

The Minister of Energy and Mining of Republika Srpska, Petar Djokic said that the Mine and Thermal Power Plant (TPP) "Visegrad" had a problem in the coal exploitation and the exploitation coefficient was not sufficient to be able to provide cost-effective production. After the management of TPP "Gacko" informed the minister that the company ended the 2014<sup>th</sup> with a loss of less than 5MEUR, Djokic said that there was a need to go further into new activities and overburden in order to provide high-quality ore, in favor of higher production and better business.

Djokic has announced the activities related to the construction of a new thermal power plant of 300 MW in Gacko would start this year, noting that this project funding on a credit basis were discussed with the Chinese partner and the Chinese state bank, which, as he says, have shown interest for this project, as well as the European Bank for Reconstruction and Development.

- The holder of this project realization will be the "Electric Power Industry of Republika Srpska" (ERS) which, when further be strengthen, will show that it can be the bearer of the most important investment activities in the energetics field in Republika Srpska - says Djokic and points out that the new unit construction will significantly improve the energy situation in Republika Srpska and the entire region.

Director of RiTE "Gacko" Milenko Milidrag said that the company ended last year with losses below 5MEUR, but the exact amount is not known, because the final bill has not been finished.

As the main reasons for the incurred losses, Milidrag stated tax increases, poor coal quality and reduced production.

Milidrag says that the main problem is the supply of Thermal power plant with coal, and that there is a backlog of overburden for many years.

- That is why we came into a situation to intervene in the future and find a way in order to overcome the situation this year in which we find ourselves - he said.

Milidrag added that a new mine would be opened and third parties would be engaged for a part of the work for what would be allocated 5MEUR.

He says that the company does not have sufficient equipment and they have not renewed it last year because the money was invested in the Musnica relocation to protect the mine from water.

Milidrag announced that 7, 5 MEUR would be invested this year in the new machinery purchase for the Mine.

He said that RiTE "Gacko" have a need for additional work force, but they will not hire anyone until repair the losses.

Commenting on the electricity production in the past two months, Milidrag said that plans had not been met, but they would try to recoup production in arrears with overhaul postponement of seven days that was supposed to start on March 1<sup>st</sup>.

- We hope that after the overhaul we will have better quality and larger quantities of coal, and that we will achieve good results with a little higher price of electricity - said Milidrag.