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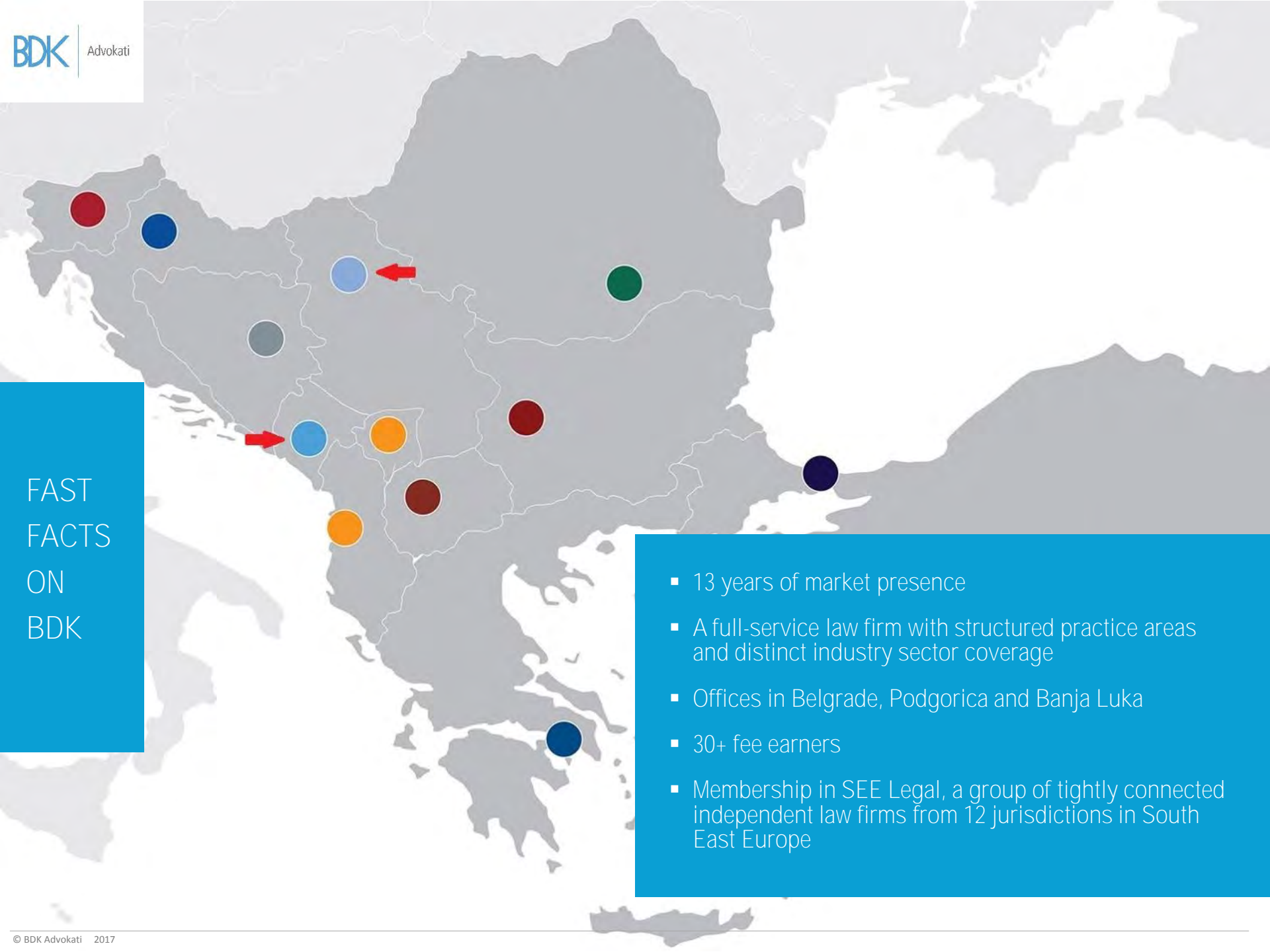
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ENERGY INVESTMENTS AND BUSINESS OPPORTUNITIES IN SEE EUROPE

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FAST
FACTS
ON
BDK

- 13 years of market presence
- A full-service law firm with structured practice areas and distinct industry sector coverage
- Offices in Belgrade, Podgorica and Banja Luka
- 30+ fee earners
- Membership in SEE Legal, a group of tightly connected independent law firms from 12 jurisdictions in South East Europe

MAIN POINTS

FOCUS ON POWER PRODUCTION

- Slow reforms in the energy sector hamper new investments
- State owned integrated utilities hold monopoly over development of large hydro and thermal power plants
- The track record is very negative
- Energy investments are only possible in renewable energy projects where energy public enterprises do not have super dominant position.

RENEWABLES



1. WIND FARMS

OVERVIEW OF RECENT DEVELOPMENTS

Ongoing projects in Serbia

- **Čibuk** 158 MW
- **Kovačica** 104 MW
- Plandište 102 MW
- **Košava** 117 MW
- Alibunar 42 MW
- Kula (9,9 MW) and La Piccolina (6,6 MW) already operational

Montenegro

- Krnovo 72 MW test operations
- **Možura** 46MW

Bosnia & Hercegovina

- RS:
 - Trusina, Nevesinje (51 MW) expected to be completed in 2017 and to be put in operation in 2018
 - Hrgud, **Berkovići** 48 MW
- FBiH:
 - Mesihovina (51 MW), expected to be put in operation in 2018
 - **Podveležje**, Mostar (48 MW) expected to be put in operation by the end of 2018

2. SMALL HYDRO PLANTS *OVERVIEW OF RECENT DEVELOPMENTS*

Serbia:

- 72 small hydro plants with the status of the privileged electricity producer
- Total installed capacity of the privileged producers is 43 MW
- Additional 2.8MW under development (temporary privileged power producer status)

Montenegro

- in past decade built only 1/5 out of planned 50 small hydro plants
- Utilization of the hydro potential in Montenegro is still only cca 17%

Bosnia & Hercegovina

- RS: in 2016, 16 mini hydro plants achieved the right for incentives
- FB&H: Concessions granted, but construction has not commenced yet

3. BIOMASS AND WASTE-TO-ENERGY *OVERVIEW OF RECENT DEVELOPMENTS*

- Biomass (wood and agricultural) the greatest untapped potential
- Reconstruction of the obsolete and overindebted district heating systems throughout Serbia
- USAID and GIZ have their own biomass programs
- **Šabac** DHS PPP project under preparation –planned installed capacity 20 MW
- Other smaller projects in Priboj, Prijepolje, Bajina Basta, Uzice and Negotin

- **Vinča** waste to energy project
- Largest in the region (initially it included incineration of some 500,000 tons of waste annually)
- The revenue stream is based on 12 year feed-in tariff PPA and supply of heat to the Belgrade DHS
- The structure of this project is heavily based on complex UK waste to energy schemes
- Impossible to replicate it in second tier cities across Serbia
- The competitive dialogue process is nearing its end with final proposals being due in July

QUESTIONS?



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