

Based on Article 28 of the Law on Privatization ("Official Gazette of the RoS", Nos. 38/2001, 18/2003, 45/2005 and 123/2007)

PRIVATIZATION AGENCY

(hereinafter: "Agency")

issues this:

PUBLIC INVITATION

for participation in the public tender
for sale 70% of the socially owned capital of:
AD Jugoslovensko rečno brodarstvo, Beograd
(hereinafter: "Entity undergoing privatization")

Tender Code: JRB 20/08

1. Total registered capital of the Entity undergoing privatization consists of 99.98% of the socially owned capital and 0.02% of the share capital.

2. The Agency is offering for sale 70.00% of the socially owned capital, i.e. 69.99% of the total registered capital of the Entity undergoing privatization, a company specialized in domestic and international river transport of liquid goods and mixed dry cargoes.

3. Information about the Entity undergoing privatization:

Address: Kneza Miloša 82, Belgrade, Republic of Serbia

Phone: +381(11) 2643 077

Fax: +381(11) 2644 658

Core Activity: Inland waterway transportation

More details about the Entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_845.pdf

Detailed information about the Entity undergoing privatization, as well as the Instructions to Bidders (hereinafter: "Tender Documents") shall be available to all interested tender participants after signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000.00 (Euro eight thousand).

The Agency has appointed Consortium consisting of: BPA London Limited, Great Britain and Tomić & Partners Law Office, Belgrade, as the advisor in this privatization procedure (hereinafter: "Advisor").

4. A bid may be submitted by:

A. An interested bidder that fulfills the following conditions:

- it has purchased the Tender Documents, and
- it fulfills the following condition:

it has been engaged in waterways transportation for at least the last 3 business years in continuity, as of June 25, 2008 it owns a fleet of not less than 50,000 tons of storage space and has achieved operating revenues of not less than EUR 20,000,000 (Euro twenty million) in 2007.

If an interested bidder is a parent company that does not fulfill conditions from this clause of the Public Invitation, its subsidiary has the right to submit the bid, if it fulfills these conditions. The subsidiary that fulfills above mentioned conditions has the right to submit the bid if the parent company purchased the Tender Documents.

If an interested bidder is a subsidiary that does not fulfill the conditions from this clause of the Public Invitation, its parent company has the right to submit the bid, if it fulfills these conditions. The parent company that fulfills above mentioned conditions has the right to submit the bid if the subsidiary purchased the Tender Documents.

B. If an interested bidder is a Consortium, it must cumulatively fulfill the following conditions:

- All Consortium members have passed the Decision on organizing and entering the Consortium,
- All Consortium members have concluded a written Consortium Agreement and certified it with the Court, i.e. other competent body (in case of foreign legal entities and natural persons),
- Each Consortium member assumed unlimited joint and several liability by 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, provided that at least one Consortium Member has no less than 51% of share in the Consortium (hereinafter "Consortium Leader")
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium,
- All Consortium members have signed the Confidentiality Agreement,
- At least one member of the Consortium has purchased Tender Documents,
- The Consortium Leader fulfills the following conditions:

it has been engaged in waterways transportation for at least the last 3 business years in continuity, as of June 25, 2008 it owns a fleet of not less than 50,000 tons of storage space and has achieved operating revenues of not less than EUR 20,000,000 (Euro twenty million) in 2007.

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, no later than by September 5, 2008 by 4.30 pm (Belgrade time).

Tender Documents will be available to interested parties from July 11, 2008.

Written requests for purchasing the Tender Documents shall be submitted to the Advisor by mail, e-mail, or fax, clearly marked with "Request for Purchasing the Tender Documents – Tender Code: JRB 20/08".

Upon receipt of this request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, shall be forwarded to the applicant's authorized representative by mail, e-mail, or fax. The signed Confidentiality Agreement must be immediately faxed and mailed back to the Advisor at the address below.

Upon receipt of the signed Confidentiality Agreement, the proof of authorization for the person who signed the Confidentiality Agreement, and the proof of payment of the Tender Documents Fee, the Advisor shall, after the lapse of the deadline set out in Paragraph 2 of this Clause, deliver the Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

The Advisor and the Agency shall not be liable in case of loss or delay that may occur in delivery of any document.

6. The deadline for submitting final binding offers for purchasing 69.99% of the total registered capital of the Entity undergoing privatization by interested bidders is September 26, 2008 at 4.30 p.m. (Belgrade time).

If necessary, the Privatization Agency retains the right to change the terms and conditions of this Public Invitation. As a prerequisite for submitting a bid, it is required to pay deposit or to submit a Bid Bond in the amount of EUR 1,000,000 (Euro one million).

7. For any questions pertaining to this Public Invitation, interested parties may contact persons listed below, in Serbian or English language.

Privatization Agency of Republic of Serbia
Terazije 23
11000 Belgrade
Republic of Serbia

Saša Aleksić
Project Manager
Corporate Restructuring and Public Tender Center
Tel: +381 11 3020 855
Fax: +381 11 3020 816
Email: saleksic@priv.yu

BPA London Limited
Malcolm Magee-Brown, Project Director
1st Floor, 10 Arthur Street
London, EC4R 9AY
U.K.
Tel: +44 (0)20 7283 0079
Fax: +44 (0)20 7929 1252
Email: m.magee-brown@bpalondon.biz

BPA London doo
Ivan Ristić, Project Manager
Cara Uroša 12/4
11000Belgrade, Serbia
Tel: +381 11 262 48 62
Fax: +381 11 328 7246
Email: ivanristic@bpalondon.biz