

**Invitation to Submit Bids (Offers)**  
**with Respect to the Acquisition of the Additionally Issued Ordinary Shares**  
**Placed by Lenenergo, Open Joint Stock Company of the Power Industry and Electrification**

This is an invitation for the general public to submit bids (offers) with respect to the acquisition of the additionally issued ordinary shares placed through a public offering in Lenenergo, Open Joint Stock Company of the Power Industry and Electrification (short corporate name – JSC Lenenergo, location: 196247, St. Petersburg, Constitution Sq, 1, PSRN 1027809170300) (hereinafter – the issuer).

State Registration Number of the additional issue of ordinary registered shares covered by this Invitation to submit bids (offers) (hereinafter – the Invitation): 1-01-00073-A-003D of September 10, 2013.

Total number of placed shares pursuant to the registered Decision on additional issue of securities: 926,876,304 pieces.

At placement of securities the preemptive right of their acquisition was provided. The date of drawing up of the list of persons having preemptive right of acquisition of placed securities – May 06, 2013. Number of securities placed as a result of implementation the preemptive right of their acquisition – 495,068,409.97 pieces.

The maximum total number of shares on which offers with respect to the acquisition of securities (further – Offers) can be submitted, and which can be placed to an unlimited circle of persons according to the Offers submitted by them – 431,807,894.03 pieces.

The offering price of one additional share is six (6) rubles and six (6) kopecks.

Procedure for submitting Offers

The Offers may be submitted to the issuer within thirty (30) days after the latest of the following acts done by the issuer: the publication of the present Invitation through the Interfax newswire, the publication of the Invitation in the Izvestiya newspaper, the posting of the Invitation on the issuer's website at <http://www.e-disclosure.ru/portal/company.aspx?id=65> and <http://www.lenenergo.ru/>.

Any potential acquirer (hereinafter also, the “Acquirer”) may deliver the Offer at: 196247, St. Petersburg, Constitution Sq, 1, from 10:00 a.m. to 5:00 p.m. (Moscow time) daily on business days in person or via the Acquirer's authorized representative having a duly issued power of attorney.

The Offer may be directed by mail to the postal address of the issuer: 196247, St. Petersburg, Constitution Sq, 1.

The Offer shall contain the following information:

- title: Offer to acquire additional ordinary registered non-documentary shares of Lenenergo, Open Joint Stock Company of the Power Industry and Electrification;
- state registration number (***1 - 01 - 00073 - A-003D***) and the date of the state registration of the additional issue of acquired securities (***September 10, 2013***);
- full corporate name (name) of the Acquirer (for corporate entities); surname, name, patronymic of the Acquirer (for individuals);
- Taxpayer Identification Number of the Acquirer (if any);
- registered address (in the case of a corporate entity), place of residence (in the case of an individual) of the Acquirer;
- in the case of an individual, identity document data (date and place of birth; series, number, and date of issue of passport (other identity document); issuing authority; validity of passport (other identity document), if applicable);
- in the case of a corporate entity, information about state registration of a corporate entity and registration in the Uniform State Register of Juridical Persons (Principal State Registration Number and/or other registration number, if applicable, date, registration authority, registration certificate number);
- consent of the Acquirer to the acquisition of placed shares in the quantity specified in the Offer at the offering price of six (6) rubles and six (6) kopecks for one additional ordinary share;
- quantity of acquired additional ordinary shares that may be expressed in one of the following ways:
  - as the exact number of shares that the Acquirer undertakes to acquire;
  - as the minimum number of shares that the Acquirer undertakes to acquire. Where the minimum number of shares is specified, this means that the Acquirer has offered to acquire any number of additional shares in the quantity that is not less than the specified minimum number of shares;

- as the maximum number of shares that the Acquirer undertakes to acquire. Where the maximum number of shares is specified, this means that the Acquirer has offered to acquire any number of additional shares in the quantity that is not more than the specified maximum number of shares;
- as the minimum and maximum number of shares that the Acquirer undertakes to acquire. Where the minimum and maximum number of shares is specified, this means that the Acquirer has offered to acquire any number of additional shares in the quantity that is not less than the specified minimum number of shares and not more than the specified maximum number of shares;
- form of payment for the additional shares: monetary or non-monetary funds (property<sup>1</sup>), or monetary or non-monetary funds (property) at one time;
- in case of payment for shares by non-monetary funds - description (list and characteristics) of the property to be transferred as payment for additional shares with indication of data enabling to identify such property, namely:
  - at payment of placed securities by shares of joint stock companies engaged in core business activities in the field of electric power distribution in the city of St. Petersburg and the Leningrad Region (hereinafter – the Joint stock company) to specify:
    - full corporate name, location and Principal State Registration Number of the Joint stock company;
    - category (type), state registration number of shares of the Joint stock company, assumed to be brought in payment of placed securities;
    - number and par value of shares of the Joint stock company assumed to be brought in payment of placed securities, with an indication of the stake of specified shares, in percent of all ordinary/preferred shares and authorized capital of the Joint stock company.
  - The extract from the register of holders of securities of the Joint stock company on personal account of the Acquirer (on the custody account of the Acquirer at the nominee holder), confirming the property right of the Acquirer to the shares of the Joint stock company can be attached to the Offer.
  - at payment of placed securities by immovable property to specify the name of the object of property with indication of data enabling to identify such property. The extract from the Uniform State Register of rights to real estate and transactions with it about the rights to the object of property made no more than in 30 days prior to the date of submission of the Offer should be attached to the Offer;
- in case of payment for shares by non-monetary funds to specify monetary valuation on each object of property (in rubles of the Russian Federation) according to the Acquirer at which the Acquirer agrees to bring non-monetary funds in payment of placed shares in case the size of monetary valuation of property defined by the Board of Directors of the issuer will correspond to the size of monetary valuation of property specified by the Acquirer in the Offer. The monetary valuation of the property is expressed in a numeric expression in rubles of the Russian Federation in one of the following ways:
  - as the exact size of monetary valuation under which the Acquirer undertakes to bring property in payment of placed securities;
  - as the minimum size of monetary valuation under which the Acquirer undertakes to bring property in payment of placed securities. Indication of the minimum size of monetary valuation of property means the offer of the Acquirer to bring property in payment of securities at the monetary valuation not less than that specified by the Acquirer;
  - as the maximum size of monetary valuation under which the Acquirer undertakes to bring property in payment of placed securities. Indication of the maximum size of monetary valuation of property means the offer of the Acquirer to bring property in payment of securities at the monetary valuation not more than that specified by the Acquirer;
  - as the minimum and maximum size of monetary valuation under which the Acquirer undertakes to bring property in payment of placed securities. Indication of the minimum and maximum size of monetary valuation of property means the offer of the Acquirer to bring property in payment of securities at any monetary valuation not less than the minimum size and not more than the maximum size specified by the Acquirer;
- in case of payment for placed securities by non-monetary funds the Offer should contain the Statement of the Acquirer that the Acquirer assumes to fulfill the obligation (or that the Acquirer does not assume to fulfill the obligation) to pay for securities by monetary funds in case size of monetary valuation of property, defined by the Board of Directors of the issuer, will not correspond to the size of monetary valuation of property specified by the Acquirer in the Offer;
- number of the Acquirer's personal account of on the issuer's register of holders of registered securities;
- if the Acquirer is a client of a nominee holder, and shares shall be deposited in the issuer's register of holders of registered securities in a nominee holder's account, then the data on personal account of a nominee holder in the register of holders of the issuer's securities shall be specified in the Offer: full corporate name of the Custodian (hereinafter, the "First-Tier Custodian"). The First-Tier Custodian in the Decision on the Additional Securities

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<sup>1</sup> The list of non-monetary funds by which the shares can be paid for is specified in item 8.6 of the Decision on the Additional Securities Issue.

Issue and the Securities Prospectus is also a central custodian carrying its activity pursuant to requirements of the Federal Law of 07.12.2011 # 414-FZ "About central custodian"), state registration particulars (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the custodian on the Uniform State Register of Juridical Persons), number of the nominee holder's personal account on the issuer's register of holders of registered securities, number of the Acquirer's custody account (as related to placed securities), number and date of the custodial agreement between the custodian and the Acquirer. If the Acquirer's custody account (as related to placed securities) is operated by a nominee holder that is a depositor (hereinafter, the "Second-Tier Custodian") of any other nominee holder, then the Offer shall specify on each of such Custodians:

full corporate name;

state registration particulars (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the custodian on the Uniform State Register of Juridical Persons) of the First-Tier Custodian;

number of the First-Tier Custodian's personal account on the Issuer's register of holders of registered securities;

number of the Acquirer's custody account;

number and date of the custodial agreement between the Second-Tier Custodian and the Acquirer (as related to placed securities);

number and date of the intercustodial agreement between the Custodians.

This information shall be specified about all nominee holders, beginning with the nominee holder with which the Acquirer has a custody account (as related to placed securities) and ending with the nominee holder having a personal account on the issuer's register of holders of registered securities;

- banking details of the Acquirer that may be used for refund purposes;
- way of the response on the results of consideration of the Offer (delivery to the Acquirer personally or through its authorized representative, or sending by postal mail, e-mail or fax) with indication of the contact information;
- date of signing the Offer.

The Offer shall be signed by the Acquirer (or by the Acquirer's authorized person, provided that the Offer is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in the case of a corporate entity, bear the corporate seal.

The recommended form of the Offer is placed on the issuer's website on the Internet at <http://www.e-disclosure.ru/portal/company.aspx?id=65> and <http://www.lenenergo.ru/>.

The Offer shall be accompanied:

- in the case of a corporate entity – notarized copies of constituent documents of the Acquirer and documents certifying the authority of the person empowered to act on behalf of the Acquirer without a power of attorney;
- at payment by non-monetary funds, by documents specified above for cases of payment of shares by non-monetary funds;
- the Offer can be accompanied by financial guarantees providing execution of the obligation of the person who submitted the Offer, on payment of shares in case this Offer is accepted by the issuer;
- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the antimonopoly authority, by a copy of the antimonopoly authority's consent thereto;
- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the Acquirer's authorized management body, by a copy of the resolution to approve the transaction related to the acquisition of placed securities.

The issuer refuses to accept the Offer that does not meet the specified requirements.

The Acquirers are held responsible for the accuracy and completeness of information specified in the Offer in accordance with applicable law.

The submitted Offers are subject to registration by the issuer on a special register of received Offers (hereinafter, the "Offer Register") on the day of their receipt indicating the time of receipt to the nearest minute.

Within five (5) business days after the acceptance sending deadline the issuer shall send its reply that the Offer is accepted (acceptance) to the Acquirers selected by the issuer at its sole discretion from among the persons submitting the Offers that are in accordance with the requirements set forth in item 8.3 of the Decision on the Additional Securities Issue. The decision to accept the Offer is made by the issuer only if it meets the requirements set forth in the Decision on the Additional Securities Issue.

The submitted Offers which at sole discretion of the issuer are subject to acceptance, shall be accepted by the issuer in full if the number of shares specified in the Offer does not exceed the number of shares remained to placement after acceptance of Offers of other persons. In the case that the number of shares specified in the Offer exceeds the number of shares remained to placement after acceptance of Offers of other persons, the Offer may be accepted in the number of shares remained to placement at existence in the Offer of the Consent of the Acquirer to acquire a smaller number of shares, than specified in the Offer.

In case of acceptance of Offers in relation to the total volume of shares, other Offers shall not be accepted.

Not later than three (3) business days following the day when the issuer decided to accept the Offer, the issuer shall send its reply that the Offer is accepted (acceptance) to the Acquirer in person or through its authorized representative, or send to the postal address, e-mail address and fax number specified in the Offer.

In the reply that the Offer is accepted (acceptance) should be specified:

- number of shares in relation to which the Offer is accepted;
- description of the property by which shares are paid (in case the Acquirer indicated in the Offer non-monetary funds as a payment method);
- cost of the property defined by the issuer's Board of Directors according to requirements of the Federal Law of 26.12.1995 # 208-FZ "About joint stock companies" by which shares are paid.

The share acquisition agreement shall be deemed to be entered into upon receipt by the Acquirer of the issuer's reply that the Offer is accepted. At the request of the Acquirer, the share acquisition agreement may be issued in the form of a uniform document signed by such person and the issuer during the term of placement of shares (the agreement may be signed on business days from 10.00 a.m. till 5.00 p.m. (MSK) at: 196247, St. Petersburg, Constitution Sq, 1).

The share acquisition agreement, under which acquired shares are paid for by immovable property, shall be signed pursuant to requirements of the legislation of the Russian Federation to transactions with immovable property.

The shares should be paid for by the Acquirers in the terms set forth in item 8.6 of the Decision on Additional Securities Issue.

If the Acquirer fails to pay for shares within the specified period, the issuer shall have the right to refuse to fulfill its reciprocal obligation to transfer shares to the Acquirer.

If the Acquirer fulfills the obligation to pay for acquired shares in part within the specified period the issuer shall have the right to fulfill its reciprocal obligation to transfer shares to the Acquirer in the number paid by the Acquirer, or in full to refuse to fulfill its reciprocal obligation to transfer shares the Acquirer. In case of the consent of the issuer to fulfill its reciprocal obligation to transfer shares to the Acquirer in the number paid by the Acquirer, the share acquisition agreement with such Acquirer shall be deemed to be amended upon transfer to the Acquirer of the number of paid shares.

If the issuer refuses to fulfil its reciprocal obligation to transfer shares to the Acquirer in full for the reasons specified above:

- Notification of the issuer shall be sent to the Acquirer in person or via its authorized representative, or to the postal address, e-mail and fax specified in the Offer, not later than two (2) business days following the day when the issuer decided to refuse to fulfil its reciprocal obligation. The share acquisition agreement with the Acquirer shall be deemed terminated from the time of sending or upon delivery of such Notification;
- monetary and/or non-monetary funds received by the issuer from the Acquirer on fulfilment (partial fulfilment) of obligations to pay for shares, shall be refunded to such Acquirer by bank transfer into the bank account specified in the Offer (in case of payment by money), and/or in accordance with the established procedure, specified in item 8.6 of the Decision on the Additional Securities Issue (in case of payment by non-monetary funds), no later than sixty (60) days from the Placement End Date.

Costs for the refund of overpaid monetary funds and/or non-monetary funds shall be borne by the person who had paid excessive monetary funds and/or non-monetary funds.

Any agreements entered into for the purposes of the placement of shares may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.

## Term and procedure for payment of shares

Payment for additional shares shall be made in cash in Russian rubles by bank transfer into the settlement account of JSC Lenenergo, and by non-monetary funds (property) - by shares of the joint-stock companies which are carrying out their primary business activity in the field of electric power distribution in the city of St. Petersburg and the Leningrad Region, power grid facilities (movable and immovable property), participating in power supply of subscribers of the city of St. Petersburg and the Leningrad Region the property rights on which are confirmed.

Payment for shares by monetary funds shall be made in Russian rubles by bank transfer into the settlement account of JSC Lenenergo:

Information about the credit organization:

Full corporate name: St. Petersburg Joint Stock Bank "Tavrishesky" (Open Joint Stock Company)

Short corporate name: Bank "Tavrishesky" (JSC)

Registered address: Russian Federation, St. Petersburg (postal address: Radishchev St, 39, St. Petersburg, 191123, Russian Federation)

Bank accounts details used for bank transfers:

INN of the credit organization: 7831000108

BIC of the credit organization: 044030877

KPP of the credit organization: 783501001

Correspondent account: 30101810700000000877

Settlement account: 40702810000460108481.

Beneficiary of funds received in payment of securities: Lenenergo, Open Joint Stock Company of the Power Industry and Electrification (INN 7803002209, KPP 781001001).

The obligation to pay for the corresponding number of shares by money shall be deemed to have been fulfilled as the time when the money are received on the settlement account of the issuer specified above.

The document on payment of additional shares by money is:

- the original or the copy of the payment order certified by the bank;
- the receipt on a bank transfer of money on the settlement account of the issuer specified above.

The Acquirer of shares by public offering shall pay for shares after signing the share acquisition agreement, but no later than in six (6) business days before the Placement End Date.

In case of payment for additional shares by immovable property the Acquirer and the issuer shall sign the share acquisition agreement (the barter contract) and the delivery-acceptance act of the immovable property made pursuant to the requirements of the legislation about the state registration of the rights of immovable property and transactions with it, and the state registration of the property right to the immovable property. Thus, the date of payment for placed shares is considered the date of the state registration of transition of the property right to immovable property to the issuer. The state registration of transition of the property right to immovable property to the issuer shall be certified by the certificate on the state registration of the right, issued pursuant to requirements of Article 14 of the Federal Law of 21.07.1997 # 122-FZ "About state registration of rights to immovable property and transactions with it".

In case of payment for additional shares by movable property (except for payment by shares of the joint-stock companies which are carrying out their primary business activity in the field of electric power distribution in the city of St. Petersburg and the Leningrad Region) the Acquirer and the issuer shall sign the agreement and the delivery-acceptance act under which the Acquirer shall transfer and the issuer shall accept the property transferred in payment of shares. In the cases stipulated by the current legislation of the Russian Federation, the civil-law contract is subject to the state registration.

Shares of the Joint stock companies which are carrying out their primary business activity in the field of electric power distribution in the city of St. Petersburg and the Leningrad Region (hereinafter, the "Joint stock companies"), brought as payment of additional ordinary registered shares of the issuer, shall be transferred to the issuer in accordance with the transfer order of the Acquirer. Thus, the moment of payment of additional ordinary registered shares of the issuer shall be considered the moment of registration of the record about transfer of shares of the Joint stock company on personal account (custody account) of the issuer in the register of holders of registered securities of the Joint stock company (in the system of the custody accounting of the nominee holder of shares of the Joint stock company).

At payment of placed securities by shares of the Joint stock companies expenses associated with the transfer of shares of the Joint stock companies transferred in payment of placed securities into the issuer's account shall be borne by the Acquirer/Applicant.

Monetary valuation of the property transferred in payment of shares is made by the issuer's Board of Directors proceeding from the market value of such property. To determine the market value of the property by which placed shares of JSC Lenenergo can be paid, independent appraisers who have signed a labor agreement with Institute for Enterprise Issues, Limited Liability Company (PSRN 1027800561458) or LAIR, Limited Liability Company (PSRN 1027807581141), and those specified in item 8.6 of the Decision on the Additional Securities Issue and item 1.4 of the Securities Prospectus, should be involved.

At payment of shares by non-monetary funds, in case the value of property transferred in payment exceeds the total value of additional shares declared by the Acquirer, the issuer is obliged to return the difference between the value brought in payment of additional shares of the property and the value of additional shares declared to acquisition by the Acquirer. The specified difference shall be refund within sixty (60) days from the End Placement Date on the bank details specified in the Offer, and if such details are not specified in the Offer, on the bank detail specified in the money refund Requirement of the Acquirer.

Procedure and term for transfer of additional shares to the Acquirers

The issuer shall send a transfer order to the registrar that is the basis for introduction into the register of shareholders of a credit entry in the personal account of the Acquirer or the nominee holder a depositor of which the Acquirer is, after complete payment by the Acquirer of the corresponding number of shares and not later than in three (3) business days before the End Placement Date.

We draw your attention that pursuant to item 5 of Art. 44 of the Federal Law "About Joint Stock Companies", a person registered in the issuer's register of shareholders is obliged in due time to inform the holder of the issuer's register of shareholders on any change of data. In case of a fail to submit by registered persons of the information about data change and/or necessary documents introduction of the credit entry in the accounts of Acquirers shall be impossible, and JSC Lenenergo shall not be held responsible for any losses caused hereof.

Supplementary information

Texts of the Decision on the Additional Securities Issue and the Securities Prospectus specifying the terms of placement of additional shares are placed on the issuer's website on the Internet at: <http://www.e-disclosure.ru/portal/company.aspx?id=65> and <http://www.lenenergo.ru/>.

All interested persons may find the Decision on the Additional Securities Issue and Securities Prospectus, and receive their copies at: 196247, St. Petersburg, Constitution Sq, 1, office 325.

Tel.: +7 (812) 494-39-06, 494-39-63, Investor and Shareholder Relations Division of JSC Lenenergo.

Director General

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A.V. Sorochinskiy

«02» June 2014