

Pursuant to the Investment decision of the Republic of Srpska Government and the Decision of Supervisory Board of the Company, HPP "Dabar" L.L.C. announces

**PUBLIC CALL FOR EXPRESSION OF INTEREST IN CONSTRUCTION AND
FINANCING OF HPP "DABAR"**

The Final Design of the HPP "Dabar" with installed capacity of 160 MW includes the following facilities:
Construction and financing of:

- "Pošćenje" Dam with embankments and accumulation basin
- Surge tank, pipeline under pressure and
- Machine house with accompanying facilities and equipment,
- Transmission line 2 x 220 kV for connection of HPP "Dabar"
- Drainage channel through Dabarsko field
- Widening of the Dabarsko field - Fatničko field tunnel

As well as financing of already commenced and planned activities:

- Inlet tunnel with water intake facility and access tunnels
- Creation of missing/non-completed technical documentation
- Expert's supervision over the facilities construction
- Expropriation
- Creation of all necessary studies and similar

In the previous period HPP Dabar L.L.C. finished all preparatory works (construction of access roads to the future facilities, construction of transmission lines for supplying of the construction site with electricity and water supply system), compiled the main project for all facilities, feasibility study and study of economic eligibility, and the process of land expropriation for acquisition of construction permits is in its final phase. Works on construction of inlet tunnels for HPP Dabar are ongoing.

HPP Dabar L.L.C. possesses the environmental permit for construction of all facilities.

The estimated value for construction and financing of the remaining facilities and activities for commissioning of HPP "Dabar", according to the all above mentioned, is approximately EUR 200 million .

Model of Partnership for the HPP "Dabar" construction:

Financing by obtaining a favorable monetary loan without establishment of joint venture, with a refund in cash or electricity, where the Project Partner is obliged to construct facilities and provide financial means, and HPP Dabar L.L.C. independently uses the constructed facility.

- The project will be developed and implemented through the HPP "Dabar" company.
- The role of the Project partner company is: completing of project documentation, construction of facilities, delivery of equipment, provision of financial support and commissioning of the power plant.
- The project partner provides 85% or more of the Contract price for construction and commissioning of the power plant
- HPP Dabar provides up to 15% of the Contract price for the HPP "Dabar" completion.

Obligations of the Contract parties in preparation and construction of HPP Dabar are:

HPP Dabar L.L.C. obligations are:

- Provides land for construction,
- Provides technical documentation
- Provides all necessary permits - construction, etc.
- Clarification and conforming of the financial concept
- Provides up to 15% of the Contract price for construction
- Provides guarantees for loan repayment - a guarantee of Government of the Republic of Srpska, guarantee of Power Utility of the Republic of Srpska and guarantee of Hydro Power Plants on Trebisnjica SC.
- Guidance and coordination of the project:
 - Control and technical superintendence
 - Superintendence of delivery of equipment in all phases (presence at factory examinations, equipment receipt at the factory and at the construction site),
 - Superintendence and acceptance of construction works and mounting of equipment,
 - Participation in trial operation of the power plant,
 - Participation in the final acceptance of the power plant.

Obligations of the Project Partner:

- Completion of necessary technical documentation (documentation for obtaining construction permit, documentation for assembly and construction, maintenance instructions, as well as all other necessary documentation);
- Compilation of repayment study for the bank
- Registration of the tax representative, providing the required experts for all project stages: construction of facilities, delivery and acceptance of equipment in the factory, mounting and trial operation, guarantee measurements,
- Planning and organization of the project in cooperation with the Investor;
- Provides financial means
- Equipment for HPP "Dabar", suggested by the Project Partner will be in accordance with the Final Offer submitted and technical specifications and the HPP "Dabar" requests.

Ownership structure

Subsidiary Company "Hidroelektrane na Trebišnjici" , owner of the HPP "Dabar" L.L.C. will be 100% owner of the constructed HPP "Dabar".

Preferred Financial Model

- Up to 15% of the Contract value for the construction as own participation of HPP "Dabar" L.L.C.,
- 85% or more of the Contract value for the construction is to be provided by the Project Partner under the following conditions:

- Grace period 4 years
- Loan repayment period15 years
- Interest rate cca 3%
- Interest in grace period is to be assigned to principal sum

Final loan conditions will be defined after the implementation of the Project Partner selection procedure.

HPP Dabar construction model:

- Turnkey/ EPC(engineering, procurement, construction) Contract between HPP Dabar L.L.C. and the Project partner

The term implementation plan

Will be in accordance with Technical part/specifications of the final bid, i.e. 48 months after Contract commencement date.

Prospective Project partner Company profile

The prospective project partner should be:

1. Professionally qualified to perform one or more of the below activities:
 - Electricity generation,
 - Electricity transmission,
 - Electricity distribution,
 - Trade or electricity supply,
 - Construction of hydro-power facilities,
 - Financial investment.
2. That the Company earned from relevant activity in the past 3 (three) years the minimal amount of EUR 500 million per year;
3. That the Company had a positive business result in the past 3 (three) years;
4. That the Company is owner/co-owner of one or several hydro-power plants, out of whom at least one is hydro-power facility with installed capacity of 160 MW or more, or that the Company produced and delivered main equipment for hydro-power plant with installed capacity of 200 MW or more, or the Company constructed or managed at least one hydro-power plant with the a.m. installed capacity in the past 7 (seven) years, or the Company financed construction of one or more facilities of the similar complexity and size.

For the purpose of confirmation, i.e. general acceptance of the above mentioned model of project partnership, it is necessary to submit statement of the authorized representative of the prospective Project partner as well as statement of the authorized representative about the company profile in the annex of the letter of expression of interest on the company memorandum.

The Letter of expression of interest is to be submitted in the sealed envelope to HPP Dabar Company protocol, address Obala Luke Vukalovica 2, 89101 Trebinje, Republika Srpska, Bosna i Hercegovina.

Contact person: Željko Zubac, B.Sc. geol.eng ; phone: + 387 59 278 215 ;

e-mail: zzubac@henatrebisnjici.com

Deadline for submission of Letter of expression of interest is 12:00 h ; 20th of July 2018.

3207: 781/18
Datum: 20.06.2018.

