

Pursuant to Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" No 38/2001, 18/2003 and 45/2005),

THE PRIVATIZATION AGENCY

(hereinafter: "the Agency")

hereby announces:

PUBLIC INVITATION

For participation in the Public Tender
for sale of 70% of the total share capital of the company:

Limited liability company Rafinerija nafte, Beograd

(Hereinafter "Entity undergoing privatization")

Tender Code: **RNB 23/06**

1. The total registered share capital of the Entity undergoing privatization consists of 100% state owned capital.
2. The Agency offers for sale 70% of the total registered capital in the Entity undergoing privatization, successful domestic producer of lubricants.
3. Details about the Entity undergoing privatization:

Address: Pancevacki put 83, 11000 Belgrade, Republic of Serbia
Phone: +381(11) 2711 433
Fax: +381(11) 2711 257
Activity: production of oil derivatives

More details about the Entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_20703.pdf

Detailed information on the Entity undergoing privatization, along with the Instructions to Bidders (hereinafter "Tender Documents") will be made available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6,000.00 (Euro six thousand).

The Agency has appointed SEECAP to act as the Consultant in this privatization process (hereinafter the "Consultant").

4. A bid may be submitted by:

A) Potential bidder that fulfils the following requirements:

- It has purchased the Tender Documents; and
- it has been engaged in production and/or trade of oil derivatives for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 12.000.000 (Euro twelve million) in 2005;

If an interested Bidder is a parent company that does not fulfill the requirements of this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfills the stated requirements. The subsidiary which fulfills stated requirements has the right to submit the bid if the parent company has purchased the Tender Documents.

If an interested Bidder is a subsidiary that does not fulfill the requirements of this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills the stated requirements. The parent company which fulfills stated requirements has the right to submit the bid if the subsidiary has purchased the Tender Documents.

B) If a potential bidder is a Consortium it must cumulatively fulfill the following requirements:

- All Consortium members have made the decision on organizing and entering into the Consortium;
- All Consortium members have signed a written Consortium Agreement and duly notarized it at Court or other competent body (in case of foreign legal entities and individuals);
- Each member of the Consortium assumes an unlimited joint and several liability according to the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization;
- All Consortium members have signed a notarized power of attorney for the representing member of the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;
- At least one member of The Consortium fulfills following requirements:
 - ❖ it has been engaged in production and/or trade of oil derivatives for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 12.000.000 (Euro twelve million) in 2005;

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization by **October 27th 2006**.
The Tender Documents shall be available to all interested parties from October 11th 2006.

A written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to the Consultant, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **RNB 23/06**".

Upon receipt of the request, an invoice for paying the Tender Documents Fee, as well as the Confidentiality Agreement for signature shall be forwarded to the authorized person of the applicant by post, e-mail or fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant to the address below.

Upon receiving the signed Confidentiality Agreement, evidence of authorization for the person signing the Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Consultant shall forward the relevant Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative, upon expiry of the deadline set out in paragraph 2 of this Clause 5.

Consultant and the Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.

6. The deadline for submission of final binding offers for acquisition of 70% of total registered capital of the Entity undergoing privatization is **November 17th 2006, at 5 p.m.** (Belgrade time).

If necessary, the Agency reserves the right to amend the terms and conditions of this Public Invitation. As a prerequisite for submitting a bid, each bidder must pay a deposit or submit a bid bond in the amount of €50,000.00 (Euro fifty thousand).

7. All the questions relating to this Public Invitation should be directed to the contact persons listed below, in Serbian or English.

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