



REPUBLIC OF KOSOVO - REPUBLIKA E KOSOVES	
MINISTRIA E TREGTISE DHE INDUSTRIE - VLADA KOSOVA - GOVERNMENT OF KOSOVO	
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Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria -Vlada-Government

Ministria e Tregtisë dhe Industrisë-Ministarstvo Trgovine i Industrije
Ministry of Trade and Industry

Z. Arben Gjukaj
Drejtor, KEK

Prishtinë, 10.05.2012

I nderuar z. Gjukaj,

Më lejoni që me anë të kësaj letre t'ju informoj se në Ministrinë e Tregtisë dhe Industrisë ka mbërritur një letër nga **Quantum Risk Engineering**, të cilët kanë shprehur interesimin e tyre për të investuar në Termocentralin Kosova A. Për detajë të mëtejshme lidhur me përmbajtjen e saj, ju lutem gjeni të bashkangjitur këtë letër. Gjithashtu pres një rekomandim nga ana juaj për t'i përcjellur një përgjigje kompanisë në fjalë.

Duke ju falenderuar për bashkëpunimin, ju dëshirojmë punë të mbarë në aktivitetin tuaj.

Sinqerisht,

Mimoza Kusari-Lila

Zv.kryeministre/Ministre MTT-së





Quantum Risk Engineering, LLC

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April 30, 2012

Her Excellency
Deputy Prime Minister and
Minister of Trade and Industry
Mëresa Kusari- Lila
Pristina, Kosovo

Subject: Letter of Interest for Investment in TPP Kosovo

Reference: Letter of Intent submitted to His Excellency B. Pacolli dated January 27, 2012 (Copy Attached)

Honorable Mrs. Kusari- Lila,

Quantum Risk Engineering, LLC , a US based company ,in consortium with other companies, acts as foreign investor, EPC contractor and operator in the rehabilitation of existing and the creation of new power generation plants worldwide, including similar rehabilitation projects completed in Bulgaria.

With intention to help the Kosovo government solve the energy problems of the country, in January 2012 Quantum Risk Engineering Consortium ("Consortium") proposed its capacity and expertise in funding and commissioning of the revitalization and upgrading of units 1 and 2 and the rehabilitation of units 3, 4 and 5 of TPP Kosovo A in compliance with EU standards and requirements for energy efficiency and flue emissions, in order to extend the operational life of the plant and prevent its decommissioning in 2017 units 3, 4 and 5 of TPP Kosovo A.

Taking into account the limitations of the laws of Kosovo and based on the preliminary talks with Your Excellency and His Excellency Deputy PM B. Pacolli during our meetings in January 2012, the Project structure for the implementation of this Project has been proposed as a Public Private Partnership ("PPP") and international recognized norms for mutual terms of participation under PPP structure , which includes certain government guarantees for this type foreign investment PPP projects. In line with such norms, the Consortium prepared and presented Letter of Interest ("LOI") and draft for Memorandum of Understanding ("MOU") with the Government of Kosovo .

Subsequently, with the approval of Your Excellency, to expedite the project forward and clarify the technical aspects of the Project and its realization in March 2012, the Consortium sent a foreign delegation consisting of 15+ technical and nuclear experts' to visit the site TPP Kosovo A., with due permission granted entry to visit the site, by _____. On the day of their visit while the delegation was waiting outside the site for their entry, access to the site was refused, without specified reasons, by KEK management. The rejection of the Foreign Investors due diligence team was reported to senior executive management in the US.

To clarify this serious situation and avoid the obstacles and negative image and perception of US Foreign Investors, His Excellency B. Pacolli, invited the Quantum Risk Engineering Consortium executives back into Pristina on April 26-27, 2012 for moving forward on a positive basis the implementation of the Project as proposed by the Consortium during this second visit to Kosovo.

However, in a meeting with the Minister of Economic Development HE Besim Beqaj, the Consortium members learnt that none of the Consortium's proposals are acceptable for the Kosovo government. Furthermore, according to HE Besim Beqaj, his ministry has limited authority over KEK, and hence the Consortium should approach KEK directly.

Given the above, the Consortium once again confirms its capacity and readiness for the implementation of the proposed MOU in line with which we propose:

1. To grant access to the site of TPP Kosovo A for Consortium experts delegation for technical study and evaluation of possibilities for reengineering and upgrading of unit 1 and rehabilitation of unit 2 of the power plant. Based on our preliminary studies, the complete project for units 1 and 2 can be implemented within 18 months. We need a confirmation of the date of visit by your Ministry.
2. The planned repair works of unit 4 of TPP Kosovo A scheduled for Q2 of 2013 to be transformed into a rehabilitation by Consortium funding and commissioning. Similar approach to be implemented for units 5 and 3 in parallel in the future.
3. We need to have a response by the Kosovo Government of their interest in our proposal as soon as possible.

Looking forward to your response.

Your Sincerely



Arun Savkur
Director