

**AGREEMENT FOR SALE AND PURCHASE OF SHARES
OF NAFTNA INDUSTRIJA SRBIJE a.d. NOVI SAD
by and between**

The Republic of Serbia

and

OJSC Gazprom Neft

Date: December 24th 2008

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AGREEMENT FOR SALE AND PURCHASE OF SHARES

This Sale and Purchase Agreement (the "**Agreement**") was signed on December 24th 2008 by the following parties (individually a "**Party**" or collectively the "**Parties**"):

- (1) **The Republic of Serbia**, represented by the Government of the Republic of Serbia, herein represented by Mr. Petar Škundrić, Ph.D. in his capacity of Minister of Mining and Energy, on the basis of the Conclusion of the Government of the Republic of Serbia dated December 23rd 2008 (referred to as "**Seller**"); and
- (2) **OJSC Gazprom Neft**, the company organized in the legal form of the open joint stock company with the registered seat at St. Petersburg, Russian Federation, No. 5A, Galernaya Street, registered at the Unified State Register of Legal Entities under registration number 1025501701686, the subsidiary of Gazprom OJSC, herein represented by Alexander Dyukov, General Director and Chairman of the Management Board (referred to as "**Buyer**").

INTRODUCTORY STATEMENT

1. On January 25th 2008, the Government of the Russian Federation and the Government of the Republic of Serbia have entered into the Accord for co-operation in the oil and gas industry which has been ratified by the Parliament of the Republic of Serbia on September 9th 2008, and published in the "Official Gazette of the RoS" No. 83/2008 ("**Intergovernmental Agreement**").
2. On January 25th 2008, the Republic of Serbia and Gazprom Neft entered into the Protocol in relation to the main terms of acquisition by OJSC Gazprom Neft of the shares of Naftna Industrija Srbije a.d. Novi Sad, No. 12 Narodnog Fronta Street (the "**Company**", or "**NIS**") comprising 51% shares of its initial capital.
3. The Parties are entering into this Agreement in compliance and completion of one of the commitments under the Accord for co-operation in the oil and gas industry which has been ratified by the Parliament of the Republic of Serbia on September 9th 2008, and published in the "Official Gazette of the RoS" No. 83/2008).

4. The total registered capital of the Company is registered with the Serbian Business Registers Agency in the amount of EUR 993.786.000, 00 (nine hundred and ninety three million seven hundred eighty six thousand euros), and the total initial capital of the Company registered in the Central Securities Depository and Clearing House is expressed in 8.153.020 ordinary shares CFI code: ESVUFR, ISIN number: RSNISHE00962, with nominal value of RSD 10.000,00 per share.
5. Seller is selling the Block of Shares consisting of 4.158.040 ordinary shares with CFI code: ESVUFR, ISIN number: RSNISHE00962 with nominal value of RSD 10.000,00 per share, which represents 51% of the initial capital of the Company.
6. Government of the Republic of Serbia issued the Conclusion dated December 23rd 2008 approving the text of this Share Purchase Agreement and authorizing Minister of Mining and Energy Mr. Petar Škundrić, PhD, to sign the Agreement in name and on the behalf of the Republic of Serbia. (Appendix 4).
7. Government of the Republic of Serbia issued the Conclusion 05 No: 023-3971/2008-3 as of October 16th 2008 whereby it approved the Information on rights of citizens of RoS and employees and ex-employees of the Company in accordance with the Law on right for free shares and pecuniary compensation which citizens are obtaining in the privatization procedure (Official Gazette of RoS No. 123/2007).
8. In line with the Law on right for free shares and pecuniary compensation which citizens are obtaining in the privatization procedure and the Conclusion 05 No: 023-3971/2008-3 of the Government of the Republic of Serbia dated October 16th 2008, Gazprom Neft agrees that certain number of shares shall be distributed to citizens of RoS and employees and ex-employees of the Company.
9. Other than the provisions of Clauses 1, 3, 5, 6, 7, 8.3, 9, 10, and 11, this Agreement is concluded subject to the Suspensive Conditions, and produces legal effects between the Parties in the event such Suspensive Conditions occur.

NOW, THEREFORE in consideration of the above, the Parties hereby agree as follows:

TERMS AND THE CONDITIONS OF THE AGREEMENT

1. DEFINITIONS

1.1. In addition to the terms stated above, and unless otherwise stated in this Agreement, the following definitions shall apply:

<i>“Applicable Law”</i>	means the laws, decrees or regulations or any other type of primary or secondary legislation, which is in force from time to time in the Republic of Serbia, without application of rules on conflict of laws;
<i>“Articles of Association”</i>	means the articles of association of the Company;
<i>“Auditor Report”</i>	means the report as defined in <u>Clause 8.5.</u> ;
<i>“BD”</i>	means any and all Serbian Broker and Dealer Company;
<i>“Block of Shares”</i>	means 4.158.040 ordinary shares of the Company with CFI code: ESVUFR, ISIN number RSNISHE00962 with nominal value of RSD 10.000,00 per share representing 51 % of NIS' share capital as of the Signing Date, or such number of shares representing 51% of the total number of shares at the Transfer Closing Date;
<i>“Managing Board”</i>	means the board of directors of the Company;
<i>“BRA”</i>	means Serbian Business Registers Agency founded by the Law on Registration of Business Entities ("Official Gazette of RoS", No. 55/04 and 61/05), which maintains the Register of Business Entities;
<i>“Business Day”</i>	means any day other than Saturday, Sunday or public holiday in the Republic of Serbia and Russian Federation, for which the business banks are open for business;
<i>“Buyer's Monetary Account”</i>	means Buyer's special purpose monetary account opened with the bank - CD member, for purchase of Block of Shares, opened in line with <u>Clause 4.2.1.</u> ;
<i>“Buyer's Proprietary Account”</i>	means the Buyers proprietary account with the member of CD, opened in line with <u>Clause 4.2.1.</u> ;

“CD”	means Central Depository and Clearing House, a joint-stock company established under the Securities Law, which is, inter alia, in charge of maintaining unified records of securities owners;
“Commercial Companies Law”	means the Commercial Companies Law (Official Gazette of RoS, No. 125/2004);
“Competition Law”	means Law on Protection of the Competition (Official Gazette of the Republic of Serbia No. 79/2005);
“Control”	means the ability of an entity to control another entity or to influence the management of another entity, alone or with others, directly or indirectly, whether by means of ownership, exercise of voting rights, exercise of rights under law or rights given by contract or by means provided in any other agreement or arrangement;
“Corporate Guarantee”	has the meaning given to it in the <u>Clause 8.6.</u> of this Agreement;
“EUR”	means the single currency of the member states of the European Union that have adopted the Euro as their lawful currency under the legislation of the European Communities for the European Monetary Union;
“Executive Board”	means the executive board of the Company;
“Managing Director”	means the Managing Director of the Company;
“General Meeting”	means the general meeting of the Company;
“Governmental Authority”	means any domestic governmental authority, regulatory body, department, agency, commission, authority or instrumentality of the Republic of Serbia;
“Incorporation Act”	means the incorporation act of the Company;
“Internal Auditor”	means the internal auditor of the Company;
“Investment Commitment”	means commitment of the Buyer to provide an amount of EUR 500.000.000 to NIS by way of special purpose loans for the purposes of implementing the PRM on the following terms: (i) the obligation to provide EUR 500.000.000 as the principle amount of the loans shall

be fully performed within the period between the Transfer Closing Date and 31 December 2012; (ii) the interest accruing on the principal of the loans provided to NIS shall accrue quarterly and for each quarter shall equal the 12-month EUR LIBOR + 2% (no further charges or commissions shall be applicable); (iii) the term of the loan shall be 14 years from the first disbursement date; (iv) the grace period shall be the later of December 31st 2012 or the completion of the actual performance by the Buyer of its obligation under item (i) of this definition (iv) there shall be no collateral;

“Material”

means (in respect of any fact, object, claim, liability, amount, or event which could cause or lead directly to a breach of representation or warranty under this Agreement) (i) a monetary value which is as an individual item higher than EUR 5.000.000,00 (in words: five million Euros) or (ii) a significant negative effect on the operations, property or business of the Company, in the value of at least EUR 15.000.000,00 (in words: fifteen million Euros);

“NBS”

means the National Bank of Serbia;

“Parent Company”

means a legal entity which Controls a Subsidiary company;

“Positive Ruling”

means the ruling of the Competition Protection Commission by which the market participant concentration resulting from acquisition of control over the Company by the Buyer, by way of purchasing the Block of Shares is unconditionally approved or by which Competition Protection Commission informs the Buyer that such ruling is not necessary for the implementation of the Transaction, in line with this Agreement;

“Properties”

means the property and property rights that is held or used by NIS by virtue of its ownership right, the right to use, the right of lease or other lawful grounds, or has been included or reflected in the accounts of NIS as at 31 December 2007, or was within the long-term or perpetual possession of NIS as at 31 December 2007;

“PRM”

means program of reconstruction and modernization of NIS's technological complex described in the Appendix

2;

<i>“Purchase Price”</i>	means the price payable by the Buyer for the Block of Shares in the amount specified in <u>Clause 2.2.</u> ;
<i>“Register of Business Entities”</i>	means the Register kept by the Serbian Business Registers Agency or any other registry which takes over the registration of business entities from the Serbian Business Registers Agency;
<i>“Request”</i>	means the request for issuing concentration approval that the Buyer submitted to the Competition Protection Commission;
<i>“RoS”</i>	Republic of Serbia;
<i>“RSD”</i>	means Dinar, the lawful currency of the Republic of Serbia;
<i>“Seller’s Monetary Account”</i>	means Seller’s special purpose monetary account opened with the bank - CD member to which the Purchase Price for the Block of Shares shall be transferred, in accordance with <u>Clause 4.2.1.</u> ;
<i>“Seller’s Proprietary Account”</i>	means the account of the Seller as described in <u>Clause 4.2.1.</u> ;
<i>“Shares”</i>	means 8.153.020 ordinary shares of the Company, CFI code: ESVUFR, ISIN number: RSNISHE00962, with nominal value of RSD 10.000,00 per share which at the Signing Date represent 100 % of NIS’ share capital or such number of shares representing 100% of the total number of shares at the Transfer Closing Date;
<i>“Signing Date”</i>	means the date of signing of this Agreement by the Seller and the Buyer;
<i>“Social Program”</i>	has the meaning given to it in <u>Clause 8.1.1.</u> ;
<i>“Stock-split”</i>	has the meaning as defined in <u>Clause 4.1.1.</u> ;
<i>“Subsidiary”</i>	means a legal entity Controlled by the Parent Company;
<i>“Suspensive Conditions”</i>	means obtaining of the Positive Ruling and delivery of the Corporate Guarantee;
<i>“Takeover Bid Proce-</i>	means the takeover bid procedure as specified in the

<i>dure</i>	Takeover Bid Law, published in the Official Gazette of RoS No. 46/2006;
<i>“Transaction”</i>	means the transactions contemplated under in this Agreement;
<i>“Transfer Closing Conditions”</i>	has the meaning as specified in the <u>Clause 4</u> ;
<i>“Transfer Closing Date”</i>	means the date on which the Transfer Closing occurs;
<i>“Transfer Closing”</i>	means the sale of the Block of Shares;
<i>“Treasury Department”</i>	means Treasury Department of the Ministry of Finance, 7-9, Pop Lukina Street, Belgrade.

Unless otherwise provided in this Agreement:

- (i) references to “persons” shall include individual persons, registered companies, unincorporated associations, partnerships and any type of legal entity;
- (ii) words and expressions in the plural include the singular and vice versa;
- (iii) references to “Appendices” or “Clauses” refer to appendices to and clauses of this Agreement. In case of any inconsistencies between the main body of this Agreement and Appendices, the main body of this Agreement shall prevail and
- (iv) headings are inserted for convenience only and do not affect the interpretation of this Agreement.

2. SALE AND PURCHASE

2.1. Sale of the Block of Shares

The Seller is selling to the Buyer and the Buyer is acquiring the Block of Shares, together with all the rights arising from the shares that comprise the Block of Shares, representing 51% of the Company’s total initial capital on the Signing Date.

2.2. Purchase price

The Buyer shall pay for the purchase of the Block of Shares, the Purchase Price in the amount of EUR 400.000.000,00 (in words: four hundred million euros), or in RSD equivalent to the Seller's Monetary Account.

The price per share at Signing Date is EUR 96.19917 and it shall be accordingly amended following the Stock-Split.

The price per share shall be determined by the Transfer Closing Date as a result of dividing of the Purchase Price by the number of shares comprising the Block of Shares after the Stock-Split, if any.

In case the payment of Purchase Price is made in RSD equivalent, the Parties herewith undertake to enter into a specific arrangement with a business bank – a CD member, pursuant to which none of the Parties shall suffer losses due to exchange rate differences, i.e. the currency conversion shall be performed under the same (median) rate, subject to payment of the commission to the bank. The Parties shall equally share the costs of such commission.

The Purchase Price shall be deemed to be paid at the moment it is transferred to the Seller's Monetary Account.

2.3. Costs and taxes

Each Party shall bear its own costs in relation to the opening of the respective accounts with the CD, BD and the bank, as well as all other costs related to the Transfer Closing.

The Buyer shall fully cover the court verification costs of this Agreement if any.

The transfer of the Block of Shares is free of the absolute right transfer tax pursuant to the Applicable Law.

3. SIGNING AND SUSPENSIVE CONDITIONS

3.1. Coming into legal effect and filing of Request

This Agreement is deemed to be executed on the Signing Date and after court verification of the signatures of authorized persons of the Parties, if applicable.

This Agreement has been executed under the Suspensive Conditions, being a Positive Ruling and the delivery of the Corporate Guarantee by the Buyer to the Seller, and the provisions of this Agreement (other than those of Clauses 1,

3, 5, 6, 7, 8.3, 9, 10, and 11) shall produce legal effects between the Parties upon effectuation of the Suspensive Conditions.

For the purpose of effectuation of the Positive Ruling, the Buyer commits to duly submit the Request not later than 7 days from the Signing Date, provided that the Seller provides the Buyer with the assistance and documents required under the following sentence hereof.

For the purpose of obtaining a Positive Ruling, the Seller hereby commits to fully assist and provide the Buyer with all required documents, data and information required by the Applicable Law to be included and/or attached to the Request and, if and when required, to provide all assistance to the Buyer in the course of the procedure before the Competition Protection Commission of the Republic of Serbia, and not to prevent in any way the Buyer's obtaining of the Positive Ruling.

3.2. Notice on effectuation of the Positive Ruling

3.2.1. Not later than three Business Days following the receipt of a Positive Ruling, the Buyer shall deliver to the Seller a copy of such Positive Ruling.

3.2.2. If the Positive Ruling is not obtained within 130 days after the Signing Date, the Buyer shall have the right to terminate this Agreement by written notice to the Seller not later than 30 days after the expiry of such 130-day period (and otherwise the Positive Ruling as a Suspensive Condition shall be deemed to have been effectuated for the purposes hereof). If the Competition Protection Commission issues ruling to reject the Request in accordance with the Article 27, para 1, item 5 of the Competition Law or grants a conditional consent to the Transaction, it shall be deemed that the Agreement is null and void, unless the Buyer at its sole discretion decides to implement the required conditions and proceed with the Transfer Closing. In this case the Parties agree not to have any further claims, including damage compensation claims, on any grounds whatsoever towards each other, except that the Seller or, as the case may be, the Buyer shall have the right to claim all costs and damages resulting out of the other Party's failure to comply with its obligation this Clause 3.2.

3.2.3. In case:

- (i) the Buyer fails to perform its obligation under this Clause 3.2 to duly submit the Request or act upon any additional lawful requests of the Competition Protection Commission, which resulted in its not obtaining the Positive Ruling; or
- (ii) Competition Protection Commission passes a ruling to suspend the procedure due to the Buyer's withdrawal, in line with provisions of Article 27, para 1, item 2 of the Competition Law;

it shall be deemed that this Agreement is null and void and the Seller shall have the right to claim all costs and damages resulting out of the Buyer's failure to comply with this Clause 3.2.

4. TRANSFER CLOSING CONDITIONS

Transfer Closing shall be subject to the following conditions:

4.1. Seller's Transfer Closing Conditions

- 4.1.1. The Seller shall take all necessary actions to prepare the distribution of Company's shares in accordance with the Law on right for free shares and pecuniary compensation which citizens are obtaining in the privatization procedure (Official Gazette of RoS No. 123/2007) to be distributed to the citizens, employees and ex-employees of the Company after the Transfer Closing Date.

To that respect the Parties acknowledge and agree that due to the Seller's obligation to comply with the Applicable Law, with respect to the distribution of free shares to the citizens and employees and ex-employees of the Company, the Shares of the Company will be split to enable such distribution of free shares, and, due to that fact, the overall number of shares of the Company shall increase ("Stock-Split"). In any case, at the Transfer Closing Date, the Buyer shall become the owner of 51% of the shares of the Company.

Having in mind the above stated, in case if the Stock-Split takes place, Seller and Buyer undertake to execute the amendment to this Agreement specifying the exact number of shares representing 51% of the shares of the Company and their exact price per share. In no case, the price for the purchase of 51% of the shares of the Company can exceed the amount of EUR 400.000.000,00, specified in Clause 2.2. of this Agreement. Such undertaking shall be considered as Seller's and Buyer's mutual Transfer Closing Condition.

- 4.1.2. The Seller shall immediately inform the Buyer upon the completion of all of the Seller's Transfer Closing Conditions.
- 4.1.3. In case if Stock-Split is not performed, until the Positive Ruling is obtained, the Buyer shall be entitled to request the Seller to proceed with the sale of the Block of Shares in which case the Buyer, as the shareholder of the Company, commits to perform all necessary actions for the completion of the Stock-Split in accordance with the Applicable law.

4.2. Buyer's Transfer Closing Conditions

4.2.1. Not later than 5 Business Days from the fulfillment of the Suspensive Conditions and the latest of the conditions stated in Clause 4.1.1. (if not waived by the Buyer), the Buyer shall:

- (i) open the Buyer's Monetary Account with the authorized bank – member of the CD, for the purpose of purchasing the Block of Shares,
- (ii) deposit the entire amount of the Purchase Price to the Buyer's Monetary Account, and submit the statement of the balance of such account issued by the bank - CD member, to the Seller, without any delay,
- (iii) open the Buyer's Proprietary Account with the CD, through a BD and
- (iv) inform the Seller of performance of the actions under (ii) to (iv) not later than in one Business Day.

4.2.2. The Buyer shall, not later than on the next Business Day of the actions specified in paragraphs (ii) to (iii) of Clause 4.2.1., give the order to its BD to buy the Block of Shares, as well as the order to its BD to transfer the amount of the Purchase Price to Seller's Monetary Account, and shall, without any delay, notify the Seller and the Treasury Department of the actions performed under this Clause 4.2.2., and submit to the Seller the written evidence of such actions.

4.2.3. The Seller shall, immediately upon receipt of the written evidence stipulated in Clause 4.2.2., through its BD, give order for the transfer/sale of the Block of Shares from the Seller's Proprietary Account to the Buyer's Proprietary Account and shall deliver to the Buyer an extract from the Central Register of Securities evidencing the due registration of the Buyer as the owner of the Shares free and clear of any and all encumbrances.

4.3. Transfer Closing

Fulfillment of actions referred to in Clauses 4.2.2, 4.2.3 above and the transfer/sale of the Block of Shares from the Seller's Proprietary Account to the Buyer's Proprietary Account shall constitute the Transfer Closing.

4.4. Post Transfer Closing Actions

4.4.1. Corporate governance for the period from Transfer Closing

From Transfer Closing and as long as RoS is the shareholder in the Company holding no less than a 10% equity interest in the share capital of NIS, the Parties have agreed that corporate governance of the Company will be performed in accordance with the principles provided by the Applicable Law and the Incorporation Act as provided in Appendix 5 and, in particular, the Parties shall,

subject to Applicable Law, be entitled to have such number of members elected to the Managing Board of NIS as is proportionate to their respective equity interests in the share capital of NIS. The Buyer shall have the right to the operational management over the Company.

As long as the RoS is the shareholder in the Company holding no less than a 10% equity interest in the share capital of NIS, positive vote of the Seller shall be required for rendering of the following decisions / resolutions (irrespective of the corporate body in charge for rendering these decisions) of NIS: (i) adoption of a financial statements and audit report; (ii) changes of the Incorporation Act and articles of association, (iii) capital increase and decrease, (iv) status changes, (v) acquiring and disposal of the Company's assets of great value in accordance with the Applicable Law, (vi) changes of the registered business seat and activity, and (vii) termination of the Company, i.e. liquidation or bankruptcy.

4.4.2. Internal Auditor and/or Supervisory Board:

As long as the RoS is the shareholder in the Company holding no less than a 10% equity interest in the share capital of NIS, the Seller shall have the right to nominate the Internal Auditor of the Company or, as the case may be, to nominate the chairman and the majority of the members of the Supervisory Board of the Company.

4.4.3. As long as the RoS is the shareholder of the Company, and in case of possible future changes of the Applicable Law and statutory corporate body structure, decision making structure and majority for decision making, the Parties shall, if necessary and required by the Applicable Law, harmonize its corporate documents so that they reflect the principles set out in this Clause 4.4.

4.4.4. On the Transfer Closing Date, the General Meeting of the Company shall be convened with the agenda, including among other items the following:

- (i) Decision on appointment of the new members of the corporate bodies of the Company.
- (ii) Decision on the amendment of the Incorporation Act as provided in the Appendix 5; and
- (iii) Decision on termination of the statute of NIS which is in force till the Transfer Closing Date.

4.4.5. The Buyer and the Seller shall cause the Company to perform all the required activities and steps in order to register all the changes of the Company's registered corporate data with the BRA.

4.4.6. The Seller or the Company, as applicable, shall commence with the activities necessary for the distribution of Company's shares in accordance with the Law

on right for free shares and pecuniary compensation which citizens are obtaining in the privatization procedure (Official Gazette of RoS No. 123/2007), and the Buyer shall fully cooperate with the Seller to enable such distribution in line with the Applicable Law.

5. REPRESENTATIONS AND WARRANTIES OF THE SELLER

5.1. Representations and warranties

The Seller warrants to the Buyer that on the Signing Date and also on the Transfer Closing Date the following statements will be true and accurate:

5.1.1. Good standing

The Company is a legal entity duly organized and validly existing under the Applicable Law.

5.1.2. Transfer of Block of Shares

The sale of the Block of Shares pursuant to this Agreement, have been performed in accordance with Applicable Law.

5.1.3. Title to the Block of Shares

The Buyer shall at the Transfer Closing Date acquire full ownership title over the Block of Shares clear of any liens, pledges or other encumbrance.

5.2. Further representations and warranties

Subject to the conditions and limitations set out in Clause 6., the Seller represents and warrants to the Buyer, that as of the Signing Date, as far as the Seller is aware, the following will be true and accurate in all Material aspects:

5.2.1. Registered capital

The total registered capital of the Company is registered with the BRA in the amount of EUR 993.786.000,00 (nine hundred and ninety three million seven hundred eighty six thousand euros) has been fully paid, and the total initial capital of the Company registered in the CD is expressed in 8.153.020 ordinary shares CFI code: ESVUFR, ISIN number: RSNISHE00962, with nominal value of RSD 10.000,00 per share.

5.2.2. Changes to the capital

The Company, other than contemplated in this Agreement:

- (i) has not issued, nor is committed to issue or redeem any shares representing its initial capital; and
- (ii) has not issued, nor is committed to issue any bonds, or other securities or financial instruments convertible into shares of the Company.

5.2.3. Status Issues

Other than contemplated in this Agreement, the Company has not held the General Meeting session nor has it made decisions that fall within the scope of authority of the General Meeting.

5.2.4. Properties

The Company is entitled to all Properties it owned or possessed as of December 31, 2007.

The List of Properties which is provided by the Seller to the Buyer in accordance with Clause 8.3.1. of the Agreement contains complete, true and accurate information on the Properties.

5.2.5. Conducting business in ordinary way and capital position

- a. Since 31 December 2007, the Company has carried on business in the ordinary and usual course and has not made or agreed to make any payment other than routine payments in the ordinary and usual course of trading.
- b. There are no liabilities of the Company except for (i) liabilities disclosed or provided for in the Company's accounts as at 31 December 2007 (ii) liabilities incurred in the ordinary and usual course of business since 31 December 2007, or (iii) liabilities disclosed elsewhere in the Agreement.
- c. Since 25 January 2008 till Transfer Closing Date there has been no dividend payment.

5.2.6. Compliance with law

The Company complies with, and is not in default of, any statute, regulation, order, decree or judgment of any court or any governmental or regulatory authority in any jurisdiction.

5.2.7. Authority and Valid Obligations

The Seller has full power and authority to enter into and perform its obligations under this Agreement. This Agreement has been certified and signed by the Seller, and constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms.

5.2.8. No conflict

The sale of the Block of Shares by the Seller and the performance of the Seller's undertakings in this Agreement will not conflict with Applicable Law or any judgments or other orders by which the Seller is bound, nor with any agreement to which the Seller is a party.

5.2.9. No proceedings

No acts have been taken and no proceedings are being conducted before any court, arbitration, state, administrative or other authority, which affect the legality, validity or enforceability of this Agreement with respect to the Seller or its ability to satisfy its obligations hereunder, and no such actions are threatening.

5.2.10. Authorizations

Except for a Positive Ruling, all authorizations and consents of, and filings with national or international competent bodies, which are required to be obtained or made in order that the Seller is authorized to enter into and perform this Agreement and to sell the Block of Shares, have been obtained or made.

5.2.11. Representations and warranties in respect of Subsidiaries of NIS

The Seller's representations and warranties hereunder in respect of NIS or the Company (except those in Clauses 5.1.2., 5.1.3., 5.2.1., and 5.2.7. – 5.2.10) shall also be deemed to be made in respect of all Subsidiaries of NIS and the provisions of this Clause 5 shall therefore apply mutatis mutandis to all such Subsidiaries.

5.3. No Implied Warranties

The Seller shall make no representations or warranties other than those expressly set forth in Clauses 5.1. and 5.2.

5.4. Representations of the Buyer with respect to the representations and warranties of the Seller

The Buyer acknowledges that:

- (i) it had performed its own due diligence investigations and enquiries into the Company and its assets and financial and business affairs;
- (ii) it is relying on its own due diligence investigations and enquiries in buying the Block of Shares.

6. LIABILITY OF THE SELLER AND LIMITATIONS OF THE LIABILITY

- 6.1.** The Seller shall indemnify the Buyer in respect of the damage resulting from the breach of any representations and warranties referred to in Clause 5.1.

The Seller shall indemnify the Buyer in respect to the damage resulting from the breach of any representations and warranties referred to in Clause 5.2. and subject to limitations of the liability of the Seller provided in this Clause 6.

- 6.2.** The Seller shall not be liable for the damages resulting from the breach of representations and warranties from Clause 5.2., unless the Buyer notifies the Seller of such breaches, as well as the suffered damages, specifying the factual basis of its claim, prior to the expiry of 2 years after the Transfer Closing Date with respect to claims related to environmental matters or upon expiry of the period of 365 days after the Transfer Closing Date – for other claims.
- 6.3.** The aggregate liability of the Seller under this Agreement may not exceed 25% (twenty five per cent) of the amount of the Purchase Price. In addition to this limitation, the Seller shall not be liable for any such claim unless (i) on an individual basis an amount of a valid claim is not less than EUR 5.000.000,00 (or RSD equivalent), and (ii) aggregate amount of all such valid individual claims is not less than EUR 15.000.000,00 (or RSD equivalent) and then the Seller shall be liable for the entire amount of such claims and not merely the excess.
- 6.4.** The liability of the Seller under the Clause 6.3. shall be reduced, to the extent applicable, to reflect:
- (a) the value of any tax benefit (except from those provided by the Inter-governmental Agreement) realized, directly or indirectly, in connection with such liability by the Buyer or its Parent Company/Subsidiary (including, but not limited to the Company);
 - (b) the amount of any insurance proceeds received directly or indirectly related to such liability by the Buyer or its Parent Company/Subsidiary (including, but not limited to the Company).

- 6.5. The Buyer shall take all necessary steps to mitigate any damage suffered by it or its Parent Company/Subsidiary (including the Company), and the Seller shall not be liable for the damage suffered by the Buyer or its Parent Company/Subsidiary (including the Company) due (in whole or in part) to the default, misconduct or negligence of the Buyer its Parent Company/Subsidiary (including the Company).
- 6.6. The Seller shall not be liable for the loss of profits or indirect loss suffered by the Buyer or any of its Subsidiaries (including NIS), provided that this does not include the Buyer's equity share of any damage (excluding any loss of profit) suffered by NIS.
- 6.7. The Buyer shall be obliged to notify the Seller of any third party claim against the Buyer or the Company, which results from the breach of the representations and warranties, not later than 7 days of the Buyer actually becoming aware of such claim. If the Buyer fails to notify the Seller of such claim, it shall forfeit any right to indemnification under this Agreement in respect of such claim by a third party. The Seller shall have the right to participate in conducting negotiations, reaching settlement, as well as in any action or proceeding initiated by a third party. The Buyer shall take all necessary legal and factual actions to have the Company and its authorized representatives make available to the Seller and its advisors, all documents and information with regard to the proceeding related to the third party claim. The Buyer or the Company shall not reach any settlement or act according to the third party claim without a prior written consent of the Seller (which shall not be withheld unreasonably).
- 6.8. The Buyer shall have no right to indemnification related to third party claims for breach of representations and warranties if and to the extent that:
- (a) the Buyer or the Company accept in any way whatsoever the debt, or acknowledge the claim or any part thereof, without the written consent of the Seller,
 - (b) the Company or the Buyer fail to present defense against such claim, in an appropriate manner, depending on the case, in any relevant proceeding, or fail to undertake all acceptable measures to reduce such claim or mitigate its effects,
 - (c) the Buyer or the Company improve the position of the claimant, in any manner, directly or indirectly, at any stage of the proceeding,
 - (d) such claim arises from a default judgment or as a result of actions representing acts or defaults by the Buyer or the Company, or
 - (e) the Buyer or its Parent Company or Subsidiary (including the Company) contribute to the loss related to such claim in any manner.

All limitations on liability and the time limits set forth in this Clause 6, apply to any liability of the Seller resulting from breach of representations and warranties caused by a third party claim. Such limitations on liability of the Seller shall be applicable to any other liability of the Seller resulting out of the breach of this Agreement.

- 6.9.** Company shall at all times comply with the environmental protection laws of RoS and shall undertake all activities and measures for the purpose of the enforcement of the environmental regulations. For the purpose of determination of the historical liabilities, the Buyer and the Seller shall without delay mutually appoint the consultant who shall prepare a comprehensive environmental assessment report (studija procene stanja zivotne sredine) on current environmental condition. Following the adoption of such a report by the Buyer and the Seller, RoS shall be liable only for the damages arising out of historical events, subject to the liability limitations set out in this Clause 6.

7. REPRESENTATIONS AND WARRANTIES OF THE BUYER

7.1. Representations and Warranties

The Buyer represents and warrants to the Seller that on the Signing Date and also on the Transfer Closing Date the following statements are true and accurate:

7.2. Establishment

The Buyer is a legal entity established and existing in accordance with the laws of the Russian Federation.

7.3. Authority and Valid Obligations

The Buyer has full power and authority to enter into and perform its obligations under this Agreement. This Agreement has been certified and signed by the Buyer, and constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

7.4. No conflict

The purchase of the Block of Shares by the Buyer, its ownership of the Block of Shares, and the performance of the Buyer's undertakings under this Agreement will not conflict with any regulations, or any judgments or other orders by which the Buyer is bound, nor with the Buyer's charter documents or with any agreement to which the Buyer is a party.

7.5. No proceedings

No acts have been taken and no proceedings are being conducted before any court, arbitration, state, administrative or other authority, which affect the legality, validity or enforceability of this Agreement with respect to the Buyer or its ability to satisfy its obligations hereunder, and no such actions are threatening.

7.6. Authorizations

Except for a Positive Ruling, all authorizations and consents of, and filings with national or international competent bodies, which are required to be obtained or made in order that the Buyer is authorized to enter into and perform this Agreement and to acquire the Block of Shares, have been obtained or made.

7.7. Availability of funds

The Buyer has available necessary funds for payment of the Purchase Price in accordance with Clause 2.2., as well as for implementation of the Social Program and performance of the Investment Commitment pursuant hereto. If requested by the Seller, the Buyer shall provide to the Seller a valid proof, in the form determined by the Seller, of the source of the funds that shall be used for the payment of the Purchase Price and for implementation of the Social and performance of the Investment Commitment.

7.8. No insolvency/liquidation

No insolvency, bankruptcy, winding-up or any similar proceedings have been initiated nor threatened to be initiated against the Buyer.

7.9. Liability of the Buyer

The Buyer shall indemnify the Seller in respect to the damage resulting from the breach of any representations and warranties referred to in this Clause 7. and the liability of the Buyer under this Agreement shall be subject to limitations of the liability provided in Clause 6 to be applied mutatis mutandis.

8. BUYER'S AND SELLER'S COVENANTS

8.1. Buyer's Covenants

8.1.1. As the purchaser of the Block of Shares hereunder and the future shareholder of NIS, the Buyer hereby accepts the following social commitments of NIS and will ensure NIS' implementation of such commitments:

- (a) pursuant to article 9 of the Social Program, the salaries of NIS' employees shall be modified annually at the rate of the annual variation in the index reflecting the cost of living (troškovi života) in the RoS as determined by the Statistical Office of the Republic of Serbia and published in the Official Herald of RoS;
- (b) pursuant to article 7 of the Social Program, in the period from the Transfer Closing Date to 31 December 2012, NIS shall not terminate the employment of its employees against their will on the basis of technological or organizational changes; and
- (c) pursuant to article 19 of the Social Program, NIS may propose termination of employment, provided that a onetime dismissal wage is paid to the employee in the amount of EUR 750 for every complete year of his / her employment.

The Parties hereby agree that a breach by the Buyer of one of its commitments under this Clause 8.1.1. committed till the end of 2012 or the completion of the Investment Commitment shall constitute grounds for termination of this Agreement, provided that in case of any such termination and notwithstanding anything in this Agreement providing to the contrary, the Seller shall reimburse to the Buyer the full amount of the Purchase Price and the Buyer shall relinquish to the Seller its title to the Block of Shares and all rights and liabilities related thereto and the Parties shall have no further claims in connection with the Transaction, including damage compensation claims, on any grounds whatsoever towards each other. Notwithstanding anything to the contrary in this Agreement, the Parties hereby also agree that no other breaches (if any) by the Buyer, NIS, or any of its Subsidiaries of any provisions of the Social Program or the Collective Agreement shall constitute grounds for the termination of this Agreement.

The Buyer hereby covenants (subject to the cooperation of the Seller) to exercise its powers as a shareholder in NIS to ensure that NIS uses all commercially reasonable endeavors to implement its commitments under the Social Program (attached hereto in Appendix 1) and the Collective Agreement (attached hereto in Appendix 3) provided NIS remains in good financial standing and taking into account prevailing market conditions and the state of Serbian economy.

8.1.2. In the period of four years in continuity from the Transfer Closing Date, the Buyer hereby covenants to fulfill the Investment Commitment. The Parties hereby agree that a breach by the Buyer of the covenant under this Clause 8.1.2. shall constitute grounds for termination of this Agreement. In case of

any such termination and notwithstanding anything in this Agreement providing to the contrary, the Seller shall reimburse to the Buyer the full amount of the Purchase Price and the Buyer shall relinquish to the Seller its title to the Block of Shares and all rights and liabilities related thereto and the Parties shall have no further claims in connection with the Transaction, including damage compensation claims, on any grounds whatsoever towards each other.

8.1.3. In the period of four years in continuity from the Transfer Closing Date, the Buyer hereby covenants to assure dividend distribution by NIS for each fiscal year in the amount of not less than 15% of the respective net profit per year.

8.1.4. Until year 2020 from the Transfer Closing Date, the Buyer hereby covenants (subject to the co-operation of the Seller) to use all commercially reasonable endeavors in exercising its powers as a shareholder in NIS to assure that:

a) NIS will continue production and investments in upstream and downstream in line with adopted yearly business development plan and/or adopted strategic (3-5 years) development plan and business operation plan;

b) to assure that NIS not terminates operations at Company's refineries;

c) the volumes of NIS' crude oil processing output satisfy Serbia's domestic market demand for main oil products;

d) the market share of NIS' oil products trading on the market of the RoS shall not be less than the level of existing market share that NIS has on this market in 2008;

e) NIS' market share of retail oil products sales in the RoS shall not be less than the existing market share that NIS has on this market in 2008.

8.1.5. As the purchaser of the Block of Shares and the future Shareholder of NIS, the Buyer hereby covenants to ensure that NIS implements the PRM according to the schedule set out in Appendix 2 and, in particular, that the first public tender for procurement of equipment shall be announced not later than 1 month after the Transfer Closing Date, provided and to the extent that:

(a) such schedule is feasible taking into account the Transfer Closing Date;

(b) the Buyer shall not be liable for any delays in implementing the PRM, for which it is not at fault (whether due to force majeure events, contractors' default or other circumstances beyond the Buyer's control);

(c) the Buyer's representatives have at all times after the Signing Date participated in the procurement process and the preparation of, and approved all relevant tender documentation and the results of all tenders;

- (d) any PRM contractor is chosen by means of public tendering and any such tendering and procurement process is carried out with a view to securing for NIS the best available contracting terms and conditions in terms of (in order of priority) quality, price and timing of delivery; and
- (e) the schedule shall be deemed to be extended to reflect the actual timing of tendering process, actual contracted terms and actual delivery of supplies, equipment and services.

8.2. Obligation not to act

As long as the Parties are the shareholders of NIS, neither Party shall sell, transfer or otherwise dispose with the ownership of the Shares, in part or in its entirety, to any third party unless it has previously offered to the other Party to acquire the Shares under the same terms and conditions as offered (or agreed to) by such third party. In this case, the other Party has the right to, not later than in 60 days, decide, either to accept the offer and commence with the purchase under the procedure and in the legal form applicable at such time, or to decline the offer in which case the first Party would be entitled to sell, transfer or otherwise dispose with the ownership of the Shares to such third party.

8.3. Seller's Covenants

8.3.1. The Seller hereby covenants to the Buyer:

- (i) to maintain current quality requirements in relation to oil derivatives during the period until the completion of the implementation of the PRM;
- (ii) to maintain current restrictions on the import of oil derivatives into RoS until 31 December 2010;
- (iii) to ensure that if exploitation of any of NIS' or any of its Subsidiaries' equipment that existed as of the date of the Agreement results in non-compliance with applicable environmental requirements due to its obsolescence or physical wear, no sanctions are applied against NIS or any of its Subsidiaries with respect to such non-compliance until such equipment is modernized or replaced in accordance with the PRM. For the avoidance of doubt, this covenant shall not be interpreted as an obligation of the Seller to ensure the release of NIS and its Subsidiaries from liability in cases of industrial accidents;
- (iv) to ensure that any and all claims against NIS or any of its Subsidiaries pursued by (or having at any stage been pursued by) the Seller, any Governmental Authority (such as, inter alia, the Ministry of the Interior), or

by any State-owned entity (such as, inter alia, Srbijagas) as a claimant or a defendant and outstanding prior to the Transfer Closing Date and where the potential liability exposure of NIS and its Subsidiaries for each such claim or group of claims is in excess of EUR 10,000,000.00, shall be as soon as possible finally and unconditionally withdrawn by all relevant claimants and/or finally and unconditionally settled between NIS (and/or its Subsidiaries, as applicable) and all relevant claimants, in each case so that no liability of NIS or any of its Subsidiaries shall arise from any such claims;

- (v) to ensure that NIS and its Subsidiaries as soon as possible obtain unconditional waivers of all third parties' rights arising from the change of control over NIS or its Subsidiaries or otherwise in connection with this Transaction whether in accordance with any agreement or under Applicable Law or other laws;
- (vi) to ensure that the Buyer as soon as possible obtains an official certificate issued by the tax authorities of RoS confirming that NIS and its Subsidiaries have no outstanding tax liabilities in relation to any tax periods that ended prior to the Transfer Closing Date;
- (vii) to ensure that immediately after the Signing Date, NIS appoints and engages a nominee of the Buyer as a special counsel to the chairman of the board of directors of NIS (the "**Special Observer**") and that from the Signing Date such Special Observer shall have (subject to confidentiality commitments under confidentiality agreement) full and unrestricted access (and shall be invited) to (and may participate in) all meetings of the board of directors and other corporate bodies of NIS and its Subsidiaries, as well as to all data and information, including, without limitation, all data and information (related to NIS, its Subsidiaries and their operations, excluding any State secrets) discussed or reviewed at any such meetings;
- (viii) to provide the Buyer with the following documents necessary for the Buyer to comply with its covenant under Clause 8. 1. as soon as possible, after the Signing Date:
 - 1. a certified copy of a valid license for the retail sale of oil derivatives issued to NIS by the Energy Agency of the Republic of Serbia;
 - 2. a certified copy of an evaluation by the Ministry for the Protection of the Environment of the Republic of Serbia, confirming that the facilities, equipment and installations used by NIS and its Subsidiaries as at the date of this Agreement for energy activities (the production of oil derivatives, oil and oil derivatives trade and the storage of oil and oil derivatives) meet all requirements stipulated under Applicable Law;

3. the written official statement that the Seller gives its consent for NIS and its Subsidiaries to register its title (right) to the immovable property that constitutes a part of Properties; and
4. the detailed list of all Properties.

8.3.2. In the event of a breach by the Seller of any of its covenants under this Clause 8.3., the Seller shall, subject to the liability limitations set out in Clause 6, pay the Buyer an amount equal to any loss suffered by the Buyer or the Company as a result of or in connection with such breach.

8.4. Takeover Bid

In the period of 24 months after the Transfer Closing Date, the Buyer is obliged to initiate the Takeover Bid Procedure in accordance with the Applicable Law for purchase of all the shares of minority shareholders arising out of the distribution of shares to the citizens and employees and ex-employees of the Company, as soon as such distribution is completed and the Buyer is notified on such completion.

In this Takeover Bid Procedure, the price per share payable for all the shares of minority shareholders as described in this Clause 8.4 shall be in accordance with Applicable Law, but in no case be less than the price per share that would result from the acquisition of a 51% equity interest in NIS for EUR 400,000,000.00. The RoS shall be obliged to restrain from participation in this Takeover Bid Procedure to the effect not to sell any of its shares in the Company.

8.5. Control of fulfillment of Buyer's covenant with respect to the Investment Commitment

As long as the Buyer's covenant with respect to the Investment Commitment under this Agreement is in force, the Buyer and the Seller shall, at 12 month intervals from the Transfer Closing Date, and no later than 60 days prior to the lapse of the respective annual period, jointly appoint an auditor to prepare the Auditor Report on fulfillment of the Investment Commitment. The Auditor Report shall be prepared for the respective 12 month period. If the findings of such Auditor Report indicate to Buyer's non-compliance with Clause 8.1.2., such non-compliance must be elaborated in detail.

8.6. Corporate Guarantee

The Buyer hereby agrees and commits to simultaneously with the signing of this Agreement provide the Seller with the corporate guarantee in form and substance as attached in Appendix 6 to this Agreement („Corporate Guarantee“), issued to the Seller, together with a written legal opinion of the Buyer’s legal advisor confirming that the Corporate Guarantee issued constitutes an enforceable instrument under the law of the Russian Federation.

9. TERMINATION

This Agreement may be terminated in accordance with the Code of Obligation and this Agreement.

10. TRANSITIONAL AND FINAL PROVISIONS

10.1. Confidentiality

The Buyer shall keep confidential all information and documents received from the Seller or the Company relating to the Transaction or this Agreement (except for information and documents already in the public domain) for a period of 2 years after the termination hereof.

10.2. Entire Agreement

This Agreement, together with its Appendices (which are integral part hereof), constitute the Parties’ entire agreement relating to this Transaction and can only be amended by a written instrument signed by the Parties.

On the basis that this Agreement is entered into pursuant to the Intergovernmental Agreement and that the Seller shall comply with the terms thereof, the Parties acknowledge that the Serbian Privatization Law is not applicable to the Transaction. The Seller hereby waives any rights of rescission or termination which it (or any person controlled by it) might otherwise have under or in respect of this Agreement, whether due to a breach of applicable Serbian privatization requirements (whether under Article 41a of the Serbian Privatization Law or otherwise) or otherwise. In the event of an attempt by the Seller (or any person controlled by it) to rescind or terminate this Agreement in breach of this provision, it shall pay the Buyer an amount equal to any loss suffered by the Buyer as a result of or in connection with such breach.

10.3. Language

This Agreement is executed in English language. All notices or communication to be made according to or in connection with this Agreement shall be in English language.

10.4. Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law. If any provision of this Agreement shall be unenforceable or invalid under Applicable Law, such provision shall be invalid only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be in effect. In the event of such unenforceability or invalidity, the Parties hereto shall negotiate in good faith to agree on the changes or amendments of this Agreement that are required to carry out the intent of this Agreement.

It is hereby expressly agreed that, if after the Transfer Closing Date this Agreement is terminated by the Seller or declared null and void by any competent authority, the Seller shall return to the Buyer the total amount of the Purchase Price not later than 1 month from the date on which the Agreement is being deemed terminated or void. This Provision shall be considered a Surviving Provision and a separate Agreement between the Parties.

10.5. Assignment

Except as otherwise provided for herein, this Agreement or any rights and obligations under this Agreement may not be assigned without the prior written consent of other Parties. All the provisions hereof shall be binding upon and *inure* to the benefit of the Parties and their successors and permitted assignees.

10.6. Copies of the Agreement

This Agreement has been signed in 8 (eight) original copies in English with copies of Serbian and Russian translation, of which 2 (two) copies shall be given to the Buyer, 1 (one) copy to the Court verification, if applicable, 2 (two) copies to the Seller, 1 (one) copy to the BRA and the remaining copies to the Company. All copies have equal legal power and effect.

10.7. No Third Party Rights

Nothing in this Agreement, express or implied, is intended to confer upon any third party, other than the legal successors of the Parties and third parties to which the Agreement or certain rights under or in relation to the Agreement have been assigned pursuant to this Agreement, any rights to require fulfillment of the obligation under this Agreement or any other right whatsoever under or by reason of this Agreement.

10.8. Additional Actions and Documents

The Parties hereby agree to take or cause to be taken such actions, necessary to perform this Agreement, and to obtain all required consents in order to fully achieve the purposes of this Agreement in its entirety.

10.9. Waiver

None of the provisions of this Agreement shall be deemed to have been waived by any Party hereto, unless such waiver is in writing and signed by that Party. The waiver by any Party hereto of a claim concerning the breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement or of any further claims concerning the breach of the provision so waived. No extension of time for the performance of any obligation or act hereunder shall be deemed an extension of time for the performance of any other obligation or act.

10.10. Notices

After Transfer Closing Date, all notices, requests and other communications under this Agreement shall be delivered in writing by registered mail or express courier service, and shall be deemed to have been delivered 10 (ten) days after being deposited in the mail, postage prepaid, or in the case of express courier service, on the date of delivery to such courier service, to the addresses of the Parties as follows (or such other address as a Party may notify to each other in accordance with this Clause 10.10.):

If to the Seller:

The Government of the Republic of Serbia

11 Nemanjina;

Ministry of Mining and Energy

36 Kralja Milana,

11 000 Belgrade, Serbia

Attn.: Mr. Petar Škundrić, PhD, Minister of Mining and Energy

Phone: + 381 11 33 46 755

Fax: + 381 11 36 16 603

If to the Buyer:

125A, ul. Profsoyuznaya,

117647, Moscow, Russia

Attn.: Vadim Yakovlev, Chief Financial Officer, Deputy Chairman of the Management Board

Phone: + 7 495 777 3153

Fax: + 7 495 777 3121

If to the Treasury Department

7-9, Pop Lukina
11000 Belgrade
Attn: Mr. Ivan Maričić, Director of the Treasury Department
Phone: + 381 11 3202 205
Fax: + 381 11 3022 765

If a Party fails to inform another Party about change of address stipulated in Clause 10.10., it shall be deemed that delivery was properly made if the correspondence relating to this Agreement was sent to addresses specified in Clause 10.10.

11. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

11.1. Applicable Law

This Agreement shall be governed by and interpreted in accordance with the Applicable Law.

11.2. Settlement of Disputes

All disputes arising out or in connection with this Agreement (including those initiated by or involving the Seller or any Governmental Authority) shall only be settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") by three arbitrators appointed in accordance with the ICC Rules. The ICC Rules in force at the time shall govern the procedure before the arbitrators. The place of arbitration shall be Zurich (Switzerland). The language of proceedings shall be English. Any arbitral award rendered in accordance with this Clause shall be final and binding on the Parties (and on any Governmental Authority).

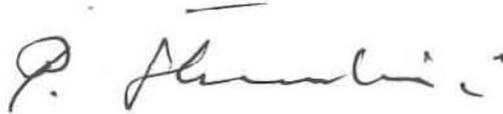
11.3. Waiver of Immunity

This Agreement and the actions taken by the Seller in furtherance of this Agreement are commercial rather than public or governmental acts and the Seller is not entitled, and hereby unconditionally and irrevocably waives any entitlement it may have, to claim immunity from legal proceedings (including without limitation in relation to the giving of any relief of the issue of any process in connection with such proceedings or with respect to the making, enforcement or execution against any of its property or assets whatsoever of any order or judgment that may be made in connection with such proceedings) or liability with respect to itself or any of its assets on the grounds of state sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising directly under this Agreement, which action may be instituted as provided under this Agreement. This waiver constitutes only a limited and specific waiver for the purposes of this Agreement and under no circumstances shall it be interpreted as a

general waiver by the Seller or a waiver with respect to proceedings unrelated to this Agreement. For clarity reasons, this waiver shall not be interpreted to include the waiver of any immunity with respect to: (a) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (b) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (c) any other property or assets used solely or mainly for official state purposes in the Republic of Serbia or elsewhere; or (d) military property or military assets or property or assets of the Republic of Serbia related thereto.

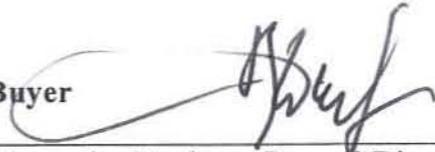
Signed in Moscow, on December 24th 2008.

Seller



Mr. Petar Škundrić, authorized representative

Buyer



Alexander Dyukov, General Director and Chairman of the Management Board

APPENDICES

Appendix 1 Social Program

Appendix 2 Program of reconstruction and modernization

Appendix 3 Collective agreement

Appendix 4 Copy of the Government Conclusion

Appendix 5 Draft of the Incorporation Act

Appendix 6 Draft of the Corporate Guarantee