



ZAGREB STOCK EXCHANGE

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Subject : **New project awarded in Norway worth 81.0 million €**

Dear Sirs,

We are free to inform you that Dalekovod d.d. has received a notice of contract award for construction of the 164 km long section of the new 420 kV Ålfoten . Moskog . Højanger . Sogndal transmission line, that constitutes the southern section of the 420 kV Ørskog . Fardal transmission line. The scope of works at the said facility includes: delivery and erection of steel-lattice towers, supply of equipment (ACSR conductors, OPGW, glass composite insulators, line hardware) and electrical fitting works, as well as civil engineering works, e.g. foundation works on towers on two sections: 420 kV Moskog - Sogndal transmission line (80 km long) and 420 kV Ålfoten - Moskog transmission line (84 km long). Besides the above mentioned, dismantling of the old transmission line, that is running in the direction of the future transmission line, is anticipated. The transmission line to be dismantled is the 132 kV Fardal - Hoyanger Verk transmission line running between the East Fjaerlandsfjorden fiord and the New Hoyanger Area (29 km).

The value of insured works and supply of the steel structure and equipment totals **638,919,778.58 NOK** (Norwegian Krona), exclusive of VAT, or **81.0 million €**.

The Investor STATNETT (National Electric Power Company of the Kingdom of Norway) conducted the public bidding for the above transmission line. The evaluation of the received bids was carried out in two phases: first, the technical and financial evaluation of the bids, during which bidders proved that they had fulfilled all Investor's technical and financial criteria. Then the best placed bidders were summoned to take part in negotiations, in order to clarify in more detail their bids and to improve them as well. After having taking into account the technical and financial criteria, the project organization standards, the presented methods for realization of the necessary scope of works, and abidance of operational safety and environmental protection procedures during construction works, the Dalekovod Bid was declared the best.

It should be noted that this has been one of the biggest investments in the Norwegian transmission lines so far: herewith Dalekovod shall set up a 285 km long energy link between the Sogndal substation in the southern part of the Central Norway and the Ørskog substation in the northern part.

It is also worth noting that this has been the fifth project realized independently by Dalekovod d.d. since 2007. Taking into account the value and importance of this project for the entire electric power industry of the Kingdom of Norway, we can conclude that it exceeds the value of all four previous projects (totalling 62.8 million "). Realization of two projects totalling 35.5 million " is coming to an end just now.

Therefore, award of this project can be seen as a result, or a reward, for high quality works executed during erection of power transmission and distribution projects in the Kingdom of Norway so far and

of the profession, quality, deadlines, investors' requests, Norwegian laws, rules and regulations, and the very strict Norwegian environmental protection and operational safety procedures and criteria.

Besides being the financially most significant project, the above can be regarded as the most demanding transmission line construction project from the organizational point of view in the recent history of the company Dalekovod d.d. (long period of time for performance of works, severe weather conditions, short season for performance of civil engineering works and thus decreased possibility of performing works during the year, engagement of helicopters during performance of works, crossing over 3 km long fiords, etc.).

Besides, it is worth mentioning that besides the projects in Norway, the company has also executed projects on other markets of the North Europe since 2005, e.g. works totalling 12.3 million " in Iceland and 1.6 million " worth works in Sweden, while realization of 6.3 million " worth projects in Greenland is underway, as well as the supply of equipment to Finland.

The award of this project and the realistic expectation of the new ones - both on this and other markets, on which Dalekovod has been present in the previous years, has been a new incentive for our company; the above strengthens our belief that we are on a right track of restructuring the company and re-orientating it towards the energy sector and the international markets.

All the above strengthens our confidence that we have already mastered the difficulties caused by the crisis and recession that hit both the domestic and the international markets.

Sincerely,

Dalekovod d.d.