

In accordance with Article 28 of the Law on Privatization (as published in the Official Gazette of the Republic of Serbia No. 38/2001 and 18/2003), the **Privatization Agency of the Republic of Serbia** (hereinafter the “Agency”) hereby announces a:

PUBLIC INVITATION

for participation in a public tender process for the acquisition of a controlling interest in:

Beopetrol a.d. Beograd

Tender Code: BEO/03

1. The Agency has decided to invite eligible bidders to participate in the tender process to be held in accordance with the Law on Privatization for the sale of a controlling interest of **Beopetrol a.d. Beograd** (hereinafter the “Company”) a leading oil products distribution company in Serbia to a strategic investor who will be responsible for future development of the Company and will undertake the investments necessary for the Company’s development.

The total capital of the Company consists of:

- a) The socially owned capital of the Company comprised of 130 539 263 Yugoslav Dinars, represented by 130 539 accounting shares with a nominal value of one thousand Yugoslav Dinars (YUM 1,000) each;
- b) Capital owned by the Share Fund of the Republic of Serbia, comprised of 74 716 000 Yugoslav Dinars, represented by 74 716 accounting shares with a nominal value of one thousand Yugoslav Dinars (YUM 1,000) each;
- c) Private capital owned by the employees of the Company, comprised of 3 584 000 Yugoslav Dinar, represented by 3 584 ordinary shares with a nominal value of one thousand Yugoslav Dinars (YUM 1,000) each.

The Agency offers for sale 70% of the socially owned capital of the Company and 100% of the capital owned by the Share Fund of the Republic of Serbia.

2. The Agency has appointed BNP Paribas to act as its Financial Advisor and Harrison’s Solicitors to act as its Legal Advisor (together the “Advisors”) with respect to the privatization of the Company.
3. Details about the Company are as follows:

Address:	Bulevar Lenjina 115/a, Belgrade, Republic of Serbia
Phone Number:	+381 11 311-2998,
Fax Number:	+381 11 145-390,
Industry:	Oil products distribution, retail and wholesale
Tender Code:	BEO/03

General data about the Company is available at <http://www.mpriv.sr.gov.yu/scp/beopetrol.pdf>

- Detailed information about the Company will be provided in an information memorandum, instructions to bidders, draft sale and purchase agreement, and other information pertaining to the Company (collectively the “**Tender Documents**”), which will be made available to interested parties that have provided the documents and information required under Section 7 below and have been evaluated and deemed to fulfill the criteria set out in Sections 5 below (hereinafter a “**Tender Participant**”).
4. The Agency hereby invites interested parties to submit a written request to purchase the Tender Documents, clearly marked “Tender Documents Request: Tender Code BEO/03”, together with the supporting documents required under Section 7 below (collectively a “**Tender Documents Request**”) to the Financial Advisor at the address set out below at any time between the date of publication of this Public Invitation and May 13th, 2003, at 18.00 hours (GMT).
 5. The right to purchase the Tender Documents and thus become a Tender Participant shall be limited to those legal entities that have submitted the documentation required under Section 7 and fulfil all of the following criteria (hereinafter the “Eligibility Criteria”):
 - (i) Engaged in the activity of distribution of petroleum products for at least five years prior to the date of publication of the present public invitation; and,
 - (ii) Operate a network of at least 300 petrol stations under an unique brand name; and,
 - (iii) Have achieved a volume of sales of at least 1,000,000 tons of petroleum products (such as gasoline, gasoil, fuel oil, LPG or lubricants) to final consumers in 2002; and,
 - (iv) Have demonstrated actual and beneficial ownership and control structure of the interested party and of its parent company(ies), if any .

A legal entity which does not satisfy the criteria contemplated by points (i), (ii) and (iii) above, but which is wholly owned (with 100% of its capital) by a legal entity that fulfills the above criteria (hereinafter a “Parent Company”) is also entitled to purchase the Tender Documents.
 6. For the avoidance of any doubt, the Eligibility Criteria referred to above must be fulfilled by an interested party on a stand-alone basis or in the case where the interested party is a consortium (which will have to be duly justified), by each individual member of the consortium. As the objective of the tender process initiated by this public invitation is to attract an internationally recognized strategic investor, a consortium whose members each individually do not fulfill the Eligibility Criteria, shall be disqualified from the tender. In addition, each individual member of the consortium must be jointly and severally liable with regards to this acquisition. Other details of forming a consortium will be available in the Tender Documents.
 7. In order to aid in the assessment of whether an interested party fulfils the criteria set out in Section 5 above, an interested party’s Tender Documents Request must include, in addition to all other

In the case of companies that are publicly traded on an internationally recognised stock exchange, reasonable limitations on the ability to identify beneficial ownership are recognised by the Agency and may be exempted.

information deemed necessary by the interested party in assessing the criteria set out in Section 5, at a minimum, the following documents:

- (i) a notarized copy of the deed of incorporation and the current by-laws, or equivalent constitutive documentation, of the interested party;
- (ii) IAS or US GAAP audited financial statements (consolidated, where available) for the interested party for at least one year or, in the case of entities incorporated for less than three fiscal years, for each fiscal year during such entity's existence; such financial statements must be provided together with relevant reports of corporate bodies and any audit reports;
- (iii) an outline of the ownership and control structure of the interested party which shall include an identification of the ultimate parent company and/or controlling entity, including a summary of any beneficial ownership interests, nominee shareholdings and/or contractual rights granting the power to vote in or otherwise control such entity, as well as confirmation that all such beneficial ownership relations and/or control rights have been fully disclosed;
- (iv) a summary description of the business carried out by the interested party and, where applicable, by the group to which it belongs and by its parent company, highlighting, in particular, financial and commercial data relating to the petroleum products distribution activities;
- (v) a declaration that the interested party is not in liquidation or otherwise subject to any proceedings of insolvency, administration or similar proceedings which imply a state of insolvency, the termination of business activities or the appointment of a receiver;
- (vi) a declaration that as a result of its participation in this privatization process, the interested party would not be in a conflict of interest situation in respect of the Company; and,
- (vii) the name, address, telephone number, e-mail and fax, if available, of the contact person of the interested party.

In the event that the interested party is a consortium, it shall submit with its Tender Document Request, documents from each individual member of the consortium which are *mutatis mutandi* the same as those listed above as required from the interested party.

8. In the event that the interested party submitting a Tender Document Request is an entity which itself does not satisfy the operational and financial criteria contemplated by points (i), (ii) and (iii)

In the event where audited financial statements for the most recent fiscal year are not yet available, such interested party may submit unaudited financial statements for the first three quarters of such fiscal year, if available and disclosable, or if not available and/or disclosable, such interested party will then be required to submit audited financial statements for the most recent fiscal year if and when it is deemed to be the winning bidder under the tender procedure contemplated herein.

In the case of companies that are publicly traded on an internationally recognised stock exchange, reasonable limitations on the ability to obtain detailed information on equity stake holders that are not affiliates is recognised by the Agency and may be exempted.

- of Section 5 above, but the criteria are instead fulfilled by its Parent Company, the documents requested in Section 7 must also be supplied for the Parent Company.
9. Interested parties can deliver their complete Tender Documents Request by hand to the Financial Advisor (at the address set out below) or via registered mail or overnight courier service. The Tender Documents Request must be submitted in English or be accompanied by a certified English translation and delivered in one hard copy and one electronic copy. Any Tender Documents Request which is incomplete or late will not be taken into consideration. A Tender Documents Request shall be deemed late if: (i) being delivered by hand, such delivery is not physically made to the Financial Advisor (at the address set out below) before the aforementioned deadline, or (ii) being sent via registered mail or overnight courier, such parcel is not post marked by the aforementioned deadline and delivered within five days from being sent.
 10. On or before May 20th, 2003, interested parties will be evaluated in order to determine if they fulfill the Eligibility Criteria. The Financial Advisor, together with the Agency, may, but shall not be under an obligation to, request additional information in order to determine whether the interested party fulfils such Eligibility Criteria.
 11. On or before May 20th, 2003, the Agency will announce to all interested parties that have submitted timely Tender Documents Requests whether they fulfill the Eligibility Criteria, and will forward to each interested party which fulfills such criteria, by post, e-mail or facsimile, an invoice for the Tender Documents in the amount of EUR 20,000 plus EUR 4,000 sales tax (collectively the “**Tender Documents Fee**”), as well as a confidentiality agreement. Tender Participants will be required to promptly execute such confidentiality agreement by a duly authorized representative of the Tender Participant (and in the case of a consortium by the authorized representative of each individual member of the consortium) and return it to the Financial Advisor (at the address set out below), supported by the Power of Attorney granted by the appropriate corporate body of the Tender Participant (and in the case of a consortium, a Power of Attorney granted by the appropriate body corporate of each individual member of the consortium in respect of its authorized representative), as well as evidence of payment of the Tender Documents Fee (to the account specified in the relevant invoice issued by the Agency).
 12. Immediately upon receipt by the Financial Advisor of the duly signed confidentiality agreement and confirmation that the Tender Documents Fee has been paid, the Advisor will cause the delivery by post or e-mail of the Tender Documents to each Tender Participant that has so provided such documents. Any Tender Participant that is thereafter interested in participating in the tender process may submit its binding bid pursuant to the rules and procedures set out in the Tender Documents.

The Agency reserves the right to amend this deadline, to the extent it deems necessary. For purposes of clarity, only Tender Participants that have purchased the Tender Documents will be entitled to have their bids considered in the tender process contemplated herein.
 13. As a prerequisite for submitting a binding bid, a bid bond in favour of the Agency, in the amount of EUR 1,000,000 and in form of an on-demand bank guarantee issued by a reputable bank acceptable to the Agency will be requested, as set out in greater detail in the Tender Documents.

14. All communications or inquiries relating to this Public Invitation should be directed to the following contact persons:

Piotr Mietkowski
Tel. +33 1 42 98 74 48
Fax +33 1 42 98 11 94
piotr.mietkowski@bnpparibas.com

Roger Carvalho
Tel. +33 1 42 98 13 22
Fax +33 1 42 98 11 94
roger.carvalho@bnpparibas.com

BNP Paribas Corporate Finance
4, rue d'Antin
75002 Paris, France

Under no circumstances should the interested parties contact the Company directly.

15. The Agency reserves the right to modify, amend, suspend or terminate the tender process. By participating in the tender process, an interested party acknowledges and accepts the terms of this public invitation for the privatization of Beopetrol a.d. Neither the Agency nor the Advisors shall be held liable for any loss or delay that may occur in the delivery of any document, nor for any loss, damage, or other consequence arising out of the decision of the Agency to modify, amend, suspend or terminate the tender process.