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ACTIVITY REPORT

File no. 24456/3/2012

October 2012

Legal administrator

EURO INSOL SPRL

By practitioner coordinator

*Attorney at law Dr.
Remus Adrian Borza*

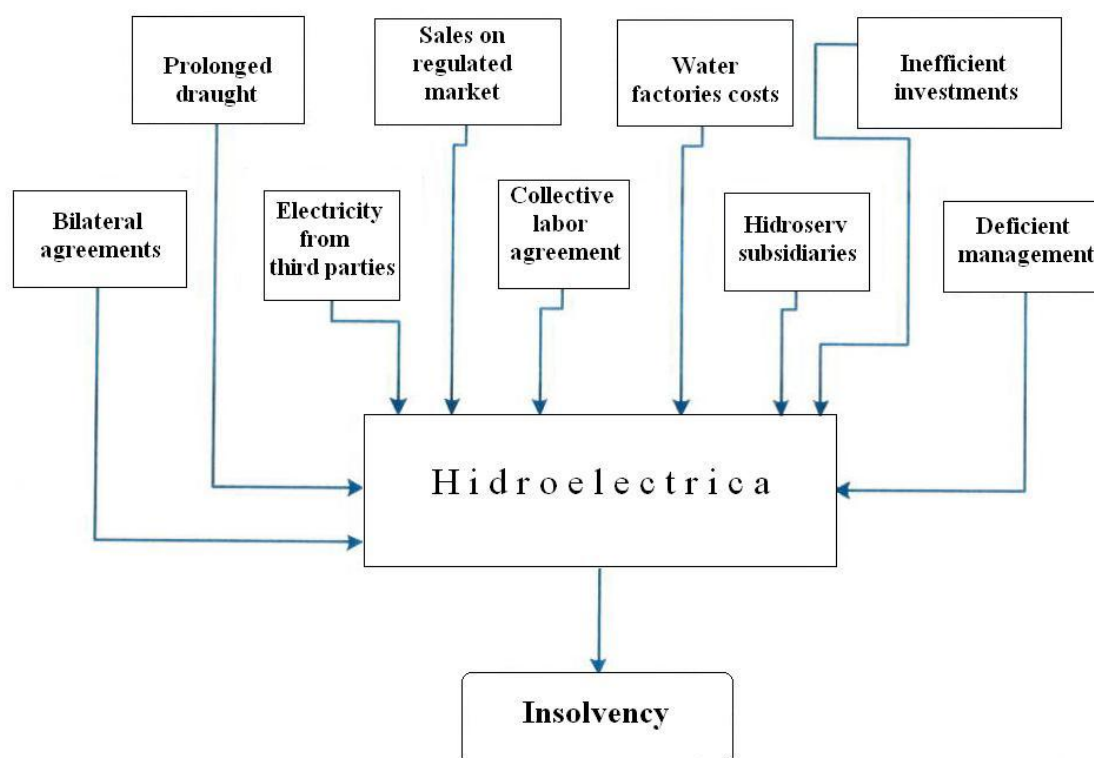
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I. Brief history

The Bucharest Law Court, by the Civil Section VII, after concluding session delivered on 20.06.2012 in file 22456/3/2012, has ordered the opening of general insolvency proceedings under the Law 85/2006, with subsequent amendments and appointed as company's legal administrator, the Euro Insol SPRL company, following a request made by the debtor, Company for generating electricity to hydropower plants "Hidroelectrica" SA, with headquarters in Bucharest, sector 2, 3 Constantin Nacu Street, fiscal identification number 13267213, registered at the Trade Register under number J40/7426/2000,

After drafting the Report regarding causes and circumstances that led to the emergence of company's insolvency, a complex and multidisciplinary report has been completed and submitted to the file on 10 august 2012, where the legal administrator's conclusions have revealed nine causes for company's insolvency:



During August and September 2012, the legal administrator has adopted a series of measures leading to performance of the following purposes:

- **Minimizing Company's loss.** Legal administrator has considered some line of actions materialized mainly through: identifying the sources of losses and stopping them and renegotiating contracts with all partners - customers, suppliers of products and services, establishing clear policies for purchases (electricity, products, and services). In this regard, the contracts for purchase of electricity from thermal power producers (Electrocentrale Deva and Paroşeni) have been terminated, because purchase prices were much higher than the ones Hidroelectrica applies within the sales contracts;
- **Maximizing company's revenues.** Legal administrator has analyzed selling prices in bilateral contracts for electricity in relation to prices obtainable on OPCOM and intervened with the necessary corrections by renegotiating/termination of supply contracts, and sale of redundant energy on competitive market.
- **Ensuring continuity in the functioning of the company,** without affecting production processes. The legal administrator has reorganized company's activities designed to increase the operational and commercial efficiency of the debtor. Also set new circuits for approving documents so that the steps required (for necessary papers, procurement procedures, orders, and contracts) should be made within a reasonable time, eliminating bureaucracy. To ensuring proper control of financial and economic activity of the debtor was decided to assign right for bank signature to one person - the legal administrator - and established ban on company accounts and operations of its subsidiaries without approval.
- **Legal action for insolvency proceedings,** consisting in preparing and presenting the preliminary table with claims, organizing the first meeting of creditors, preparing reporting activity under Law no. 85/2006.

Each of the measures and actions taken are described in detail in the EURO Insol Activity Report for September, submitted to file on 12.10.2012 and published in the Bulletin of Proceedings of Insolvency or on site www.euroinsol.eu.

II. SUMMARY OF CURRENT ACTIVITIES

For the period covered by this report, Euro Insol SPRL, legal administrator has continued with actions that have commenced in previous months, with the main purpose of reducing losses, organizing and streamlining internal processes and procedures to ensure a better operational and commercial functioning in order to create the premises for debtor's economic recovery.

A. Operational Measures:

- Establish clear sale policies on the competitive market and establishing the principles for tendering and contracting electricity for year 2013.
- Continuing economic and financial recovery measures, mainly by identifying the sources that generate losses and stopping them, renegotiating contracts with all partners, clients and suppliers of products and services in order to reduce pressure on operating expenses and therefore reducing payment flows, while the debtor returns have fallen significantly due to lower production amid severe drought;
- Working visits in all Hidroelectrica subsidiaries, where were analyzed: the processes of achieving electricity production, maintenance programs ongoing with Hidroserv subsidiaries, personnel structure and investment programs.
- Managing financial resources of the debtor without affecting production processes.

B. Procedural Actions for insolvency.

- Activities of corporate governance. Convening General Meeting of Shareholders to decide regarding level of competence of the forum
- Convening Creditors Committee to decide regarding on measures of competence of that body
- Prepare to defend Hidroelectrica in a number of 74 complaints brought by creditors against preliminary table.
- Disputes settled during the activity report.

III. DESCRIPTION OF ACTIVITIES

A. Operational measures applied by the legal administrator

1. Establish clear policies for the sale of energy and determination of market competition for tendering and contracting principles of electricity for year 2013.

From August to October 2012, the legal administrator ordered comprehensive analysis of both the possibilities of producing electricity from hydro sources (based on long-term forecasts issued by ANAR - INHGA) and the evolution of the main indicators of Wholesale Market Electricity.

In this way, were determined the principles and strategy elements for tendering and contracting electricity for contract year 2013.

Principles applied in contracting power available on the market managed by OPCOM in 2013

1. Establishing packages offer for PCCB OPCOM, depending on the estimated production program (quantity and profile production schedule) **to ensure a balanced daily operation of hydropower groups without discharge of debts in times of "empty" periods, Saturdays, Sundays and other holidays or periods with high hydraulicity;**

2. Establishing offer packages for PCCB OPCOM **without purchasing electricity from other sources, except for sources** whose purchase price is **below cost hydro adopted budget for 2013** (eg certain times of NDM, contracts like the one conducted by with OMV Petrom whose electricity purchase price was 67 RON/ MWh);

3. Establishing offer packages for CMBC OPCOM prudently, **taking into account estimated to be delivered on the Balancing Market as a result of the provisions of the National Dispatcher, plus the reserve of aprox. 30% of the amount available;**

4. Analysis of weekly estimates of the quantities produced and contracted towards the forecasts updated received from ANAR.

In terms of favorable and credible weather forecasts, **supplementation of packages with delivery in future on short periods (1-3 calendar months) due to 'visibility' hydraulic development, by ensuring normal operation of hydropower groups during night time, on Saturdays, Sundays and other holidays, these packages may have additional delivery** profile only in "peak" hours, namely interval 7-22;



5. Additional quantities produced under conditions of high hydraulicity related to short periods (generally less than 30 days), which could not be predicted in time to promote the PCCB OPCOM offer packages, will be sold on new market UTC, what will be available in 2013 or on Next Day Market – NDM;
6. To maximize the sale price obtained from additional quantities, defining elements of these offers will be proposed and approved by the competent person (legal administrator, general manager and special administrator), after analyzing the electricity market at that time (demand / supply ratio of the market prices obtained by other bidders PCCB delivered quantities linear load or peak prices of NDM, etc.)

Elements that define the strategy related electricity sales in 2013 are the followings:

1. Amount available for the year 2013, estimated at the date of this report is 3,036,000 MWh;
2. Selling / offering a quantity of 1,824,000 MWh (aprox. 60% of the 3,036,000 MWh) in 2012 for contract year 2013, PCCB OPCOM offered in Linear deliver packages of 5 MW, 10 MW and 20 MW, with delivery periods that may vary in accordance with the monthly distribution amount, estimated from the total available.
3. Introduction in offers a collection of solutions in advance, as follows: 50% in advance at the time of adjudication package / contract signature, the difference of 50% per invoice within 5 days from financial regulation after the month of delivery;
4. The difference of 1,200 GWh - available quantity estimated at the date of this report, will be available in the next period on PCCB and OTC platforms managed by OPCOM, in short term packages (1 week - 3 months) depending on the degree of filling the lakes, the amount that is transferred as an obligation on the regulated market, hydrological forecasts and hydro-power plants operational situation. If quantities will be available that do not match PCCB and OTC requirements, they will be sold on NDM;
5. In achieving the above, Hidroelectrica will purchase electricity only from the NDM and only at maximum price equal to the average cost of production registered in 2013 Budget.

In applying the above, in October 2012, 35 packages for supply electricity sales for 2013 have been defined, and are published on the website PCCB – OPCOM, and the period of auction will be 30.10.-11.05.2012.



The total quantity of 1,800,000 MWh was distributed in 35 offer packages, supplied in time linear system with hourly output of 5 MW, 10 MW and 20 MW, the different time periods depending on monthly quantities available.

The proposed method of payment is **50% advance of the total bid within 5 days from concluding the financial contract** and the balance payable monthly, on adjustment invoice, within 5 days from the end of each financial month of the contract.

Proposed starting price is 220 RON / MWh, including the injection transport network - Tg, and excluding VAT.

Package offers to be sold on PCCB - OPCOM – acutons 4th semester 2012 and deliver in 2013

No.	2013 Available quantity	GWh												TOTAL
		Jan 6	Feb 40	Mar 225	Apr 554	May 657	Jun 494	Jul 381	Aug 194	Sept 146	net 55	Nov 92	Dec 192	
1	5 MW - linear	3.72	3.36	3.72	3.6	3.72	3.6	3.72	3.72	3.6	3.72	3.6	3.72	43.8
2	5 MW - linear	3.72	3.36	3.72	3.6	3.72	3.6	3.72	3.72	3.6	3.72	3.6	3.72	43.8
3	5 MW - linear		3.36	3.72	3.6	3.72	3.6	3.72	3.72	3.6	3.72	3.6	3.72	40.08
4	5 MW - linear		3.36	3.72	3.6	3.72	3.6	3.72	3.72	3.6	3.72	3.6	3.72	40.08
5	5 MW - linear		3.36	3.72	3.6	3.72	3.6	3.72	3.72	3.6	3.72	3.6	3.72	40.08
6	10 MW - linear		6.72	7.44	7.2	7.44	7.2	7.44	7.44	7.2	7.44	7.2	7.44	80.16
7	10 MW - linear		6.72	7.44	7.2	7.44	7.2	7.44	7.44	7.2	7.44	7.2	7.44	80.16
8	10 MW - linear		6.72	7.44	7.2	7.44	7.2	7.44	7.44	7.2	7.44	7.2	7.44	80.16
9	20 MW - linear			14.88	14.4	14.88	14.4	14.88	14.88	14.4	14.88	14.4	14.88	146.88
10	20 MW - linear			14.88	14.4	14.88	14.4	14.88	14.88	14.4	14.88	14.4	14.88	146.88
11	5 MW - linear			3.72	3.6	3.72	3.6	3.72	3.72	3.6				25.68
12	5 MW - linear			3.72	3.6	3.72	3.6	3.72	3.72	3.6				25.68
13	5 MW - linear			3.72	3.6	3.72	3.6	3.72	3.72	3.6				25.68
14	10 MW - linear			7.44	7.2	7.44	7.2	7.44	7.44	7.2				51.36
15	10 MW - linear			7.44	7.2	7.44	7.2	7.44	7.44	7.2				51.36
16	10 MW - linear			7.44	7.2	7.44	7.2	7.44	7.44	7.2				51.36
17	20 MW - linear			14.88	14.4	14.88	14.4	14.88	14.88	14.4				102.72
18	20 MW - linear			14.88	14.4	14.88	14.4	14.88	14.88	14.4				102.72
19	20 MW - linear			14.88	14.4	14.88	14.4	14.88	14.88	14.4				102.72
20	5 MW - linear			3.72	3.6	3.72	3.6	3.72	3.72					22.08
21	5 MW - linear			3.72	3.6	3.72	3.6	3.72	3.72					22.08
22	10 MW - linear			7.44	7.2	7.44	7.2	7.44	7.44					44.16

23	10 MW - linear			7.44	7.2	7.44	7.2	7.44	7.44					44.16
24	5 MW - linear				3.6	3.72	3.6	3.72						14.64
25	5 MW - linear				3.6	3.72	3.6	3.72						14.64
26	5 MW - linear				3.6	3.72	3.6	3.72						14.64
27	5 MW - linear				3.6	3.72	3.6	3.72						14.64
28	10 MW - linear				7.2	7.44	7.2	7.44						29.28
29	10 MW - linear				7.2	7.44	7.2	7.44						29.28
30	10 MW - linear				7.2	7.44	7.2	7.44						29.28
31	10 MW - linear				7.2	7.44	7.2	7.44						29.28
32	20 MW - linear				14.4	14.88	14.4	14.88						58.56
33	20 MW - linear				14.4	14.88	14.4	14.88						58.56
34	20 MW - linear				14.4	14.88	14.4	14.88						58.56
35	20 MW - linear				14.4	14.88	14.4	14.88						58.56
	TOTAL OFFERS	7.44	36.96	171.12	266.4	275.28	266.4	275.28	171.12	144	70.68	68.4	70.68	1823.76

2. Continuation of economic and financial recovery measures, mainly by identifying the sources that generate losses and stopping them, renegotiating contracts with top partners, clients and products suppliers and services in order to reduce pressure on costs and hence reduce operational flows, while the debtor returns have fallen significantly due to lowering of production amid severe drought.

Due to the activities of the legal administrator regarding reduction after renegotiation, the amount for remaining works from contracts in progress and the opening of insolvency proceedings until October 31, 2012 **resulted in total savings in value of 217,423,809 RON** out of which:

- **From investment funds: 114,444,826 RON**
- **Maintenance funds: 88,747,276 RON**
- **Other funds: 14,231,707 RON**

Thus, the total reduction is summarized in the tables below as follows:

Subsidiary	No. of contracts	Initial value	Value of remaining works	Value of discount	Final value
HE Plant	20	28,020,226	7,256,154	984,285	27,035,940
HS Bistrița	54	663,766,662	607,833,615	62,909,120	600,857,543
HS Buzău	19	317,653,034	280,173,653	18,536,525	299,116,509
HS Caransebeș	24	300,454,127	242,611,436	14,082,700	286,371,427
HS Cluj	29	536,829,757	456,004,172	25,102,268	509,512,061
HS Curtea de Argeș	58	97,065,630	27,827,332	5,537,169	91,528,461
HS Hațeg	46	291,841,919	212,177,911	17,115,559	274,726,361
HS Oradea	21	92,318,141	78,621,320	28,229,442	64,088,699
HS Porțile de Fier	21	104,321,152	40,711,402	11,188,502	93,132,648
HS Râmnicu Vâlcea	20	73,388,380	38,949,406	6,961,537	66,426,843
HS Sebeș	21	126,444,464	77,485,692	7,478,472	118,961,510
HS Sibiu	47	306,756,527	175,198,253	9,824,775	296,931,752
HS Slatina	16	63,014,837	19,440,200	7,131,760	55,883,078
HS Targu-Jiu	14	163,975,824	34,795,464	2,341,696	161,634,128
Total RON	410	3,165,850,679	2,299,086,008	217,423,809	2,946,206,957

a) Contracts from investing funds:

Subsidiary	No. of contracts	Initial value	Value of remaining works	Value of discount	Final value
HE Plant	7	14,103,201	3,138,360	460,737	13,642,464
HS Bistrița	27	587,010,746	548,165,295	38,210,919	548,799,827
HS Buzău	10	289,243,940	270,043,811	13,596,260	275,647,680
HS Caransebeș	14	288,568,842	235,441,893	11,832,276	276,736,566
HS Cluj	18	514,920,382	446,474,756	22,468,011	490,236,944
HS Curtea de Argeș	12	49,210,592	17,471,207	1,141,873	48,068,718
HS Hațeg	13	237,607,741	184,701,629	10,066,499	227,541,242
HS Oradea	8	39,715,616	37,916,083	2,460,123	37,255,493
HS Porțile de Fier	8	21,531,405	3,271,168	309,793	21,221,612
HS Râmnicu Vâlcea	3	20,042,453	3,958,076	197,903	19,844,550
HS Sebeș	10	104,242,393	64,881,956	3,919,846	100,322,547

Subsidiary	No. of contracts	Initial value	Value of remaining works	Value of discount	Final value
HS Sibiu	19	295,752,959	170,927,313	8,649,700	287,103,259
HS Slatina	7	22,220,020	4,702,445	276,642	21,943,378
HS Targu-Jiu	6	145,972,166	26,688,966	854,244	145,117,922
Total RON	162	2,630,142,455	2,017,782,958	114,444,826	2,513,482,201

b) Contracts from maintenance funds:

Subsidiary	No. of contracts	Initial value	Value of remaining works	Value of discount	Final value
HE Plant	1	414,413	414,413	41,441	372,972
HS Bistrița	5	64,784,025	47,888,064	21,402,785	43,381,240
HS Buzău	2	21,324,000	7,201,070	4,237,741	17,086,259
HS Caransebeș	5	11,689,313	7,003,866	2,235,768	9,453,545
HS Cluj	1	20,179,600	9,115,491	2,608,729	17,570,871
HS Curtea de Argeș	4	37,060,284	7,471,888	3,005,109	34,055,175
HS Hațeg	2	51,826,632	26,179,200	6,857,723	44,968,910
HS Oradea	4	35,415,011	27,321,917	20,598,575	14,816,436
HS Porțile de Fier	5	76,146,821	34,307,889	10,595,728	65,551,090
HS Râmnicu Vâlcea	1	43,187,987	25,940,637	5,109,551	38,078,436
HS Sebeș	2	14,227,364	9,175,921	3,077,067	11,150,297
HS Sibiu	2	9,654,105	3,264,082	1,059,064	8,595,041
HS Slatina	2	38,750,000	13,438,720	6,516,000	32,234,000
HS Targu-Jiu	1	16,800,000	7,311,113	1,401,994	15,398,006
Total RON	37	441,459,555	226,034,271	88,747,276	352,712,277

c) Other funds:

Subsidiary	No. of contracts	Initial value	Value of remaining works	Value of discount	Final value
HE Plant	12	13,502,612	3,703,381	482,107	13,020,504
HS Bistrița	22	11,971,892	11,780,256	3,295,416	8,676,476
HS Buzău	7	7,085,094	2,928,771	702,524	6,382,570
HS Caransebeș	5	195,972	165,677	14,656	181,316



HS Cluj	10	1,729,774	413,925	25,528	1,704,246
HS Curtea de Argeș	42	10,794,754	2,884,236	1,390,186	9,404,568
HS Hațeg	31	2,407,546	1,297,082	191,337	2,216,209
HS Oradea	9	17,187,515	13,383,320	5,170,744	12,016,770
HS Porțile de Fier	8	6,642,926	3,132,344	282,980	6,359,946
HS Râmnicu Vâlcea	16	10,157,940	9,050,693	1,654,083	8,503,857
HS Sebeș	9	7,974,707	3,427,815	481,559	7,488,666
HS Sibiu	26	1,349,463	1,006,858	116,012	1,233,452
HS Slatina	7	2,044,818	1,299,035	339,118	1,705,700
HS Targu-Jiu	7	1,203,658	795,385	85,458	1,118,200
Total RON	211	94,248,669	55,268,779	14,231,707	80,012,479

These situations were obtained with centralized application "Reduction Addendums reduction" developed by Hidroelectrica at the request of the legal administrator, for better track of spending cuts, and due to this application have been registered data reduction contract value to all branches.

In this application was additionally introduced a section dedicated to other types of spending cuts, which come from reducing the value of commercial contracts, for example, necessary papers approved at a lower amount than required, reducing rents, various facilities, negotiating new contracts signed, etc. The total amount of these reductions at the date of this report is in value of of 363,593 RON.

Other reductions:

Subsidiary	No. of contracts	Initial value	Value of remaining works
HE Plant	763,982	584,459	179,523
HS Bistrița	70,000	55,097	14,903
HS Buzău	385,694	292,400	93,294
HS Curtea de Argeș	15,000	7,500	7,500
HS Hațeg	17,798	17,243	555
HS Oradea	66,600	50,400	16,200
HS Porțile de Fier	84,985	70,732	14,253
HS Râmnicu Vâlcea	88,848	79,963	8,885
HS Sebeș	57,705	46,445	11,260
HS Sibiu	26,537	22,826	3,711
HS Targu-Jiu	117,010	103,500	13,510
Total lei	1,694,159	1,330,566	363,593

d) Other actions to reduce debtor expenditures:

- 1) Making procurement procedures of Hidroelectrica annual program. After direct negotiation procedures were finally obtained reductions of at least 10% - 15% of the initial estimated value of purchases that
 - > Negotiations with SC ISPH SA for the following contracts:
 - contract „ Study on joint sealing solutions for hydraulic structures”
 - contract „Tariff study for the year 2013 for Hidroelectrica portfolio”
 - contract „Study of solution for connection to the National Power System CHEAP Tarnița Lapustesti, update 2012”
 - contract „Revision of general interest energetic prescription EP 112/1993 - normative design of DC ”
 - contract „Study on making progress analysis functions parameters to allow referral follow-risk situations ”
 - contract „ Documentation on the behavior synthesis hydraulic structures for 2012”
 - > Subsequent contract negotiations for the 2nd year framework agreement for "renting a printing and copying solution" concluded for 4 years with SC ROMSYS S.A.
- 2) Legal administrator's prior certification and approval, based on reports from Hidroelectrica headquarter, for drafting of tender documentation by Common Notes and Subsidiaries' Decisions regarding purchasing procedures within their annual programs under the procedures, decisions and internal rules available at this time.
- 3) Making centralized procurement of goods and services that meet the needs of all branches and follows the principles of transparency and fairness in selecting the best deals on trade and economic principles, as follows:
 - „Medical examination services to employees of SC Hidroelectrica SA" – opening date for offers 12.11.2012;
 - „Paper for Printers, Photocopiers and Plotters,, - opening date for offers 20.11.2012;
 - „Revaluation of tangible assets of private property of Hidroelectrica SA"- documentation introduced in SEAP, waiting for ANRMAP approval;
 - „ Audit for computer system of Hidroelectrica SA executively and subsidiaries" - contract to be signed by provider ;
- 4) Documentation is being prepared to make purchases at centralized level for the following purchases of goods and services:

- Cleaning
- Paints and varnishes
- Lighting
- Vehicle maintenance and repair services
- Writing
- Tires
- Personal protective equipment
- Fire extinguishers
- Computer technology
- Medicines and medical supplies
- Water

5) Sale a number of 56 cars belonging to Hidroelectrica, executively and branches, by open outcry public auction, according to specifications. Date of first round of bids is 05.11.2012.

6) Centralized scheduling deliveries for executive-level HE contracts carried out by subsidiaries in respect of:

- Bulk heating oil and generator sets
- Fuel - vouchers,
- Mineral oils,
- meal vouchers

in this respect, all branches Hidroelectrica should send to the headquarters, until the 15th day of this month, necessary of the quantities of these products for the next month.

3. Visits to all Hidroelectrica branches, where were analyzed: electricity production, ongoing maintenance programs with Hidroserv subsidiaries, personnel structure and investment

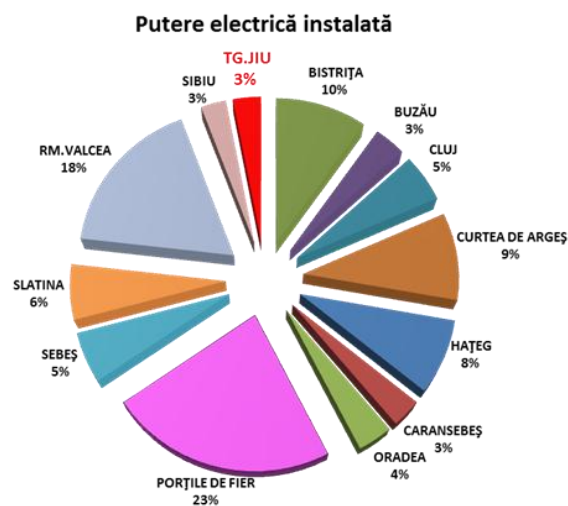
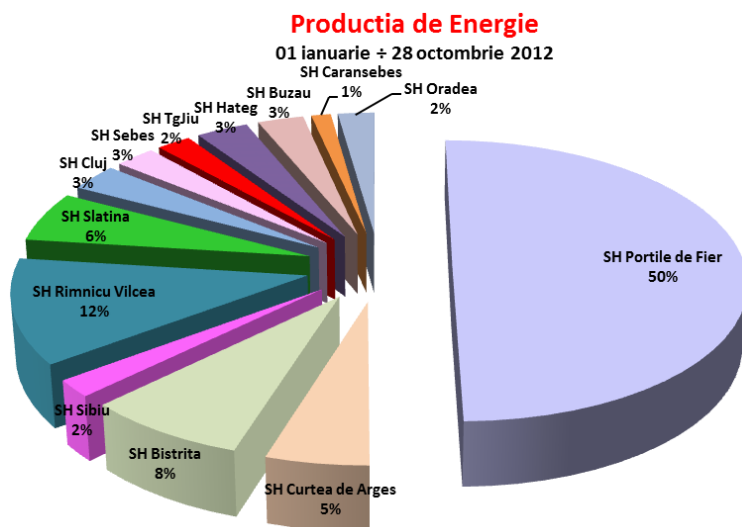
In October 2012, the legal administrator by Attorney at law Remus Borza, and Hidroelectrica CEO, Stefan Gheorghe continued the analysis started in Hidroelectrica subsidiaries.

Visits were conducted in the following subsidiaries: Târgu Jiu Hydropower Subsidiary, Porțile de Fier Hydropower Subsidiary, Cluj Hydropower Subsidiary, Oradea Hydropower Subsidiary, Sibiu Hydropower Subsidiary, Buzau Hydropower Subsidiary, Bistrița Hydropower Subsidiary, where were analyzed:

- Production of electricity;
- Ongoing maintenance programs with Hidroserv subsidiaries;
- Personnel structure;
- Investment Programs



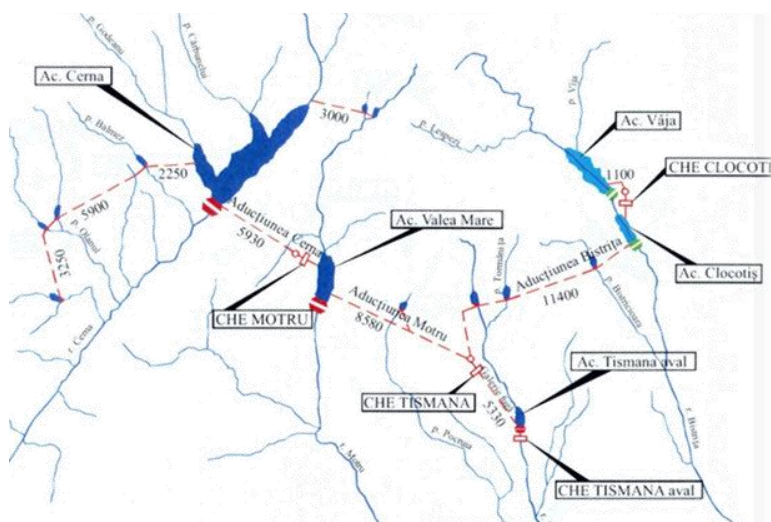
The share of each branch in the installed power and energy produced during 2012 is shown in the graphs below:



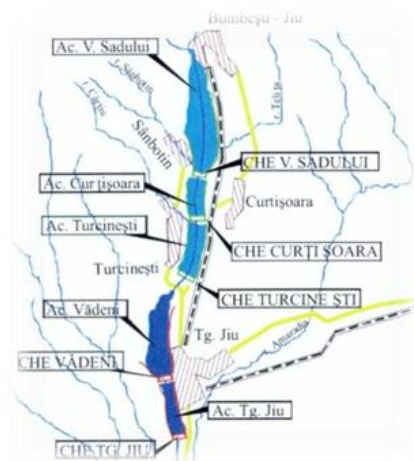
ANALYZE dates 05.10.2012 to HS Târgu Jiu

On October 5, 2012 Legal administrator together with Hidroelectrica General Manager attended a meeting to review the work performed in the Târgu Jiu Hydropower Subsidiary

Târgu Jiu Hydropower Subsidiary manages 5 HPP and 3 SHP and at different stages of implementation are:- Valea Sadului - Turcinești, 3 hydro: HPP Valea Sadului, Curtișoara and Turcinești, at different stages of completion, the investments being launched in 1989;- Livezeni - Bumbeshi Jiu 2 hydro: Dumitra HPP and Bumbeshi HPP, at different stages of completion, the investment was initiated in 2004;



Arranging Cerna – Motru – Tismana consists of 3 HPP and 2 SHPP with an installed power of 169,25 MW on 7 hydropower units.



Arranging Vădeni - Târgu Jiu consist of 2 HPP with an installed power of 23,6 MW on 6 hydropower units

Sohodol River Arranging. Suseni SHP is place on the right side of Șușița Seacă river, and is equipped with two Pelton turbines, manufactured by Voith, with an installed power IP = 115 KW.

Installed power at HS Târgu Jiu is of 192,966 MW representing 3% of Hidroelectrica installed power (IP), where 189,6 MW is installed in HPP on 11 hydropower units and 3,366 MW in SHP on 5 hydropower units.

In the 8 energetic objectives, between 01.01 - 28.10.2012 was produced the quantity of 213,423 GWh of the 9,98 TWh produced by Hidroelectrica.

It was also analyzed the state of completion of the following investment objectives:

1. Hydroelectric reservoir **on Jiu river on sector Livezeni - Bumbești**, approved by GD no. 10/2003 and declared investment object of public utility and national interest by GD no. 297/20 Sept 2006.

Hydroelectric reservoir **on Jiu River on sector Livezeni - Bumbești** fall in two steps, corresponding to the two hydro power plants of pass pressure type, located in the gorge of the Jiu River, junction between East Jiu and West Jiu and Bumbești city.

The two HPP are:

Dumitra HPP made up of the following main objectives:

- Dam weir type and Livezeni hydro reservoir, including a SHPP (Livezeni) left servitude flow downstream of the dam;
- Main adduction Livezeni - Dumitra, achieved through a long gallery pressure of 7 km;

- Dumitra over ground station which ends in a pool of tranquility and into the headrace gallery Bumbesti HPP.

Bumbesti HPP made up of the following main objectives:

- Adduction gallery Dumitra - Bumbesti, with a length of 12,5 km, which takes on route flows captured in secondary abstraction Dumitra and Bratcu;
- Adduction on Jiu River for flow difference between Livezeni pool and creek confluence with Dumitra;

HPP	Hbr (m)	Qi (mc/s)	IP (MW)	Em (GWh/year)	HA
HPP Dumitra	97,5	36	24,50	91	3x Francis v
SHPP Livezeni	11	2,7	0,14	1	EOS 500
HPP Bumbesti	154,8	36	40,50	167	3x Francis v

The scheme is presented below:



Percentage of physical stages to achieve the investment objective by stages is as follows:

- HPP Dumitra 75%
- HPP Bumbesti 60%

On the site were analyzed physical stages of: Livezeni Dam, Livezeni Underground settling vessel, Pressure node and Dumitra HPP, Pressure node and Bumbesti HPP.



Livezeni Dam– view of to the downstream energy dissipater

It was found an advanced stage of implementation of works related to HPP Dumitra (80%) where manufacturing equipment made by UCM Resita and Caromet Caransebes are completed at a rate of about 70%. The legal administrator has ordered measures to concentrate effort insurance by financial resources mainly on the first step so that HPP Dumitra (IP = 24.5 MW Em = 91 GWh / year) should be operational by the end of 2013.



HPP Dumitra

Jiu HEA on Valea Sadului – Vădeni sector, objective approved by Decree no.40/1989

Initial planning scheme, as approved by Decree, was designed as a facility with complex and multiple purposes designed to ensure:

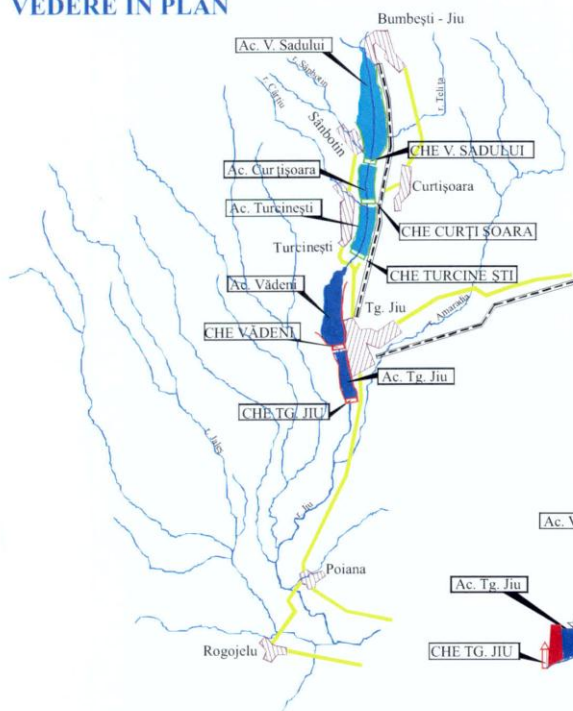
- Electricity production from renewable sources
- Providing water for irrigation to an area of 74,000 ha of agricultural land in the counties of Gorj and Dolj,
- Provide an additional flow of 7.5 cm / sec for water supply of settlements and industrial and economic objectives on the Lower Jiu
- Protection against flooding of settlements, economic objectives and ways of communications in the area, for which the accumulation of protective expected volume is of 62 thousand cubic meters
- Ensure settling and sedimentation of suspensions transported on Jiu River from coal mines of Petroșani coal basin area.

Sector between Sambotin upstream and Turcinești downstream measures 16 km in length and makes a crude falls of 84 m is expected to be arranged by three hydropower plants.

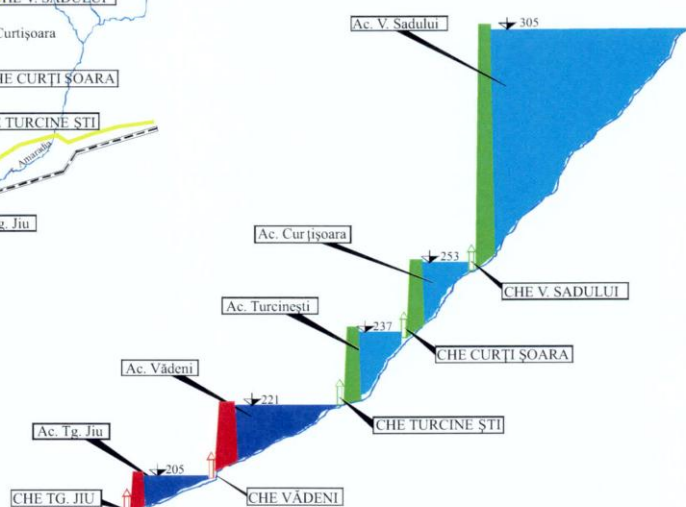
According to the act of approval:

HPP	Qi (mc/s)	H brut (m)	PI (MW)	Em (GWh/year)	HA	NNR (mdM)
HPP Valea Sadului	2 x 45	27	35	85	2 x Francis v	305
HPP Curtișoara	2 x 45	16	11	27	2 x Kaplan	253
HPP Turcinești	2 x 45	16	11	25	2 x Kaplan	237
Total	-	-	57	137	-	-

VEDERE ÎN PLAN



SECȚIUNE LONGITUDINALĂ



According to the energy criterion optimization study:

HPP	Qi (mc/s)	H brut (m)	Pi (MW)	Em (GWh/an)	HA	NNR (mdM)
HPP Valea Sadului	2x22,5	27	9,6	42,2	2xFrancis	285
HPP Curtișoara	1x45	16	5,9	21,4	1xKaplan	253
MHPP Curtișoara	1 x 2,7	18,5	0,38	2,1	1 x EOS	253
HPP Turcinești	2x22,5	16	5,9	22,8	2xKaplan	-
Total	-	-	21,78	88,5	-	-

There is also node Valea Sadului and HPP Curtișoara.



Valea Sadului Dam – view of downstream pool

Legal Administrator pointed out that after 1990, Hidroelectrica secured investment from own effort necessary to achieve planning to use complex schemes in which the planning of Jiu river, Valea Sadului accumulation was initially designed for a volume of 306 000 cubic meters, providing complex functions in terms of water management, energetic function being considered as second priority.

Legal Administrator stated that the necessary investments to ensure comprehensive water management functions should be provided in the future by the real beneficiaries, respectively County Councils, Ministry of Environment by Romanian Waters National Administration and the Ministry of Agriculture. Hidroelectrica will ensure continued investment only to the energetic part.

Due to current situation of the company and economic profitability of these investments, even in the event of completion of the minimum energy options, no longer afford to finance these investments only through Hidroelectrica efforts.

As such, all investments that involve carrying out development schemes with complex functions where energy use has a secondary role, will be analyzed based on cost / benefit analysis, cost-effectiveness and affordability of company "in terms of securing funding"

Was also reviewed progress of work on site accumulation, dam and HPP Curtișoara.



Curtișoara Dam – view downstream

At HPP Curtișoara were identified turbine mounted, equipment and actuators that are not protected, subject to degradation. Legal administrator has requested to take immediate action for their protection and safe preservation.

Meeting with employees at HS Târgu Jiu

At HS Târgu Jiu legal administrator had a meeting with employees of the Subsidiary and Hidroserv Porțile de Fier. At that meeting the legal administrator presented the conclusions drawn from the "Report of the Legal Administrator regarding causes and circumstances that led to Hidroelectrica insolvency" presenting the main causes that led to the insolvency of the company. Also presented the main data on the current situation of economic and financial

conditions of the company severe drought, conditions that lead to a minimum hydropower production for 2012, of around 12.00 TWh

Legal administrator discussed with union leaders to understand that the company is going through a very difficult period and it is necessary to negotiate certain provisions of the Collective Labor Agreement in respect of the bonuses for Easter, St. Ilie and Christmas holiday

Legal administrator called for unity and loyalty demonstrated by the company to all employees and union members, so that the effort of all to overcome this very difficult time for Hidroelectrica.

Together with Hidroelectrica General Manager, legal administrator analyzed organizational chart of HS Târgu Jiu, highlighting the high share of the total of TESA employees and over sizing of certain services, and stated that it is necessary to approve a new organizational chart and decrease the number of TESA personnel in certain fields.

Tismana HPP

At the end of the analysis conducted at HS Târgu Jiu was visited Underground Tismana Plant (IP = 106 MW, Em = 262 GWh / year, equipped with 2 units of 53 MW Francis).

Tismana HPP is an underground plant, producing over 45% of all electricity produced in site.

Equipment was put into service in 1983 and due to the physical and moral wear during 2001-2003 repairs were performed at the hydro-aggregate No.1 and in 2004-2006 in hydro-aggregate No.2, work performed by Hidroserv Porțile de Fier - Tg. Jiu Section.

It is necessary to begin the modernization works of the plant (auxiliary installations general electrical installations for power and automation). Investment is approved and is worth about 4 million €.

Depending on resources and prioritizing investment in 2013 approved Budget will consider beginning works in 2013.



ANALYSIS dated 06.10.2012 at HS Porțile de Fier

On 06 October 2012, the Legal Administrator and Hidroelectrica CEO participated in an analysis of the activities of the HS Porțile de Fier.

Hydropower unit Portile de Fier Subsidiary manages Hidroelectrica assets on the largest hydroelectric and navigation arrangements on the Danube together with the Serbian side.

In **Portile de Fier I**, electricity is produced in two identical hydro, one on each side, Romanian and Serbian. Romanian plant is equipped with 6 hydropower units.

Hydraulic node **Portile de Fier II** is placed on the Danube, in Ostrovul Mare Island.

Installed power in Romanian and Serbian HP in Porțile de Fier I is currently (after refurbishment of the 6 hydropower units of Romanian plant and 1 hydropower unit in Serbian side), of 2.235,8 MW, and in Porțile de Fier II (after refurbishment of the 8 hydropower units of the HPP PF II) is of 575,2 MW. Romanian side will have: IP = 1.480,4 MW.

Installed power in HS Portile de Fier represents 23 % of Hidroelectrica installed power.

The 3 energetic objectives, during 01.01-28.10.2012 have produced a quantity of 4, 98 TWh from the total of 9, 98 TWh produced by Hidroelectrica.

The program started from **Romanian Lock Porțile de Fier I**, where invited media representatives for the resumption of navigation lock, following execution of refurbishment works. Navigation on the Danube was established by Convention dated 18.08.1948 and agreements between coastal states.

HPP Porțile de Fier I was approved by GD 815/1964 for use on the hydropower potential of the Danube arranged, ensuring smooth international navigation on the river and reduce transport costs.

In April 1972 Romanian Lock has become operational in 2 levels. In 10.09.1976 was concluded the agreement between Romanian Government and Government of Yugoslavia regarding termination of activity for river administration of "Porțile de Fier", and starting from this date does not apply toll for vessels crossing sector "Porțile de Fier".

Signatory countries of the Convention regarding the Regime of Navigation on the Danube are: Germany, Austria, Bulgaria, Croatia, Hungary, Moldova, Romania, Russia, Ukraine, Slovakia and Yugoslavia.

Since being brought into use until 2000, due to physical and moral wear of equipment, functional characteristics of the lock had been seriously damaged. Cracks in metal



constructions lock (gate intermediate flat head, wearing flat head upstream service) have appeared, that could have a maximum severity and consequences difficult to be assessed.

Analysis and expertise in asset carried at last renovation in 1999-2000, showed that rehabilitation is required for almost all lock's equipment and installations.

Refurbishment contract was signed in 2006, following a public tender, the general contractor of works being represented by Romenergo SA. In 2008 the objective no. 1 was completed, and in 2010 was completed rehabilitation of objective no.2.

Legal Administrator presented the Romanian Lock Refurbishment project, which consisted of the refurbishment of three objective related locks: Heading upstream, intermediate head and head downstream. It was pointed out that Romanian Lock is the largest on the Danube and one of the largest locks in the world.

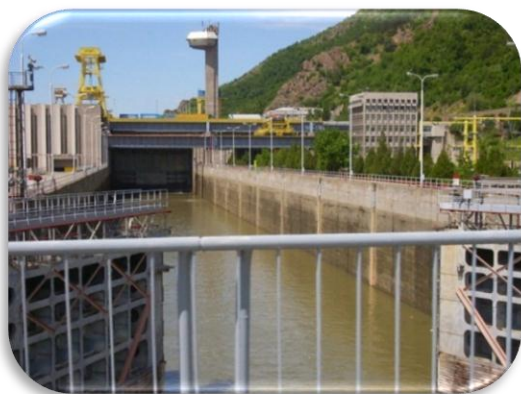


Length	310 m
Width	34 m
Minimum depth threshold right bank	4.5 m
Minimum depth threshold left bank	5.0 m
Free gauge left bank	10.00 m
Free gauge right bank	13.00 m

Work on Object no. 3 have started in June 2011 and in August 2012 were completed elements which contribute to the development of navigation through Romanian Lock. Refurbishment contract is set to end on 31.05.2013, the date by which will be completed the rest of the ancillary works that do not hinder navigation.

By GD 956/2004, stated that the work will be financed from own Hidroelectrica sources, loans and money from the state budget. Amount expected to be provided from the state budget, 88 million RON in 2004 prices, represents 43% of the estimate value of the works.

However, until now, the funds were exclusively from Hidroelectrica own sources and loans. In September 2012, Hidroelectrica has submitted an application to the Ministry of Economy and Trade to allot updated amounts mentioned in GD 956/2004 and last updated general estimate. So far it has not received a response from the MECBE.



During the visit were analyzed the state of the whole set of execution works at the Romanian lock, thus achieving a sluicing in real conditions in which participated representatives of MECBE, local government, Hidroelectrica and Hidroserv representatives, and the media.

<i>Technical indicators</i>	<i>Before refurbishing</i>	<i>After refurbishing</i>
Traffic	12.8 million tones/year	35 million tones/year
Availability for navigation	232 day/year	320 day/year
The average length of sluicing	145 minutes / sluicing	75 minute / sluicing

1. The program continued in the **Porțile de Fier I HPP** together with the media representatives in order to analyze the situation of the refurbishment process of the plant which was completed in 2007.



Hidroelectrica is the main factor of stability for the NES. Share of ancillary services conducted by Hidroelectrica in the NPS was 60% on secondary control and 81.6% in tertiary. Porțile de

Fier I had an intake of 70% of system services performed by Hidroelectrica the secondary control

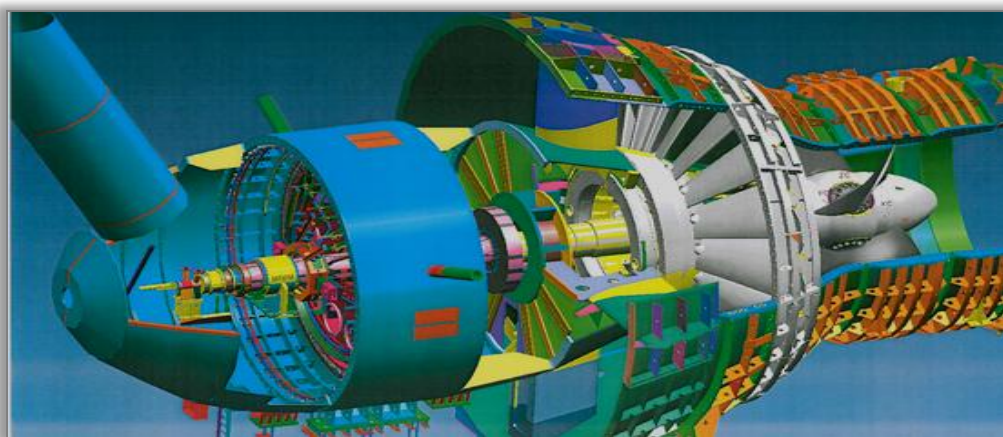
In the first nine months of 2012, due to prolong drought across the country, SH Porțile de Fier produced about 49% of the energy delivered by Hidroelectrica.

Refurbishment Contract Porțile de Fier I was signed in 1997 and was completed in 2007. The contract provided mainly of hydro plant refurbishment as the 6 and auxiliaries. After retrofitting, in addition to providing a new life of approximately 30 years, an additional 116MW of power and increased energy 121GWh was obtained.

Group	Before refurbishing				After refurbishing			
	Year PIF	IP group [MW]		Year PIF	IP group [MW]		Year PIF	IP group [MW]
HA1	1970	175	1.050,0	5.120,0*	2007	194.4	1.166,4	5.241,0*
HA2	1971	175			2004	194.4		
HA3	1972	175			2003	194.4		
HA4	1972	175			2002	194.4		
HA5	1972	175			2001	194.4		
HA6	1972	175			2000	194.4		

* for average hydrological year

The discussions mentioned a number of data the Refurbishment Contract Porțile de Fier II hydropower and Gogosu. Hydraulic node Porțile de Fier II is located on the Danube River in the Ostrovul Mare Island.



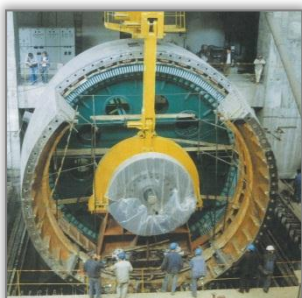
In 2001 the refurbishment of Portile de Fier II and Gogosu was signed.

This hydropower objective, includes a central core equipped with eight hydro bulb turbine type, the initial installed power is of 27 MW each, which was increased with 4 MW after refurbishment. The eight hydro-aggregate that fit the Romanian plant HPP Porțile de Fier II was commissioned in the period 1985-1986 and has the largest number of operating hours

per year (8,000 hours / aggregate). 500 m from the base station Porțile de Fier II are the locks of the Porțile de Fier II, primary and backup, having the bridge over lock, connecting Porțile de Fier II and adjacent cities.

Meeting with employees of HS Portile de Fier

The last point on the agenda of the Legal Administrator and the General manager was an **open discussion** with employees and representatives HS Porțile de Fier Hidroserv Porțile de Fier.



Legal Administrator and General Manager presented company's status from financial point of view after the opening of insolvency, prolonged drought, and the need to adopt certain measures in order to reduce costs and to restore financial situation of the company.



During these meetings, employees had the opportunity to express their views and proposals for the conduct of business and sent requests to improve document flow during insolvency. Legal Administrator and General Manager highlighted some notable achievements of employees and urged the whole team to drive creativity in daily work.

Porțile de Fier I



Porțile de Fier II



HPP Gogoșu

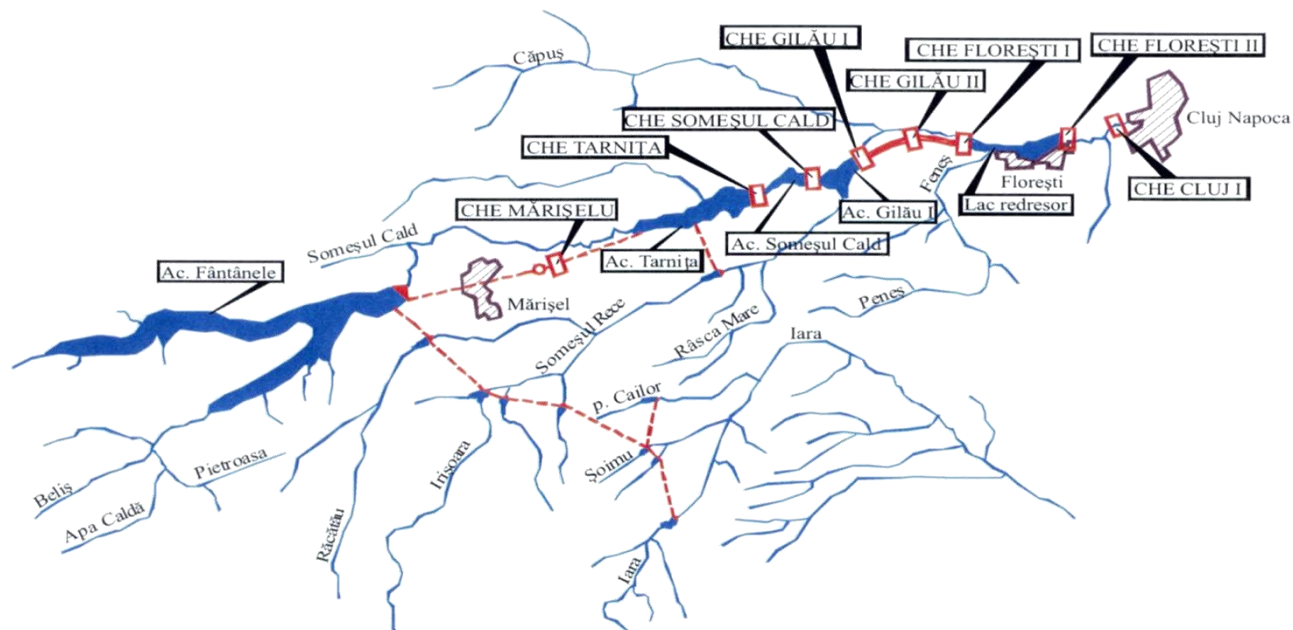
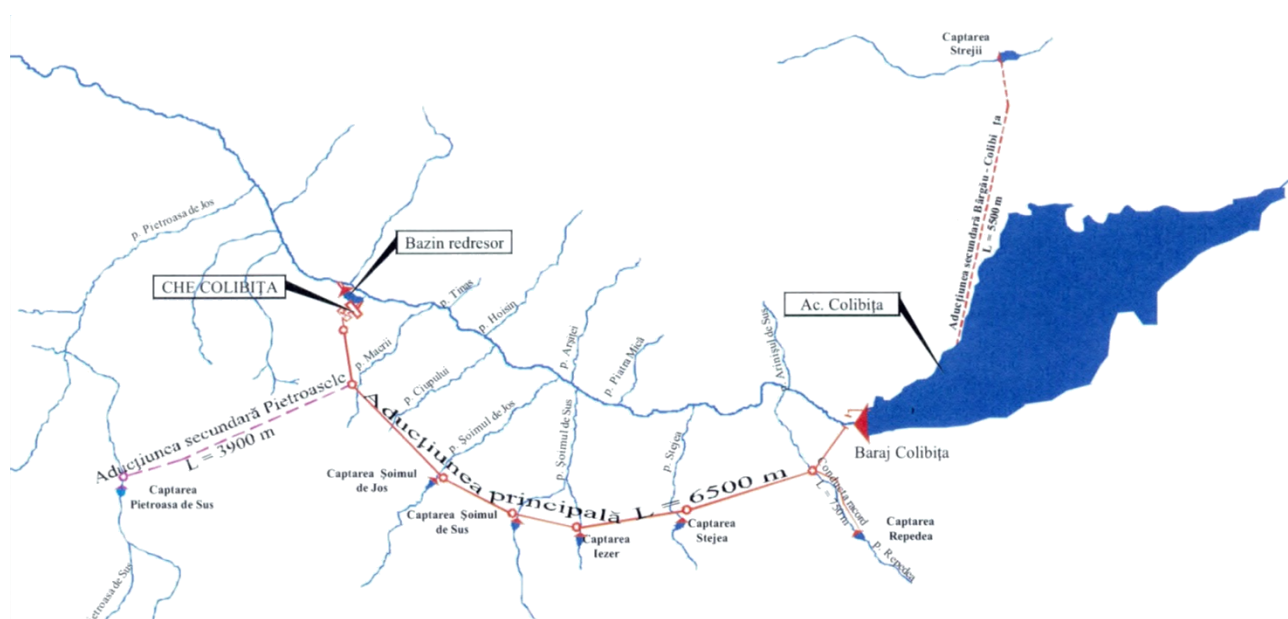


ANALYSIS dated 12.10.2012 in HS Cluj

Between 12 - 14 October 2012, legal administrator had analyzed activity and investment objectives in HS **Cluj** and HS **Oradea**.

Hydropower Subsidiary Cluj contains 7 HPP and 19 SHP, in different stages of execution: HEA Răstolița and HEA Runcu - Firiza.

The hydro power stations Someșul Mic and Someșul Cald are formed by 7 HPP and 18 SHP with an installed power of 309,126 MW on 70 hydro-aggregate.

**Colibita Complex arrangement - IP= 21MW**

Installed power in HS Cluj is 330,126 MW and represents 5% of the installed power (IP) in Hidroelectrica where 310.24 MW is installed in 16-hydro, and 9886 in SHP on 55 hydro.

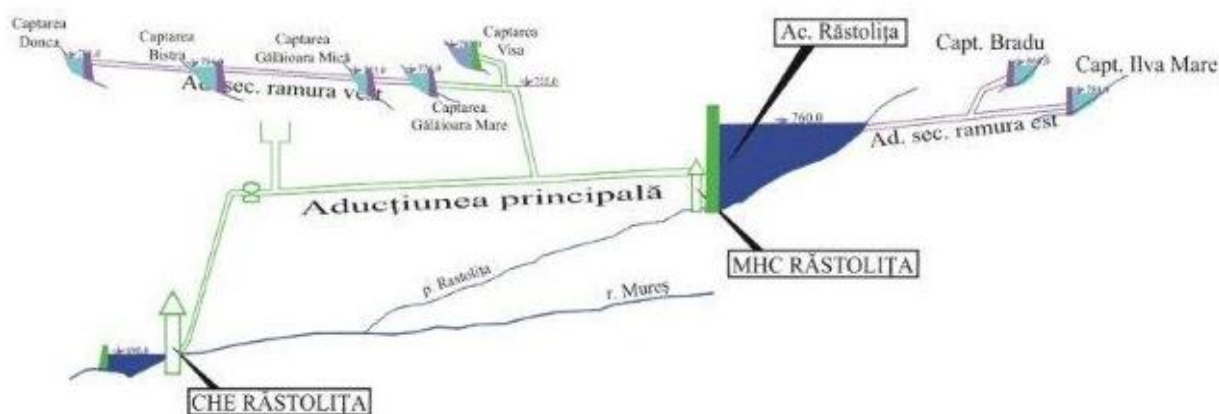
Between 01.01- 28.10.2012 the 26 energy objectives produced an amount of 308.1 GWh of 9.98 TWh produced by Hidroelectrica.

It was analyzed on the site the state of completion of the following investment objectives:

1. HEA Răstolița, objective approved by Decree no. 95/1989, GD no. 332/1996 objective of public utility and declared of national interest, GD 489/1996 - approve the technical-economic optimization of the objective.

It was analyzed the state of the works on site HEA Rastolita investment objective (IP = 35 MW), where commissioning was originally scheduled for the fourth quarter of 2012 and will offset at least 1 year because Government has not approved "Corridor of expropriation "and removed from the circuit of approximately 180 ha of forest land for future reservoirs Rastolita.

HEA Rastolita was promoted as a complex uses where the use of production "water management" is 63% of total investment. Therefore, funding is provided by Hidroelectrica, commissioning scheduled for the end of 2013 refers only from stage to achieve minimum energy accumulation at a rate Rastolita NNR 720.00 respectively a lake with a total volume of 10 000 cubic meters of which 6000 m³ load volume.



Scheme of Răstolița – longitudinal profile

It was analyzed the work of the HEA Rastolita where the two hydropower equipment installations are made at a rate of over 70%, dams and draining Rastolita bottom of the dam, including the house emptying bottom valves.



Răstolița Dam – The upstream - Mask concrete

Were willing to implement safety measures of open work fronts (Detonation mask dam concreting empty shells bottom valves installment house castle in central installment) so until the cold season, these works are completed.



HPP Răstolița

2. Meeting with employees of HS Cluj

Legal Administrator and General Manager presented company's status from financial point of view after the opening of insolvency, prolonged drought, and the need to adopt certain measures in order to reduce costs and restore company financial situation.

During the meetings, employees were asked to express their suggestions and opinions regarding company's activity.

Visit to HPP Mărișelu

After completing discussions with Hidroserv branch and subsidiary's employees visited HPP Mărișelu.

With an installed capacity of 220.5 MW and an energy project of 390 GWh / year plant Mărișelu ensure safe operation of the national power system in northern Romania.

It was analyzed the state of technical energy equipment of HPP and reviewed the technical problems and measures to eliminate maintenance and refurbishment programs in accordance with the company's strategy.

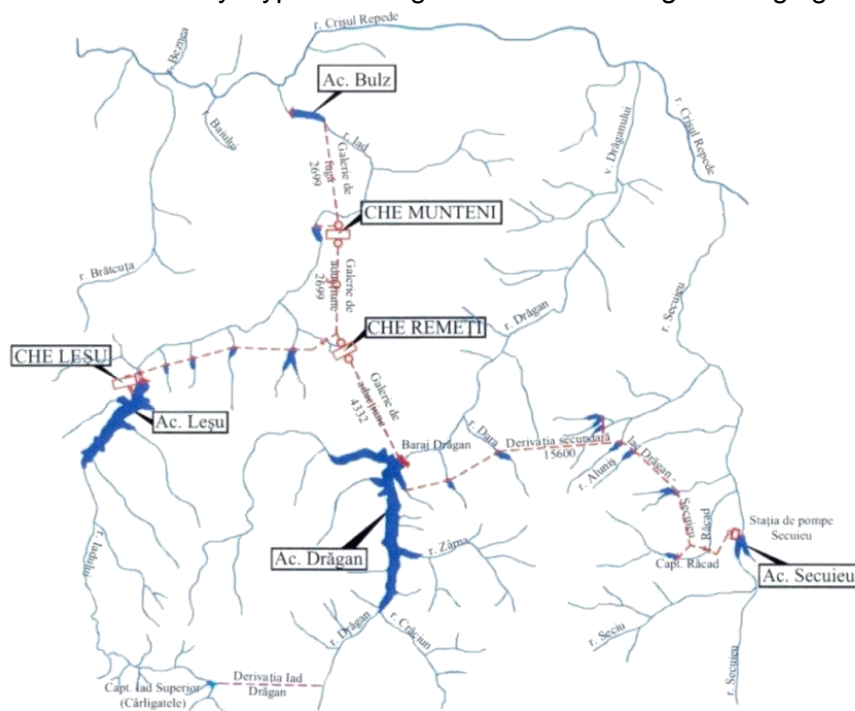
ANALYSIS dated 13.10.2012 in HS Oradea

Hydropower Oradea Subsidiary manages 7 HPP and 19 SHP, and at different stages of execution are: HEA Răstolița and HEA Runcu - Firiza.

The hydro power station Drăgan - Remeți - Munteni, contains:

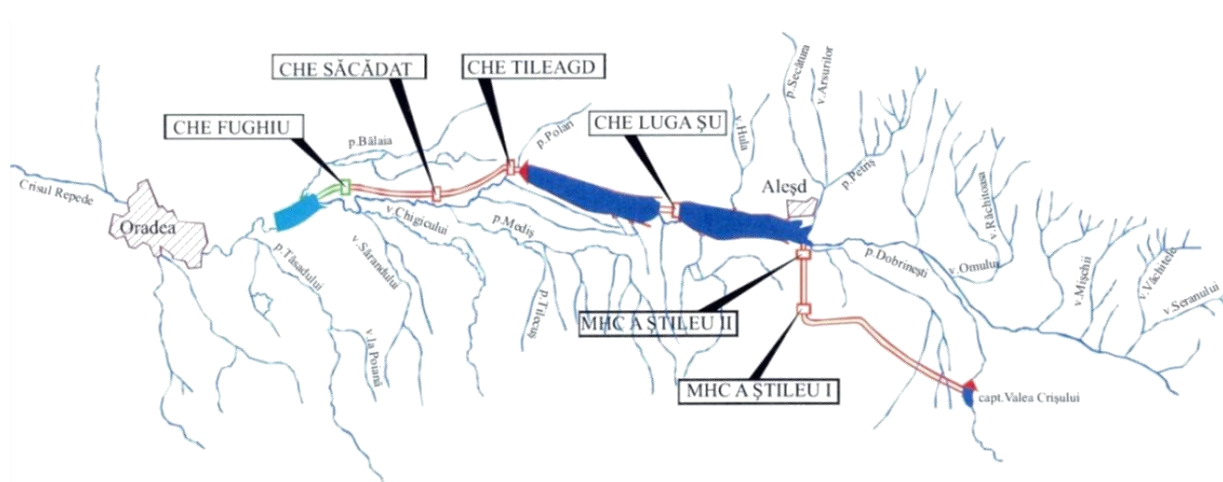
- Accumulation Drăgan - HPP Remeți - HPP Munteni - gallery flee to the valley of Iad (accumulation rectifiers Bulz);
- Accumulation Leșu, the plant is located at the foot of the dam, continue with bypass arrangement Leșu - Munteni;
- Secondary bypass Săcuieu bringing to build Dragan flow of river tributaries Săcuieu addition, some flows being pumped by the pumping station Săcuieu;

- Secondary bypass Bârligatele - Valea Drăgan bringing flows in the upper river Iad



The main parameters of energy plants which process water from accumulating Drăgan and Leșu are: IP=162MW and Epr.=328.4GWh/year.

Hydro power stations Crișul Repede



Arrangement includes:

- SHP Aștileu I and II refurbished on channels;
- arrangement Lugașu and Tileagd, with HPP Lugașu HPP Tileagd located at the foot of dams;
- Plants Sacadat and Fughiu channel and basin located downstream rectifier.

IP. =56MW and Epr.=111.1 GWh/year



Installed power in HS Oradea is of 227,158 MW representing 4% of installed power of Hidroelectrica, where 214 MW is installed in HPP on 12 hydro aggregates and 13,158 in SHP on 23 hydro aggregates.

Between 01.01- 28.10.2012 at the 26 energy objectives was produced an amount of 224.961 GWh energy from the 9.98 TWh produced in Hidroelectrica.

It was analyzed on the site the state of completion of the following investment objectives:

HPP Remeți - Ongoing investment objective is "rehabilitation through upgrading the HA1 HPP Remeți, including control panels, protection measures and related automation".

HPP Remeți is part of Dragan-lad Arrangement, which exploit the hydropower potential of Dragan lad river and Secueu (Crisul Repede tributaries). HPP Remeți is equipped with two hydropower units of IP = 50 MW / group and has a storage capacity of multi-annual adjustment.

Equipments were put into service in 1985. In the 25 years since commissioning and until now each of hydropower groups conducted over 40,000 hours during which there were a number of incidents and accidents which have caused many interruptions period.

The rehabilitation and modernization works aims to bringing electrical and mechanical equipment from group 1 to the performance and reliability required for operation of the boiler control Remeți HPP to north - west of the national energy system, estimating the following results:

- Nominal power of 60.5 MVA hydro;
- Increase average annual energy production of group from 94 GWh to 101 GWh in terms of graphics operation dispatcher;

Currently for this investment objective were drawn and some necessary projects were completed for the removal of hydro no. 2. Some parts were taken to UCM Resita for rehabilitation and modernization works.

Meeting with employees of HS Cluj

Judicial Administrator and General Manager presented the current state of society in terms of financial insolvency conditions, prolonged drought and the need to take action in reducing spending in order to revive the company's financial situation.

During these meetings, employees had the opportunity to express their views and proposals on how to conduct business.

ANALYSIS dated 14.10.2012– HEA Runcu-Firiza

On 14.10.2012 on site analyze to see progress made on the investment objective HEA Runcu-Firiza.

Investment objective was approved by: Decree 95/1989, which approves planning scheme Runcu-Firiza arrangement in two stages (HPP Firiza I and HPP Firiza II) GD 489/1996 - approve the scheme of arrangement Runcu-Firiza optimized arrangement in two stages (HPP Firiza I and HPP Firiza II) with flow and reduced installed power, and GD 190/1998 is declared objective of public utility.

The project provides for the takeover by adductions flow of Runcu accumulation (accumulation under NAER administration), machining in the energy of two power plants (Firiza I and II - Hidroelectrica objectives.) and restitution in Strâmțori accumulation (accumulation NAER) to supply water to consumers.

Description scheme as optimized energy scheme

CHE	Hbr (m)	Qi (mc/s)	Pi (MW)	Em (GWh/an)	HA
Firiza I + Firiza II	365	10	28	65	2

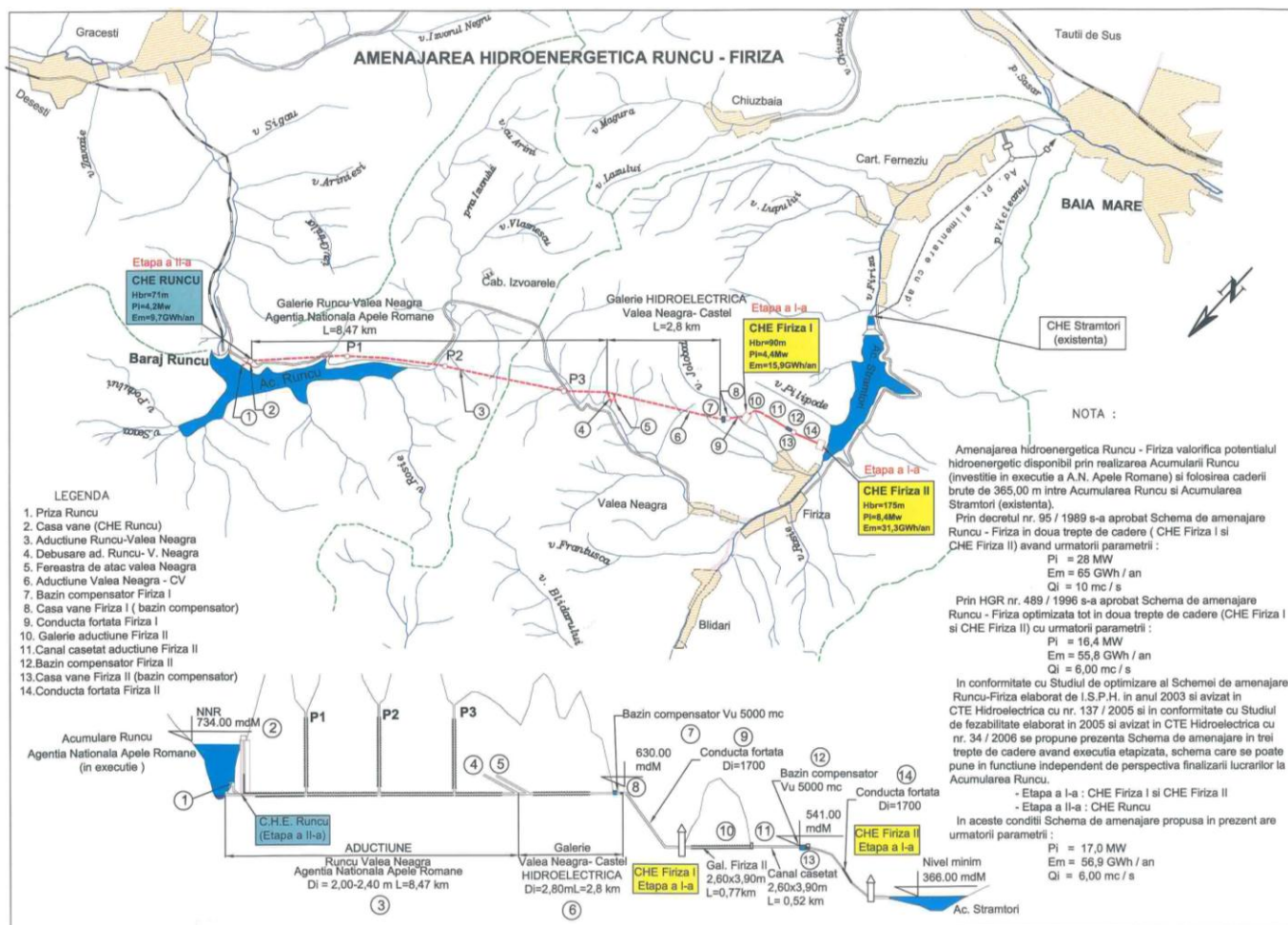
Operating hydroelectric water flow path for Baia Mare:

Accumulation Runcu => HPP Runcu => HPP Firiza I => HPP Firiza II => Accumulation Strâmțori.

Water circulation between the above components is as follows:

- Adduction Accumulation Runcu - Valea Neagra (underground 8,470 m) active since the '70s, under NAER management and under the decree for approval of investment Hidroelectrica will have to rehabilitate part of the route gallery (about 1000 m) and initially enforced concrete areas (about 1000 m). Gallery adduction Runcu - Valea Neagra was transformed from the manifold pressure into gallery with free level flow.
- Aduction Valea Neagra - HPP Firiza I (underground 2.800 m)
- Aduction HPP Firiza I - HPP Firiza II (underground 770 m and cased channel 520 m)
- The last two adduction and power plants will be performed by Hidroelectrica, entering under its administration.
- 71 m fall of Runcu Dam is recovered in HPP Runcu central shaft type

HPP	Hbr(m)	Qi (mc/s)	IP (MW)	Em (GWh/year)	HA
CHE Runcu	71	6	4,2	9,7	2
CHE Firiza I	90	6	4,4	15,9	2
CHE Firiza II	175	6	8,4	31,3	2



Arrangement scheme

Physical progress achieved:

Stage 1 HPP Firiza 1 and HPP Firiza II	
1	Aduction Runcu - Valea Neagra (belongs to NAER, total length 8,470 m). Lengths should be refurbished by Hidroelectrica SA, according to Decree 95/1989 Injections 1000 m completed 85 % concrete slab 1000 m completed 60 %
2	Aductions Valea Neagra - HPP Firiza 1 - Firiza II completed 95 %
3	Compensating basins HPP Firiza 1 and II completed 95%
4	Buildings HPP Firiza 1 and II completed 25 %
5	Hydro-mechanical equipment, electrical equipment, hydro, tender documents being drafted to remove the task at auction
Stage II HPP Runcu to be issued technical project and tender documents	



Runcu Dam (NAER Objective) – Downstream view



Runcu Dam – upstream sealing mask



HPP Firiza compensating basin



HPP Firiza I



Compensating basin HPP Firiza II



HPP Firiza II

HPP Firiza I (IP= 4,4MW; $E_{med} = 15,9$ GWh/year) and Firiza II (PIP = 8,4MW; $E_{med} = 31,3$ GWh/year) can become operational at the end of 2015, energy production is recognized at E-SRE. Operation of HPP Firiza I and II can be put into service only if the accumulation Runcu (NAER Investment) is completed, also in the fourth quarter 2015.



For this reason at Maramureş Water Management Company, from Firiza Strâmtori Dam a meeting was organized with NAER management represented by Manager Dănuţ CÂNTA, Ana SEMEREAN – Chief office Stelian IVAŞCU – Chief eng. Maramureş WMC.

Following discussions it was decided to jointly develop a proposal for funding and a common graphical allocation of financial resources required to complete the two investment objectives, to be submitted to the heads of the two ministries, namely the Ministry of Environment and Ministry of Economy and Business, to sign a protocol on the assumption of joint commissioning time for accumulation Runcu and HPP Firiza I and II in the fourth quarter of 2015.

13.10.2012 – 40th Anniversary since commissioning of HPP Ciunget

Friday, 19 October, legal administrator organized "Lotru - 40 years", held at HEP Lotru.

Considered to be the largest hydro power station on rivers in Romania and fourth in Europe, was first put into operation in 1972 with an installed capacity of 510 MW.

The main steps taken in building hydropower Lotru River were:

- 1933 - Prof. dr. eng. Dorin Pavel in "Plan general d'aménagement des forces hydrauliques en Roumanie" (Master Plan for hydro power stations in Romania), complex work comprising almost all future water hydro technical of the country, included hydro power stations scheme for Lotru River;
- 1964 - started geological survey in the area and spatial design Lotru;
- 1966 - started preparatory work (site organization) and construction works in spatial construction works;
- 16.09.1967 River diversion has been achieved on Lotru;
- Nov. 1969 - started filling the dam Vidraru; works were Completed in 1973;
- 1972-1975 - has been commissioning of hydro power from HPP Lotru - Ciunget:
- HA_{1L} - 23.11.1972; HA_{2L} -aug. 1973; HA_{3L} -dec. 1975;
- 1977-1978 - were put in place energy pumping stations Jidoaia, Petrimanu, Lotru-dams downstream and related, and Galbenu Dam;
- 1977 -1989 - were put into operation the 82 secondary catchments for planning HPP Lotru - Ciunget;
- 1978 - has been achieved commissioning of HPP Mălaia, and in 1982 -HPP Brădişor.
- In the 40 years of operation, HPP-Ciunget Lotru has produced a total of over 30 TWh electricity through water swirling of a volume of about 16 billion cubic meters, the aggregate number of hours of operation of the three hydro generators being over 600,000 hours.



- More than 300 guests attended the event was, past or present employees of Hidroelectrica, local government representatives, Mircea Nadolu - Valcea Prefect, Dumitru Persu - Vice President Valcea County Council, Aurel Vlădoiu - deputy mayor of Voineasa Malaia and representatives from companies that are directly or indirectly connected to Hidroelectrica activity (Hidroserv, Energomontaj, Hidroconstructia, Ministry of Economy and NAER).
- From 11.00 hrs. the underground station Ciunget held celebrations opened by the Hidroelectrica General Manager, Mr. Stefan Gheorghe.
- Legal administrator, by the coordinator practitioner, Attorney at law Dr. Remus Borza said that the 40-year anniversary since commissioning of the first hydro power plant Lotru-Ciunget is a time to celebrate the memory of those who sacrificed their youth and health for Romanian hydro energetic progress "is a more than exciting time, a time when we honor, the 40th year anniversary of the largest HPP on interior rivers in Romania. It is a time of remembrance, the inclusion of those who have contributed, those who gave their lives and sacrificed their youth and health for Romania is not left in the dark".
- Att. Dr. Remus Borza evoked the personality of Paul Dorin, Romanian scholar, whose contribution has revolutionized the Romanian hydropowers and made possible the construction of hydropower Ciunget. "This complex technical development in Lotru-Ciunget began in 1933, with the publication in Paris of an absolutely encyclopedic work of the great scholar, lecturer Ph.D. Professor Dorin Pavel - Plan on hydro power stations in Romania," said Att. Dr. Remus Borza. He said Dorin Paul is the creator of schemes for 567 hydropower plants on all the rivers of the country, of which only 274 have been made so far and belong to Hidroelectrica portfolio, "Dorin Pavel put on paper and handed 567 hydro power plants but only 274 plants are included in Hidroelectrica portfolio today. Many generations to come may still work nearly 300 projects of Professor Dorin Pavel".
- Legal administrator is determined to make all efforts for the Lotru hydro-Ciunget to be named after Dorin Pavel, great Romanian scholar, as a token of appreciation for his special work for Romanian hydropower. "Romania owes so much to the Transylvanian poet Lucian Blaga nephew. This is one of the reasons why, starting today, the plant of the Lotru Ciunget will be called Dorin Pavel "added Att. Dr. Remus Borza.



HP Lotru-Ciunget



HP Lotru-Ciunget

Manufacturer representatives, former executives and project sites managers took the floor. They watched anniversary movie, followed by a celebration of handing over anniversary plaques, during which the press was invited to visit the plant.

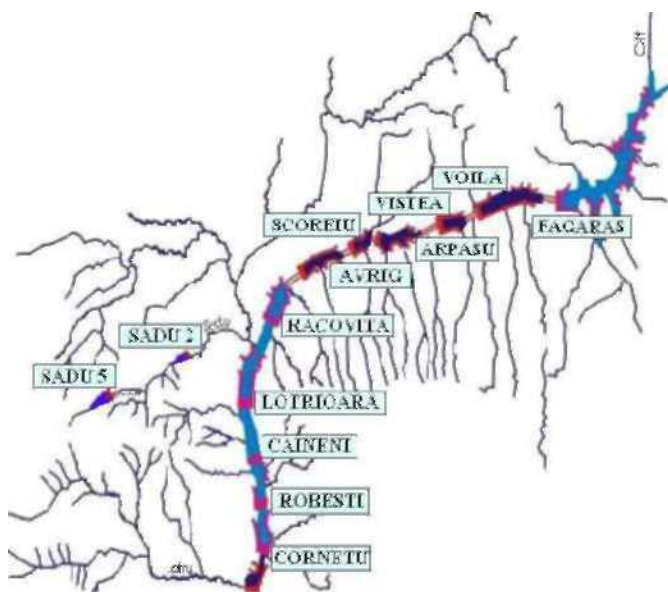
In addition to remembering the most important moments in history of Lotru, this event was designed as an opportunity for finding on spot results obtained from revamping a useful exchange of experience, an opportunity to confirm the role and importance of HPP Lotru Ciunget – as economic objective of national importance.

Analysis dated 20.10.2012 at HS Sibiu

Advocate Remus Borza, Legal Administrator of Hidroelectrica with General Manager of Hidroelectrica, Stefan Gheorghe participated on October 20, 2012, at an analysis of activity in Sibiu Hydropower Subsidiary.

Sibiu Hydropower Subsidiary manages 8 HPP and 24 SHP, and at different stages of completion are: HEA Fagaras - Hoghiz and HEA on the Olt River Avrig - Cornetu.

Before 01.07.2002 Sibiu HS was Plant and belonged to HS Râmnicu Vâlcea, and between March 2009-January 2010 belonged to HS Sebeș, the rest of the time was Subsidiary (01.07.2002-01.03.2009 and 01.01.2010-present).



Superior Olt hydro power stations includes the accumulation of Fagaras (Hoghiz) and confluence with the River Lotru. Seven hydroelectric plants are operating in this sector.

Installed power in HS Sibiu is of 173,739 MW representing 3 % of Installed power of Hidroelectrica, where 131,3 MW is installed in HPP on 14 hydro aggregates, and 42,439 MW in MHP on 53 hydro aggregates.

Within the 34 energy objectives in the period 01.01 -28.10.2012 was in amount of 199.374 GWh of 9.98 TWh produced within Hidroelectrica.

On 20.10.2012, Advocate Remus Borza, Legal Administrator of Hidroelectrica SA analyzed on site the state of development of hydropower plant in the investment objective "HEA Olt River by sector Cornetu - Avrig

It was analyzed the state of completion of the following investment objectives:

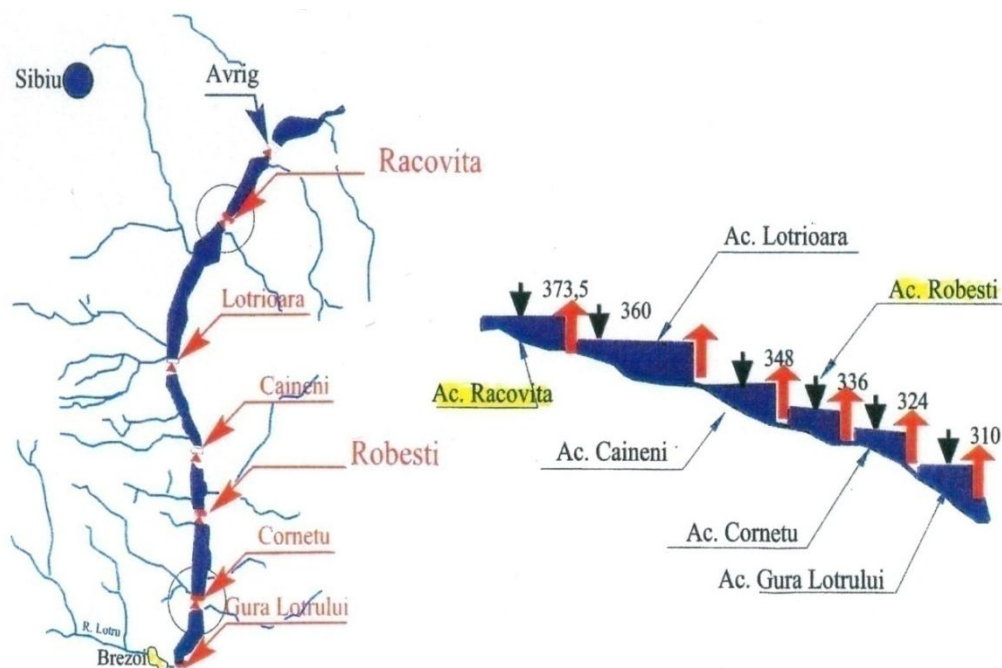
HEA Olt River gorge on the sector Cornetu - Avrig investment objective is approved by Decree no. 24/1989. Landscaped area comprises 5 plants, located on the river Olt River Gorge area, between Racovita and Cornetu, Valcea and Sibiu counties. Sector has a gross fall of 49.5 m and between 373.5 mdMB and 324 mdMB.

The hydropower stations was conceived in 5 steps, combined, with each step being central-type dam reservoir dammed in order to capitalize on the hydropower potential of the river Olt electricity.

The 5 stages of fall are situated between Cornetu and Avrig, in the gorge area of Olt, a sector of aprox. 55 km long and are the following (from upstream to downstream): HPP Racovita, HPP Lotrioara, HPP Căineni, HPP Robesti and HPP Cornetu. HPP Cornetu is in operation since 2002, Robesti HPP was put into operation in March 2012, the other being in different stages of execution

Major hydropower parameters:

HPP	Hbr (m)	Qi (mc/s)	IP (MW)	Em (GWh/year)	HA	NNR (mdMB)
Cornetu	14	330	34,4	92,03	2 x Kaplan v.	324,0
Robești	11	330	27,1	74,63	2 x Kaplan v.	335,0
Căineni	12	330	26,9	74,3	2 x Kaplan v.	347,0
Lotrioara	11	330	25,0	66,7	2 x Kaplan v.	358,0
Racovița	15,5	330	31,5	73,99	2 x Kaplan v.	373,5



HP arrangement scheme on Olt defile on sector Cornetu-Avrig

1. HPP Robești – commissioned in 2011

Were analyzed issues limiting energy production due to the conditions imposed by the Note of connection to the 110 kV Cornetu-Gura Lotrului, owned by CEZ, note that limits to max 42 MW the power generated upstream of HPP Gura Lotrului

Under these conditions, even in extremely dry hydrologic conditions for 2012, an amount of energy was lost by the spill of aprox. 6.3 GWh, representing approx. 25% of all energy produced in the year.

This requires special attention, as solving can be done in conjunction with solution of discharge power in HPP Căineni, located 6 km upstream of HPP Robești, which was the next objective analyzed on site.



HPP Robești dam spillway - downstream view



Robești Plant – downstream view

2. **HPP Căineni** (IP = 26,9 MW ; Emed = 74,3 GWh/year) is under construction, completed 18%.

The major problem of this investment objective is to be approved by Transelectrica solution for connection to the National Power System (NPS).

As TRANSELECTRICA rejected the Study on discharge power solution in HPP Căineni (executed by CEZ) in 400 kV Station Căineni (unacceptable conditions are imposed: 110KV LEA route Gura Lotrului HPP - HPP Căineni double circuit, two transformers of 110 kV / 400 kV and up to 400 kV station Căineni), Mr. Remus Borza has decided to postpone the decision to ensure funding for this objective until clarifying connecting solution to HPP Căineni through a 400 kV transforming station.



HPP Căineni – dam to the downstream



HPP Căineni –infrastructure

3. HPP Racovița

After analysis, resulted that the major problem which makes commissioning scheduled for the fourth quarter of 2013 is the resolution of the financing by the Ministry of Transport by National Company "Romanian Railways" related investment, necessary to achieve double railway bridge to replace two existing bridges

- **Bridge at km 369 +509** on Podu Olt - Piatra Olt (built in 1887, with decks replaced in 1918 and 1940);
- **Bridge for railway at km 127+011** on Braşov - Podu Olt (built in 1892, with decks replaced in 1940).



HPP Racovița – downstream view



HPP Racovița – hydropower assembly



HPP Racovița – bridges - downstream



HPP Racovița – bridges - downstream

Also it was decided to take additional measures in order to secure the existing railway bridges allowing operation of HPP Racovita in a first stage without channel, to be able to obtain additional income for Hidroelectrica, starting fourth quarter of 2013.

4. Meeting with employees at headquarter of HS Sibiu

Judicial Administrator and General Manager presented the current state of society in terms of financial insolvency conditions, prolonged drought and the need to take action in reducing costs in order to revive the company's financial situation.

During these meetings, employees had the opportunity to express their views and proposals on how to conduct business.

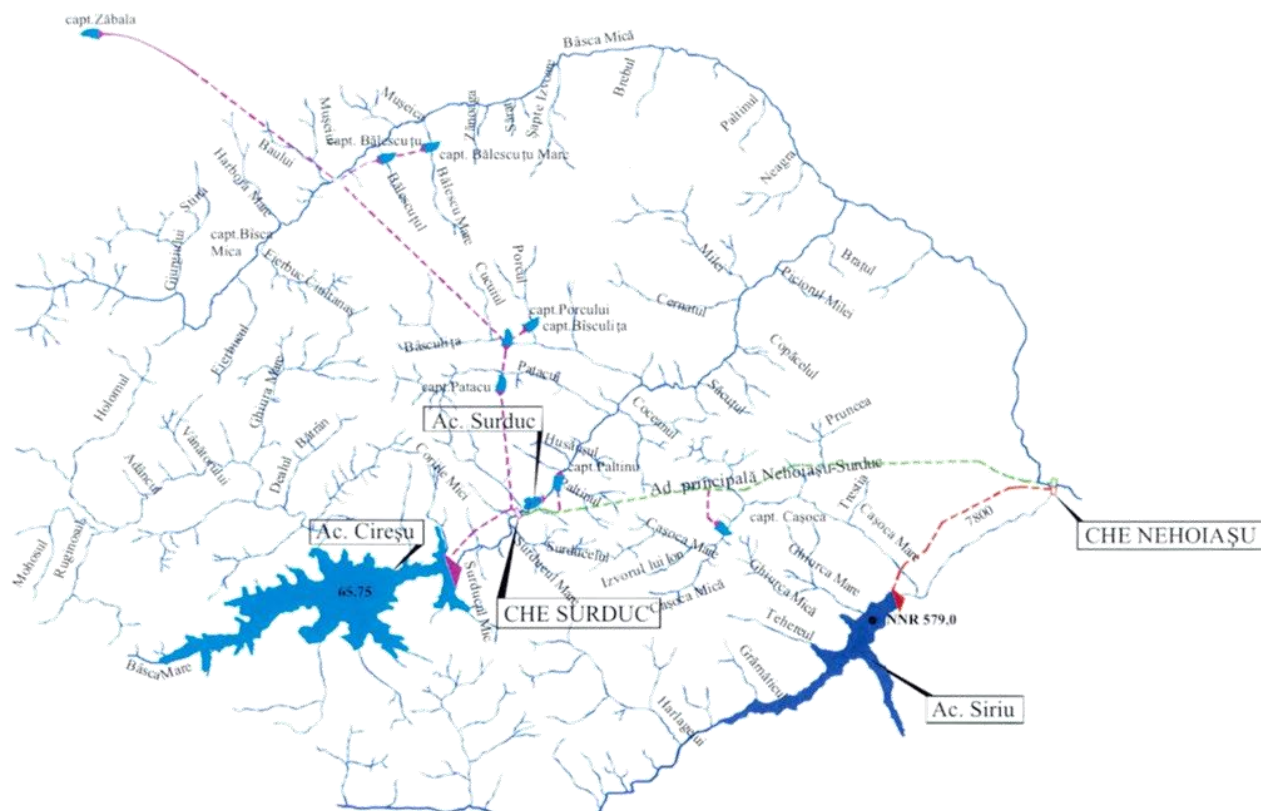
ANALYSIS dated 26.10.2012 in HS Buzău

On October 26, 2012 Judicial Administrator and General Manger participated, in an analysis of activity in ***Buzau Hydropower Subsidiary***.

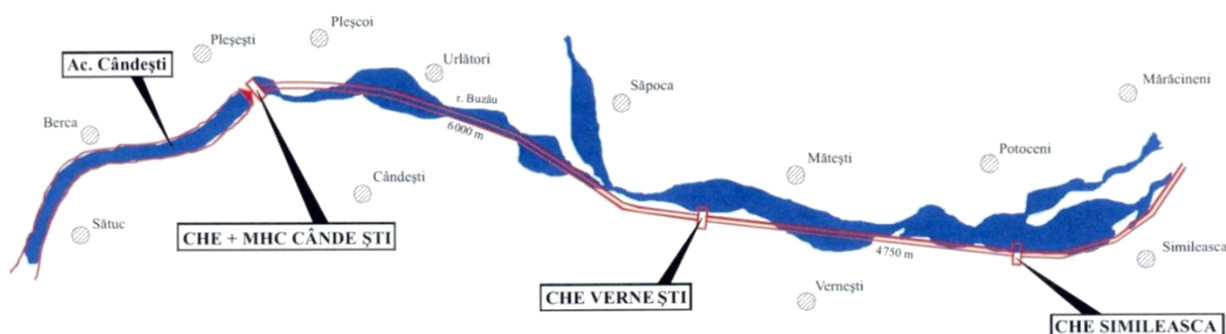
Buzau Hydropower Subsidiary manages 11 HPP and 10 SHP.

Hydro power station Siriu - Surduc - Nehoiașu consists of two drops:

Drop Siriu - Nehoiașu, Drop Surduc - Nehoiașu on two levels (under construction: Surduc - Nehoiașu, Ciresu- Surduc).



Hydro power station Căndești - Vernești - Simileasca, framed in the general scheme of arrangement Buzau River, include: hydraulic node Candesti, engineering node Vernești, hydro technical node Simileasca.



In 2002 HPPSP on Basca Chiojdu and Slănic Buzău County, Putna in Vrancea County and Danube –Black Sea Channel in Constanța County were taken over from Electrica SA, SN Nuclearelectrica SA according to GD 554/11.06.2002,.

In 01.11.2008 took over the following hydro powers on: Teleajen (HPP Măneciu, HPP Izvoarele and HPP Vălenii de Munte), **Doftana** (HPP Paltinu), **Șiret** (HPP Călimănești and HPP Movileni).

Installed power in Buzău is 216,95 MW representing 3 % of Hidroelectrica installed power.

Between 01.10-28.10.2012, the 21 energetic objectives, have produced 284,143 GWh of the 9,98 TWh energy produced by Hidroelectrica.

Meeting with employees of HS Buzău Judicial Administrator and General Manager presented the current state of society in terms of financial insolvency conditions, prolonged drought and the need to take action for reducing expenses in order to revive company's financial situation. During these meetings, employees had the opportunity to express their views and proposals on how to conduct business

It was analyzed on site the state of completion of the following investment objectives:

1. HPP Movileni

HPP Movileni is a hydro power plant under HS Buzău operation since 2010, previously belonging to HS Bistrița. It was analyzed the current situation that does not allow the accumulation operation $NNR = 48.50 \text{ mdM}$, during high water because dams were not completed. Completion of these dams is subject to Romsilva land. During high water, the accumulation operated at a level of the lake of 47.00 mdM . Procedure is pending approval by Government as "corridor of expropriation". After approval of the expropriation corridor will be initiated proceedings to take those lands out of forestry circuit and transfer from Romsilva to



HPP + Movileni Dam. Downstream view



HPP Movileni – Downstream view



Movileni dam weir – Downstream view

Legal administrator stressed the need to browsing all steps necessary to complete the dams, so that accumulation to operate in normal conditions in shortest time possible.

There were also analyzed operational problems within the section downstream sinks. These problems can be solved by modifying the exhaust hydraulic flow circuit currently installed ($Q_i = 370 \text{ cm/s}$) together with an investment in HPP Movileni downstream, with $IP = 9,975 \text{ MW}$, $Em = 50,81 \text{ GWh/year}$, objective considered as green certificate. For the purpose of this investment should prepare documentations for obtaining permits required by the Town Planning Certificate.

Investment effort is estimated at around 42 million EURO with commissioning probably in late 2012.

Legal administrator underlined the priority of investing in such objectives that allow the recovery of green certificates, an economic optimum recovery term, introducing SHP Movileni downstream on the list of priorities of company's development program for 2013-2015.

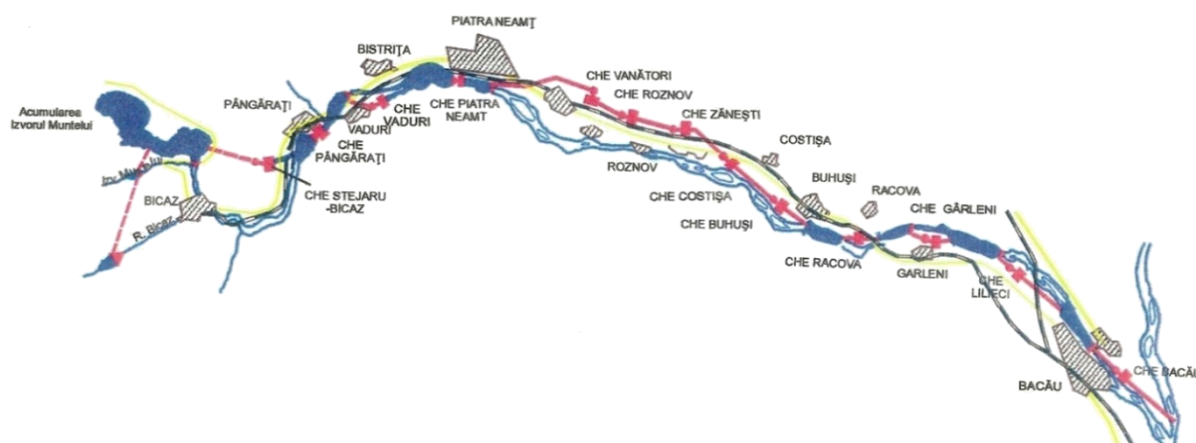
AMALYSIS dated 26-27.10.2012 to HS Bistrița

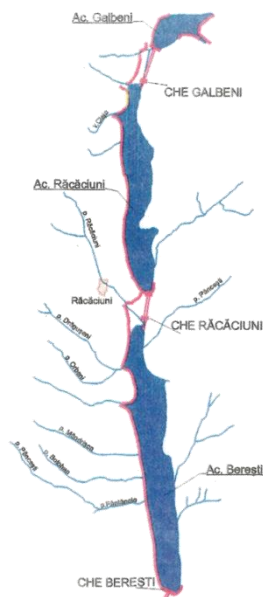
Hydro power station Bistrița manages 19 HPP and 30 SHP.

Hydro power station of the Bistrita River upstream, sector Borca - Poiana Teiului consists of investment objectives: first level Pârâul Pânteii-Galu, works have started with stage II, but due to lack of funds was stopped also stage II (PIF 2004) Topliceni - Poiana Teiului.



Hydro power stations of Bistrita River, include 13 plants, divided into 4 sectors: upstream sector arranged by HPP Stejaru central junction with Mountain Izvorul Muntelui reservoir, sector Pângărați - Piatra Neamt has 3 plants, each having a reservoir, sector Piatra Neamt - Buhusi includes 5 hydroelectric bypass on channel located on the terrace of the left bank, sector Racova - Bacau includes 4 plants, each with a small lake.





Hydro power stations of Siret River, Galbeni - Beresti sector, planning scheme consists of 3 hydroelectric reservoirs and 3 HPP.

Dam and HPS Stâncă - Costești, in 1971 was concluded the Agreement between the Government of Romania and the Soviet Union on joint construction of a hydraulic node Stâncă - Costești on Prut River (today's Republic of Moldova).

Installed power in HS Bistrița is 625,862 MW representing 10 % of Hidroelectrica installed power, where 602,1 MW is installed in HPP on 45 hydro-aggregate, and 23,762 MW in SHP on 56 hydro-aggregate.

The 49 energetic objectives, have produced a quantity of 795,748 GWh from the 9,98 TWh energy produced in Hidroelectrica between

01.01 - 28.10.2012.

It was analyzed on site the state of completion of the following investment objectives:

HPP Cosmești –with IP = 35MW and Em =76GWh/year is the second HPS belonging to scheme HEA in Șiret river, on sector Cosmești - Movilen, investment performed by HS Bistrița. The work is currently completed at a rate of about 22% on part of the Construction and Equipment 0% (installation + purchase).

After, analyzing the physical state of the hydrometric node Cosmești was established to continue works on a reduced financing rate. Legal administrator said that, first priority between 2013 – 2015, represents compliance with the investment financial plan for the planned objectives and promoting hydroelectric IP <10 MW that can bring revenue from the sale of green certificates under commissioning by the end of 2016.

Legal administrator showed opportunities for support schemes (GEO 88/2011 regarding the amendment and supplement the Law 220/2008 on establishing the promotion system for energy production from renewable energy sources approved by Law 134/2012) for wind and solar power, seeking to immediately promote feasibility studies for these types of investments. In this respect, will start the procurement process for contracting Tudor Vladimirescu solar power plant, located in the Brăila County, investment that will be promoted by HS Bistrita.

Taking into consideration the above, HPP Cosmești will be postponed as investment from 2016 to 2019 - 2020.



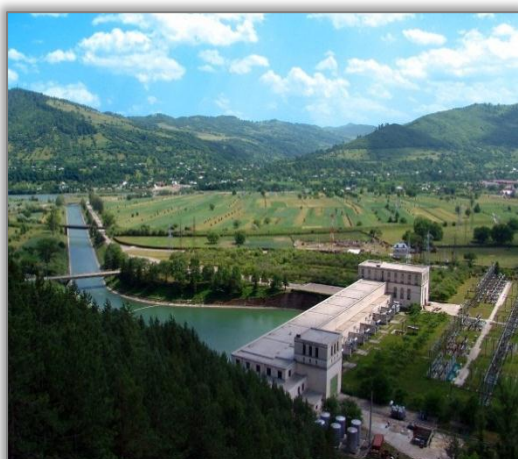
Panorama – Cosmești accumulation overlooking pier right bank



Costesti hydraulic node - Concrete slab dam leveling

HPP Stejaru (Dimitrie Leonida)

There were analyzed critical issues that HPS as was put into operation in 1960. Given the importance of HPP Stejaru for NES and the technical and moral wear of the equipment, Legal administrator ordered the resumption of discussions with Economic Bank for Reconstruction and Development regarding the financing unlock and starting refurbishment project.



HPP Stejaru. Top view



HPP Stejaru. Machines room

Meeting with employees of HS Bistrița

Judicial Administrator and General Manager presented the current state of society in terms of financial insolvency conditions, prolonged drought and the need to take action for reducing expenses in order to revive company's financial situation. During these meetings, employees had the opportunity to express their views and proposals on how to conduct business.

Hydro power unit Pașcani

HEA Pașcani was approved by the Romanian Government through HGR 866/2006 and is formed by merging the investment objectives "Pașcani accumulation on the Siret River in Iasi and Suceava counties" and "Hydroelectric power plant Pașcani on the Siret River". Hidroelectrica took **Pașcani Accumulation** as beneficiary of investment, from Romanian Waters - Water Directorate "Șiret" Bacău Protocol no. 1186 dated 07.01.2007.

Accumulation Pașcani ($V_{\text{total}} = 68$ million cm), was conceived as a complex arrangement use. When operational, will provide following uses, according to design concept initial approved for the investment objective:

- expansion of the industrial water supply for Pașcani - Târgu Frumos with $Q = 1,0 \text{ m}^3/\text{s}$;
- ensuring environmental flow downstream outlet - dam Pașcani (Blăgești) of $Q = 3,06 \text{ m}^3/\text{s}$ (according to "Romanian Waters", letter no. 17641 dated 10.12.2008);
- regulating flows in Șiret river middle basin by attenuating flood peak on Pașcani-Bacău sector.
- ensuring water supply for irrigation of 46,000 ha, including 32,500 ha irrigation system "downstream Pașcani" and 13,500 ha in the Bahlui catchment area of Iasi County system on the outlet downstream bypass Șiret – Bahlui.

Pașcani HPP (hydroelectric power) was approved as a separate investment and aims at harnessing hydropower made by Pașcani fall. This investment was taken over by Hidroelectrica S.A. from SC Thermoelectric S.A. in 2002. When commissioning, the HPP Pașcani will provide electricity generation of $E = 24 \text{ GWh/year}$ for an installed capacity of 11.9 MW.

It was also visited hydraulic node Pașcani (hydro power plant and Pașcani dam), being explained actual physical stages of the project for the HEA Pașcani, according to the table below:

Objective	Total	Constructio ns	Equipments Purchase	Equipments Montage
Hydropower Plant		60%	Contracted energy equipment from Resita is 20% delivered.	
.Accumulate:	60%			
DMD	7,5 km din 11 km		-	-
DMS	fillings performed on 0,7 km out of 1 km		-	-
Dam		90%	Contracted hydro mechanic equipment with Romenergo: not supplied until today	
Downstream regulation		40%		



HPP Pașcani+Dam. Downsteam view



HPP Pașcani. Machines room



HPP Pașcani – Equipment



HPP Pașcani



Right bank dam

In the analysis of the HEA Pașcani also attended representatives of authorities Mr. Cristian Adomnitei, Chairman of Iasi County Council, Mr. Florin Constantinescu Senator, Mr. Nicolaie Ratoi, Deputy.

Legal administrator mentioned that one of the causes of insolvency is represented by the fact that Hidroelectrica has financed the investments necessary for hydro schemes with complex uses, where energy has a secondary role, as is the situation of Pașcani arrangement. This situation leads to a specific investment per installed MW in HPP Pașcani exceeding the one that Hidroelectrica should accept. Company can provide further financing for energy part only.

Representatives of authorities took note of this situation and agreed with Hidroelectrica's position to finance only energy use (HPP Pașcani), and the other beneficiaries of the use of water management to secure funding for Pașcani accumulation.

It was therefore proposed the establishment of a Working Group made up of representatives of: Ministry of Environment and Forests, Ministry of Administration and Interior, Ministry of Economy, Ministry of Agriculture, that will develop the necessary background note issued by a Government Decision according to which the current form of investment "Pașcani Hydro Power Unit", approved by Government Decision 806/2006, to be divided in two parts, namely:

Pascani Hydro Power Unit	Beneficiary with the investment and operation: National Company „Romanian Waters"
HPP Pașcani	Beneficiary with the investment and operation: SC Hidroelectrica S.A.

4. Specific activities of economic and financial nature:

4.1 For efficient financial and economic activities regarding records and payment of obligations to others, a series of actions were carried out that should reduce the time for compiling and ensure a higher degree of accuracy of information, given that after 20.06.2012, the date of initiation general insolvency procedure, debtor payments are made from the executive office for all 13 subsidiaries.

Given the fact that payments were made at the executive orders, written by hand, with all the drawbacks derived from such an operating mode, during October were completed the deployment procedures for internet banking / multicash at most banks with which the debtor performs operations in order to collect money and make payments.

Also, organizational measures have been implemented for collecting from branches and centralizing data on claims and liabilities to third parties, throughout the company.

4.2 In accordance with the Accounting Law no. 82/1991, republished, with subsequent amendments and given MPF Order 2861/2009 for the approval of the organization and inventory of assets, liabilities and equity, inventory committees were established, and were determined periods for making company-wide inventory and inventory procedures were revised.

4.3 Preparation and submission of quarterly reports.

Having regard to Article 51, paragraph 1, letter c) of Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, the legal administrator has approved publication of half-yearly reports of the company, after completing the analysis and operating the necessary adjustments on certain income and expenditure accounts, according to the applicable accounting compliance.

Thus, taking into consideration:

a) Lack of conformity observed by the legal administrator to the applicable accounting regulations of society, inconsistent related primarily to:

- how to calculate and record depreciation expense for depreciable fixed assets;
- failure to impairment losses of doubtful receivables for which there were no legal possibilities for recovery or chances of recovery were very low

- b) The fact that following verification of the amounts claimed by the company's creditors according to the statements of claims submitted for entry in Table of preliminary receivables, amounts of interest and penalties nature, were found, which were not registered in company's accounts.
- c) The fact that due to total or partial failure to register the above expenditures led to significant distortion of the results shown in the profit and loss account, both in financial statements for the year ended 31.12.2011 and the trial balance prepared for 30.06.2012.

After 20.06.2012, the date of insolvency procedure and until 02.10.2012, the date when submitted quarterly reports, in company accounts were operated a series of recordings due to account "retained earnings arising from accounting errors" for events of the year 2011 and on behalf of expenditure and revenue accounts for events that focused on the first half of this year.

1) Retained earnings from accounting errors for financial year 2011

In the financial statements for the year ended 31.12.2011, the Company reported a gross profit in value of 39,609,944 RON and a net profit in value of 396,444,266 RON of which the amount of 1,647,885 RON was assigned for increase legal reserves, so that the remaining net profit of the company was in value of 4,796,381 RON.

Reconsideration of amounts due to the nature of expenditure and income, as presented below for 2011, results in a loss in value of 129,418,167 RON reflected in the account retained earnings arising from accounting errors, results:

- Total expenses increased amount of 149,238,874 Ron, thus:
 - 17,092,610 RON - penalties related portion of 2011, penalties that were allowed in the preliminary table and claims that were not recorded in company accounts.
 - 132,146,264 RON - additional depreciation arising from its recalculation using linear depreciation regime (see also Chapter 9.1.2. Letter d) of the "Report on the causes and circumstances that led to the insolvency of Hidroelectrica" the legal administrator filed under art. 59 of Law 85/2006 on insolvency proceedings, as amended and supplemented);
- The increase in total revenues amounting 19,820,708 RON, out of which:
 - 452,934 RON - income from subsidies resulting from the recalculation of depreciation;

- 19,367,774 RON - revenue resulting from reduced income tax expense as a result of the above records.

2) The financial result for the first half of 2012

The result for the first half of 2012, as it was originally presented by the company, was revised so that from a loss (45,936,793) RON as originally presented, reached a result following corrections, to a loss of (202,139,669) RON presented in the amended balance and submitted quarterly reports on 02.10.2012. The increase of loss initially submitted comes from:

- Excess expenditure in value of 156,354,795 RON, consisting of:
 - 47,052,356 RON - penalties related to portion of 2012, penalties allowed in the preliminary table of claims that were not recorded in company accounts.
 - 63,004,857 RON - provisions for amounts due as penalties, amounts that have not been registered in the preliminary table drawn up by the legal administrator but considered claims arising from failure to pay within the time limits set by commercial contracts signed and for which it was considered a significant risk that these amounts should be accepted in the preliminary table, after resolving claims disputes.
 - 25,819,486 RON - adjustments for doubtful debts in respect of the possibility of recovery, some of them even operating limitation.
 - 30,299,290 RON - additional depreciation resulting from correct application of the system of depreciation of fixed assets, provided by applicable accounting regulations (OMPF 3055/2009);
 - 2,512,823 RON - foreign exchange differences arising from the revaluation of receivables denominated in a currency other than the national currency;
 - 325 RON – bank fees;
 - (12,334,342) - reduction of income tax expense due to the effect of additional account records of expenses and income;
- Surplus incomes in value of 151,919 RON representing income from investment subsidies resulting from the recalculation of depreciation. According to trial balance "originally prepared by Hidroelectrica on 30.06.2012, in the income statement was highlighted a loss for the first 6 months of 2012 in value of 45,936,793 RON and after the corrections were made, as shown above, the Company has corrected the balance as follows:
 - Recoverable loss for the financial year 2011 in value of 129,418,167 RON and
 - A loss in the first six months of 2012 in value of 202,139,669 RON.

Please note that the loss recoverable submitted in quarterly reports filed by the company is in value of 124,621,786 RON, as difference between the remaining net profit to the company worth 4,796,381 RON on 31.12.2011 and loss of 129,418,167 RON as above mentioned.

4.4 Annual reports prepared in accordance with IFRS

Amendments made to the balance on 30.06.2012, as presented above, which affected earnings derived from accounting errors for financial year 2011, required discussion and reconciliation of views between the legal administrator and KPMG, as statutory auditor of the financial statements, regarding delivery of the audit report for the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial year 2011.

Until this report, were given to the auditor all information requested and developed a complete set of consolidated Financial statements, with all changes agreed, so as in the next period KPMG will provide the audit report for these financial statements.

5. PR and media

Legal administrator's communication with shareholders and the public through the media went into a steady pace in this period; given the need for complete accurate information about:

- Developments in the administration of insolvency proceedings in order to reorganize work;
- Activities, objectives and results of work performed by the legal administrator;

Legal administrator's constant presence in the media, with statements, interviews, radio and TV shows, conferences connected to energy domain, has as main objectives:

- Describing and justifying decisions adopted in the proves of insolvency administration;
- Explaining Hidroelectrica's special situation, as a result of lowering energy production due to severe drought, present both on the Danube and main interior basins;
- Fighting pessimistic scenario / critics from the media connected to the development of Hidroelectrica insolvency;
- Enforcing the image and Hidroelectrica potential, as the biggest energy producer in Romania and main supplier of services for the proper functioning of the National Energetic System.

6. Relation with financing banks

1. Legal administrator convenes and participates at the regular meetings with the 15 creditor banks. At these meetings he presents Hidroelectrica cash- flow situation, the

most important decisions and relevant measures applied and the main events at which the Legal administrator participated.

2. During the reporting period there were carried out negotiations with BRD and Transylvania Bank to extend the maturity of credit lines granted to the company, negotiations completed by the signing addendums for extending the terms and conditions agreed by the parties.

B. Procedural measures:

1. General Meetings of Shareholders

Since the last report, there have been two meetings of the General Meeting of Shareholders. Meetings were convened and chaired by the Legal administrator, in accordance with Art. 20, paragraph 1, lett. g) no. 85/2006 Law on insolvency proceedings, with subsequent amendments and were held as follows:

- OGMS meeting convened for 31.10.2012 has been postponed for lack of quorum and was held on 01.11.2012.
- EGMS convened for 31.10.2012 has been postponed for lack of quorum and was held on 01.11.2012.

2. Meeting of Creditors' Committee

Legal administrator convened Creditors Committee on 25.10.2012 for the following agenda:

- Approval of Hidroelectrica point of view, represented by legal administrator, that will be assisted in the criminal case, regarding formulating a declaration of civil party in the criminal case before the Bucharest Court - Criminal Division I in case no. 28176/3/2006 on the defendants OPREA TRAIAN, ASAN GEORGE LAVINIUS, TRIF IOAN, POPESCU DAN, DUDAS IOANA and others indicted - at liberty, for abuse of office against public interests.

Thus:

- (i) the summons issued by the Bucharest Court - Criminal Division I in criminal case no. 28176/3/2006 on the defendants OPREA TRAIAN, ASAN GEORGE LAVINIUS, TRIF IOAN, POPESCU DAN, DUDAS IOANA and others indicted - at liberty - for abuse of office against public interests (art. 248 Criminal Code);
- (ii) indictment no. 90/P/2005 the Prosecutor's Office by to the High Court of Cassation and Justice - National Anticorruption Directorate - Bucharest Territorial Service, dated 17.08.2006, by which defendants alleged the offense of abuse of office against the public

interest and found detriment to Hidroelectrica in value of 51,000,000,000 ROL (5,100,000 RON), caused by a public procurement of Schneider products whose prices were overvalued.

- (iii) extrajudicial expertise prepared at Hidroelectrica request, seeking to establish the existence and amount of any other loss, or determining the appropriateness of purchases of Siemens, Schneider products, performed in 2004;
- (iv) the fact that Hidroelectrica Board of Directors established that Hidroelectrica has not suffered any detriment from such procurement under research, and therefore, does not constitute as civil party in the file, these being retained as such by the court in concluding dated 19.09.2007 rendered in criminal file 28176 /3/2006;
- (v) letter to the Bucharest Court - Criminal Division I, in which the legal administrator was asked to clarify its position on Hidroelectrica interests in litigation, or to specify whether it will be a civil party in the clause. Hidroelectrica approval of an average fee of 3000 Euros plus VAT / file for legal representation in a number of 74 cases of complaints regarding the preliminary table. Euro Insol will select, on transparent and fair principles, lawyers who will represent the interests of the debtor in each case.

3. Preliminary table of receivables

On September 10, 2012 was presented preliminary table of claims against Hidroelectrica debtor. 74 complaints were made against the preliminary table, which can be grouped according to their subject in three subcategories, to which Euro Insol together with lawyers to be involved will develop the defense strategy in each case.

- a. Complaints regarding rejection by the legal administrator of the amounts claimed for works and services, late payment penalties, based on Hidroelectrica contracts with its trading partners, such as complaints that some lenders, like Romanian Waters National Administration require registration of their claims in the budgetary receivables category. The total amount of these receivables is in value of 439,379,915.75 RON.
- b. Complaints regarding non-inclusion by the legal administrator of the amounts claimed by energy traders as compensation for enabling the force majeure clause Hidroelectrica in 2011. The total amount of these receivables is in value of 262,070,997.36 RON.
- c. Complaints regarding non-inclusion by the legal administrator of the amounts claimed by energy traders as compensations for the termination of

bilateral energy contracts. The total amount of these receivables is in value of 476,506,138 RON.

Total claims rejected from the list of creditors is 1.177.957.051,11 RON. Claims admitted to the list of creditors are in amount of 3.509.286.116,71 and those admitted under condition in value of 804,110,145.92 RON.

Up to date applications have been made for the replacement of the terms granted by the court in order to speed up the trial of cases. A summary of appeals to the preliminary table is given below:

No.	CONTESTOR	DEFENDANT	COURT, FILE NUMBER	TERM
1	ANDRITZ HYDRO GMBH RAVENSBURG	EUROINSOL	BUCHAREST LAW COURT 37358/3/2012	28.11.2012/09:00
2	SCALPIQ ROMINDUSTRIES SRL by SCHOENHERR SI ASOCIAȚII	EURO INSOL	BUCHAREST LAW COURT 36549/3/2012	28.11.2012/09:00
3	HIDROCONSTRUCȚIA SA by POPOVICI NITU & ASOCIAȚII	EUROINSOL	BUCHAREST LAW COURT 37952/3/2012	20.02.2013/09:00
4	EVIVA HIDRO & MARTIFER SGPS SA	EURO INSOL	BUCHAREST LAW COURT 37483/3/2012	20.02.2013 / 09:00
5	ALRO SA	EUROINSOL	BUCHAREST LAW COURT 36781/3/2012	20.02.2013 /09:00
6	ALPIQ ROMENERGIE SRL by SCHOENHERR SI ASOCIAȚII	EURO INSOL	BUCHAREST LAW COURT 36546/3/2012	28.11.2012 /09:00
7	ENERGY HOLDING by TUCĂ ZBÂRCEA & ASOCIAȚII	EUROINSOL	BUCHAREST LAW COURT 36545/3/2012	20.02.2013/09:00
8	ELECTRO ALFA INTERNATIONAL SRL by CAB AV. RALUCA CONSTANȚI NESCU	EURO INSOL	BUCHAREST LAW COURT 37176/3/2012	20.02.2013/09:00
9	ING BANK by TUCĂ ZBÂRCEA SI ASOCIAȚII	EUROINSOL	BUCHAREST LAW COURT 37393/3/2012	20.02.2013
10	JIAN AUGUSTINJIAN VOICHIȚA , etc.)	EURO INSOL	BUCHAREST LAW COURT 33620/3/2012	12.12.2012
11	SC BUSINESS PLUS SRL	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36109/3/2012	14.11.2012 /09:00



12	AN APELE ROMANE EXPLOATAREA COMPLEXA STANCA COSTEȘTI: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36241/3/2012	14.11.2012
13	INSPECTORATUL DE JANDARMI JUDEȚEAN ARGEȘ - UM 0681 PITEȘTI: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36309/3/2012	14.11.2012
14	A.N. APELE ROMÂNE -ADM. BAZINALĂ APĂ SOMEȘ-TISA : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36373/3/2012	14.11.2012
15	A.N. APELE ROMANE-ADM. BAZINALĂ APĂ ȘIRET: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36375/3/2012	14.11.2012
16	A.N. APELE ROMÂNE-ADMINIST RAȚIA BAZINALĂ DE APĂ BUZĂU-IALOVIȚA : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36376/3/2012	14.11.2012
17	ADMINISTRAȚIA NAȚIONALĂ APELE ROMANE (ANAR) : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36378/3/2012	14.11.2012
18	SC ELE CTRO ECHIPAMENT INDUSTRIAL SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36482/3/2012	20.02.2013
19	SC CONSTRUCȚII HIDROTEHNICE SA IAȘI : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36535/3/2012	20.02.2013
20	SC NGM COMPANY SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36548/3/2012	28.11.2012/



21	SC DE PRODUCERE A ENERGIEI ELECTRICE SI TERMICE TERMoeLECTRICA SA : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36561/3/2012	23.01.2013
22	A.N. APELE ROMANE-ADM. BAZINALĂ APĂ SOMEȘ-TISA CLUJ NAPOCA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36565/3/2012	23.01.2013
23	SC ELECTRICA FURNIZARE SA, PRIN SUC. DE FURNIZAREA ENERGIEI ELECTRICE TRANSILVANIA NORD CLUJ NAPOCA): Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36566/3/2012	23.01.2013
24	A.N. APELE ROMANE -DIRECȚIA APELOR JIU CRAI OVA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36609/3/2012	12.12.2012
25	ROMTELECOM SA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36711/3/2012	28.11.2012
26	SC SINDTOUR OPERATOR SRL : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36777/3/2012	12.12.2012
27	SC ELECTRO MONTAJ SA : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36780/3/2012	12.12.2012
28	SC ELECTROCAR BON SA PRIN SCA STOICA & ASOCIAȚII : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36857/3/2012	12.12.2012/09:00
29	SCELSIDSATITU PRIN SCA STOICA & ASOCIAȚII : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36861/3/2012	12.12.2012/09:00

30	JIAN AUGUSTIN with chosen address at Atn. DUMITRESCU TRAIAN : Contestator JIAN VOI CHITA with chosen address at AV. DUMITRESCU TRAI AN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36891/3/2012	06.02.2013
31	GROZA PETRU with chosen address at AV. DUMITRESC TRAI AN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36894/3/2012	19.01.2013
32	BĂLOI IOAN with chosen address at AV. DUMITRESC TRAI AN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36895/3/2012	09.01.2013
33	NICULA SÂNZIANA with chosen address at AV. DUMITRESC TRAI AN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36896/3/2012	12.12.2012
34	DĂNUTI VOICHIȚA, DĂNUTI DOINEL, DĂNUTI PETRIȘOR, GHeltu TATIANA with chosen address at AV. DUMITRESC TRAIAN Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36897/3/2012	09.01.2013
35	BUNEA TRAIAN, BUNEA ALIN DOINEL, BUNEA DORU IULIAN Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36898/3/2012	06.02.2013
36	PETER ERMINA with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36899/3/2012	06.02.2013
37	OPREA VASILECU with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36901/3/2012	06.02.2013

38	CIORA VIORICA, with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36903/3/2012	06.02.2013
39	OPREA MILIAN MIRCEA, NEAMȚ VERONICA, CHITAR DANA ,COTOLAN with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36905/3/2012	09.01.2013
40	CIORA TEREZIA with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36910/3/2012	09.01.2013
41	DĂNUȚ IOAN with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36911/3/2012	09.01.2013
42	DĂNUȚ IOAN, DĂNUȚ ROZASINA with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36913/3/2012	06.02.2013
43	TONCEA DOINA SILVIA, TONCEA COSMIN, CONEA CRISTIANA, IOVĂNESCU DOINA, TONCEA IOAN with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36914/3/2012	09.01.2013
44	CIORA DAN with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36916/3/2012	06.02.2013
45	FLORESCU RADU, FLORESCU TIBERIU with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36919/3/2012	06.02.2013

46	BĂLOI ELENA, NEACȘU CARMEN with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36923/3/2012	06.02.2013
47	BARBU VETURIA, TEICH ANTONI ETA with chosen address at AV. DUMITRESC TRAIAN : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36924/3/2012	06.02.2013
48	INSPECTORATUL DE STAT IN CONSTRUCȚII -ISC: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 36989/3/2012	12.12.2012
49	GTS TELECOM SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37032/3/2012	28.11.2012
50	SOCIETATEA NAȚIONALĂ NUCLEARELECTRICASA (SNN): Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37059/3/2012	12.12.2012
51	SCROMENERGOSA PRINSCASTANESCU, MILOS, DUMITRU SI ASOCIAȚII : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37078/3/2012	06.02.2013 / 09:00
52	SCSIM IMPEX SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37197/3/2012	20.02.2013
53	SC INTERACTIVE TECHNICAL SERVICES SA by CIA GHERASIM ȘTEFAN HARALAMBIE : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37364/3/2012	28.11.2012
54	SC DANUBE SALVAGE AND TOWAGE SRL with chosen address at : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37366/3/2012	28.11.2012

55	SC NEI GUARD SRL with chosen address at : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37368/3/2012	28.11.2012
56	OMV PETROM SA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37373/3/2012	23.01.2013
57	SC FILIALA DE ÎNTREȚINERE SI SERVICII ENERGETICE ELECTRICA SERV SA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37377/3/2012	23.01.2013
58	SINDICATUL NATIONAL PETROM ENERGIE with chosen address at : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37378/3/2012	23.01.2013/09:00
59	EFT AG with chosen address at MUSAT & ASOCIAȚII SPARL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37379/3/2012	23.01.2013
60	ADMINISTRAȚIA NAȚIONALĂ APELE ROMANE ADMINISTRAȚIA BAZINALĂ DE APA DOBROGEA LITORAL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37386/3/2012	06.02.2013
61	ENERIA SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37479/3/2012	28.11.2012
62	SC NAKITA PROD COMIMPEX SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37485/3/2012	06.02.2013 /09:00

63	SC GDF SUEZ ENERGY ROMÂNIA SA by MANDATAR COFACE ROMÂNIA CREDIT MANAGEMENT SERVICES SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37609/3/2012	06.02.2013
64	SCA CÂMPEANU ȘI ASOCIAȚII: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37611/3/2012	12.12.2012
65	SC MAGMA COM SRL : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37615/3/2012	12.12.2012
66	SC LUXTEN LIGHTING COM PANY SA : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37616/3/2012	06.02.2012/09:00
67	AUTORITATEA NAȚIONALĂ PENTRU ADMINISTRARE ȘI REGLEMENTARE ÎN COMUNICAȚII (ANCOM) : Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37778/3/2012	06.02.2013
68	SC FORMENERG SA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37779/3/2012	20.02.2013
69	SC MARCO M RMC "94 SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 37954/3/2012	20.02.2013
70	SC OPTIM EDI A SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 38164/3/2012	20.02.2013
71	SC ROTAKT SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 38275/3/2012	14.11.2012

72	SC TERMOIN STALATI1 CONSULT SRL: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 38321/3/2012	14.11.2012
73	SC ENEL DISTRIBUȚIE DOBROGEA SA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 38896/3/2012	06.02.2013
74	COMPANIA NAȚIONALĂ ADMINISTRAȚIA CANALELOR NAVIGABILE SA CONSTANTA: Objector	SC HIDROELECTRICA SA: Respondent in appeal EURO INSOL LICHIDATOR	BUCHAREST LAW COURT 39580/3/2012	23.01.2013

4. Litigations solved during report of activity period:

File 22456/3/2012 to be judged by the Court of Appeal

Subject: appealed by Alpiq Energy Rom, Alpiq RomIndustries and Hidrosind at the opening of insolvency proceedings, appeals have been admitted in part by the Court of Appeal (exclusively in terms of the fact that applications for intervention were not discussed by parties) with Civil Decision no. 1774/18.10.2012, regarding cause, the Court of Appeal maintaining dispositions regarding opening insolvency procedures and subsequent.

Files no. 5902/1/2012, 5904/1/2012, 5905/1/2012 and 5906/1/2012 pending before the High Court of Cassation and Justice, concerning relocation requests made by Alpiq RomIndustries and Alpiq Energy Rom file 22456/3/2012 for insolvency and subsequent cases regarding appeals and oppositions brought by Alpiq companies.

5. Other disputes in the insolvency proceedings pending before courts:

File 7917/2/2012 the Court of Appeal - Appeal of Alpiq RomEnergie and Alpiq RomIndustries against concluding of the meeting on 05.09.2012 rendered in the file

Purpose: In essence, the appellants claim that the grounds of appeal and the fact that the judge should have by the end of 05.09.2012 decide correction of material errors contained in the judgment opening the proceedings (in the sense that it was not public meeting but closed session consequence, pronounced a sentence but not a conclusion of initiation) at the request of Euro Insol SPRL, whereas, the present case it is not about material errors. It reiterates the grounds of appeal arguments already mentioned above and in the required file bankruptcy judge should have put in the question to intervene, as it is a procedure that has become of contentious nature as a result of the calls for intervention.

Status: The first hearing in the case is December 11, 2012.

File no. 41292/3/2012 the Bucharest Tribunal Section VI-Civil

Action for nullity of Board Decision no. 18/2012 and suspending the effects of the decision about injunctive relief pending resolution of the merits.

Purpose: Action for nullity of judgment of Board of Directors 18/2012 filed by Hidroelectrica Hidrosind Subsidiary and Hidroelectrica Hidrosind union in essence to keep hearing in the same day as the convener, termination of the mandate of Remus Vulpescu, provisional director by BD Decision dated 22/25.05 .2012, the agenda of the meeting which does not expressly specify the insolvency procedure, two members had granted mandate to a non-reliable person (Remus Vulpescu), violation of the law of social dialogue and consultation of employees regarding Labor Code and decisions that affect them substantially.

Status: The hearing on November 1, 2012 was postponed and asked applicants to consider and specify the action (if there are two requests, or nullity action for injunctive relief only, request was stamped as specified, to prove their representative) and the defendant to prove the appointment of the legal administrator to ratify the mandate given by Hidroelectrica lawyers, present at the meeting.

The following hearings: November 8, 2012.

File no. 36735/3/2012, File no. 26503/3/2012, File no. 36733/3/2012 and File no. 26502/3/2012 before the Law Court of Bucharest, Civil section no. 7

- Opposition to opening procedure formulated by Alpiq Energy Rom, Alpiq RomIndustries, Alpiq AG and Hidrosind.

Purpose: to challenge Hidroelectrica insolvency on the date of opening of proceedings

Status: at the hearing on 31.10.2012, the bankruptcy judge, under the provisions of art. 32 (2) of Law 85/2006, ordered that all oppositions to deal with a single sentence (requests also made by objector) and established the term for hearing on January 23, 2013 (same dates with Alpiq AG and Hidrosind objections) .

The next hearings to resolve all four positions: 23 January 2013.

File no. 31379/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal insofar energy sales contract termination filed by Alpiq RomIndustries

Purpose: contesting the legal administrator's unilateral decision for termination of the sales contract concluded with Alpiq RomIndustries under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the receiver and decide hearing on 23.01.2013. Requested conversion of the appeal period, the redemption request being rejected.

The following hearings: January 23, 2013.

File no. 31384/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal insofar energy sales contract termination filed by Alpiq RomEnergie.

Purpose: contesting the legal administrator's unilateral decision for termination of the sales contract concluded with with Alpiq RomEnergie under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the receiver and decide hearing on 23.01.2013. Requested conversion of the appeal period, the redemption request being rejected

The following hearings: January 23, 2013.

File no. 34807/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal insofar energy sales contract termination filed by PEET Electrocentrale Paroşeni.

Purpose: contesting the legal administrator's unilateral decision for termination of the sales contract concluded with PEET Electrocentrale Paroşeni under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when decided to postpone the case to meet the communication made by the legal administrator and decided hearing on 23.01.2013.

File no. 34739/3/2012 before the Law Court of Bucharest Civil section no. 7

Appeal insofar energy sales contract termination filed by Electrocentrale Deva.

Purpose contesting the legal administrator's unilateral decision for termination of the sales contract concluded with PEET Electrocentrale Paroşeni under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decided hearing on 23.01.2013.

File no. 29713/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal insofar energy sales contract termination filed by Energy Holding.

Purpose: contesting the legal administrator's unilateral decision for termination of the sales contract concluded with Energy Holding under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decide hearing on 23.01.2013.

File no. 29088/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal insofar energy sales contract termination filed by EFT AG si EFT România SRL.



Purpose: contesting the legal administrator's unilateral decision for termination of the sales contract concluded with EFT AG si EFT România SRL under Art. 86 (1) of Law 85/2006.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decide hearing on 23.01.2013.

File no. 31833/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal of Elsid Titu

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decide hearing on 23.01.2013.

File no. 31849/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal of Electrocarbon

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decide hearing on 23.01.2013.

File no. 31569/3/2012 before the Law Court of Bucharest Civil section no. 7

- Appeal of Alro SA.

Status: The first hearing was on 05.09.2012 when it was decided to postpone the case to meet the communication made by the legal administrator and decide hearing on 23.01.2013.

Legal administrator **EURO INSOL SPRL**

By coordinator

Attorney at law Dr. Remus Adrian Borza