Dear Mr. Li,

Thank You for your phonecall to our dear colleague and interpretor Mrs. Tanya Gaev.
If we correctly understood your question over the phone allow me to reply.

1. ROI (Return On Investment) – This is parameter which estimates the profitability of investments in percentages.

To be able to find the ROI parameter necessary is the following:

**ROI** = (earnings from investments - the total value of investments) / total investment value

**Earnings from investments** = production in barrels \* (margin per barrel - production costs per barrel) \* period of refinery work

**Investment value** = money to build refinery

If we accept your assessment of the value of the investment (the money needed to build a modern refinery), as we got such information from your colleague Mrs. Irina and this value is around 2 billion US dollars ($) ROI amount will be:

**Margin** = $ 37.835 / bbl

**The production of** 70,000 bbl (if the state of Serbia obtained licenses to new oil refinery products 100 000 bbl, we are showing here, with the intention, that refinery works with a capacity of 70 000 bbl, so You can see ROI on that capacity of the oil processed)

**Period** = 1,460 days (cost-effectiveness evaluation period \* 4 years 365 days)

**Investment** = $ 2,000,000,000

Than:

               ROI = (70.000 \* 37,835 \* 1.460 – 2.000.000.000)/2.000.000.000

               ROI = (3.866.737.000 – 2.000.000.000)/2.000.000.000

               **ROI = 93,34%**

**2. We want You to have more information, so I will now send the two sections that are done by our experts and professional advisors representatives. When You read expert analysis of sections 7 and 8 (att), please consider that following parameters took place in the acoount:**

**a) investment value of 700 million US dollars – in this investment value took place “technical and technological equipment” that is repaired and adapted to today's standards. It was requested by interested investors who, because of their financial problems, gave up the refinery. The price of latest equipment is higher and therefore the value of investments can reach two billion, and we accept it as a partner, but we will not interfere in the selection of suppliers of technical and technological equipment, but we will follow the selection of our partners from China if we agree with You. All other parameters, which were used during the creation of the study sections 7 and 8 are still not changed, or may be due to changes in the market price on today's real-time change of +/- 10% compared to the parameters with which we counted 2014 in sections 7 and 8.**

**b) Period underlying studies (sections 7 and 8) are done for a period of 7 years, 3 years of building works and 4 years of operation)**

 **I hope that from these datas, we are sending You, You will agree with great cost-effectiveness of the project for the investors and the owner. Also, this project has great strategic importance both in Serbia and countries in this part of Europe, and therefore a great advantage for owners of new oil refinery in Serbia.**

**Please, be free to contact us of any issue.**

**We are asking You to be free to share with us Your information on the next step of cooperation with as and Your future plans. We also need some time to cooperate with the Goverment of the Republic of Serbia and to prepare the ground for the arrival of a new investor and owner of the project.**

**In anticipation of your suits and your information,**

**Best Regards**

**Radomir Radivojevich**

(USD 700 mln or USD 2.000 bilion)

ROI - It is a parameter which is estimated to cost-effectiveness of investment as a percentage. In our business plan in SECTION 8 those parameters are given for the total operations of rafinery for a period of 7 years (building constraction is 3 years and 4 years of operation). The details of all these parameters You will see in SECTION 7. In order to cut your job here's a summary. To be able to find the ROI parameter necessary is the following:

**ROI** = (earnings from investments - the total value of investments) / total investment value

**Earnings from investments** = production in barrels \* (margin per barrel - production costs per barrel)

\* period refinery

                **Investment value** = money to build refineries (USD 700mln or USD 2.000mln)

For this case:

**Margin** = $ 37.835 / bbl (page 13 SECTION 7 Net result)

**The production of** 70,000 bbl

**Period** = 1,460 days (period estimate of cost-effectiveness \* 4 years 365 days)

**Investment** = $ 2,000,000,000

Than:

               ROI = (70.000 \* 37,835 \* 1.460 – 2.000.000.000)/2.000.000.000

               ROI = (3.866.737.000 – 2.000.000.000)/2.000.000.000

               ROI = 93,34%

With this formula You can calculate the height of each variant about the production and investment.