

According to the Decision of the Board of the Copper smelting and refining plant Bor, L.L.C. in restructuring (Topionica i rafinacija bakra Bor d.o.o. u restrukturiranju) no. 37/1 dated 18 February 2006 and the Contract of Power of Attorney no. II, Cert.no. 3042/06 dated 22 December 2006, concluded between the Copper smelting and refining plant Bor, L.L.C. in restructuring and the Privatization Agency,

Privatization Agency of the Republic of Serbia announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING FOR

PURCHASE OF A PART OF ASSETS of the Copper smelting and refining plant Bor, L.L.C. in restructuring,

i.e.

Reinforcement Plant Bor

«AS SEEN»

Sale Code: 310507-R-1853

1. Subject of Public Sale:

Subject of sale are the immovable and movable assets owned by the **Copper smelting and refining plant Bor, L.L.C. in restructuring**, that is **Reinforcement Plant Bor**, i.e. construction facilities covering the area of 1.14.78 m², which are placed on the Cadastral parcel no. 2634-1, inscribed in the Possession Document no. 29 of the Cadastral Municipality of Bor with production and secondary equipment, in accordance with the contents set out in the selling documents. The subject facility covers the total area of 4612 m² and consists of coring plant and foundry, cleaning room, forge shop, machine shop, polishing shop, warehouse of tools, raw materials, spare parts and finished products, locksmith's shop, tools room, transformer station, compression room, power substation, gas station, garage and administration building.

The stipulated assets are offered for sale as seen, without possibility of further complaints.

Mandatory requirements of the Public Sale:

The initial price at the Public Bidding amounts to **USD 1.031.781,00**.

The Sales-Purchase price is to be paid off AT ONCE.

Means of payment for the Sales-Purchase price can be SOLELY in domestic currency or in foreign convertible currency.

If the declared buyer is a domestic legal entity or individual, it can pay the Sales-Purchase price in the RSD equivalent, calculated according to the official intermediate exchange rate of the National Bank of Serbia (NBS) on the payment date.

Participation requirements:

Right to participate in the Public Bidding have parties which have cumulatively fulfilled the following requirements:

- have purchased the Bidding Documents;
- have signed the Confidentiality Agreement;
- have submitted the Application for participation in the Public Sale;
- have paid in the deposit for participation in the Public Bidding to the amount of **USD 309.534,00**, which can be paid in the RSD equivalent, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation or have submitted the Bid Bond to the amount of **USD 309.534,00** along with the Application for participation in the Public Bidding, which can also be paid in the RSD equivalent, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation for participation in the Public Bidding, and
- have registered for participation in the Public Bidding.

As a Bidding participant can apply also a consortium consisted of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). Through the Consortium Agreement members of Consortium have to authorize one of them to represent the Consortium (hereinafter: the Authorized Representative of the Consortium) to act on behalf of and for the account of the Consortium. The Consortium Agreement must stipulate the unlimited joint and several liabilities of all members of the Consortium.

The Consortium Agreement has to be submitted along with the Application for participation in the Public Bidding.

Selling (bidding) documents:

Selling documents must contain:

- The Confidentiality Agreement
- Application form for participation in the Public Sale
- Draft Agreement on sale of assets
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant property-legal documents
- Duplicate of the Public Invitation for participation in the Public bidding

Those who are interested can purchase selling documents at the price of **RSD 40.000,00** without VAT.

After payment evidence has been submitted, the selling documents can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St, 5th floor, office 511.

The funds paid for purchase of the selling documents are not refundable.

Selling documents shall be available to the interested parties starting from 30 April 2007 until 22 May 2007, on working days from 09:00 to 16:00.

Visits to the Subject of sale shall be available to the parties that have purchased the sale documents and signed the Confidentiality Agreement.

The schedule of visits to the Subject of Public sale shall be determined in accordance with the Rules of the Public Bidding procedure – Instructions to Bidders.

Contact person:

Vuk Perić

Public Auction Center

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Fax: +381 11 3029 985

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Submission of Applications for participation in the Public Bidding:

The Applications are to be submitted directly to the Privatization Agency, 23 Terazije St., Belgrade, 5th floor, office 511, in a sealed envelope marked with:

Auction Sale Code: **310507-R-1853**

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING

Privatization Agency of the Republic of Serbia

23/V Terazije St, Belgrade

The deadline for submission of Applications for participation in the Public Bidding is 23 May 2007, at 17:00.

Application for participation in the Public Bidding is to be completed in a separate form, which is an integral part of the Bidding Documents. Along with the Application for participation in the Public Bidding, it is mandatory to submit the signed and on each page initialed Draft Agreement on sale and the deposit payment evidence, i.e. the Bid Bond.

Incomplete and belated Applications shall not be taken into consideration.

The Commission for the Public Sale conduct will inform Applicants on approval of their Applications at the latest until one working day prior to the date of the Public Bidding performance.

The parties, whose Applications for participation in the Public Bidding have been approved, but which have failed to register, lose the right to be returned the deposit, i.e. the Bid Bond. The right to be returned the

deposit, i.e. the Bid Bond, will lose also those parties, which have registered for the Public Bidding, but have failed to participate.

Public Bidding performance:

Public Bidding will be held on 31 May 2007, with the beginning at 14:00, at the address: Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held on 31 May 2007, at the address: Privatization Agency, Belgrade, 23 Terazije St, Small Hall on the 2nd floor.

The method of the Public Bidding performance is described in detail in the Instructions to Bidders.

The deposit, i.e. the Bid Bond, is to be returned to the participants not having been declared a buyer, within 10 working days from the date of the Public Sale conclusion, except for the participant, having bid the second-ranked offer at the Public Bidding.

Conclusion of the Agreement on sale of assets:

Text of the Draft Agreement on sale of assets cannot be changed.

The participant, which has been the first to bid the best offer at the Public Bidding and has been declared a buyer, will sign the Agreement on sale of assets with the seller.

The participant, which has been the first to bid the best offer at the Public Bidding, and has submitted to the Agency the Bid Bond along with the Application for participation in the Public Bidding, as a means of the deposit payment guarantee, has the obligation to pay the deposit amount into the Agency's account, not later than two days following the date of the Public Bidding performance.

If the declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on sale of assets or fails to pay the Sales-Purchase price within the established period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

In the event that a declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on sale of assets or does not pay the Sales-Purchase price within the established period, but there have been other offers, the Agreement on sale of assets is to be concluded with the participant, who has bid the second-ranked offer at the price, offered by that participant.

If the participant, who has bid the second-ranked offer at the Public Bidding, refuses to sign the Minutes or the Agreement on sale of assets or does not pay the Sales-Purchase price within the established period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

Right to amend the Public Invitation:

Privatization Agency and Copper smelting and refining plant Bor, L.L.C. in restructuring reserve the right to change dates, deadlines and/or conditions set out in this Public Invitation, and shall bear no liability for potential costs or damages suffered by potential participants in the Public Bidding as a result of such amendments.

The Privatization Agency will inform potential participants on the amendments to the Public Invitation at the latest until the Public Bidding date.