



Pursuant to the Article 2, 2a, 3, 7 and 7a of Law on Privatization ("Official Gazette of the Republic of Montenegro" no. 23/96, 6/99, 59/2000 and 42/2004) and Regulation on share and property sale by public tender ("Official Gazette of the Republic of Montenegro", no. 8/99, 31/00, 14/03, 59/03), the Government of Montenegro, Council for Privatization and Capital Projects, Tender Committee for Privatization ("Committee") announces :

PUBLIC INVITATION

**for Bids submission with qualification procedure
for participation at Tender for sale 61,5749% of capital of the Company
ADRIATIC SHIPYARD JSC BIJELA**

The subject of this Tender is sale of 61,5749% of capital of joint stock company ADRIATIC SHIPYARD JSC BIJELA (hereinafter: Company) expressed through the 989835 shares, which makes following capital structure and number of the shares: 31,6668% of capital in property of Compensation Fund of Montenegro (509053 shares), 22,4311% of capital in property of the Pension and Disability Fund of Montenegro (360587 shares) and 7,4770% in property of the Employment Agency of Montenegro (120195 shares).

The main activity of the Company, registration number 02007428, is the activity of ship repair and maintenance and ship reconstruction.

The main information about the Company could be found at website www.asybijela.com.

The owners of the remaining 38,4251% share capital, i.e. 617694 shares, are Company's employees, citizens and legal entities.

Tender procedure will be conducted in two phases. The first phase of tender procedure will be determination of fulfillment of qualifying criteria. After evaluation of fulfillment Tender participants shall have the right to submit a Bid at the second phase of Tender procedure, in accordance to the instructions.

To participate at the Tender, Interested party has to express Interest to participate at the Tender in writing, individually or as consortium, and submitting the required evidences, individually, as a member of Consortium or through the control related party (51% of capital and voting rights), must fulfill at least one of the following two Qualification criteria:

1. To have experience in the activity of ship repair and maintenance and ship reconstruction and/or shipbuilding activity, especially repair and maintenance and/or construction of yachts and mega yachts, in period of 5 years at least; describing necessary experience for conducting the Company with the activity of repair and maintenance and/or construction of yachts and mega yachts and to present evidences about that; that in 2012 business year has been achieved gross operating revenue from mentioned activities at the amount of 30 million EUR (thirty million euro) at least and to present evidences about the same.
2. Interested party who does not fulfill the criteria from the item 1., may participate at the Tender, under condition that in 2012 business year has been achieved total annual revenue at the amount of 100 million EUR (one hundred million euro) at least, that would confirm its financial potential for conducting and development Company's activities, especially repair and maintenance and/or construction of yachts and mega yachts, and under condition to submit concluded and signed Agreement on the operational management with the entity (Operational Management Company), during expressing the interest, which will lead the Company's activities for period of minimum 5 years from the date of conclusion the Sale

Shares Agreement i.e. for the period of Seller's right control. The Operational Management Company must fulfill Qualification criteria referred to the item 1.; (hereinafter: Qualification criteria)

Consortium Agreement must contain, among other things, provisions that clearly and unequivocally determines and defines unrestricted several liability of all consortium's members for the obligations arising from the Bid, Tender and Agreement.

Interested parties may submit the Application clearly marked "Expression of Interest for participation at the Tender" to the Committee and the Advisor by registered mail, e-mail or fax.

Upon receipt of the Application to the Interested parties it shall be submitted Confidentiality Agreement and the Instruction for submitting the documents in order to evaluate fulfillment of Qualification criteria. Parties who have expressed the interest for participation at the Tender and submitted signed Confidentiality Agreement will have at its disposal the Information Memorandum containing the information about the Company.

Deadline for submitting documentation that proves fulfillment of Qualification criteria for participation at the Tender is 17th February, 2014 until 12h (local time).

Fulfillment of Qualification criteria will be evaluated within 15 days, immediately after the expiration of Deadline for submitting documentation that proves fulfillment of Qualification criteria.

After evaluation of fulfillment Qualification criteria, Invitation to purchase Tender documents will be referred to the Parties who have expressed interest and fulfill the Qualification criteria (with detail stipulated rules and procedures of Tender and Due Diligence execution) by mail, e-mail or fax, with the instructions for payment fee for Tender documents at the amount of 10.000.- EUR (ten thousand euro) ("Fee for Tender documents").

Immediately after the confirmation about Payment of Fee for Tender documents, parties who have expressed interest and fulfill Qualification criteria acquires status of Tender participants who have the right to submit Bids and the Advisor submits them Tender documents by e-mail.

Tender Participant may form a Consortium for Bid submission.

Deadline for submission Bids is 15th April, 2014 until 12h (local time).

From Bidders is particularly expected to fulfill following minimum requirements in Bid:

- Offered Investment program at minimum amount of 15 million EUR in fixed assets for beginning and development of activities of repair and maintenance of yachts and mega yachts, for the period of 3 years. This investment should include as minimum: Facilities related to repair and maintenance yachts which includes: syncro/yacht/ship lift in minimum 1.500 (one thousand and five hundred) net tons; Travel lift with minimum 500 tons (five hundred tons) capacity; Paint shed for yachts (including specialized ventilators, air control); New floating dock or renovating the existing dock for the purpose of repair and maintenance of yachts;
- Offered Business and Development plan of repair and maintenance yachts and mega yachts, for the period of 3 years;
- Submitting the statement of unconditional acceptance of liability to fulfill EU environmental standards and applicable regulations of Montenegro, by the Company, for maximum 18 months from the date of signing Sale Shares Agreement; and
- Submitting the statement of unconditional acceptance of liability for resolving the eventual redundancy of employees for the period of 3 years from the date of signing the Agreement in accordance to the current Collective agreement.

The Bidder is obliged to submit the original of unconditional Bid Bond at first call at the amount of 350.000,00 EUR (three hundred and fifty thousand euro), according to the text defined in Tender documents or the evidence about the deposit payment at the amount of 350.000,00 EUR.

Committee reserves the right to amend certain provisions of this Public Invitation, including provisions for defining certain deadlines.

Tender Participants will be invited to visit the Company in accordance to Tender documents as well to submit all questions regarding the Tender, at the official language in Montenegro or English language to the following addresses:

TENDER COMMITTEE FOR PRIVATIZATION

Branko Vujovic, the president of the Tender Committee

Moskovska 17a, M/C1

81000 Podgorica, Montenegro

Tel:/Fax: + 382 20 513 502, 513 203;

Ivana Šaranović Jovičević, the secretary of the Tender Committee

Moskovska 17a, M/C1

81000 Podgorica, Montenegro

Tel:/Fax: +382 20 235 565, +382 20 513 503,

Email: ivana.saranovic@ano.co.me

ADVISOR

Law Office of Tomislav Šunjka

Serbia, Vojvodina, 21 000 Novi Sad

Sremska no. 4

Contact person: Tomislav Šunjka and Jovana Stojkov

Tel.+381214721788, 4721789, Fax. +381216617541,

Email: office@sunjkalawoffice.com