11 R: 8	T: 7-10 W: NE 12 R: YES	T: 5-8 W: NE 16 R: YES	T: 3-9 W: E 19 R: -	Temperature: 6.8-15 Amount of rain: 239 Number of rain days: 14
Montenegro <i>Podgorica</i>	T: 11-26 W: SE 4 R: 8	T: 10-26 W: SE 8 R: -	T: 12-23 W: SE 9 R: -	T: 13-21 W: SE 4 R: 15	T: 12-17 W: SE 8 R: 9	T: 11-18 W: E 7 R: 3	T: 9-16 W: E 8 R: YES	T: 9-13 W: NE 11 R: YES	T: 7-14 W: E 14 R: YES	Temperature: 11.7-21.7 Amount of rain: 166 Number of rain days: 9
Romania <i>Bucharest</i>	T: 11-19 W: - R: -	T: 8-22 W: - R: -	T: 9-21 W: L-V R: -	T: 8-19 W: - R: -	T: 7-10 W: E 20 R: -	T: -1-7 W: NE 14 R: -	T: -3-7 W: NE 14 R: -	T: -3-8 W: NE 16 R: -	T: -3-7 W: NE 9 R: -	Temperature: 1.6-10 Amount of rain: 49 Number of rain days: 6
Serbia <i>Belgrade</i>	T: 10-23 W: SE 6 R: -	T: 11-23 W: SE 9 R: -	T: 13-23 W: SE 12 R: -	T: 12-21 W: SE 4 R: 1	T: 11-16 W: SE 22 R: 3	T: 8-14 W: SE 16 R: 5	T: 7-10 W: SE 12 R: YES	T: 3-9 W: E 12 R: -	T: 1-9 W: NE 16 R: -	Temperature: 4-11 Amount of rain: 58 Number of rain days: 14

T: Temperature in celsius degrees

W: Wind speed in km/h, S – South, W – West, N – North, E – East and variables; “-” - no wind; “L-V” - Light and variable

R: Rain in mm

Analysis:**Power plants in Croatia****Basic:**

Croatian electric utility, HEP, has its production capacities in Croatia and in surrounding countries. HEP oriented lots of its investments into former Yugoslavian republics due to unavailability of coal reserves in Croatia. In past years, HEP had problems to obtain electricity from power plants outside Croatia in which Croatian power sector has its shares. HEP has parts in generation capacity in Bosnia and Herzegovina (100 MW in TPP Gacko, 200 MW in TE Tuzla and 50 MW in TPP Kakanj), 50% of generation in NPP Krsko (354 MW) and one generator in TPP Nikola Tesla A in Serbia (300 MW). TPPs located in Serbia and Bosnia and Herzegovina are based on long-term purchase agreements. Realization of these agreements has been stopped during the war. In 2003 HEP started to receive electricity from the power company of Bosnia and Herzegovina under this long term power purchase contract for investments in the construction of TPP Kakanj and TPP Tuzla.

With industrial recovery of Croatia, electricity imports were getting higher. According to HEP, in order to meet average 0.6 TWh increase in annual electricity consumption, Croatia needs to put in service some 100 MW in new power plants each year, which represents 4.7% of consumption growth. In 2010th it is estimated that annual electric energy consumption will be around 21 TWh.

There are two large electricity producers in Croatia: HEP Proizvodnja and TE Plomin d.o.o., a company co-owned by HEP-a d.d. and RWE Power. Electricity system of Croatia (including Krško NPP and Pomin TPP and favorable hydrological conditions) can produce about 14.5 TWh of electricity, while an additional 2 TWh is imported to cover total annual demand of customers in Croatia. Due to lack of coal/lignite, TPPs in Croatia are natural gas/oil based. Also, electricity imports are very much influenced by hydrology since generation in Croatia is very dependable on hydrology.

Thermal power plants:**TPP Plomin**

TPP Plomin is co-owned by HEP-a d.d. and RWE Power (50% each). TPP Plomin is the only coal-fired plant in Croatia. Unit 1 has 120 MW of installed capacity and annual generation of 585 GWh, while unit 2 has 210 MW of installed capacity and annual generation of 1300 GWh. First unit was build in 1969, while unit B in 2000. HEP entered into a Joint Venture Agreement with RWE for completion of TPP Plomin 2 in 1996. In that moment power plant has been partially constructed. RWE received 50% of the ownership in new TPP Plomin 2 based on invested capital and loan proceeds received from German banks. RWE was responsible for completion of construction of TPP Plomin 2 and for its operation for the subsequent 15 years.

RWE is entitled to an annual return during the term of the joint venture of 14% to 17% on invested capital (depending on the availability of the power plant during the year). HEP is obliged to purchase all energy produced by TE Plomin at prices calculated in accordance to the power purchase agreement, which is designed to cover all costs of operations of TPP Plomin and to ensure the guaranteed return on capital to RWE.

During 38 years or 178,700 hour of operation, TPP Plomin I produced 16.229 TWh of electricity, for which it spent 8 million tons of coal. In 2007, availability rate of the unit was 84.5 %, while unit spent 300,000 tons of coal.

There are several options for increase of TPP Plomin capacity. The initial plan of HEP envisaged construction of new 400 MW unit at the site. According to sources, HEP could change this plans and build replacement capacity for unit 1 with the power output of 500 MW, by which overall power output of the plant would be 700 MW. In order to implement this project, HEP should demand from the government to remove the By-law which restricted construction of coal fired TPPs in Croatia until 2020. It is expected that construction works could start in 2009 and it should be finished by 2015.

Also, there is a possibility to alter TPP Plomin from coal fired to gas fired power plant, since regional pipeline Pula-Karlovac was put in service in the 2007

TPP Sisak

TPP Sisak has two 210 MW units, with available output of 396 MW. First unit was constructed in 1970, while 2nd was completed in 1976. Average electricity generation is 1200 GWh. It uses natural gas/ heavy oil. In May 2007, HEP and Russian company Technopromexport have signed the contract for delivery of equipment and construction of unit C in TPP Sisak

The worth of the contract is 177.6 million euros, where the new unit should be built in 45 months. The combined unit will have 230 MW of electricity output and 50 MW of heat output. The project will be funded by 105 million dollars of clearing debts of Russia toward Croatia through delivery of energy equipment. The rest of 72.6 million dollars will be provided by HEP through the loans. Construction is expected to start soon.

TPP Rijeka

TPP Rijeka has two 160 MW units, with 303 MW of available output. First unit was constructed in 1974, while 2nd was completed in 1978. Average electricity generation is 920 GWh. It uses heavy oil.

TE-TO Zagreb

TE-TO Zagreb is combined cycle power plant. There are 7 units, constructed in period from 1979 to 2003, but only two units are producing electricity. It has 328 MW of installed output

(electricity) and 740 MWe for district heating. Annual electricity generation is 1300 MW. It uses natural gas / light oil.

Construction of new unit in TE-TO Zagreb is undergoing, and it is planned to be operational by autumn 2009. New cogeneration unit will have 100 MWe and 80 MWt, using gas as a fuel. New unit should produce 750 GWh and 250 GWht annually.

EL-TO Zagreb

EL-TO Zagreb is also combined cycle power plant, but with lower electricity output. It has 87 MW of installed capacity for electricity generation, and 340 MWe for district heating. It uses natural gas / heavy oil

TPP Jetrovec

TPP Jetrovec is peak power plant with 88 MW of installed capacity. It has 4 units, 2x31.5 and 2x10.5 MW, Two smaller units were built in 1956, while larger one in 1975. Annual generation is 59 GWh. It uses natural gas / light oil.

TE-TO Osijek

TE-TO Osijek is combined cycle power plant. There are 6 units, but only 3 produce electricity. First units were introduced into system in 1976, while last (45 MW) unit was constructed in 1985. Installed electricity output is 95 MW, while available output is 89 MW. Annual generation is 190 GWh. It uses natural gas / oil. Construction of new 250 MWe/100MWt unit is undergoing.

Thermal capacities outside Croatia:

TPP Gacko

In accordance to the contract from 1986, TPP Gacko delivered one third of electricity produced in the TPP to HEP, but HEP was obliged to invest in maintenance of the TPP and to pay electricity at the price reduced by depreciation. Delivery of electricity to HEP was interrupted during the war in Bosnia and Herzegovina, but HEP also stopped to pay its obligations related to the loan arrangements toward the ERS.

HEP and Power utility of RS (ERS) have been unsuccessfully negotiating regarding the recognition of HEP's investments in TPP Gacko for the last ten years. HEP said their investments during the construction of TPP reached some 200 million euros. Soon after that statement, general manager of ERS, Branislava Milekic, said that, according to her, there is no evidence on HEP's investments or ERS's obligations toward HEP in company's books.

In the beginning of 2008, HEP was ready to take a part in the project for construction of new unit in TPP Gacko if Republic of

Srpska recognizes HEP's ownership over 33 % of shares in the TPP in accordance to the contract signed in 1986.

If ERS denied HEP's claims, HEP announced it would join court procedure initiated by four investments funds against ERS and TPP Gacko regarding the cooperation agreement signed with Czech CEZ. HEP claimed that ERS could not sign the cooperation agreement with CEZ, without their approval. The court hearing was set for March 7 after which HEP could file its own lawsuit against ERS, HEP's official said.

If HEP sues ERS, ERS would challenge the lawsuit and it would start the counter lawsuit for compensation of the loss for undelivered electricity from HPP Dubrovnik. In 1994, HEP has unilaterally changed the ownership of electricity produced in HPP Dubrovnik, which has been jointly operated by ERS and HEP. Prime Minister of RS Milorad Dodik said that HEP owes some 100 million euros for using more electricity from HPP Dubrovnik than allowed by the contracts.

After the war, Croatia filed request for return of investments in TPP Kakanj, which belongs to Federation of BiH. In 2003, Power utility of BiH agreed to sign out of the court settlement and to deliver electricity to Croatia in period of five years. EP BiH has been delivered electricity to Croatia under prices twice as lower comparing to market prices. Overall cost for EP BiH in this agreement reached some 130 million euros.

TPP Tuzla

TPP Tuzla is located in Bosnia and Herzegovina, near city Tuzla. Construction of TPP Tuzla started in 1959, and its generation capacity has been increased from 32 MW to 779 MW until 1978. Currently, TPP Tuzla has 6 units. Seventh unit of 370-450 MW in this TPP is planned, in order to replace units 3 and 4 which should be decommissioned until 2016. TPP is currently producing electricity with 715 MW of installed generation capacity. TPP Tuzla is also heating utility, providing hot water for city of Tuzla. HEP has right to use 200 MW of capacity in TPP Tuzla

TPP Kakanj

TPP Kakanj started its operation in 1956, and it was constantly upgraded until 1988, when its seven units had installed power of 578 MW, and with average annual production over 2300 GWh. Brown coal for TPP is supplied from Midle Bosnia coal basin (mines Kakanj, Breza, Zenica, Gracanica, Bila, Livno). TPP uses 1.8 million tons of brown coal from several mines per year. Eight unit of 250 MW in this TPP is planned. New unit will replace four 32 MW units and one 110 MW unit. HEP has right to use 50 MW of capacity in TPP Kakanj

TPP Nikola Tesla A

TPP Nikola Tesla A was built under the name "TPP Obrenovac", but it has been changed in 1975, when it was decided to build 2nd TPP near Nikola Tesla A. Last unit was put in operation in 1979. TPP Nikola Tesla A has 6 units; two 210 MW units, one

305 MW unit and three 308 MW units. Overall installed power is 1650 MW, while available output is 1500 MW. It is the largest generating capacity in Serbia, and it is connected with 220 and 400 KV power lines. In normal operation, TPP Nikola Tesla A uses 56 000 tons of lignite per day. Also, hot water for TPP is used for district heating of nearby city Obrenovac. In the end of 2007, a capital overhaul of unit 4 (300 MW) was completed. Cost of the project reached 75 million euros. During the overhaul, all turbine blades were replaced, 75 % of pipeline and boiler system was replaced, and new automation management system was installed. The reconstruction of electro filters, which was also carried out, will lead to meeting the EU environmental standards. HEP has right to use 300 MW (one unit) of capacity in TPP Kakanj.

NPP Krsko

NEK – Nuklearna Elektrana Krsko NEK is a company founded to operate a NPP Krsko. Current capacity of the NPP is 676 MWe. NPP Krško is joint venture of Slovenia and Croatia, built in 1971. There are always disputes about mutual obligations regarding NPP Krsko between Croatia and Slovenia. Due to that for several years Slovenia canceled all deliveries to Croatia from NPP Krsko. In its current condition, it is expected to operate till 2023.

In 2007, there was a large dispute between Croatian and Slovenian government related to compensation for undelivered electrical energy from NPP Krsko to HEP in period July 1st 2002nd – March 18th 2003rd. Since Slovenia did not show readiness to pay some 35 million euros of compensation to HEP, HEP has filed the lawsuit against Slovenia at the International Centre for Settlement of Investment Disputes (ICSID) in Washington. Few months later, Slovenian minister of economy, Andrej Vizjak, said that Croatia did not obey interstate agreement regarding storage of radioactive waste from nuclear power plant (NPP) Krsko. Slovenia informed European Commission on this issue, Vizjak confirmed. EU energy commissioner confirmed Slovenian standpoint. After that, the government of Croatia proposed a law for establishment of Fund for financing decommissioning of nuclear power plant (NPP) Krsko and storing the spent nuclear fuel. Establishment of that fund was welcomed by Slovenia.

Hydro power plants:

Hydro power plants in Croatia are divided in four groups: HE Sjever, HE Zapad, HE Jug and HPP Dubrovnik.

HE Sjever:

Power plant	Total installed capacity (MW)	Type
Varaždin	86.5	Run-of-river
Čakovec	82	Run-of-river
Dubrava	82.4	Run-of-river

HE Zapad

Power plant	Total installed capacity (MW)	Type
Gojak	48	Run-of-river
Rijeka	36	Run-of-river
Sklope	22.5	Reservoir
Senj	216	Reservoir
Vinodol	90	Reservoir
Fužine (pumped storage)	4 / -4.8	Reservoir
Lepenica (pumped storage)	1,4 / -1.3	Reservoir
Zeleni Vir	1,4	Reservoir

HE Jug

Power plant	Total installed capacity (MW)	Type
Zakučac	486	Reservoir
Velebit (reverzibile)	276 / -240	Reservoir
Orlovac	237	Reservoir
Kraljevac	46.4	Reservoir
Peruča	41.6	Reservoir
Đale	40.8	Reservoir
Busko Blato (Pump station)	11.4/-10.3	Reservoir
Miljacka	24	Run-of-river
Jaruga	7.2	Run-of-river
Golubić	6.5	Run-of-river

HPP Dubrovnik

Accumulation basin for HPP Dubrovnik is located in Bosnia and Herzegovina, and it uses water from river Trebisnjica. It has two 108 MW units, introduced into system in 1965. Annual electricity generation is 1308 GWh. It is reservoir type.

Monthly Hydro Electricity Generation (in GWh)

	1	2	3	4	5	6	7	8	9	10	11	12	Sum
2001	885	733	835	793	607	436	344	321	357	319	426	459	6515
2002	371	428	431	464	422	330	259	345	343	596	688	697	5374
2003	753	664	545	381	282	263	270	179	166	323	539	532	4897
2004	568	517	774	877	779	531	462	339	408	407	570	768	7000
2005	686	474	609	687	595	378	404	381	397	537	486	765	6399
2006	793	578	695	730	662	470	364	341	366	386	360	337	6082
2007	369	385	534	427	348	271	316	254	259	312	380	506	4361

Monthly Thermal Electricity Generation (in GWh)

	1	2	3	4	5	6	7	8	9	10	11	12	Sum
2001	388	317	285	296	259	222	308	454	377	404	484	683	4477
2002	738	458	515	454	295	437	555	510	567	430	414	560	5933
2003	606	573	558	501	500	522	603	704	832	534	413	616	6962
2004	592	577	369	206	245	445	558	617	623	427	385	385	5429
2005	457	585	483	258	313	433	500	451	416	344	514	423	5177
2006	479	486	393	261	296	296	553	442	312	485	561	700	5264
2007	684	429	496	427	452	489	555	608	537	745	676	565	6663

News:

The start of construction of Bourgas-Alexandropoulos oil pipeline to be delayed (Region)

The start of construction of oil pipeline Bourgas-Alexandropoulos, jointly developed by Russia, Bulgaria and Greece, will be delayed until October 2009, while the pipeline should be operational in 2011. This was said by Bulgarian minister of regional development Asen Gagauzov.

According to original plans, the construction of 285 km long pipeline should start in the end of 2008 or in the beginning of 2009.

The minister said the postponement is related to delays in procedure for selection of financial advisor, preparations of the feasibility studies, and other details. Bulgarian minister said the global credit crisis was not one of the problems. The cost of the project is estimated at 600-900 million euros, which should not be hard to provide, the minister said.

Gagauzov also confirmed that Supervisory board of International Project Company selected Societe Generale to be the financial advisor in the project. The French company outbid Lazard and Citigroup.

The analysts imply that main problems in the project could be related to the disputes between shareholders of Caspian pipeline consortium (KTK), the future main supplier, regarding the plans for doubling the pipeline's capacity. The other reason for delays could be the pressure of USA on Bulgaria and Greece, having in mind that USA is opposed to the construction of this pipeline and increasing the oil dependency on Russia.

The future pipeline should transport 35 million tons of oil per year (the final capacity should be increased at 50 million tons). Russia controls 51 % stake in the project, while Bulgaria and Greece control 24.5 % each.

§ § §

Rumors on participation of Romania in South stream projects, Bulgaria denied it would be replaced (Region)

Bulgarian foreign minister Ivaylo Kalfin said he does not believe that Romania could replace Bulgaria in South stream project. Minister said this after Russian press published rumors on negotiations between Gazprom and Romania regarding South stream project.

Minister Kalfin added that Bulgaria is well ahead its neighbors regarding participation in the project. Commenting the speculations that latest rumors are aimed to made pressure on Bulgaria, Kalfin said Bulgaria had already signed agreement

for the project, so that it was not necessary to make any kind of pressures.

As a reminder, Russia signed contracts also with Serbia, Greece and Hungary regarding construction of South stream pipeline.

According to Russian paper Komersant, the head of Gazprom Aleksey Miller met representatives of Romanian natural gas companies Transgaz and Romgaz in mid October. The sources said to Komersant those talks were invitation to Romania to take part in the project, which could lead to exclusion of Bulgaria from the project.

In addition, the paper said that Gazprom wanted to acquire majority ownership over the pipeline in Bulgaria, which was not accepted by Bulgaria. The existing contract stipulates that two sides will own equal shares in the project.

On the other hand, Gazprom, Romgaz and Transgaz said they only discussed contracts for natural gas supply to Romania until 2030. According to the release of Gazprom, the participants in the Moscow meeting also discussed options for development of existing and construction of new natural gas transit routes, and cooperation in construction of natural gas storage capacities.

According to experts quoted by Komersant, construction of South stream pipeline across Romania has its economic justification: the submarine route would be some 100km shorter so that construction costs would be some 12 % lower.

On the other hand, experts believe that option for construction of the pipeline across Romania is only aimed to put pressure on Bulgaria, after EU clearly pointed out it would support diversification of natural gas supply and construction of Nabucco pipeline. Both Bulgaria and Romania are shareholders in Nabucco project, the commonly seen as rival project to South stream.

In the same time, USA made strong pressure on Romania and Bulgaria to support Nabucco project. Russian analysts believe that both Romania and Bulgaria would not be able to reject hypothetical demand of EU to abandon South stream in favor of Nabucco.

Romanian media also commented latest development. Romanian daily Cotidianul believes that rumors on participation of Romania in South stream project are similar to pressures used by Russia when Serbia was unwilling to approve sale of national oil company as a part of agreement for construction of South stream pipeline.

Prime minister of Romania Calin Popescu Tariceanu said that Romania was interested in both Nabucco and South stream project. Tariceanu believes that existence of both pipelines will increase competition and reduce price of natural gas. He confirmed that Romania would take part in the conference on Nabucco project that will be organized by Hungary in January 2009.

§ § §

INA the most successful company in SE Europe in 2007 (Region)

According to the research conducted by news agency SeeNews from Bulgaria, oil and gas companies were leading companies in Southeastern Europe in terms of income in the last year.

The analyses included 100 the most successful companies from Slovenia, Bulgaria, Romania, Serbia, Bosnia and Herzegovina, Macedonia, Montenegro, Moldova and Croatia. The results were verified by Roland Berger office in Zagreb.

The research showed that most dominant industry branches in the region are oil and gas, production and distribution of electricity, telecommunication, metallurgy and construction.

In 2007, oil and gas companies in SE Europe posted overall income of 16 billion euros, where Croatian oil industry (INA) was the most successful company with 3.7 billion euros of income. The INA was followed by Romanian Petrom with 3.4 billion euros of income and by Oil industry of Serbia (NIS) with 3.18 billion euros of income, Slovenian Petrol (1.93 billion euros), Lukoil Bulgaria (1.86 billion euros) and Romanian Rompetrol (1.78 billion euros).

In the same time, the best financial results were posted by companies from Romania, where 15 companies on the list posted overall income of 15.2 billion euros.

Among 100 most successful companies, 23 were from Slovenia, 21 from Croatia, 15 from Bulgaria and Romania, 14 from Serbia, six from Bosnia and Herzegovina, four from Macedonia, and finally one company was from both Montenegro and Moldova.

§ § §

Albania received 90 million euros loan from Germany (Albania)

Albania has received 90 million euros loan for construction of power line toward Kosovo. Some funds from this loan will be used to modernize old and unstable transmission network in Albania. Agreement for construction of 400 KV interconnection between Tirana and Pristina has been signed, along with an agreement for construction a 110 KV powerline toward southern Albania. Loan has been provided by German KFW bank.

§ § §

Refinery in Brod ready to start production (Bosnia and Herzegovina)

In the second half of October, general manager of Oil refinery in Brod, Aleksandar Litvinenko, confirmed the refinery was technically ready to start refinement of crude oil.

The start of production could take place after November 10, after completing the inspection of the supply pipeline. The 13 km long pipeline, which is linked with main part of Adriatic

pipeline (Janaf) and through which the crude oil will be transported, had been repaired.

In the same time, the Council of ministers should prolong by-law on fuel quality since the refinery was not ready to produce fuel in accordance to European standards.

The loading the crude oil in the refinery's pipeline should start in the end of October. The output capacity of the reconstructed processing line is 1.2 million tons per year. The reconstruction lasted five months, where the costs reached 26 million euros.

The refinery in Brod is majority owned by Russian Nefte-GazInkor, the part of state-owned oil company Zarubezneft.

§ § §

EFT opened administrative building of TPP Stanari, construction of main facilities to start in mid 2009 (Bosnia and Herzegovina)

In the second half of October, a new administrative building of energy complex EFT Stanari has been officially opened.

The building was completed in period of five months, which marked the end of the first phase of construction of thermal power plant (TPP) Stanari and reconstruction of coalmine Stanari.

The chair of EFT Group, Vuk Hamovic, believes that construction of the TPP's main plateau should be completed in mid-2009, when the issuing the construction permit and start of construction of main facilities of the TPP should take place.

TPP Stanari with output of 410 MW should be put in service by 2012. Annual production should reach 3 TWh, which is equal to 25 % of current total electricity production in Bosnia and Herzegovina. Total cost of the project is estimated at 650 million euros.

§ § §

Gazprom to cut delivery of natural gas over debts starting from January 1 (Bosnia and Herzegovina)

Director of Energoinvest Dzemal Vlahovljak, who was the head of delegation of Bosnia and Herzegovina (BiH) during negotiations with Gazprom, confirmed that Russian company announced it would cut natural gas supplies to BiH starting from the next year in case if BiH did not pay 104.8 million euros of debts. The particular debt is related to non-paid bills during the war in BiH.

Vlahovljak said to local press that Gazprom for the first time announced it would take the case to international arbitration court, after which BiH could be forced to pay overall amount of 300 million dollars (with interest rates included).

The dispute between BiH and Gazprom should be resolved by the end of the year. Russian side proposed paying of certain

tax by all customers in BiH during next 70 years, which would increase natural gas prices by 1%.

In the related news, director of state natural gas company BH Gas, Almir Becarevic, announced the company would demand from the government to approve increase in natural gas prices. The exact amount of the increase is yet to be calculated. The main reason for the increase is the rise in price of imported natural gas delivered by Russia. According to announcements from ministry of energy of Federation of BiH, increase in natural gas prices should be some 20 %.

§ § §

Government approved draft strategy for energy sector (Bosnia and Herzegovina)

The main priority in implementation of Strategy of energy development of Federation of Bosnia and Herzegovina (BiH) is continuation of reconstruction and modernization of existing facilities by 2010. This was said in the Draft strategy approved by the government and sent to the parliament for debate.

In electricity sector, the government believes that modernization projects should enable safe electricity supply by 2010. One of the important issues to be completed is the merger of coalmines and Power utility of BiH.

The priority modernization projects in electricity sector set by the government are related to unit 6 in thermal power plant (TPP) Kakanj and unit 6 in TPP Tuzla.

The government believes it is necessary to prepare comprehensive study for development of electricity sector in period between 2020 and 2030.

According to estimations, some 150 million euros should be invested in coalmines in order to maintain current production and to improve coal quality.

The government announced opening of new coalmine Kongora (it will supply new TPP Kongora, 2x275MW), opening of new coalmine Bugojno (it will supply TPP Bugojno, 2x300MW) and enlargement of coalmine Banovici. The cost of above-mentioned projects is estimated at 380 million euros, 140 million euros and 250 million euros, respectively.

As for natural gas sector, until 2010, the government plans to invest up to 80 million euros in order to enlarge existing transmission network and to build new interconnection links with neighboring Croatia.

Until 2020, project for construction of natural gas pipeline Sarajevo-Ploce should be continued, the construction of natural gas storage facility in Tetima should start, and installation of natural gas networks in major cities should be undertaken. Overall investments are estimated at 290 million euros.

§ § §

TPP Gacko in service after annual overhaul (Bosnia and Herzegovina)

In mid October, thermal power plant (TPP) Gacko (250 MW) was put in service after completing the regular annual maintenance. The works lasted 44 days, and costs of the reconstruction reached some 2.3 million euros.

The management of the company confirmed that sufficient amount of coal for the TPP has been provided so that TPP should exceed annual production target of 1.535 TWh.

§ § §

RS and General Electric signed cooperation protocol (Bosnia and Herzegovina)

Prime minister of Republic of Srpska (RS) Milorad Dodik and chair of General Electric (GE) International Ferdinando Beccali signed the cooperation protocol in Banja Luka on October 23.

According to protocol, two sides will cooperate in energy, health, infrastructure, and transport sectors.

The government earlier said that overall investments of GE in RS should reach 400 million euros. During the signing ceremony, Dodik did not reveal amount of investments, yet he said this would be defined by new particular contracts.

The most important projects of GE in RS should be modernization of railway network, construction of generators for hydro-power plants, and delivery of medical equipment.

§ § §

Five companies submitted letters of interest for oil and natural gas researches (Bosnia and Herzegovina)

Deputy general manager of Energoinvest, Ibrahim Bosto, confirmed that five companies expressed interest for oil and natural gas researches in Federation of Bosnia and Herzegovina (BiH).

The letters of interest were submitted by U.S. company Trans-Global Petroleum, Canadian company Longview Capital Partners, i.e. its subsidiary Seed Rock, Dutch Delta Hydrocarbons, Hungarian MOL and Croatian INA.

As a reminder, Energoinvest was granted exclusive 10-year license for oil and natural gas explorations in Federation of BiH. The researches should be conducted near Orasje, Odzak, Tuzla, in Sarajevo-Zenica basin, and near Glamoc, Livno, Mostar, Stolac and Neum.

While the public invitation was open, the interest for the project was expressed by companies from Austria, Germany, and Great Britain, countries from Persian Gulf and from Malaysia. Those companies did not submit letters of interest, but

there is a chance they might apply in the international tender, Bosto believes.

According to Bosto, the most serious interest was shown by Longview Capital Partners, which delegation arrived in Sarajevo. The company said it was willing to invest 100 million dollars for completion of research projects immediately. Similar offers came from other interested companies. TransGlobal Petroleum offered to invest 600 million dollars for construction of oil refinery, with output of 50,000 barrel/day.

Bosto announced that international tender for selection of strategic partner should be launched by the end of the year.

§ § §

State allocated 150 million euros for NPP Belene (Bulgaria)

The government of Bulgaria added 150 million euros to the capital of Bulgarian energy holding (BEH) for the purposes of increase of capital in National electric company (NEK) in order to speed up construction of nuclear power plant (NPP) Belene.

According to plans, NEK should spend some 450 million euros in Belene project by the end of 2009. The funds will be used for payments for the plant's equipment (it should be delivered in period of 34 months), for project's documentation and for the first construction works.

The government believes that latest decision should be clear sign to investors and credit institutions regarding government's support in Belene project, which should positively affect providing the necessary funds by NEK.

As a reminder, the Belene project will be jointly developed by NEK (51 % stake) and German RWE (49 %), after the government recently selected German company to be strategic partner.

RWE offered to contribute 1.275 billion euros to the capital of new company and to pay 550 million euros of premium for its stake in the project. On the hand, NEK will invest fixed assets at the site of NPP Belene and cash premium paid by RWE.

The official cost of the project is set at 4 billion euros, according to the contract signed by NEK and Russian AtomStroyExport, the future constructor of the plant. The both government and several experts have been recently saying that the cost could be much higher.

By the end of 2008, the main equipment for the plant should be ordered, i.e. reactor and steam generator. AtomStroyExport already demanded advance payments for this purpose.

§ § §

Output in wind farms to be increased up to 170 MW by the end of 2008 (Bulgaria)

Chair of Bulgarian Association of producers of ecological energy, Velizar Kiryakov, believes that overall power output in wind farms in Bulgaria should be increased from 110 MW at the moment up to 170 MW. By 2010, this output should stand between 400 and 500 MW, Kiryakov said.

In this moment, various companies requested permits for construction of 6,080 MW in new wind farms, Kiryakov confirmed. The most of the wind farms will be built in northeastern Bulgaria, in Shabla, Kavarna and Balchik.

In the related news, National electric company (NEK) announced plans for investing some 150 million euros in electricity grid in order to support connection of new wind farms and other renewable energy sources (RES) based power plants.

According to Energy efficiency law, the share of RES in overall electricity production in Bulgaria should reach 11 % by 2011, and 16 % by 2020.

§ § §

Government extended guarantees for Belene project (Bulgaria)

Government of Bulgaria decided to extended financial guarantees for construction of nuclear power plant (NPP) Belene. The government decided to transfer 600 million euros of state guarantees from this year's budget to the next year. In this way, the government wants to make easier providing the favorable loans for the project.

In the same time, the amount will not be used only in negotiations for providing the loans from Euroatom and European Investment Bank, as it was the case in this year, but the guarantees could be used in future negotiations with other credit institutions and commercial banks. This was proposed by the minister of economy and energy Petar Dimitrov.

The deadline for providing the funds for 4 billion euros project is November 2009. Increasing the scope of guarantees was expected having in mind global financial crisis.

Minister Dimitrov and officials from National electric company (NEK) several times called for calming the situation regarding the lack of interested investors. They also said that final option could be Russia's offer to provide 3.8 billion euros for the project.

§ § §

Melrose Resources confirmed new natural gas field discovery (Bulgaria)

Scottish company Melrose Resources (MS) announced it had discovered prosperous natural gas field near Black Sea city of Kavarna. According to preliminary data, natural gas reserves

are estimated at 680 million cbm. The field could be operational in 2010.

In this moment, MS delivers 15 % of natural gas in Bulgaria from the Galata field near city of Varna. MS also has plans for expanding the Galata field and construction of storage facility after the field was depleted.

The terms on usage of Galata field are yet to be agreed with the government of Bulgaria. CEO of MS David Thomas is assured the agreement would be reached, especially having in mind policy of diversification of energy supply. Thomas pointed out that discovery of Kavarna field came in the moment, when Galata field is near depletion.

Earlier this year, MS discovered natural gas field near Kaliakra, with estimated reserves of 1.3 billion cbm. The production in this field should start in the second half of 2009.

§ § §

AES continues investments despite the financial crisis (Bulgaria)

U.S. company AES said that current global financial crisis would not affect company's investments in Bulgaria. This was said by CEO of AES in Bulgaria Peter Lithgow.

AES is currently involved in construction of 670 MW coal-fired power plant in Maritsa Iztok basin. The cost of the project is 1.2 billion euros. Lithgow said that power plant should be completed in May 2010.

AES also announced investing 300 million euros in wind farm at Black Sea Coast, where this project will be developed in cooperation with German-Bulgarian company Geo Power.

§ § §

Prime minister against construction of nuclear power plant (Croatia)

The ruling party in Croatia, HDZ, supported the strategy for construction of new power plants that includes construction of two coal-fired and one natural gas-fired thermal power plant (TPP). The proposed scenario should secure national electricity needs in the next 10-15 years, the leadership of HDZ believes.

Prime minister and head of HDZ, Ivo Sanader, reminded in a press conference that there were three scenarios for construction of new power plants. The first scenario proposes the construction of two 600 MW coal fired power plants and one 400 MW natural gas fired plant, the second scenario envisages construction of 1,000 MW nuclear power plant (NPP) and one 600 MW coal fired plant, and finally, the third scenario envisages construction of one 1,000 MW NPP and one 400 MW natural gas fired power plant.

Sanader pointed out that scenario without NPP is the most likely to be approved, yet the final decision should be reached after broad public debate.

According to Strategy of energy development until 2020, Croatia should build some 3,500 MW in new power plants, having in mind the rise in consumption as well as decommissioning of old units. Until 2020, Croatia plans to invest some 10 billion euros in energy sector, where 4.5 billion euros should be invested in construction of new power plants.

§ § §

Koncar company established subsidiary for construction of wind farms (Croatia)

The management of Koncar company reached a decision for establishment of new subsidiary called Koncar-renewable sources, where this new company will be involved in construction of wind farms.

According to the report submitted to Zagreb Stock Exchange, the main reason for establishment of Koncar-renewable sources in this moment is the construction of 16 MW wind farm on site Pometeno Brdo in Dalmatia.

Koncar already manufactured pilot wind turbine with 1 MW output, where testing should be finished soon. New company will be also in charge for operation and sale of electricity from the wind farm.

§ § §

MOL published official report on takeover of shares in INA (Croatia)

Hungarian MOL published official report on Zagreb Stock Exchange regarding the recently finished IPO for shares in Croatian oil industry (INA).

According to report, MOL has purchased 2.215 million of shares or 22.15 % stake in INA (some 73.5 % of the requested amount during IPO). MOL paid overall amount of some 850 million euros for purchase of those shares.

After the latest IPO, MOL controls overall number of 4.715 million shares or 47.15 % stake in INA. The second largest shareholder in INA, the government, now controls 44.83 % stake.

According to official report of Central depository agency (SDA), the largest ever takeover in Croatian market had finished successfully on October 17. The shares have been sold by 26,853 shareholders. In this moment, particular minority shareholders controls less than 0.5 % stake each.

In the same time, several days before expiration of IPO, the government of Croatia and MOL started negotiation regarding the share swap between INA and MOL. The negotiations were conducted by vice prime minister Damir Polanec and CEO of MOL, Zsolt Hernadi. According to unofficial information published by local press, this first round of negotiations

between INA and MOL failed, after two sided were far from reaching the agreement.

The main problem for the government is the clause for preemptive rights for shares in INA, which is due to expire in the end of October.

Sources said that MOL proposed new management model for INA, where company would not have supervisory and management board, but single management board.

Vice prime minister Polancec denied rumors that first round of negotiations failed. The negotiations regarding changes in shareholders agreement will continue, especially after completing the IPO, Polancec said.

Vice prime minister recently confirmed that government would demand from MOL preemptive and veto rights in INA during the next five years. The third demand was the gradual increase in natural gas prices in domestic market.

Some local experts believe that latest negotiation were just a show for the public, where final decision regarding the share swap was already reached.

In the related news, executive director of MOL, Gyorgy Mosony, said that MOL provided necessary finances until 2010. The company recently acquired favorable 2.1 billion euros loan, where 800 million euros will be used for payment of shares in INA acquired during IPO.

§ § §

12.4 % increase in profit for Janaf (Croatia)

In the first nine months in 2008, Adriatic pipeline (Janaf) reported 4.6 million euros of net profit, which was 12.4 % higher compared to the same period last year.

According to the report submitted to Zagreb Stock Exchange, in the same period, overall income amounted to 36.5 million euros (+3.4 %), while overall expenses stood at 30.8 million euros (+1.9 %).

Janaf core income amounted to 35.2 million euros, where 62 % of the amount came from transport of crude oil, which was close to the last year. The transport of crude oil has been reduced by 6.8 %, among other things, due to overhauls in domestic oil refineries.

§ § §

Modernization of oil refinery in Rijeka started (Croatia)

Media in Croatia reported that modernization of oil refinery near Rijeka officially started. The particular project is related to construction of 200 million euros worth hydro cracking facility.

The facility will boost production output at 4.5 million tons of oil per year, comparing to current amount of 3.3 million tons.

Modernization of the oil refinery is the part of large-scale projects started by Croatian oil industry (INA). Total cost of modernization projects, including those in Sisak refinery, should amount to 1 billion euros, where the projects should be completed by 2010.

§ § §

LNG Croatia to be established (Croatia)

Croatian oil industry (INA), Croatian power utility (HEP) and natural gas transporter Plinacro decided to establish joint company called LNG Croatia. The company should be officially registered after November 1, where INA and HEP will control 40 % stake each, and the rest will be owned by Plinacro.

LNG Croatia should be in charge for Croatian stake in the project for construction of liquefied natural gas (LNG) terminal on Krk Island. The government recently decided that Krk is the most suitable construction site.

The strategic partner of Croatia in this project will be Adria LNG consortium established by E.ON Ruhrgas, Total, RWE, OMV and Geoplin.

According to local press, Croatia should be granted 25 % stake in the project, but the main problem for Croatian companies would be how to provide some 250 million euros, having in mind that cost of the project is estimated at 1 billion euros.

§ § §

Government and MOL to continue negotiations regarding share swap (Croatia)

Vice prime minister of Croatia Damir Polancec confirmed that government and MOL continued negotiations regarding share swap between MOL and Croatian oil industry (INA). According to earlier announcements, subject of share swap should be 19 % stake in INA controlled by the government (currently controls 44 % stake).

After recently completed initial public offering (IPO), MOL became the largest shareholder in INA with 47.15 % stake.

According to law on privatization of INA, the shareholder agreement needs to be redefined in case if government's stake drops below 50 %.

The government of Croatia obliged vice prime minister to propose whether to continue share swap or to delay the procedure indefinitely. According to the latest statements of prime minister Ivo Sanader, the second option is most likely to happen.

The government also confirmed it would insist on separation of natural gas division from INA, while vice PM Polancec said

that government and MOL initially agreed on this. Prime minister Sanader said that current situation in energy sector, global financial crisis and energy independence of Croatia forced government to support this option.

Polancec also said that Croatia would demand veto rights for sale of shares in INA during the next five years, as well as preemptive rights. According to him, negotiations with MOL were going well, where the outcome should be known very soon.

During the same occasion, vice PM Polancec also said that natural gas prices in Croatia should be increased significantly in the next couple of years. In this moment, average domestic natural gas price stands at 170 euros/1,000 cbm, while import prices (Croatia imports 40 % of its needs) stands at 300 euros/1,000 cbm.

§ § §

PPC union blocked management building (Greece)

Workers of the Greek Public Power Corporation (PPC) have blocked PPC management building in Athens, protesting against theft within PPC. Blocade lasted for entire day.

PPC officials accused union for taking this step without announcement in „hard times for the company“.

In related news, PPC CEO, Mr Takis Athanassopoulos spoke before the country parliamentary committee, urging committee members to help change the regulatory framework governing the operation of the Greek electricity market, notably the calculation of pool prices, which he called the 'last resort' status of PPC.

He added that unless the framework is revised PPC will become a "problematic" company. He also said that the lignite quality is deteriorating, and the company should turn to nuclear energy.

§ § §

Electricity price 13.61% higher (Macedonia)

Macedonian Regulatory Commission for Energy has decided to set new, 13.61% higher price for electric energy. New price will be 3.44 denars/KWh, while old was 3.03 denars/KWh. New price will be accounted from 1st of November. This price will be valid for 2 months, since new price correction will be made on 1st of January.

Decision was made after 3 companies requested price increase: ELEM, MEPSO and EVN Macedonia. According to sources, EVN Macedonia (distribution) has announced complain, since they requested 9% increase, but received only 0.45% by this price increase. MEPSO has received 113% increase, while ELEM (production) received 37%. ELEM is also unsatisfied with this increase, since they requested 77% increase.

§ § §

Tender for construction of 12 SHPP (Macedonia)

Macedonian government has published a tender for construction of 12 Small Hydro Power Plants (SHPP). Project is called "Vardar valley" (Vardarska dolina). Power plants are planned to be constructed on river Vardar, from town Veles to Djevdjelija, with annual production of 1 000 GWh. Project worth is estimated to 1.2 billion euros.

Also, government will soon publish a tender for sale of "EMO", company specialized in production of electricity generation equipment.

§ § §

Macedonia awaits offer for NPP Belene (Macedonia)

Macedonian Deputy Prime Minister Zoran Stavreski have officially meet with Bulgarian Minister of Economy and Energy, Petar Dimitrov and Minister for Transport, Petar Mutafchiev in Sofia to consider possible options for Skopje's involvement in the Belene project, but no agreements have been made. He said that new meetings will be held and final decision will be known in next few months. Macedonian Minister for Economy, Fatmir Besimi said that they are expecting offer from NEK and RWE.

German utility RWE has been selected as a strategic investor for a 49% stake in Belene nuclear power plant. RWE outbid Belgian Electrabel, by making a 1.3 billion eutod offer for the 2.000 MW NPP.

§ § §

1 500 households canceled district heating due to high price (Macedonia)

"Toplifikacija" from Skopje has confirmed that 1 500 households have requested disconnection from district heating system, due to 60% price increase.

Increase of district heating and gas price has been followed by price increase of wood used for heating. Price of wood is not regulated by Regulatory commission, but sellers used this opportunity to rise their profit. Currently, price has been increased for 20% and further increase is expected. Price for cubic meter of wood used for heating is reaching 50 euros.

§ § §

TPP Pljevlja out of service for regular maintenance (Montenegro)

The only thermal power plant (TPP) in Montenegro, TPP Pljevlja, was disconnected from the power grid in mid October for the purpose of regular maintenance before the winter season. The TPP should be put in service by the end of October.

In this year, TPP Pljevlja produced 980 GWh of electricity, where, in the first half of October, electricity production reached 65 GWh.

In the same time, the management in TPP has been preparing for the large renewal projects that should take place next year.

Power utility of Montenegro (EPCG) confirmed that potential suppliers of electrical filters recently visited TPP. According to tender terms set by German KfW Bank, bids for delivery of electrical filters should be submitted by November 3.

In addition, EPCG should soon publish a tender for delivery of new control and auxiliary systems in the TPP.

EPCG said that TPP Pljevlja achieved record daily as well as monthly production during this year, which should result in record annual production.

§ § §

EPCG published tender for import of 1 TWh in 2009 (Montenegro)

On October 17, Power utility of Montenegro (EPCG) published international tender for import of 1.055 TWh of electricity in the next year. EPCG confirmed it is ready to pay some 97.57 million euros for the requested amount of electricity.

The requested amount is divided in 19 lots, where 219.175 GWh should be imported during night (between 00:00-07:00 CET) and 836.145 GWh during day (between 07:00-24:00 CET).

The bidders will be allowed to submit bids for particular lots. The minimum offered power is set at 5 MW. EPCG preserved right for +/- 20 % adjustments in import.

The planned import in 2009 should be some 21 % higher comparing to 2008, while the worth of the procurement should be 50 % higher.

The final bids should be submitted by November 12. The criteria for the most favorable bidder will be the lowest offered price.

§ § §

Statkraft to take part in tender for privatization of EPCG (Montenegro)

Officials from Norwegian power company Statkraft confirmed the company was closely watching preparations for recapitalization of Power utility of Montenegro (EPCG) in order to take part in the international tender.

Executive director of Statkraft Montenegro, Roar Alme, said there were several open questions that still needed to be answered by the Montenegro's officials.

Alme reminded that EPCG and Statkraft have been cooperating since 2006, when two companies signed memorandum of understanding. In the same time, EPCG, Statkraft and Agency for foreign investments (MIPA) made joint feasibility study on hydropower potential in Montenegro.

According to the latest announcements, the tender for recapitalization of EPCG will be published in December. EPCG believes that CEZ, RWE, Electrabel, Verbund and some other power companies should take part in it.

Statkraft should also take part in tender for construction of new large hydropower plants (HPPs). The company is especially interested in the tender for construction of HPPs on River Moraca, the head of Statkraft Montenegro confirmed.

§ § §

Government published invitation for construction of HPPs on Moraca River (Montenegro)

On October 27, ministry of economic development published public invitation for submitting the letter of interests in the project for construction of new large hydropower plants (HPPs) on Moraca River. Interested companies and consortia will be allowed to submit letters of interest by December 1.

According to the invitation, the government wants to build HPPs through public-private partnership. The project implies construction of four HPPs (Andrijevo, Raslovići, Milunovići and Zlatica) with overall power output of 238 MW and annual electricity production of 693 GWh.

Related comprehensive geotechnical and hydrology studies have been already made, the government said. By February next year, legal analysis and environmental impact study should be completed. The next stage of the project should be prequalification tender.

Recently, the government said that International finance corporation (IFC) estimated project's cost at 500 million euros. The government expects that leading power companies would be interested for the project. So far, Norwegian Statkraft more than once expressed interest for construction of new power plants on Moraca.

§ § §

Government approved Action plan for Strategy of energy development (Montenegro)

In the end of October, the government of Montenegro adopted Action plan for implementation of Strategy of energy development until 2012. The plan envisages implementation of 35 different projects and overall investments of 1.4 billion euros.

Minister of economic development Branimir Gvozdenović announced that projects should be funded by both private

investors and the government. In the next five years, the government should secure 74 million euros for projects, where significant part will be provided through loans and donations.

The government is also obliged to establish Energy efficiency agency and Department in charge for preparation, execution and monitoring of all projects defined by Action plan, the minister confirmed.

Among other things, the Action plan, which has been divided in eight parts, envisages increase of energy efficiency and usage of renewable energy sources. By 2012, hydropower plants (HPPs) Piva and Perucica, and thermal power plant (TPP) should be revitalized. Also, both transmission and distribution electricity network should be reconstructed and enlarged. The plan also envisages construction of large HPPs on Moraca and Komarnica, construction of wind farm on Rumija Mountain and construction of unit 2 in TPP Pljevlja.

§ § §

EPCG demanded new increase in electricity prices (Montenegro)

In the end of October, Power utility of Montenegro (EPCG) submitted to Regulatory energy agency (REA) a request for increase in electricity prices. EPCG asked REA to approve increase in regulated income by 30 million euros, up to 274 million euros.

According to director of REA, Dragoljub Draskovic, EPCG demanded 10 to 20 % increase in prices, depending on the customer category.

If REA approves the request, new prices should be set in period of three months, i.e. starting from the end of January. According to unofficial information, the prices should be increased between 10 and 15 %. In this moment, price of electricity during day tariff is 7.65 eurocents/kWh for two-tariff customers and 9.19 eurocents/kWh for single-tariff customers.

EPCG said the increase in expenses is related to higher municipality taxes and higher import costs. According to local laws, EPCG is allowed to demand increase in tariffs in case if expenses rise more than 3 %. If approved, it would be the fourth increase in electricity prices since July last year.

Commenting the latest announcements, association of small and medium enterprises, Montenegro Business Alliance (MBA), called for reduction of electricity prices for companies. According to MBA, the price of 17 eurocents/kWh currently paid by small and medium companies in the country is among the highest in Europe.

§ § §

Announcement for closure of KAP, government reconsiders consequences (Montenegro)

In the end of October, highest state officials, top managers and various experts analyzed unfinished study on consequences of potential closure of Aluminum factory in Podgorica (KAP). The conclusion of the meeting was that KAP had to continue its operation, where state should do everything to offset negative effects of global financial crisis.

Prime minister Milo Djukanovic said that government wants KAP to continue production process. Minister of economic development Branimir Gvozdenovic said after the meeting that government did not reconsider option for granting the subsidies for electricity prices for KAP. According to speaker of parliament of Montenegro, the state should decide whether to close the factory or to prolong subsidies for electricity prices after 2010.

The rumors on closure of KAP came from its owner, Central European Aluminum Company (CEAC) of Oleg Deripaska. CEAC said that low aluminum prices and high electricity prices led to 30 million dollars of losses only in this year. Several international media also announced possible closure of KAP.

The rumors on closure have been increased after CEAC confirmed it had filed lawsuit against government of Montenegro. CEAC claims 300 million euros as a compensation for presenting the wrong financial data in the company before the privatization.

In the same time, decision of the government to cancel the sale of TPP Pljevlja to En Plus, also owned by Deripaska, was seen as serious strike for company's plans to provide cheap electricity. Officials from KAP recently said that electricity expenses account for 42 % of overall expenses in final aluminum price. The international standards say this ratio should not be higher than 30 %, officials said.

The KAP is one of the most important companies in the country and the largest electricity customer. With annual production of over 100,000 tons of aluminum, KAP generates some 50 % of national export and 14 % of national GDP. In the same time, with 1.9 TWh of annual electricity consumption, the company accounts for 40 % of overall national electricity consumption. KAP directly and indirectly employs several thousands workers in Montenegro. Several large companies, such as EPCG, Railway Company and port of Bar, have strong business relations with KAP.

In the related news, electricity trader EFT denied headlines in Montenegro's press that KAP and EFT agreed on supplying electricity to KAP from future thermal power plant (TPP) Stanari, which is currently being built by EFT. EFT, as one of the electricity suppliers of KAP, expressed wish that KAP will overcome current problems and that two companies will continue cooperation in the future.

The local media in Montenegro reported that KAP would try to maintain production at minimum level until 2012, when the TPP Stanari should be put in service. According to the same sources, TPP Stanari, with 3 TWh of annual production, should

deliver electricity also for Aluminum factory in Mostar, Bosnia and Herzegovina.

Several local experts believe that latest development related to KAP was a pressure made by CEAC in order to prolong subsidies for electricity prices.

On the other hand, media in Montenegro reported that KAP's owner Oleg Deripaska was in serious financial trouble caused by global financial crisis. Because of that, KAP was not seen as one of his priorities in this moment.

§ § §

Credit crisis not to affect recapitalization of EPCG (Montenegro)

Chair of the Board of directors of Power utility of Montenegro (EPCG) Srdjan Kovacevic believes that global credit crisis would not significantly affect incoming recapitalization of EPCG. Kovacevic believes that energy sector is less vulnerable to current crisis compared to other parts of economy.

Kovacevic pointed out that price of electricity doubled in the last two years, where this high price level should be maintained in the next several years. Head of EPCG confirmed that several companies expressed interest for incoming tender.

Kovacevic said that company's headcount should be reduced fewer than 3,000 by the end of the year. By the end of the year, functional division Transmission within EPCG should be transformed into independent joint stock company, Kovacevic announced.

§ § §

National energy company to be operational in March next year (Romania)

President of the Authority for State Assets Recovery (AVAS), Teodor Atanasiu said that National energy company (CEN) should be operational in March next year.

The establishment should be approved by Competition council (CC), after which managements of electricity distributor Electrica, energy complexes (EC) Rovinari and Turceni and Hidroelectrica should prepare necessary shareholders agreement and statute and to appoint company's management.

Atanasiu said that, by the latest changes, Romania would get an energy company able to compete on international markets.

§ § §

New electricity link with Hungary in December this year (Romania)

In mid October, Romania and Hungary signed a protocol on cooperation in energy sector, which includes construction of interconnection power line, construction of interconnection natural gas pipeline, construction of Nabucco natural gas pipeline, and storage of oil and oil derivatives.

According to the protocol, the project for construction of 400kV power line Oradea (Romania)-Bekescsaba (Hungary) will be continued, where, during the first stage, 400kV interconnection power line Arad (Romania)-Nadab (Romania)-Bekescsaba (Hungary) will be built. The power line should be put in service by December 15. During the second stage of the project, 400kV internal power line Nadab-Oradea should be built.

In the same time, Romanian and Hungarian transmission system operators (TSOs) and power exchanges have signed a letter of intent regarding the support for establishment of market framework in Hungary, which should be in charge for implicit auctions of transmission capacities between Romania and Hungary.

During the same occasion, Romania and Hungary decided to build interconnection natural gas pipeline Szeged-Nadlac-Arad. Hungary also requested support from Romania in the project for establishment of study company for NETS (New Europe Transmission System) project, initiated by MOL.

§ § §

Romgaz posted 5 % increase in profit, decrease in production (Romania)

State-owned natural gas producer Romgaz posted 152 million euros of profit in the first nine months in 2008, which was some 5 % higher comparing to the last year. In the same time, overall turnover reached 788 million euros (+8.5 %).

Increase in profit was reported despite the decrease in natural gas production due to increase in natural gas prices, Romgaz said. The reduction in production should reach 4-5 % on annual level.

According to plans, in 2008, Romgaz should post 180 million euros of net profit (+25 % comparing to 2007) and turnover of 1.09 billion euros (+21 %).

In the same period, company's investments amounted to 197 million euros. The investment program for this year was set at 310 million euros.

The general manager of Romgaz Francis Toth said that financial crisis did not affect the company. Head of Romgaz pointed out that company has ambitious plans regarding projects for electricity production. In period of three years, Romgaz wants to become one of the major players in electricity market, Tot said. He did not reveal the amount of funds to be invested in electricity production projects.

Romgaz is one of the companies that had submitted bids in prequalification tender for modernization of combined heat and power plant (CHPP) Fantanele. Also, Romgaz is interested in construction of 250 MW cogeneration power plant in Ardeal, where this project should be accomplished in cooperation with foreign partner.

Romgaz is the largest natural gas producer in Romania, with 5.9 billion cbm of natural gas produced last year. Its main competitor is Petrom with 5.4 billion cbm production in the last year. Romgaz operates six underground natural gas storage facilities with total capacity of 2.8 billion cbm. The company plans to increase these capacities up to 4 billion cbm in 2013.

§ § §

1.25 billion euros of turnover for Electrica (Romania)

In the first nine months, state owned electricity distributor Electrica posted 1.25 billion euros of turnover, which was 30 % higher compared to the same period last year.

In the same period, the gross profit amounted to 444 million euros (nine times higher compared to 2007).

The increase in revenue is related to finishing the privatization of Electrica Muntenia Sud, but also due to increase in income from electricity distribution and supply.

General manager of Electrica Corneliu Stan said the company will double electricity deliveries to industrial customers in the next year. Stan confirmed that company secured some 80 % of the amount for these customers.

The government recently decided that company would become a part of national energy company, along with Hidroelectrica, Turceni and Rovinari.

According to the latest data, in the first seven months, Electrica increased its share in free market up to 10% and became the largest supplier in domestic free market, ahead of Energy Holding (9 %). In 2007, Electrica's market share in free market stood at 5 %.

§ § §

Rompetrol to import LPG from Kazakhstan (Romania)

Oil and gas company Rompetrol, majority owned by Kazakh state-owned oil company KazMunaiGaz (KMG), announced plans for expanding the distribution of liquefied petroleum natural gas (LPG) to Central and Eastern Europe (Romania, Ukraine, Moldova, Serbia and Hungary and Bulgaria) where additional LPG would be imported from Kazakhstan.

Rompetrol currently produces LPG in its Petromidia refinery. The management of the company confirmed that current LPG production reaches 170,000 tons, which should be increased up to 210,000 tons. The overall domestic consumption reaches some 500,000 tons.

§ § §

Elcen approved the list of qualified bidders for modernization of CHPPs Fantanele and Progresu (Romania)

State owned electricity and heat company Electrocentrale Bucharest (ELCEN) decided that all companies that had submitted bids in the prequalification tenders for establishment of joint ventures for modernization of combined heat and power plants (CHPPs) in Fantanele and Progresu would be allowed to take part in the tender.

The bids for modernization of CHPP Fantanele were submitted by Edison (Italy), E.ON (Germany), Romgaz (Romania), Verbund (Austria), the consortium of Unit and Wienstrom Austria, CEZ, GDF Suez, and consortium of Istroenergo-Slovnaft. The project refers to construction of new 200-250 MW power plant.

On the other hand, the bids in the project for modernization of CHPP Progresu were submitted by Edison (Italy), consortium of Slovnaft –Istroenergo Group Slovakia, GDF Suez, United Inv. NV, Verbund (Austria), Fortum Power and Heat Oy (Finland), Dalkia Romania, E.ON and CEZ.

§ § §

Termoelectrica to seek new investors for TPP Doicesti (Romania)

According to sources quoted to local media, electricity and heat producer Termoelectrica would restart procedure for selection of new partners in the project for construction of new units in thermal power plant (TPP) Doicesti after Russian Mechel and Electrabel decided to leave the project.

The officials from Termoelectrica and Electrabel were not available to comment the latest development, while PR of Mechel, without revealing of details, said the company decided to abandon the project.

Termoelectrica plans to establish joint venture company in charge for construction and operation of 450 MW unit in Doicesti. The future strategic partner will be obliged to provide funds for the project, where Termoelectrica would invest existing assets in Doicesti.

§ § §

CEZ demands veto rights for each investor in Cernavoda project (Romania)

The corporate affairs manager of CEZ Romania Adrian Borotea said that state of Romania should not be allowed to reach alone the vital decisions regarding the operation of future units 3 and 4 in nuclear power plant (NPP) Cernavoda.

Borotea believes that each one of the investors should be granted veto rights regarding vital issues in the future company. CEZ's official also said that stable regulatory framework would be crucial for attracting the future investors.

As a reminder, Czech CEZ, along with Electrabel, Arcelor-Mittal Romania, Enel, RWE and Iberdrola, will control minority stakes in new units, while the government of Romania should control 51 % stake in the joint venture.

According to Borotea, the final contracts for establishment of the project company should be signed by November 30.

§ § §

Feasibility study for South stream project to be completed by 2010 (Serbia)

Aleksandar Medvedev, the deputy chair of Management board of Gazpromexport, said in an interview to local paper that feasibility study for South stream pipeline would be ready by 2010. He added that Russia would hold to its word regarding the agreement with Serbia.

Medvedev confirmed that preparations for the feasibility study for the Serbian part of the pipeline would start soon. The study should determine the exact route of this part of the pipeline.

Medvedev said the fears that Russia would not respect its obligations are groundless, yet he added there are certain factors that could not be influenced by Gazprom. There are political forces outside of Balkans that try to obstruct South stream pipeline, which would leave Europe without ability to provide sufficient amount of natural gas, official said.

Medvedev's interview came after news published by Russian papers which said that South stream pipeline should be built between 2015 and 2024, instead in 2013, as it was originally announced.

§ § §

Joint venture for Banatski Dvor by the end of the year (Serbia)

The management of Serbian natural gas company Srbijagas announced that Gazprom and Srbijagas would establish joint venture company in charge for operation and development of underground natural gas storage facility in Banatski Dvor by the end of the year.

The establishment of the joint venture is in accordance to the energy agreement signed by Russia and Serbia. According to the agreement, Gazprom will be majority owner in the venture with 51 % stake.

By 2013, the capacity of facility in Banatski Dvor should reach maximum amount of 800 million cbm.

§ § §

Energy contracts with Russia to be signed by the end of the year (Serbia)

The government of Serbia confirmed that all three contracts stemming from the energy agreement signed with Russia should be signed by the end of this year. The government also informed Russian chief negotiator, minister of emergency situations, Sergey Shoigu regarding this timetable.

Shoigu earlier proposed that particular contracts should be harmonized by the end of November, after which Serbian government demanded prolongation until end of the year.

Sources said that Serbian side needs more time in order to clarify all details related to particular contracts. Several media in Serbia reported that contract for sale of NIS to Gazprom will be delayed due to fact that it was not clear how Gazprom would provide 500 million euros for modernization of Serbian national oil company. Sources implied that Serbian side expected this would be paid in cash. On the other hand, Gazprom wants NIS to take 500 million euros loan, where Russian company would provide guarantees for the loan, local press said.

Minister of energy and mining Petar Skundric confirmed that negotiations with Russia were going well. He denied rumors that Serbia demanded any kind of delays in signing of final contracts. Skundric could not say when the contract would be signed, saying the Russia wants this to happen in the end of November during the regular session of Serbian-Russian interstate economic committee. Minister could not say whether the concessions for oil and gas fields would be sold to Gazprom. In the same time, Serbia proposed to Gazprom to purchase Petrochemical factory in Pancevo. Russian side still did not answer this proposal.

According to energy agreement, Serbia and Russia should sign agreement for sale of 51 % stake in Oil industry of Serbia (NIS) to Gazprom, the agreement for establishment of joint venture company in charge for construction and operation of South stream pipeline across Serbia, and finally, the contract for establishment of joint venture company in charge for enlargement and operation of underground natural gas storage capacity in Banatski Dvor.

§ § §

EPS to invest 9.2 billion euros until 2015 (Serbia)

Power utility of Serbia (EPS) should invest 9.2 billion euros for several capital projects until 2015. In order to achieve this, electricity prices should rise, director of sector in Strategy and investments department in EPS, Aleksandar Jakovljevic said.

According to EPS's projections, the price of electricity should rise up to 10.3 eurocents/kWh until 2015. Until 2011, the prices should be increased gradually, and only after that period, price increases should be higher.

During the energy conference, Jakovljevic once again said that completion of construction of thermal power plant (TPP) Koluvara B (700 MW) would cost 750 million euros, construction of

unit 3 (700 MW) in TPP Nikola Tesla B would cost 900 million euros, while construction of new CCGT plant in Novi Sad would require investments of some 200 million euros.

The fourth large-scale project initiated by EPS is construction of hydropower plants (HPPs) on Drina River, where this project will be developed in cooperation with Power utility of Republic of Srpska (ERS).

The first project that could be completed is the one in Novi Sad, by 2011. The TPP Kolubara B could be completed by 2014, while unit 3 in TPP Nikola Tesla B could be operational in 2016.

The investments and thus increase in electricity prices is necessary in order to avoid problems in electricity supply. According to Jakovljevic, Serbia will be missing some 3 to 4 TWh of electricity in 2012. In this moment, ratio of exported and imported electricity is close to zero, director said.

By completing its priority projects by 2016, EPS would stop to import electricity. On the other hand, postponement of the projects will incur annual expenses of up to 250 million euros, Jakovljevic concluded.

According to company's plan, EPS should provide some 3.4 billion euros for the planned investments from its own income, 3.8 billion euros should be provided through loans, while some 2.5 billion euros should be provided by future strategic partners. Out of this amount, some 1.2 billion euros should be invested in environmental projects. Jakovljevic said that investment program is yet to be approved by the government of Serbia.

In the related news, minister of energy and mining of Serbia Petar Skundric repeated that tenders for construction of TPP Kolubara, unit 3 in TPP Nikola Tesla B and for CCHP Novi Sad should be launched by the end of the year.

§ § §

Transport capacity of South stream pipeline to reach 20 billion cbm (Serbia)

Newly appointed director of Serbian natural gas transmission company Srbijagas, Dusan Bajatovic, said that capacity of the South stream natural gas pipeline in Serbia would reach 20 billion cbm per year. According to him, the Serbian part of the pipeline could be completed by 2014.

Serbia demanded from Russian partners to increase pipeline's capacity up to 25 billion cbm, but it is expected that Gazprom could agree on 20 billion cbm, director said.

Bajatovic said that Serbia found the way to protect its interests in case if Russia does not meet its obligations from the agreement, i.e. the sale of NIS and contracts in natural gas sector would be mutual dependent. Serbian official was not made clear whether the Russian side would accept this.

As a reminder, according to Energy agreement signed by Russia and Serbia, capacity of South stream pipeline across Serbia should be 10 billion cbm

§ § §

EFT to open lignite mine, possible construction of TPP (Serbia)

In the end of October in Lucani, EFT presented a feasibility study regarding opening of new lignite mine near the city. According to EFT, company has two options: to sell the lignite from the future lignite mine or to build 130 MW thermal power plant (TPP) near the mine.

The overall investment in the lignite mine is estimated at 110 million euros, while cost of construction of TPP is estimated at 280 million euros.

EFT confirmed that researches started in May this year confirmed estimations regarding the lignite reserves. The reserves are estimated at some 49 million tons. EFT said it would employ 600 people in new company. EFT also said it expects that government of Serbia will issue approval for start of lignite production in the beginning of the next year.

The overburden removal should start in 2013, while the mine should be operational in 2015. The annual lignite production is estimated at 1.1 million tons, in case of construction of TPP, or between 300,000 and 500,000 tons if the TPP was not built. According to the study, average expenses are estimated at 21 euros per ton of lignite.

EFT announced that study related to construction of the TPP is currently in progress and that it should be completed in January. This was said by Zlatan Matko, director of department of investments in EFT.

By February next year, EFT should present new details regarding the project. According to current estimations, future TPP could be built by 2016, where annual production would reach 980 GWh.

§ § §

Increase in natural gas prices caused political turmoil (Serbia)

The decision of the government, reached in mid October, to approve increase in natural gas prices by 60 %, up to 420 euros/1,000 cbm, caused significant turmoil in Serbia.

According to the government, the main reason for the latest increase was the increase in wholesale price of natural gas delivered by Gazprom from 250 dollars/1,000 cbm up to 530 dollars/1,000 cbm. In the same time, Hungary increased transmission tariffs up to 36 dollars.

Immediately after new prices were approved, opposition party LDP and member of ruling coalition, the LSV party, accused local natural gas distributors on making too high profit margins. Also, two parties accused management of national natural gas company Srbijagas and former government for signing the damaging agreements with main supplier, Gazprom.

Leader of LDP, Cedomir Jovanovic said that former government failed to use its preemptive rights in joint venture company of Srbijagas and Gazprom, Jugorosgas, after which Gazprom came in possession of 75 % stake in the company. In the past period, Jugorosgas, established in 1996 as a joint company of Serbia and Gazprom, became exclusive intermediary for import of natural gas from Russia, where Serbia was forced to pay high provisions, Jovanovic claimed.

Officials of the former government said that making the Jugorosgas the intermediary for import of natural gas was the condition set by Russian partners. They also said that 4 % provision to Jugorosgas was paid by Russians. Vice prime minister Mladjan Dinkic also confirmed that Gazprom demanded Jugorosgas to be exclusive natural gas importer in Serbia or else the natural gas supplies would have been cut.

The parliament of Serbia decided to investigate activities related to natural gas import contracts. Parliament obliged the government to investigate all details regarding contracts with Jugorosgas, sale of 25 % stake in Jugorosgas to Gazprom, profit margins of local distributors and operation of Srbijagas. The parliament also instructed government to try to import natural gas without any intermediaries.

In the same time, the scandal over drastic price increase was further deepened after former director of Srbijagas, Sasa Ilic, admitted it had signed annex to the natural gas import agreement with Jugorosgas in mid October.

The former director was being accused for signing the annex to the agreement without approval of the management board or the government. On the other hand, director defended itself by saying it was standard procedure related to prolongation of current supply agreement, where final approval should be given by the government.

The worth of the annex is 700 million euros. According to annex, in 2009, Serbia will import some 2.4 billion cbm of natural gas, where the price will be set in accordance to original contract signed in 2006. In the same time, provision of Jugorosgas should reach some 35 million euros.

Minister of energy Petar Skundric said the annex needed to be approved by the government and that without government's approval, the signature of Srbijagas's director has no legal power.

In the same time, state public prosecutor decided to investigate the legal issues related to signing this annex in order to establish whether everything was in accordance to laws and regulations.

Leading politicians in Serbia, from the former and current government, have been accusing each other on who was responsible for losing the equal share in Jugorosgas. According to

sources, Russian Gazprom also said that delivering natural gas through intermediary was the common practice in the world. As a reminder, in 2006, the government of Vojislav Kostunica signed the contract for import of natural gas from Gazprom. At the time, it was agreed that intermediary for natural gas import should be Jugorosgas, majority owned by Gazprom

Commenting the latest development in Serbia, officials from Gazprom responded that retail prices for end customers in Serbia do not depend only on Gazprom's wholesale prices. The price of natural gas in Serbia also depends on local taxes and profit margins of local distributors. The Gazprom certainly did not directly influence the latest increase in natural gas prices in Serbia, Russian company said.

Ministry of energy announced it would make analyses regarding the profit margins of natural gas distributors. Preliminary data showed that some distributors charged even 40 % profit margin. According to ministry, distributors mostly charged to customers their losses in distribution network. Ministry announced that distributors would be allowed to charge transport losses up to 1 % in transmission network and up to 2 % in distribution network.

Several experts in Serbia warned that country could face energy crisis after the latest increase in natural gas prices. According to analyses, many of the households could decide to use electricity for heating instead of natural gas, which could be devastating for national electricity system. In addition, due to new natural gas prices, the heating companies would most likely increase heating prices by the end of the year.

Prime minister of Serbia, Mirko Cvetkovic announced that government proposed paying of natural gas bills in two payments, where 60 % of the bills would be paid immediately, while the rest of the bills should be paid during summer. PM also said that increase in prices was made in accordance to standard procedure and that it was approved by the ministry and by Energy agency.

According to data, households in Serbia account for 10 % of overall natural gas consumption. In this moment, there are 700 industrial natural gas customers and 170,000 households' natural gas customers in Serbia. By 2015, Serbia plans to have 400,000 households' customers, while overall natural gas consumption should be increased from 2.4 up to 3.4 billion cbm.

§ § §

Tenders:**Electricity**

Company / organization:	EBRD, related Bosnia and Herzegovina
Power Distribution Reconstruction-Substations 10(20)/0,4kV	
Content:	<p>JP Elektroprivreda BiH d.d. Sarajevo (hereinafter referred to as the Purchaser) intends to use part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Power Distribution Reconstruction Project.</p> <p>The Purchaser now invites sealed tenders from Supplier for the following contract(s) to be funded from part of the proceeds of the loan:</p> <p>Procurement of Substations 10(20)/0,4 kV Lot 1 Prefabricated Transformer Substations 10(20)/0,4 kV Lot 2 Distribution Transformers 10(20)/0,4 kV Lot 3 MV Switchgears and Apparatus Lot 4 LV Distribution Board, Cabinets, Equipment for Power Factor Correction and Fuses Lot 5 Earthing Equipment Lot 6 Telemetry and Radio Equipment</p> <p>Tenders are invited for one or more lots. Each lot must be priced separately..</p>
Deadline:	2 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mr. Nedeljko Despotović, PIU Director Tel.+387 33 751 030; Fax.+387 33 751 033 e-mail: n.despotovic@elektroprivreda.ba</p>

Company / organization:	EBRD, related Bulgaria
Construction of wood biomass heating plant in town "Triavna"	
Content:	<p>The project announced within this procurement notice will be partially financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tender for supply of goods and installation of equipment for the construction of a modern biomass fired heating plant and the related district heating network in town Triavna.</p> <p>The tendering includes:</p> <ol style="list-style-type: none"> 1. Supply of loading machine and specialised wood transporting track; 2. Supply of district heating network pipes; 3. Supply and installation of heating substations for customer sites. <p>Overall Budget for the project is EURO 4 million, from which EURO 0.8 million will be financed from the Kozloduy International Decommissioning Support Fund.</p> <p>The invitations for tenders are expected in the third quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 May 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.</p>
Deadline:	13 May 2009 at 00:00, Sofia time

Contact:	<p>Mr. Svetlozar Todorov Investor's representative BioEnergia Triavna OOD 4 Trapezitsa str, entr. 4, fl. 4 Sofia 1000, Bulgaria Email: anton.ivanov@yahoo.co.uk Telephone/Telefax: +359 2 989 89 50</p>
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Company / organization:	EBRD, related Bulgaria
Metamodul CNG for the Etropole gas supply system	
Content:	<p>The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD, was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>Metamodul Ltd intends to use grants from the Kozloduy International Decommissioning Support Fund for supply of sets of technology and equipment for compression of natural gas and refuelling of vehicles with compressed natural gas (CNG).</p> <p>The budget for the project is €1.28 million The tendering for the above contract is expected to begin in the second quarter of 2008.</p>
Deadline:	2 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mr. Christo Petkov Tel. +359 2 818 00 10 Fax: +359 2 818 00 20 [fax:]</p>

Company / organization:	EBRD, related Bulgaria
Replacement of transformers for CEZ Razpredelenie Bulgaria	
Content:	<p>The project announced within this procurement notice will be partially financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tender for supply of equipment for the replacement of outdated 20/0,4 kV power transformers with new transformers of higher efficiency.</p> <p>Overall Budget for the project is EURO 3,84 million from which EURO 0.76 million will be financed from the Kozloduy International Decommissioning Support Fund.</p> <p>The replacement of the power transformers is planned to start by the end of 2008.</p> <p>The invitation for tender is expected in the third quarter of 2008. The invitation will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 February 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.</p>

Deadline:	14 May 2009 at 00:00, Sofia time
Contact:	Mr. Atanas Dandarov Director management of the company CEZ Razpredelenie Bulgaria AD 330, Tzar Simeon Street, 1309 Sofia, Bulgaria Office tel: +35928053403 Fax: +35929862805 e-mail: atanas.dandarov@cez.bg

Company / organization:	EPCG, related Montenegro
Electricity import	
Content:	<p>Power utility of Montenegro (EPCG) published international tender for import of 1.055 TWh of electricity in the next year. EPCG confirmed it is ready to pay some 97.57 million euros for the requested amount of electricity.</p> <p>The requested amount is divided in 19 lots, where 219.175 GWh should be imported during night (between 00:00-07:00 CET) and 836.145 GWh during day (between 07:00-24:00 CET).</p> <p>The bidders will be allowed to submit bids for particular lots. The minimum offered power is set at 5 MW. EPCG preserved right for +/- 20 % adjustments in import.</p> <p>The planned import in 2009 should be some 21 % higher comparing to 2008, while the worth of the procurement should be 50 % higher.</p> <p>The criteria for the most favorable bidder will be the lowest offered price.</p>
Deadline:	12.11.2008

Company / organization:	EBRD, related Macedonia
Transmission Interconnection Project, four substations - GPN	
Content:	<p>The Macedonian Transmission System Operator (AD MEPSO) has received a loan from the European Bank for Reconstruction and Development and intends to use a part of the proceeds to finance the Rehabilitation of four 400/110 kV Substations in the Power Transmission System of Macedonia in Skopje, Dubrovo and Bitola. The proposed project which has an estimated cost of EUR 5.65 million (excluding VAT) is intended to be implemented through three separate tender packages:</p> <ul style="list-style-type: none"> • Package I: Lot 1: Replacement of eight 400 kV circuit breakers in substations 400/110 kV Skopje 4, Dubrovo and Bitola 2 Lot 2: Replacement of the existing protection systems for two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Dubrovo and two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Skopje 4. • Package II: Rehabilitation of substations 400/110 kV Skopje 4 and Dubrovo with supply and installation of new bay control units in the substations • Package III: Lot1: Rehabilitation of substation 400/220/110 kV Skopje 1 with supply and installation of a new control system on 110 kV level and replacement of the existing 110 kV protection system Lot2: Rehabilitation of substation 400/110 kV Bitola 2 with supply and installation of a new control system and replacement of the existing 400 kV and 110 kV protection systems.
Deadline:	31 Dec 2008 at 00:00, Skopje time

Contact:	Sinisa Stancevski ; Project Manager AD MEPSO Tel: +389 2 3149 018 Fax: +389 2 3238 687
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Company / organization:	EBRD, related Bulgaria
Ruse Integrated Energy Farm	

Content:	<p>. The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>District administration Ruse intends to use the proceeds of the Grant from the Kozloduy International Decommissioning Support Fund for co-financing the establishment of an integrated energy farm, consisting:</p> <ul style="list-style-type: none"> • Supply and installation of Biomass gas generation reactor, gas cooling, gas washing and gas drying using straw • Supply and installation of CHP plant for production of electric and thermal energy • Supply and installation of biomass (straw) transport, handling and storage facilities • Up-grade of the existing heat only boiler (HOB) for the utilisation of biogas <p>The tendering includes design, engineering, procurement, delivery, construction, installation, pre-commissioning and commissioning of works and is expected to begin in the Q III 2008.</p> <p>The total expected budget of the project including the consultancy assignment is €3.4 million, from which the grant financing part is €1.56 million. Tendering for contracts to be financed from grants of the KIDSF, is open to firms from eligible countries as of 1 April 2008. These are: EU member states, Switzerland and the EBRD's countries of operation.</p>
Deadline:	9 May 2009 at 00:00, Ruse time
Contact:	Dr. Todor Petrov Fax : + 359 82 812 232 Email: T.Petrov@ruse.e-gov.bg

Company / organization:	EBRD, related Bulgaria
Sofia District Heating Rehabilitation	
Content:	<p>The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>Toplofikacia Sofia AD, the joint stock district heating company serving the city of Sofia is carrying out the rehabilitation of the centralized district heating system in the city. The District Heating Rehabilitation Project comprises modernization of district heating substations, replacement of pipelines, compensators, thermal insulation of over-ground pipelines, conversion to variable flow of the Sofia district heating network.</p> <p>Toplofikacia Sofia AD intends to us grant funds of the Kozloduy International Decommissioning Support Fund (KIDSF) and own financial sources for delivery, installation, testing and commissioning of individual heating substations units for space heating and domestic hot water including heat exchangers, circulation pumps, control valves and automation devices. The budget for the project, subject of this GPN is about €2.5 million.</p>
Deadline:	13 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mrs. Anastasiya Markova PIU Manager 23 Jastrebetz St., 1680 Sofia, Bulgaria Tel: +359 2 8593171 Fax:+359 2 8599124 E-mail: amarkova@toplo.bg</p>

Company / organization:	EBRD, related Bulgaria
Enemona CNG project - General	
Content:	<p>The project announced within this procurement notice will be financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1- 4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tender for Supply and installation of equipment for five Compressed Natural Gas vehicles in Bulgaria. The purpose is the development of a natural gas supply system in towns Svilengrad and Kardjali in South-East Bulgaria.</p> <p>The project includes:</p> <ul style="list-style-type: none"> • Design, supply and installation of 5 vehicles for transportation of the natural gas from the compressed natural gas terminal on the high pressure distribution network to the terminals in the low pressure consumer distribution system. <p>Budget for the project: €650,000.</p>
Deadline:	13 Feb 2009 at 00:00, Sofia time

Contact:	<p>Mrs. Nadya Ivanova; Enemona Utilities EAD Balscha str. 1, bl. 5 1408 Sofia, Bulgaria Tel: +359 2 80 54 746; Fax: +359 2 91 79 873; e-mail: n.georgieva@enemona.com</p>
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Company / organization:	EBRD, related Bulgaria
Varna city heating network rehabilitation KIDSF	
Content:	<p>The projects announced within this procurement notice will be partially financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tenders for technical specification, supply of the materials and work installation. The purpose of the project is improvement of the energy efficiency by rehabilitation of the 1/3 of the heating pipelines network, reducing energy losses. This includes the replacement of 11 km of over 20 years old steel pipes, insulated with glass wadding and laid in concrete ducts with pre-insulated steel pipes for direct bedding. The pipeline replacement concerns about 1/3 of the heat distribution network of the district heating network for heat transmission and distribution pipelines of DN 50 to DN 500.</p> <p>The rehabilitation process will be provided over three years, during spring and summer periods, in order to minimize the heat supply interruption in Varna city. The first phase is planned to start in 2008, with the renewal of 4 km of pipelines, in the area of Mladost.</p> <p>The main area to be tendered under the EBRD PPR for the KIDSF financing is the supply of the pre-insulated pipe and additional material.</p> <p>Overall Budget for the project is €2.0 million, from which €0.4 million will be funded from the Kozloduy International Decommissioning Support Fund.</p> <p>The invitation for tenders are expected in the first quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF.</p>
Deadline:	22 Jan 2009 at 00:00, Varna time
Contact:	<p>Mr. Ilia Nikolaev Director of the board Tel: +359 52 500 670 Fax: +359 52 750 358 e-mail: inikolaev@dalkia.bg</p>

Company / organization:	EBRD, related Bulgaria
Rehab and Extension of Power Transmission Network LOT 1,2,3	
Content:	<p>The National Electric Company – NEK-EAD (the “Employer”) intends using the proceeds of the grant funds provided by the “Kozloduy International De-commissioning Support Fund” (the “KIDSF”), administered by the European Bank for Reconstruction and Development (the “Bank”) and of its own financial sources towards the cost of the “Rehabilitation and Extension of the Power Transmission Network Project - substations Tzarevetz, Burgas, Metalurgichna”.</p> <p>The project, which has a total estimated cost of EUR 14.6 million, includes the implementation of the following three projects:</p> <p>(i) Project „Rehabilitation and extension of s/s Tzarevetz 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(ii) Project „Rehabilitation and extension of s/s Burgas 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(iii) Project „Rehabilitation of s/s Metalurgichna 400/110/31,5 kV” Procurement of equipment for the replacement of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD’s Countries of Operations.</p>
Deadline:	13 Nov 2008 at 00:00, Sofia time
Contact:	<p>Mrs. Ludmila Vitanova Head of Investment Department Natsionalna Elektricheska Kompania 5, “Vesletz” str., 1040 Sofia BULGARIA Tel.: +359 2 9263 552 Fax: +359 2 986 12 88 E-mail: lvitanova@nek.bg</p>