



The Privatisation Council of the Republic of Montenegro ("RoM") and the Agency for Economic Restructuring and Foreign Investment of the RoM ("Agency") make the following announcement pursuant to the Privatisation Act, published in the Official Gazette of the RoM, No. 23/96, No. 6/99 and No. 59/00, and the Regulation on the Sale of Shares by Public Tender, published in the Official Gazette of the RoM, No. 8/99 and No. 31/00, and the Privatisation Plan for 2002, published in the Official Gazette of the RoM, issue No. 13/02:



**Invitation to Participate in the privatisation of JUGOPETROL AD
KOTOR, by way of Public Tender for the sale of shares**



1. The Agency and the Privatisation Council are inviting interested parties to submit applications for entering into the international public tender in respect of the proposed sale of 54.33% of the share capital of the partially state-owned petroleum company JUGOPETROL AD KOTOR ("JPK"). The Agency has appointed Harrison's Solicitors to act as Lead Advisor to the Agency in the privatisation process of JPK.
2. As explained more fully in the Participant Registration Application, which, together with the Confidentiality Agreement, can be obtained on request as noted below, interested parties who wish to qualify alone or as a consortium, as the case may be, should possess verifiable evidence of the following as follows:

- that it or the lead member of its consortium has an annual turnover of more than EUR 1 billion as reported in the latest audited annual financial statements; and
- that it or the lead member of its consortium has reported a profit in the latest audited annual financial statements.

In addition, an interested party acting alone or as a consortium, as the case may be, will be asked to confirm and demonstrate:

- that it or the lead member of the consortium has experience operating a port oil terminal / distribution facility comparable to the one at the Port of Bar;
- that it or a member of the consortium either owns or operates in excess of 100 retail petrol stations;
- that it or a member of the consortium has experience operating/managing an oil products distribution network; and
- that it or all members of the consortium has an absence of any conflict of interest in respect of acquiring a stake in JUGOPETROL AD KOTOR.

3. Further information on the conditions of and procedure for qualification is contained in the Participant Registration Application, which will be provided on request by the person identified below in point 5. Prospective investors who wish to be considered for participation in the tender by becoming a Registered Participant must complete and return by 3rd September 2002 (a) the complete Participant Registration Application together with all required documents and evidential material described in paragraph (2) above, (b) the appropriately signed Confidentiality Agreement and (c) evidence of payment of the one time non-refundable administrative fee of EUR 10,000 to the account designated in the Participant Registration Application.
4. A Tender Package will be forwarded to those applicants who meet the qualification requirements set out above and elaborated in the Participant Registration Application ("the Registered Participants"). The Tender Package shall consist of Tender Rules and Specifications, an Information Memorandum on JPK, an Audit Report on JPK for the year 2001, Due Diligence Rules and Procedures, and Draft Transaction Documents. Due diligence investigations (including data room and site visits) will be arranged from 9th September 2002 until 13th September 2002. The deadline for submission by bidders of final bidding offers is noon (Montenegro time) of the 26th September 2002.
5. The Participant Registration Application and the Confidentiality Agreement can be obtained upon request from Blanche Sas of Harrison's Solicitors-request by facsimile to +381-11-344-1996 or by e-mail at blanche.sas@harrison-solicitors.com

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