

Korea South East Power Co. Ltd
GlassTower, Teheran-Ro 534, Samsung-Dong, Gangnam-Gu, Seoul, KOREA

TO: Mr. Do-Soo JANG, CEO
CC: Mr. Kyung-II PARK, New Business Team
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Dear Mr. Do-Soo Jang,

Following our last letter sent to KOSEP in November 2012 on the topic of the Plomin C coal thermal power plant in Croatia, we would like to address you once again on this topic to update you on the situation.

As we indicated in our previous letter, Zelena akcija/Friends of the Earth Croatia, Zelena Istra and several local inhabitants of the Labin area have submitted a court complaint challenging the issuing of the environmental permit for the project.

The first hearing in the case took place on 19 June. Our complaint was recognised as a serious challenge to the project and HEP's request to conclude the process immediately was rejected. The next hearing will take place on 11 October 2013.

We believe that the project presents a high risk for potential investors, as well as a high cost for the Croatian public in both monetary and health terms.

This latter point was confirmed this spring in a study by Greenpeace using European Environmental Agency methodology which estimated total external costs of Plomin C at EUR 124.8 million annually.*

We would like to invite KOSEP to choose other – sustainable renewable - technologies in which to invest in Croatia and to discontinue its interest in the Plomin C project.

RWE, which was originally cited by the Croatian government as the most likely strategic investor in Plomin C, has already indicated that it is not interested, and we believe other potential investors would be wise to follow RWE's example.

In fact, Croatian media have recently been quoting an unnamed source close to HEP as saying that KOSEP and Edison are no longer interested in the project. If this is true we would be grateful if you can confirm this so that we no longer need to contact you on the subject.

Thank you in advance for your response,

Yours sincerely,
Bernard Ivčić,
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* http://s3-eu-west-1.amazonaws.com/zelena-akcija.production/zelena_akcija/document_translations/893/doc_files/original/greenpeace-report-plomin-c_final.pdf?1367580688