



HIDROELECTRICA

HIDROELECTRICA SA
PUBLIC ANNOUNCEMENT

for

THE OFFER OF ASSETS SALE through AN OUTCRY AUCTION

Hidroelectrica SA, a majority State owned trading company, being under coordination of the Ministry of Economy – Energy Department, having its headquarters in Bucharest, 15-17 Ion Mihalache Avenue, 11-14 floors, district 1, registered at the Trade Registry, Bucharest Law Court under no. J40/7426/2000, VAT no. RO 13267213, in conformity with the provisions of the Methodological Norms of application of the Governmental Emergency Ordinance No. 88/ 1997 as per the privatization of the trading companies, with its further modifications and amendments, and with the Law No. 137/ 2002 in respect to some provisions for privatization acceleration approved through the Government Decision No. 577/ 2002, with its further modifications, the Government Decision No. 1069/ 2007 in respect of the approval of the Romania's 2007-2020 Energy Strategy, offers to sale, through the method of an outcry auction, the following assets structured as follows:

- 1) The corporate stock of assets – small hydropower plants from Neagra Șarului river's basin, Suceava County:
Gura Haitii 1 SHPP, Gura Haitii 2 SHPP
Start price: 4,538,900 lei;
- 2) The asset – small hydropower plant from Valea cu Pești brook's basin, Neagra Șarului river, Suceava County
Lucaciu SHPP
Start price: 1,023,500 lei;
- 3) The corporate stock of assets – small hydropower plants from Neagra Șarului river's basin, Suceava County:
Neagra Șarului 1 SHPP, Neagra Șarului 2 SHPP, Șaru Dornei 1 SHPP,
Șaru Dornei 2 SHPP
Start price: 16,399,400 lei;
- 4) The asset – small hydropower plant from Călimănel rivers' basin, Suceava County:
Panaci SHPP;
Start price: 1,258,100 lei;
- 5) The asset – small hydropower plant from Neagra Șarului river's basin, Suceava County:
Plai Monah SHPP
Start price: 1,752,300 lei;
- 6) The asset – small hydropower plant from Trotuș river's basin, Bacău County:
Caralița SHPP
Start price: 3,702,766 lei;
- 7) The asset – small hydropower plant from Neagra river's basin, Neamț County:
Neagra SHPP
Start price: 994,800 lei;

- 8) The asset – small hydropower plant from Bolovăniș river's basin, Neamț County:
Bolovăniș SHPP
Start price: 1,855,200;
- 9) The asset – small hydropower plant from Cracău river's basin, Neamț County:
Cracău 1 SHPP
Start price: 2,332,173 lei;
- 10) The asset – small hydropower plant from Suceava County:
Fălticeni SHPP
Start price: 156,602 lei;
- 11) The asset – small hydropower plant from Chiuzbaia river's basin, Maramureș County:
Chiuzbaia SHPP
Start price: 1,842,200 lei;
- 12) The corporate stock of assets – small hydropower plants from Prahova river's basin, Prahova County:
Nedelea 1 SHPP, Nedelea 2 SHPP
Start price: 8,618,157 lei;
- 13) The asset – small hydropower plant from Argeș river's basin, Giurgiu County:
Ogrezeni SHPP
Start price: 299,708 lei;
- 14) The corporate stock of assets – small hydropower plants from Valea Cracului river's basin, Hunedoara County:
Valea Cracului 1 SHPP, Valea Cracului 2 SHPP, Valea Cracului 3 SHPP, Zeicani SHPP
Start price: 9,076,100 lei;

We mention that the start prices of the 14 corporate stocks of SHPP assets proposed for sale do not include VAT because the provisions under the article 128, paragraph 7, from the Fiscal Code stipulating that this sale is considered a transfer of assets to which the VAT shall not applied, are fulfilled.

Only the candidates who cumulatively fulfill the following pre-qualification criteria can participate in the outcry auction process:

1. Keeping the activity object

The purchaser is required to insure the continuity of the power generation activity pursuant to the regulations, licenses, issued by the National Energy Regulator, for a period of at least 5 years since the purchase contract is signed.

The potential candidates are informed that the activity developed within the assets, which make the object of sale, is a regulated activity that is submitted to the provisions of the legislation specific to the energy sector.

2. Observance of the regulations specific to the energy sector

The Purchaser is required to assume the obligation to operate the small hydropower plants submitted to sale, as a part of the National Energy System, with the observance of the provisions of the Law for the energy and natural gases no. 123/ 2012 and of such other legal regulations in force, as well as of the rules of the existent prescriptions and norms, established and agreed by the National Energy Regulator, and of the environment legislation.

The Purchaser's obligation shall refer both to the legislation in force and to the normative acts such as they may be modified by the competent authorities, including as following the alignment of the Romanian legislation to the EU standards.

3. Environment-related obligations

The Purchaser is required to assume, if the case may be, the program of investments for the environment protection as in conformity with the environment objectives and obligations established by the competent environment authority.

4. Conditions for the purchase of the lands of the small hydropower plants

In the event that the assets are adjudicated by foreign natural/ legal persons (including in the event that such persons are part of a consortium), with the view of signing and authentication of the purchase contract, such persons shall establish a company/ branch with its headquarters in Romania.

5. Conditions for the public patrimony aspects

The patrimony aspects, which are subject to the Law no. 213/ 1998 for the public property and the regime thereof, and to the new Civil Code, do not make the object of the sale of the corporate stock of assets.

6. Taking over the personnel from the assets

The Purchaser is required to assume the obligation to take over the whole HIDROELECTRICA S.A.'s personnel developing its activity within the assets (hydropower plants) submitted to sale on the date the assets are transferred, with respect of the obligations and the rights mentioned under the collective labor contract in force at the level of Hidroelectrica S.A.

7. Post-sale obligations

The Purchaser is required to assume the obligation to allow the Seller access in the Assets and the obligation to submit the documents required by the Seller for the verification of the operation of the assets, on one's own behalf, for a period of 5 years and for keeping the object of activity.

DIRECT ACCESS TO THE DATA AND INFORMATION OF THE ASSET

In the case that either the natural person or the legal person interested communicates in writing to the economic agent that they wish to draw up a report to expertise the assets on their own, HIDROELECTRICA SA shall provide them the free access to all the data and information of technical, economic, legal, and environmental character concerning the assets submitted to sale.

The natural or legal persons interested shall have access to the data and information of technical, economic, environmental, and legal character concerning such assets submitted to sale, under the following conditions:

- Submission of a letter of intent to purchase the assets;
- Forwarding a request in writing to ask for the access to the data and information concerning such assets;
- Signing the Non-Disclosure Agreement at HIDROELECTRICA S.A.'s headquarters;
- Payment for the equivalent value of the tender dossier.

Failure to accept and sign such a Non-Disclosure Agreement as in accordance with the terms and conditions stipulated by HIDROELECTRICA S.A leads to the fact that neither the natural persons nor the legal persons interested shall have access to the data and information concerning such asset or shall purchase the Tender Dossier.

THE VALUE OF THE TENDER GUARANTEE, AUCTION PARTICIPATION TAX, ACCESS TAX, AND THE EQUIVALENT VALUE OF THE TENDER DOSSIER

The value of the tender guarantee is **10 % of the start price**. The tender guarantee shall be paid in lei by the Romanian natural/ legal persons, respectively in EUR, at the exchange rate communicated by the Romanian National Bank as of the date of its payment or of the issue of the bank guarantee letter, by the foreign natural/ legal persons.

The price of the Tender Dossier is **4,000 lei (+ VAT)**, which includes also the direct access to the data and information concerning the asset.

The auction participation Tax is **1,000 lei (+ VAT)**.

Both the price of the Tender Dossier and of the auction participation Tax shall be paid in lei, by the Romanian natural/ legal persons, respectively in EUR, by the foreign natural/ legal persons, at the exchange rate communicated by the Romanian National Bank as of the date of their payment.

Tender Dossier

The Tender Dossiers elaborated by Hidroelectrica S.A. for the sale of each corporate stock of assets, can be acquired from Monday till Friday, starting with the date of **24th of March 2014**, within **9⁰⁰ - 15⁰⁰ hours, from Hidroelectrica S.A. headquarters**.

The Tender Dossier shall be released after the following documents are presented: (i) the evidence of the Tender Dossier price payment; (ii) identity card or passport of the person who takes the Tender Dossier; (iii) the mandate from behalf of the candidate legal person or the proxy from behalf of the candidate natural person for the person who takes the Tender Dossier and who signs the non-disclosure agreement; (iv) the non-disclosure agreement signed at Hidroelectrica S.A. headquarters by the mandated person.

Data Room

Additional information shall be available in the Data Room organized at:

Bistrița Subsidiary (Corporate stocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10)

13 Locotenent Drăghiescu Street

ZIP CODE 610125 Piatra Neamț, Neamț County

Phone no.: +40 233 207103; Fax no.: +40 233 207130

E-mail: shbistrita@hidroelectrica.ro

Cluj Subsidiary (Corporate stock 11)

1 Taberei Street

ZIP CODE 400512 Cluj Napoca, Cluj County

Phone no.: +40 264 207800; Fax no.: +40 264 427797

E-mail: shcluj@hidroelectrica.ro

Curtea de Argeș Subsidiary (Corporate stocks 12, 13)

82-84 Basarabilor Street

ZIP CODE 115300 Curtea de Argeș, Argeș County

Phone no.: +40 248 721072; Fax no.: +40 248 721741

E-mail: sharges@hidroelectrica.ro

Hațeg Subsidiary (Corporate stock 14)

38 bis Progresului Street

ZIP CODE 335500 Hațeg, Hunedoara County

Phone no.: +40 254 207407; Fax no.: +40 254 777761

E-mail : shhateg@hidroelectrica.ro

within the period of **25th of March 2014 – 6th of May 2014**, under the conditions stipulated in the Tender Dossier. The documents shall be consulted after the Tender Dossier is purchased and the Non-Disclosure Agreement is signed. Each of the above-mentioned subsidiaries shall be responsible for the visiting agenda of the Data Room.

Documents required for the participation in the outcry auction

With the view of participating in the outcry auction, the candidates shall submit at Hidroelectrica S.A. headquarters in sealed envelopes, till the due date of **6th of May 2014, 15⁰⁰ hours**, this date being the deadline, the documents for participating in the outcry auction as required under the Tender Dossier.

The tender Guarantee is:

- 1) **453,890 lei** for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Gura Haitii 1 SHPP, Gura Haitii 2 SHPP;*
- 2) **102,350 lei** for the small hydropower plant *from Valea cu Pești brook's basin, Neagra Șarului river, Suceava County: Lucaciu SHPP;*
- 3) **1,639,940 lei** for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Neagra Șarului 1 SHPP, Neagra Șarului 2 SHPP, Șaru Dornei 1 SHPP, Șaru Dornei 2 SHPP;*
- 4) **125,810 lei** for the small hydropower plant *from Călimănel river's basin, Suceava County: Panaci SHPP;*
- 5) **175,230 lei** for the small hydropower plant *from Neagra Șarului river's basin, Suceava County: Plai Monah SHPP;*
- 6) **370,276.60 lei** for the small hydropower plant *from Trotuș river's basin, Bacău County: Caralița SHPP;*
- 7) **99,480 lei** for the small hydropower plant *from Neagra river's basin, Neamț County: Neagra SHPP;*
- 8) **185,520 lei** for the small hydropower plant *from Bolovăniș river's basin, Neamț County: Bolovăniș SHPP;*
- 9) **233,217.30 lei** for the small hydropower plant *from Cracău river's basin, Neamț County: Cracău 1 SHPP;*
- 10) **15,660.20 lei** for the small hydropower plant *from Suceava County: Fălticeni SHPP;*
- 11) **184,220 lei** for the small hydropower plant *from Chiuzbaia river's basin, Maramureș County: Chiuzbaia SHPP;*
- 12) **861,815.70 lei** for the corporate stock of small hydropower plants *from Prahova river's basin, Prahova County: Nedelea 1 SHPP, Nedelea 2 SHPP;*
- 13) **29,970.80 lei** for the small hydropower plant *from Argeș river's basin, Giurgiu County: Ogrezeni SHPP;*

14) 907,610 lei for the corporate stock of small hydropower plants *from Valea Cracului river's basin, Hunedoara County: Valea Cracului 1 SHPP, Valea Cracului 2 SHPP, Valea Cracului 3 SHPP, Zeicani SHPP,*

and shall be submitted in the conditions and the form presented under the Tender Dossier.

In the case of the Romanian legal persons, they shall pay the equivalent value of the Tender Dossier and of the auction participation Tax in Lei in the account no. **RO69 BRDE 410S V417 8215 4100 opened at BRD ACADEMIEI.**

In the case of the foreign legal persons, they shall pay the equivalent value of the Tender Dossier and of the auction participation Tax in foreign currency in the account no. **RO84 BRDE 410S V417 8282 4100 for EUR, opened at BRD ACADEMIEI,** as per the exchange rate Leu/ EUR communicated by the Romanian National Bank, in force as on the date of their payment.

The envelopes with the outcry auction participation Documents shall be opened only in front of the candidates and/ or their legal/ conventional representatives on the date of:

- **7th of May 2014, 9⁰⁰ hours** - for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Gura Haitii 1 SHPP, Gura Haitii 2 SHPP;*
- **7th of May 2014, 11⁰⁰ hours** - for the small hydropower plant *from Valea cu Pești brook's basin, Neagra Șarului river, Suceava County: Lucaciu SHPP;*
- **7th of May 2014, 13⁰⁰ hours** - for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Neagra Șarului 1 SHPP, Neagra Șarului 2 SHPP, Șaru Dornei 1 SHPP, Șaru Dornei 2 SHPP;*
- **7th of May 2014, 15⁰⁰ hours** - for the small hydropower plant *from Călimănel river's basin, Suceava County: Panaci SHPP;*
- **7th of May 2014, 17⁰⁰ hours** - for the small hydropower plant *from Neagra Șarului river's basin, Suceava County: Plai Monah SHPP;*
- **8th of May 2014, 9⁰⁰ hours** - for the small hydropower plant *from Trotuș river's basin, Bacău County: Caralița SHPP;*
- **8th of May 2014, 11⁰⁰ hours** - for the small hydropower plant *from Neagra river's basin, Neamț County: Neagra SHPP;*
- **8th of May 2014, 13⁰⁰ hours** - for the small hydropower plant *from Bolovăniș river's basin, Neamț County: Bolovăniș SHPP;*
- **8th of May 2014, 15⁰⁰ hours** - for the small hydropower plant *from Cracău river's basin, Neamț County: Cracău 1 SHPP;*
- **8th of May 2014, 17⁰⁰ hours** - for the small hydropower plant *from Suceava County: Fălticeni SHPP;*
- **9th of May 2014, 9⁰⁰ hours** - for the small hydropower plant *from Chiuzbaia river's basin, Maramureș County: Chiuzbaia SHPP;*
- **9th of May 2014, 11⁰⁰ hours** - for the corporate stock of small hydropower plants *from Prahova river's basin, Prahova County: Nedelea 1 SHPP, Nedelea 2 SHPP;*
- **9th of May 2014, 13⁰⁰ hours** - for the small hydropower plant *from Argeș river's basin, Giurgiu County: Ogrezeni SHPP;*
- **9th of May 2014, 15⁰⁰ hours** - for the corporate stock of small hydropower plants *from Valea Cracului river's basin, Hunedoara County: Valea Cracului 1 SHPP, Valea Cracului 2 SHPP, Valea Cracului 3 SHPP, Zeicani SHPP,*

at Hidroelectrica S.A. headquarters. The Outcry Auction Commission shall separately verify the outcry participation documents as to see they are accurate and in conformity with the

requirements stipulated in this announcement and with the instructions stipulated in the Tender Dossier, and shall elaborate and display the list of the accepted candidates till the date of 13th of May 2014, 16⁰⁰ hours.

Note: If the candidates and/ or their legal/ conventional representatives fail to be present at the session of opening the offers, it shall lead to the respective candidate's elimination from such auction and to the return of its offer.

The outcry auction

The outcry auction shall take place on the date of:

- 14th of May 2014, 9⁰⁰ hours - for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Gura Haitii 1 SHPP, Gura Haitii 2 SHPP;*
- 14th of May 2014, 11⁰⁰ hours - for the small hydropower plant *from Valea cu Pești brook's basin, Neagra Șarului river, Suceava County: Lucaciu SHPP;*
- 14th of May 2014, 13⁰⁰ hours - for the corporate stock of small hydropower plants *from Neagra Șarului river's basin, Suceava County: Neagra Șarului 1 SHPP, Neagra Șarului 2 SHPP, Șaru Dornei 1 SHPP, Șaru Dornei 2 SHPP;*
- 14th of May 2014, 15⁰⁰ hours - for the small hydropower plant *from Călimănel river's basin, Suceava County: Panaci SHPP;*
- 14th of May 2014, 17⁰⁰ hours - for the small hydropower plant *from Neagra Șarului river's basin, Suceava County: Plai Monah SHPP;*
- 15th of May 2014, 9⁰⁰ hours - for the small hydropower plant *from Trotuș river's basin, Bacău County: Caralița SHPP;*
- 15th of May 2014, 11⁰⁰ hours - for the small hydropower plant *from Neagra river's basin, Neamț County: Neagra SHPP;*
- 15th of May 2014, 13⁰⁰ hours - for the small hydropower plant *from Bolovăniș river's basin, Neamț County: Bolovăniș SHPP;*
- 15th of May 2014, 15⁰⁰ hours - for the small hydropower plant *from Cracău river's basin, Neamț County: Cracău 1 SHPP;*
- 15th of May 2014, 17⁰⁰ hours - for the small hydropower plant *from Suceava County: Fălticeni SHPP;*
- 16th of May 2014, 9⁰⁰ hours - for the small hydropower plant *from Chiuzbaia river's basin, Maramureș County: Chiuzbaia SHPP;*
- 16th of May 2014, 11⁰⁰ hours - for the corporate stock of small hydropower plants *from Prahova river's basin, Prahova County: Nedelea 1 SHPP, Nedelea 2 SHPP;*
- 16th of May 2014, 13⁰⁰ hours - for the small hydropower plant *from Argeș river's basin, Giurgiu County: Ogrezeni SHPP;*
- 16th of May 2014, 15⁰⁰ hours - for the corporate stock of small hydropower plants *from Valea Cracului river's basin, Hunedoara County: Valea Cracului 1 SHPP, Valea Cracului 2 SHPP, Valea Cracului 3 SHPP, Zeicani SHPP.*

The offers shall be elaborated as per the instructions stipulated in the Tender Dossier. The Seller holds itself the right to disqualify those candidates who did not respect the instructions of the tender documentation elaboration.

The information and the conditions stipulated in the Tender Dossier shall be added up to the present offer of assets sale.

Hidroelectrica S.A. holds itself the right to amend, interrupt, suspend or withdraw this offer in any moment.

For further information on Hidroelectrica S.A. offer, please consult the website www.hidroelectrica.ro or please submit a written inquiry addressed to Mr. Florin Maşala – Senior Economist, Strategy & International Cooperation Department, phone number: 021-30.32.556, fax number: 021-31.11.183, e-mail: florin.masala@hidroelectrica.ro, to Mr. Ştefan Bivol – Senior Economist, Strategy & International Cooperation Department, phone number: 021-30.74.631, fax number: 021-31.11.183, e-mail: stefan.bivol@hidroelectrica.ro or Mrs. Adriana Viorel – Senior Economist, Strategy & International Cooperation Department, phone number: 021-30.74.616, fax number: 021-31.11.183, e-mail: adriana.viorel@hidroelectrica.ro.

Note: The days of 21st, 22nd of April 2014 and 1st of May 2014 are holidays. Also, such other days declared as holidays by the Romanian Government are considered non-working days.