

Brief history of the project

- In 2004 the Council of Ministers (CM) of the Republic of Bulgaria made a decision in principle for the construction Belene Nuclear Power Plant and in 2005 by Decisions No: 259 and No:260 of 08.04.2005 it determined the Project as a project of national importance and made a decision for building a nuclear power plant at the Belene site with 2000 MW maximum installed capacity, based on an evolutionary design using officially approved technical solutions with pressurized water reactors (PWR).
- On 29.11.2006 Natsionalna Elektricheska Kompania EAD (NEK) signed an agreement with Atomstroyexport JSC (ASE) – the selected Contractor as a result of a public procurement procedure carried out, and by that Agreement the parties undertook to conclude a future contract for engineering, supply and construction (EPC) of Belene NPP.
- On 5.11.2008 Appendix 5 to the Agreement of 29.11.2006 was signed for ordering and manufacture of long-term manufacture equipment (LTME) for Units 1 and 2. That Appendix included the main equipment for the power plant (reactor installation, steam generators, passive protection systems, recharging machine, polar crane, portal crane, turbine installation, etc.).
- On 29.03.2012 the Council of Ministers adopted Decision No: 250 / 29.03.2012 by which: (1) repealed CM's decision of 2005 for determining the energy project "Nuclear power plant on Belene site" as a project of national importance; (2) repealed CM's Decision №260 for construction of a nuclear power plant on Belene site; (3) cancelled item 2 of the decision under it.57 of CM's Minutes of Meeting No. 17 of 2004; (4) By that decision the Minister of Economy, Energy and Tourism was assigned to arrange negotiations for settling the relations between NEK and ASE in relation to the previous decisions and to submit a proposal to the Council of Ministers for construction of a new nuclear capacity at the site of Kozloduy NPP.

The decision was taken due to the impossibility of structuring the Project at that time in such a way so that to guarantee its economic viability under the conditions of the global financial and economic crisis during that period.

- In addition to that, by its decision of 29.03.2012, the National Assembly of the Republic of Bulgaria supported the actions of the Council of Ministers to stop the construction of a nuclear power plant on the Belene site.
- In the period July 2011 - June 2016 there was an arbitration dispute under ICC Case 18086 /GZ/MHM between ASE and NEK brought before the International Arbitration Court at the International Chamber of Commerce in Paris (ICC) in connection with construction of Belene NPP ("Arbitration Case").
- On 14.06.2016 the ICC International Arbitration Court announced its Award under the Arbitration Case, obligating NEK to pay to ASE the price of the manufactured equipment in accordance with Appendix 5 of 05.11.2008 and NEK would acquire ownership of the equipment produced.
- On 26.10.2016 and 08.12.2016 NEK transferred to ASE's account the amount due in accordance with the Arbitration Award and the Agreement for final settlement of the relations under the arbitration case ICC Case 18086 / GZ / MHM, thus settling the relations between NEK and ASE in the arbitration case, as a result of which NEK acquired ownership of the manufactured LTME.
- On 16.01.2017 NEK and ASE signed an Agreement for supply of the Completed LTME, and from March 2017 equipment deliveries started. Currently, the equipment is in Bulgaria and is stored on the Belene NPP Site.
- On 2.03.2018 the National Assembly of the Republic of Bulgaria adopted a decision, by which the Minister of Energy was assigned to submit by 30 June 2018

particular proposals related to the possibilities for realization of the Project assets for construction of Belene NPP, including separation of the Project assets and liabilities into a separate legal entity.

- On 07.06.2018, on the basis of the report submitted by the Minister of Energy for particular options for the Project assets realization for construction of Belene NPP, including separation of the Project assets and liabilities into a separate legal entity, the National Assembly of the Republic of Bulgaria adopted a decision assigning the following to the Minister of Energy:
 - to resume actions for seeking of possibilities for Belene NPP construction together with a strategic investor on a market principle (without contracts for mandatory purchase of energy, without preferential prices, without contracts for differences, without corporate guarantees and /or without other non-market mechanisms to guarantee the investment) and without a state guarantee, through separation of the Project assets and liabilities into a separate legal entity;
 - to arrange, coordinate and control the negotiations with potential investors and equipment manufacturers;
 - to take actions for development of a procedure for selection of a strategic investor and to propose options for the Project structuring by 31 October 2018;
 - to inform the National Assembly on a regular basis about the actions taken and the particular results from the negotiations conducted;
 - to recommend to the Council of Ministers to take actions for the annulment of CM Decision No. 250 of 2012 for the purposes of conducting negotiations with potential investors and equipment manufacturers under the conditions set in it.1.
- On its side, The Council of Ministers, by its Decision No: 447 of 29.06.2018 decided the following:
 1. Cancels CM Decision No. 250 of 2012 that repeals CM Decision No. 259 of 2005 for determining of the energy site "Nuclear power plant on Belene site" as a project of national importance and CM Decision No: 260 of 2005 for construction of a nuclear power plant at the Belene site, for the purposes of conducting negotiations with potential investors and equipment manufacturers under the terms of it. 2 (a) of the Present Decision.
 2. The Minister of Energy shall:
 - a) resume actions for seeking of possibilities for Belene NPP construction together with a strategic investor on a market principle (without contracts for mandatory purchase of energy, without preferential prices, without contracts for differences, without corporate guarantees and /or without other non-market mechanisms to guarantee the investment) and without a state guarantee, through separation of the Project assets and liabilities into a separate legal entity;
 - b) arrange, coordinate and control the negotiations with potential investors and equipment manufacturers;
 - c) develop a procedure for selection of a strategic investor and propose options for the Project structuring by 31 October 2018;
 - d) inform the Council of Ministers and the National Assembly on a regular basis about the actions taken and the particular results from the negotiations conducted.
- The Site selected for construction of the Belene NPP has an area of 2450 decares and is located on the lands of Belene (1952 decares) and on the lands of Svishtov (498 decares). The site is surrounded by a security fence outside along the entire perimeter and there is armed security guard permanently. On this territory there is a main construction site, envisaged for construction of two 1000 MW nuclear power units, and auxiliary bases and facilities envisaged for servicing the main construction. The auxiliary bases and facilities include: warehouse, assembly

base, construction site, port, industrial railway branch, administrative complex and a system for seismological and meteorological monitoring.

The site is ready for starting construction and assembly works for the Belene NPP Project. The ballast foundations for the two units are ready. A water drainage system and lighting for the works are in place. At the main construction site there are 5 column cranes and one gantry crane installed.

- In pursuance of the Agreement of 16.01.2017 signed between NEK EAD and Atomstroyexport JSC, the LTME for units 1 and 2 of Belene NPP, manufactured in the Izhora Plants, in Zio Podolsk and in Atommasheexport, is delivered at the Belene Site.

The delivered reactors are VVER-1000 / V-466 and have an increased safety level, as well as improved technical and economic performance.

The storage of the delivered equipment is carried out in accordance with the requirements of the factory instructions for preservation, transport and storage and in accordance with the technical passports of the goods.