

## **Secret agreement between Sardarov and Energy company of Republika Srpska on "Ugljevik 3" new power plant unit**

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Owner of the future power plant "Ugljevik 3" has no obligation to supply electricity to consumers in the RS. "Only a limited number of representatives from both parties will be familiar with the provisions of this Agreement and / or project," according to a secret "Project Ugljevik 3 Development Agreement" between "Comsar Energy Group Limited" owned by Cyprus Russian businessman Sardarov Rashid and Electrical Power Industry of RS, owned by CAPITAL.

"To avoid any doubt MH EPIRS will not be obligated under this agreement to enter into a long-term sale-purchase agreement for electricity generated from new production facilities. Electric Power Industry does not limit the owner to offer electricity produced in this way directly in the open market to third parties. Owner of Ugljevik 3 will have no obligation of supplying electricity to tariff customers in the RS" according to the contract.

The new energy facility, worth several hundred million CM, will not necessary provide more electricity for the RS.

Republic Srpska brought its property and infrastructure into Ugljevik 3, it gave the concession to coal mines, and in return it will get 10 percent ownership. Sardarov only guaranteed that the co-ownership share of RS will never fall below that percentage, regardless of the amount of equity.

The contract was secret for the Government of RS too

Contract with the "Comsar" Cyprus owned by Russian businessman was never released. Now it's clear why. In a separate chapter, it states that each side will strictly keep all the details from releasing. They went so far that the content will be unknown even to ministers, except authorized representatives of the Government and the Ministry of Industry and Energy.

"Each of the parties will keep the confidentiality and will not disclose information to a third party in connection with the project under this contract. Only a limited number of representatives from both parties will be familiar with the provisions of this Agreement, so they could take the appropriate measures necessary to implement it. The parties agree that the authorized representatives of the RS Government and the Ministry of Industry, Energy and Mining will be familiar with the provisions of this Agreement. The parties will cooperate when it comes to press releases, so that any notice with contents that has not been agreed upon by both parties will not be made public" according to the item 5 of the Contract.

The contract was signed by Timur Sardarov for Comsar states that in the case of dispute, the arbitration proceedings shall be conducted in Switzerland.

In addition to concessions on coal, the government recently gave Sardarov another concession, for the hydro power plant. In mid-October Comsar Energy was granted the concession for the construction of HPP Mrsovo on the river Lim with 37.3 MW power and an average annual generation of 140.6 GWh. For the concession period of 30 years, the Russians will pay 123 thousand marks, and a concession fee of 2.6 percent of annual gross revenue.

*Source Serbia Energy Magazine*