



## News Release

June 26, 2013

### **Environmental Permits Granted for the Brodarevo Hydroelectric Project in Serbia**

Vancouver, British Columbia (TSX Venture: REO) - Reservoir Capital Corp. ("Reservoir" or the "Company") is pleased to announce that the Ministry of Energy, Development and Environment of the Republic of Serbia ("the Ministry"), has approved the Company's Environmental Impact Assessment ("EIA") for the Brodarevo 1 and Brodarevo 2 hydroelectric projects ("HPP") on the River Lim in southern Serbia.

Energoprojekt Hidroinzenjering Co. Ltd. ("Energoprojekt") completed the EIA in accordance with Serbian standards and legislation in late 2011 and completed additional work during 2012 to bring them in line with World Bank standards. The primary aim of the EIA is to assess the positive and negative changes to the environment that could occur during the construction and operation of the Brodarevo HPP and propose measures to prevent, minimize or reduce to acceptable limits, any adverse impacts. The EIA includes gathering and interpretation of baseline data on the geology, geomorphology, soils, sediment, erosion characteristics, hydrology, air and water quality, meteorology, biodiversity, cultural properties and socio-demographic and economic development aspects of the project.

The EIA concluded that the Brodarevo HPP have a broadly positive impact in that they will generate clean renewable energy substituting coal-fired power, but will make substantial changes to the river valley and its ecosystem. These impacts are considered relatively limited, given the low dam height, small fluctuations in water levels and that the effects are confined to the riverbed and only very small areas of arable land. The construction of spillways will enable the movement and migration of any aquatic organisms and eliminate potential ecological balance disorders. Physical impacts to the local population are confined to a few rural households, with many of whom the Company has already reached agreements. At a broader level the project represents an important milestone in the government's efforts to attract foreign direct investment and should contribute to socio-economic stabilization and economic development of the region through the project investments, new employment generated and new opportunities in areas such as tourism.

The Ministry organized and held public hearings close to the proposed projects at the town halls of Prijepolje and Sjenica in August 2012 to present the results of the EIA and hear opinions and objections and a follow-up public hearing was then held in Belgrade in January 2013. Subsequent to the meetings, in March 2013, the Technical Commission appointed by the Ministry requested that the Company make a number of changes to the proposed HPP, which were done and the EIA was resubmitted in May 2013.

## **Quality Control**

Deputy Director of the Company's operating subsidiary REV d.o.o., Milan Cusic M.Sc. Dipl. Eng., a graduate of the Faculty of Mechanical Engineering of the University of Belgrade (1997) and previously Chief Hydro Engineer for Serbian State Utility EPS (2003-2010), has verified the technical information and approved the form of its disclosure in this release.

## **About Reservoir**

Reservoir is a renewable energy company that is engaged in the development of the 59.1 MW Brodarevo hydroelectric project on the River Lim, the 5 MW Vranjska Banja geothermal project in southern Serbia and the 17.76 MW Cehotina hydroelectric project on the Cehotina River in Bosnia. Reservoir's common shares trade on the TSX Venture Exchange (symbol "REO") and on the Frankfurt and Berlin Exchanges (symbol "ROC").

For further information on Reservoir Capital Corp., please consult the Company's website [www.reservoircapitalcorp.com](http://www.reservoircapitalcorp.com), or contact Chris MacIntyre, VP Corporate Development, at +1 416 703 0010.

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