

Pursuant to Article 26 of the Law on Privatization ("Official Gazette of the RoS" no. 83/2014 and 46/15) and Article 5 of the Decree on conditions, procedure and manner of sale of capital and assets by method of public collection of bids with subsequent public bidding ("Official Gazette of RoS" no. 122/2014 and 61/15), Privatization Agency (hereinafter: the Agency) hereby announces:

**PUBLIC INVITATION
FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC COLLECTION OF BIDS
WITH SUBSEQUENT PUBLIC BIDDING
FOR THE SALE OF CAPITAL OF PRIVATIZATION ENTITY
DRUŠTVO ZA PROIZVODNJU ULJA RAFINERIJA NAFTE AKCIONARSKO DRUŠTVO BEOGRAD (PALILULA)
ID no.: 20047844**

Procedure code: JP 163/15

The Agency hereby invites all persons interested to participate in the privatization procedure of the company **DRUŠTVO ZA PROIZVODNJU ULJA RAFINERIJA NAFTE AKCIONARSKO DRUŠTVO BEOGRAD (PALILULA)**, ID no.: 20047844 (hereinafter: Privatization Entity) via model: SALE OF CAPITAL of Privatization Entity, by method of public collection of bids with subsequent public bidding (hereinafter: Procedure), to submit their applications for the selection of the most favorable bidder (hereinafter: Application).

1. Qualification requirements for participation in the Procedure

Domestic and foreign, physical and legal entities, as well as consortium of legal and/or physical entities shall have the right to participate in the Procedure, if they meet the following requirements:

- It or its founder has achieved operating revenues of at least EUR 3,000,000.00 (in words: three million euro) in the last business year, alone or on a consolidated basis.

If an interested bidder is a consortium, it is necessary to determine the Consortium member by Consortium Agreement which has at least 51% share in the consortium (hereinafter: the Consortium Leader). The Consortium Leader must fulfill the abovementioned requirement.

2. Information about the Privatization Entity

Business name:	Društvo za proizvodnju ulja Rafinerija nafte akcionarsko društvo Beograd (Palilula)
Registered seat:	Pančevački Put 83, Beograd-Palilula
ID no.:	20047844
Core Activity:	Production of oil derivatives
Structure of capital (CSD and Clearing House):	Privatization Agency 100%
Original capital (BRA):	Registered cash capital RSD 753,213,489.3 Subscribed non-cash capital RSD 881,727,510.7 Paid-in cash capital RSD 753,213,489.3 as at 14 February 2008 Non-cash capital contribution RSD 881,727,510.7 as at 14 February 2008

3. Description and value of the subject of sale

Subject of sale is the **Block of shares** composed of 1,634,941 shares CFI code ESVUFR, ISIN no.: RSRFNBE84579, in the ownership of Privatization Agency, which represents 100% of the total Privatization Entity's capital.

According to the certified appraiser's report the total estimated value of capital as at 31 December 2014, which is offered for sale, is **EUR: 2,413,790.00**.

RS Government rendered the Conclusion 05 no.: 023-9329/2015 dated 4 September 2015 by which the state creditors are obliged write-off the Privatization Entity's debt as at 31 December of the last business year, if the Privatization Entity's capital is sold within privatization procedure.

4. Starting price of the subject of sale

Starting price amounts 1/3 of the estimated value of capital of Privatization Entity offered for sale, as at 31 December 2014, or **EUR 804,596.67**.

Deposit by the buyer shall be included in the sales price.

Currency of payment shall be Euro (EUR) or dinar (RSD - equivalent calculated at the average exchange rate for the euro by National Bank of Serbia on the payment date).

Declared buyer shall pay the sales price in whole.

5. Deadline and manner of Application submission in the Procedure

Interested persons may submit their applications for participation in the procedure at the latest by **16 November 2015** until **10:00 am** Belgrade time.

The application shall be submitted in a closed envelope together with the offer, all in accordance and in the manner set forth in Instructions to Bidders

Only timely and complete applications will be considered.

6. Purchase of the sales documents

All persons who express interest in participating in the Procedure shall be obliged to:

- Sign the Confidentiality Agreement;
- Purchase the sales documents.

A written request for purchase of the sales documents (hereinafter: Request), shall be submitted to the Agency in writing to contact persons listed below, by post, fax or via e-mail with clear reference "Request for Purchase of the Sales Documents - procedure code: JP 163/15".

The request must contain all the contact details of the Applicant (full name, address, registration number, e-mail address, telephone and fax), or it shall otherwise be considered irregular and the Agency will not respond to it.

Request is to be submitted from **14 October 2015** until **2 November 2015**.

The Sales Documents Fee is **RSD 150,000.00 (one hundred and fifty thousand dinars)**.

Upon receiving the Request, the Applicant's authorized person shall be delivered the invoice for the Fee payment and the Confidentiality Agreement for signing by mail, fax, e-mail or in person.

Upon receiving the receipt of confirmation of the sales documents price payment and signed Confidentiality Agreement, the interested persons may take the sales documents in the Agency's premises at: Terazije 23, 11000 Beograd, Vth floor, every working day from 7:30 am until do 15:30 pm or by mail.

Sales documents include the following:

- Confidentiality Agreement
- Privatization documents
- Instructions to Bidders
- Procedure Application Form
- Draft Sales Agreement

7. Amount and manner of Deposit payment

All interested persons shall pay the deposit for participation in the Procedure, in the amount of **EUR 241,379.00** or in RSD counter value calculated at the medium exchange rate of the National Bank of Serbia at the invoicing date, all in the manner set forth in Instructions to Bidders.

Deposit can be paid in cash or by a first class bank guarantee.

No interest shall be calculated on the paid deposit.

8. Visiting the Privatization Entity

Upon taking over the sales documents and until expiry of the deadline for application submission, all interested persons may schedule a visit to the Privatization Entity for the purpose of sightseeing the enterprise and in order to have interviews with the management, all in the manner provided by Instructions to Bidders.

9. Date, time and place of opening the applications

Opening of the Main envelope and the envelope marked with "Information about the Bidder" is scheduled for **18 November 2015** in the Agency's premises at: Terazije 23, 11000 Beograd, **8th floor, room 1** at **10:00 am** local time.

All the participants, their representatives and proxies shall be entitled to attend the opening.

The envelope with the reference "Bid" shall be opened only if the participation application is approved by the Committee.

Participant whose application has been approved shall attend the opening of the envelope with the "Bid" reference. Otherwise, it shall be deemed to have withdrawn from its bid and shall lose the right to deposit return.

10. Public Invitation Amendments

If necessary, the Agency reserves the right to amend any and all elements of this Public Invitation and shall not be liable for any cost or damage caused by such amendments.

11. Other information relevant for the Procedure

For any questions regarding this Public Invitation, interested persons may contact the persons below, in Serbian or in English:

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