

**Dear Investors, Partners, and Friends,**

The team of Bulgarian Business Brokers OOD wishes you a Happy New Year and all the best in your future business and investment endeavors. May the New Year bring you prosperity and intensify our mutual business relations even further. We are looking forward to working, cooperating and supplying you with advantageous business opportunities in 2010 the very same way we have done in the past.

We are pleased to present the 2010 January issue of our Information Bulletin, dedicated to Renewable Energy Investment Opportunities. The release of this Bulletin marks an important phase in our development: the establishment of a separate **Renewable Energy** industry division to carry out the growth opportunities presented by the sector.

The 2010 11% EU quota on renewable energy sources in the country, coupled with above average risk-adjusted sector returns guarantees significant entrepreneurial involvement and project purchase activity in the industry. Therefore, with the current issue of our Bulletin, it is our endeavor to provide you with the most attractive investment opportunities in what clearly has become the most lucrative sector in Bulgaria.

In order to successfully supply investors with various renewable energy projects in size and scope, we have appointed a sector specialist that we are glad to introduce:

- ✦ **Mr. Daniel Petrov** ([DPetrov@BGBusinessConsultants.com](mailto:DPetrov@BGBusinessConsultants.com)) – Investment Manager, expert in the Renewable Energy Sector in Bulgaria
- ✦ Please direct any inquiries to Mr. Daniel Petrov, also copying our Investment Manager **Mr. Dimitar Dimitrov** ([DDimitrov@BGBusinessConsultants.com](mailto:DDimitrov@BGBusinessConsultants.com)) and [Office@BGBusinessConsultants.com](mailto:Office@BGBusinessConsultants.com)

The **Merger and Acquisition Investment Opportunities and Partnerships** Bulletin will be published in a specialized February issue at the beginning of the month.

## **Renewable Energy Climate in Bulgaria**

### **Facts**

- ✦ EU quota on energy produced by renewable energy sources as a percentage of gross energy consumption is 11% and 16% for 2010 and 2020, respectively
- ✦ Bulgaria is sourcing 9.4% of its energy through renewable energy sources, which indicates the country must realize additional renewable energy projects in the next four quarters just to meet the 11% quota by the end of 2010
- ✦ Bulgaria has nearly depleted its capacity and potential for establishment of hydroelectric power plants, but the country's location and geographical altitude allows for rapid growth and development of solar, wind, and geothermal energy plants
- ✦ Government authorities remain confident that Bulgaria must continue exporting energy to neighboring countries, which will further stimulate the need for rising energy supply levels

### **Opportunities**

- ✦ Obligation by all EDCs\* and NEC\*\* to purchase energy produced by renewable energy sources at preferential prices
- ✦ Excellent weather conditions allowing for the establishment of both photovoltaic and wind power plants
- ✦ Availability of large land areas suitable for solar and wind park installations
- ✦ Government support and specific legislation guaranteeing continuous demand for energy produced by renewable energy sources
- ✦ Flat corporate tax rate of 10%, which certain municipalities may waive for a 5-year time interval for investors entering the RE segment

\*EDC – ELECTRIC DISTRIBUTION COMPANY

\*\*NEC – NATIONAL ELECTRIC COMPANY

## INFORMATION BULLETIN JANUARY 2010

### RENEWABLE ENERGY INVESTMENT OPPORTUNITIES in Bulgaria

Monday, January 25, 2010

Offered and mandated by

**Bulgarian Business Brokers OOD**  
part of Bulgarian Business Consultants AD

#### Acquisition of Solar Photovoltaic Projects with an Option for Establishment of Joint Ventures

##### 1. ACQUISITION OF/EQUITY IN A SOLAR PHOTOVOLTAIC PROJECT



<b>Location:</b>	Central Bulgaria
<b>Capacity:</b>	60 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement (PPA) with NEC
<b>Investment Type:</b>	100% buyout or establishment of joint venture

##### Overview:

- All documents obtained including a Preliminary Power Purchase Agreement with NEC
- Expecting building permit
- Investors have the option to fully purchase the project or establish a joint venture with the current owners, provided that the latter remain in the newly created company with at least 40% stake
- Current owners /construction industry professionals/ have established unmatched reputation and long-term relations in the construction field, which will be beneficial during the construction and installation stages

Source: **Business Partner**

##### 2. ACQUISITION OF/EQUITY IN SOLAR PHOTOVOLTAIC PROJECTS /4.9 + 4.5 + 4.5 + 4.5 MW/



<b>Location:</b>	Central Bulgaria
<b>Capacity:</b>	18.4 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Obtained Building Permit
<b>Investment Type:</b>	100% acquisition of the projects /separately or together/ or establishment of joint venture

##### Overview:

- All documents obtained including a Preliminary Power Purchase Agreement with NEC and a building permit
- Investors have the option to fully purchase the projects or establish a joint venture with the current owners, provided that the latter remain in the newly created company with at least 40% stake
- Current owners /construction industry professionals/ have established unmatched reputation and long-term relations in the construction field, which will reduce overall construction and installation costs

Source: **Business Partner**

### 3. ACQUISITION OF/EQUITY IN A SOLAR PHOTOVOLTAIC PROJECT



<b>Location:</b>	Northern Bulgaria
<b>Capacity:</b>	100 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€110 000 per MW /95% stake/</u></b>
<b>Stage of Development:</b>	Gathering necessary licenses
<b>Investment Type:</b>	95% acquisition or establishment of joint venture

#### Overview:

- *Established Detailed Regulation Plan payable to the respective parties*
- *In order to obtain Preliminary Power Purchase Agreement from the National Electric Company (NEC), one pending expense must be covered by the interested investment party*
- *Approximately €500 000 /including the abovementioned expenses/ are necessary to reach the phase of signing a Preliminary Power Purchase Agreement with NEC*
- *Current owners can provide interested investors with contractual guarantee: provided that investors dedicate the above mentioned capital of €500 000, the project can reach the stage of signing a PPA with NEC*

Source: **Business Partner**

### 4. JOINT VENTURE IN A SOLAR PHOTOVOLTAIC PROJECT



<b>Location:</b>	Northern Bulgaria
<b>Capacity:</b>	11.4 MWp
<b><u>Total Investment Cost:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Gathering necessary licenses
<b>Investment Type:</b>	Financial investor to acquire 51% of the share capital

#### Overview:

- *Approved Detailed Regulation Plan; all permissions received from the responsible state and municipal institutions; "Visa for Design" currently expected*
- *Preliminary principal agreement with one of the biggest banks in Bulgaria for financing through credit in the amount of 75% of the investment cost*
- *Payback period within 8 years*
- *Revenues as to business plan forecasts: approximately €5 000 000 annually*

Source: **Business Partner**

## Acquisition of Solar Photovoltaic Projects

### 5. ACQUISITION OF A TURNKEY SOLAR PHOTOVOLTAIC PROJECT



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	47 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€3.3 mln per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement with NEC
<b>Investment Type:</b>	100% acquisition

### Overview:

- Owners seek investor/s, who is/are interested in purchasing a **TURNKEY** solar project
- Financing for and establishment of the project are supported by current owners against a bank guarantee presented by the interested party
- The bank guarantee must clearly show that the investor/s has/have the required amount to purchase the project once it is fully complete and operative; bank guarantee is also necessary for current owners to obtain financing and complete the solar park
- 72-hour samples taken
- Company owned land plots

Source: **Business Partner**

### **6. ACQUISITION OF A SOLAR PHOTOVOLTAIC PROJECT**



<b>Location:</b>	Central Bulgaria
<b>Capacity:</b>	45 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage:</b>	Obtained Building Permit
<b>Investment Type:</b>	Purchase of the project

### Overview:

- All documents obtained including a Preliminary Power Purchase Agreement /with an electric distribution company/ and a building permit
- The project consists of two locations /20 + 25 MW/ but they can be purchased only together
- The locations are within a very close proximity to one another
- Company owned land plots

Source: **Business Partner**

### **7. ACQUISITION OF A SOLAR PHOTOVOLTAIC PROJECT**



<b>Location:</b>	Southeastern Bulgaria
<b>Capacity:</b>	75 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Ready to sign a Preliminary Power Purchase Agreement with NEC
<b>Investment Type:</b>	Purchase of the project

### Overview:

- All documents prior to obtaining a Preliminary Power Purchase Agreement with NEC are obtained
- The project consists of two adjacent locations /25 + 50 MW/ but they can be purchased only together
- Vested ownership and building rights on the land plots for an indefinite period of time

Source: **Business Partner**

## 8. ACQUISITION OF A SOLAR PHOTOVOLTAIC PROJECT



<b>Location:</b>	Southern Bulgaria
<b>Capacity:</b>	100 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€160 000 per MWp</u></b>
<b>Stage of Development:</b>	Ready to sign a Preliminary Power Purchase Agreement (PPA) with NEC
<b>Investment Type:</b>	Purchase of the project

### Overview:

- Preliminary Power Purchase Agreement /PPA/ with NEC not yet signed /expected signing date within 2 months/
- Current owners may sign a conditional contract with interested investors upon the latter's request /covenant to include the acquisition of all necessary documents up until the phase of obtaining a building permit/
- Company owned land plots
- Distance to power substation is negligible: substation is located within the land plot premises

Source: **Business Partner**

## 9. ACQUISITION OF SOLAR PHOTOVOLTAIC PROJECTS /15 + 5 MWp/



<b>Location:</b>	Southeastern Bulgaria
<b>Capacity:</b>	15+5 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€180 000 per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement with the Electric Distribution Company (EDC)
<b>Investment Type:</b>	Purchase of the projects separately or together

### Overview:

- Preliminary Power Purchase Agreement with one of the major electric distribution companies (EDC) in Bulgaria
- Company owned land plots for each separate project
- Established integrated energy audit
- Single locations for each separate project

Source: **Business Partner**

## 10. ACQUISITION OF SOLAR PHOTOVOLTAIC PROJECTS /4 + 3 + 3 MWp/



<b>Location:</b>	Southern Bulgaria
<b>Capacity:</b>	4 + 3 + 3 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€180 000 per MWp</u></b>
<b>Stage:</b>	Signed Preliminary Power Purchase Agreement with EVN Bulgaria (EDC)
<b>Investment Type:</b>	Purchase of the projects separately or together

OUR BUSINESS IS SELLING & BUYING BUSINESSES

**Overview:**

- All documents obtained including a Preliminary Power Purchase Agreement with EVN Bulgaria
- Distances to power substation: (60-150 meters)
- Distances to highways and power transmissions: (0-180 meters)

Source: **Business Partner**

**11. ACQUISITION OF SOLAR PHOTOVOLTAIC PROJECTS /5 + 5 MWp/**



<b>Location:</b>	Southeastern Bulgaria
<b>Capacity:</b>	5 + 5 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€180 000 per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement with the EDC
<b>Investment Type:</b>	Purchase of the projects separately or together

**Overview:**

- All documents obtained including a Preliminary Power Purchase Agreement with the EDC
- Integrated audit /based on First Solar modules and SMA inverters/
- Company owned land; adjacent plots

Source: **Business Partner**

**Acquisition of Wind Energy Projects**

**12. EXCLUSIVE OFFER – PURCHASE OF A WIND ENERGY PROJECT /4 + 4 MW/**



<b>Location:</b>	Northeastern Bulgaria /2 locations/
<b>Capacity:</b>	8 MWp /4 x 2 MW/, 4 MW per location
<b><u>Asking Price:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development for the 3 MW project:</b>	Location 1 - Building Permit obtained Location 2 - Building Permit to be obtained
<b>Investment Type:</b>	Acquisition of the project

**Overview:**

- Technology planned: Vestas V90-2MW (optional)
- Non-binding offer for delivery of turbines available from Vestas A/S

Source: **Business Partner**

**13. EXCLUSIVE OFFER – ACQUISITION OF A WIND ENERGY PROJECT**



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	47.7 MWp /23 x 2 MW; 2 x 850 kW/
<b><u>Asking Price:</u></b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Initial Stage
<b>Investment Type:</b>	Acquisition of the project

**Overview:**

- *Technology planned: Vestas V90-2MW; V52-850kW (optional; other alternatives may be considered)*
- *Land spots acquired*
- *Connection to 110 kV NEC gridline (approval obtained)*
- *Environmental study on the way*

Source: **Business Partner**

**14. ACQUISITION OF A WIND ENERGY PROJECT**



<b>Location:</b>	Southern Bulgaria
<b>Capacity:</b>	17 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€150 000 per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement with the EDC
<b>Investment Type:</b>	Purchase of the project

**Overview:**

- *All documents obtained including a Preliminary Power Purchase Agreement with the EDC*
- *Profitability, output, and technical capability reports and analyses – not yet established*
- *Distance from power substation: 200 meters*
- *Company owned land plots*

Source: **Business Partner**

**15. ACQUISITION OF A WIND ENERGY PROJECT**



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	18.9 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€150 000 per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement (PPA)
<b>Investment Type:</b>	Purchase of the project

**Overview:**

- *All documents obtained including a Preliminary Power Purchase Agreement with the EDC*
- *Investors' selection of turbines is necessary to acquire building permit*
- *Certificate of anemometer calibration*
- *Hours produced energy per 1 MW per day – 2300h.*

Source: **Business Partner**

**16. ACQUISITION OF A WIND ENERGY PROJECT**



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	120 + 10 MWp
<b><u>Tentative Valuation:</u></b>	<b><u>€150 000 per MWp</u></b>
<b>Stage of Development:</b>	Signed Preliminary Power Purchase Agreement with the EDC
<b>Investment Type:</b>	Purchase of the project

**Overview:**

- All documents obtained including a Preliminary Power Purchase Agreement with the electric distribution company for the 10 MW project
- In the process of doing an audit measuring wind speed
- Company owned land plots

Source: **Business Partner**

## Acquisition of Established Power Plants

### 17. ACQUISITION OPPORTUNITY – OPERATIONAL WIND FARM FOR SALE



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	2.4 MW /4 x 600 kW/
<b>Asking Price:</b>	<b><u>Undisclosed</u></b>
<b>Stage of Development:</b>	Operational Wind Park
<b>Investment Type:</b>	100% buyout

**Overview:**

- Technology used: Vestas V44-600KW
- Start of operations: January 2007

Source: **Business Partner**

### 18. EXCLUSIVE OFFER: ACQUISITION OF AN ESTABLISHED WIND PLANT WITH OPPORTUNITY FOR EXPANSION



<b>Location:</b>	Northeastern Bulgaria
<b>Capacity:</b>	2 MW /4 x 500 kW/+ project for additional 12 MW
<b>IRR/Payback Period:</b>	<b><u>6.77 years /2 MW existing plant/ 10.24 years /2MW +12MW expansion/</u></b>
<b>Asking Price:</b>	<b><u>€3 100 000 /price includes existing plant and the expansion project/</u></b>
<b>Stage of Development:</b>	Preliminary Power Purchase Agreement obtained
<b>Investment Type:</b>	Acquisition of both the plant and expansion project

**Overview:**

- The existing wind farm consists of four used wind turbines, installed and operative (4 x 0.5 MWp)
- Existing wind turbine brands: 2 Nordtank (NT41) and 2 Vestas (V39).
- Planned expansion and dedicated land (110 decares) supporting up to 12 MW expansion /6 separate locations supporting 2 MW each/
- All licenses for the aforementioned expansion obtained including Preliminary Power Purchase Agreement with the EDC
- Building permit can be obtained for the 12 MW expansion within several months of investor's selection of wind turbines
- Site verification, wind data evaluation, and long-term correlation analysis performed
- Company owned land

Source: **BGGB**



## 19. EXCLUSIVE OFFER – OPPORTUNITY FOR ACQUISITION OF A SOLAR PLANT WITH PLANNED EXPANSION



<b>Location:</b>	Southwestern Bulgaria
<b>Capacity:</b>	1 MW /+ possibility for 3 MW expansion/
<b>IRR/Payback Period:</b>	<b>10.67% /1MW Existing + 3MW Expansion/</b>
<b>Asking Price:</b>	<b>Undisclosed</b>
<b>Stage of Development for the 3 MW project:</b>	Gathering necessary licenses
<b>Investment Type:</b>	Acquisition of both the plant and expansion project

### Overview:

- *The Asking Price includes a construction lease over a land spot suitable for the expansion. It could be deducted from the price if the prospective buyer does not intend to expand the plant any further*
- *Technology used in existing solar plant:*
  - *Modules: Kaneka K75 (a-Si); Inverters: SMC 6000A*
- *Total installed capacity of approximately 1 MW covers a municipal land with total area of 55 decares*
- *Power Purchase Agreement signed with CEZ Electro Bulgaria JSC*
- *Operational since March 2009*

Source: **Business Partner**

## Acquisition of Biofuel Installations

### 20. STRATEGIC ACQUISITION OPPORTUNITY: BIODIESEL INSTALLATION



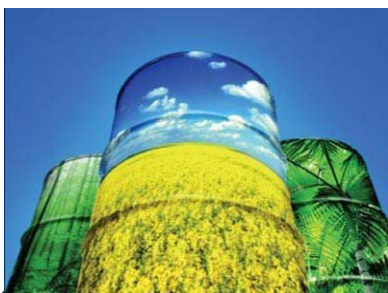
<b>Location:</b>	Bulgaria
<b>Sector:</b>	Biodiesel
<b>Staff:</b>	12 full-time
<b>Capacity:</b>	<b>20 000 tons/year</b>
<b>Asking Price:</b>	<b>€9 000 000</b>
<b>Investment Type:</b>	Acquisition of 100% of the Company's shares or majority stake

### Overview:

- *Completely automated installation in excellent condition*
- *The installation is not producing but is fully maintained and may become operational immediately*
- *The capacity is around 20 000 tons per year; no additional investments are needed in PPE*
- *Capacity can be expanded by 30 000 - 60 000 tons*
- *The market price of the assets justifies the asking price*
- *The company has no outstanding liabilities*

Source: **BGGB**

### 21. STRATEGIC ACQUISITION OPPORTUNITY: BIODIESEL INSTALLATION



<b>Location:</b>	Bulgaria
<b>Industry:</b>	Biodiesel
<b>Staff:</b>	NA
<b>Current capacity:</b>	<b>10 000 liters/day</b>
<b>Asking Price:</b>	<b>€3 000 000</b>
<b>Investment Type:</b>	Acquisition of up to 100% of the Company's shares

OUR BUSINESS IS SELLING & BUYING BUSINESSES

#### **Overview:**

- *The installation can produce all of the following products without additional investments:*
  - *Vegetable oil (i.e. sunflower seed oil) for end-consumers*
  - *Processing of sunflower and/or rape (rape(seed), colza, coleseed) for biodiesel*
  - *Production of fuel supplements (bottled), capable of decreasing fuel consumption with an average of 15% for all types of engines (gasoline, diesel, natural gas)*
  - *Potential for building bioethanol factory on the same land plot*
- *The installation is fully maintained and would require 1 month to become operational*
- *The investment proposal includes all equipment, licenses, certificates, and staff*
- *The installation's warehouse is licensed by the Bulgarian Customs Agency, thus allowing the company to export its products to all EU member states*
- *The company is a member of the Bulgarian Association for Biofuels*

Source: **Business Partner**

## **RENEWABLE ENERGY INVESTMENTS WANTED**

### **Early-stage Photovoltaic and Solar Power Generation Plants:**

Investment Company provides financing under favorable conditions and high class equipment to projects until they become fully operational.

### **Hydro-electric Power Plants**

---

**For further information please visit our website or contact us directly:**  
[\*\*www.BGBusinessConsultants.com\*\*](http://www.BGBusinessConsultants.com)

**Daniel Petrov**  
**Investment Manager**  
[DPetrov@BGBusinessConsultants.com](mailto:DPetrov@BGBusinessConsultants.com)

96 Tsar Aasen Str.  
Sofia 1463

**Dimitar Dimitrov**  
**Investment Manager**  
[DDimitrov@BGBusinessConsultants.com](mailto:DDimitrov@BGBusinessConsultants.com)

[Office@BGBusinessConsultants.com](mailto:Office@BGBusinessConsultants.com)  
[www.BGBusinessConsultants.com](http://www.BGBusinessConsultants.com)

This material has been issued by Bulgarian Business Brokers OOD, part of Bulgarian Business Consultants AD  
For further information please refer your inquiries to Daniel Petrov at [DPetrov@BGBusinessConsultants.com](mailto:DPetrov@BGBusinessConsultants.com),  
Dimitar Dimitrov at [DDimitrov@BGBusinessConsultants.com](mailto:DDimitrov@BGBusinessConsultants.com), or call us at +3592 953 41 34.