



BUSINESS NEWS OF THE ISSUER NIS A.D. NOVI SAD

Signed Agreement on Exploitation of Geothermal Sources

For the purpose of exploitation of geothermal sources in the Autonomous Province of Vojvodina, NIS and Provincial Secretariat for Energy and Mineral Resources of Vojvodina signed the Cooperation Agreement today in Novi Sad with Hungarian companies GMV and EU-FIRE.

Within its business Strategy for increased utilization of renewable energy sources and development of Energy Block, NIS is interested in construction of small capacity geothermal power plants, from which the produced power and thermal energy would be used for own purposes or for further sales.

This Agreement will provide NIS with an opportunity to activate the non-producing geothermal well, from the fund of non-producing geothermal wells in its ownership suitable for the production of power and thermal energy, together with partnership companies and secure thermal water from the well which could be used for various purposes. Companies GMV and EU-FIRE will invest their professional knowledge and experience in the project in the field of exploration, exploitation and utilization of geothermal energy and provide easier connection of the local community with investors. Expert – technical and economic details of cooperation will be governed by separate contracts, which also apply to all specific projects arising under this Agreement which validity is dated until the end of 2015. It also opens up an opportunity to engage other units of NIS a.d. in service delivery, maintenance, preparation of supporting documentation as well as designing and execution of works.

Provincial Secretariat for Energy and Mineral Resources of Vojvodina will provide administrative support and mediate between potential investors and interested banks as well as the local government.

In November in 2011, NIS signed the Memorandum of Cooperation with the Government of Vojvodina with the aim to implement the joint project on utilization of alternative and renewable energy sources in Vojvodina, including the establishment of joint venture. When it comes to the establishment of such joint venture, companies GMV and EU-FIRE will continue to cooperate with the new venture under the conditions of this Agreement.



The Agreement signed today continues cooperation with provincial institutions and fits into the strategic orientation of NIS to be an energy company. Furthermore, it also fits in the plan of European integration of Serbia and the global tendency of environmental protection and sustainable development.

**Deputy CEO –
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Sergey Fominykh
