

**Zagreb, 19 May 2010**

**INA-INDUSTRIJA NAFTE, d.d. –Shareholders' assembly held**

On 18 May 2010, the Shareholders' assembly of INA INDUSTRIJA NAFTE, d.d. Zagreb was held at INA-Industrija nafte, d.d. head office at Avenija V. Holjevca 10, Zagreb, Croatia, attended by 9,212,134 votes or 92.12134 % of 10,000,000 votes in total.

The following resolutions, in line with the content of the invitation to shareholders published on 7 April 2010, were passed at the shareholders assembly with the necessary majority of votes present.

3. Resolution on covering INA, d.d. loss of the year 2009
4. Ratification to members of the Management Board for 2009
5. Ratification to members of the Supervisory Board for 2009
6. Appointment of independent auditor for 2010
7. Management Board report on reasons of partial exclusion of priority right in the process of issuing convertible bonds and exclusion of priority right in subscription of new shares to be issued for the purpose of converting the convertible bonds

At the General assembly the shareholder MOL Plc submitted its counterproposals for the agenda items 8., 9., 10. and 11., which were accepted by the necessary majority of present votes. Following resolutions have been passed as proposed by MOL Plc.:

**8. Decision on exclusion of priority right in subscription of convertible bonds**

Ad. 8 On the basis of Article 308 of the Companies Act, the General Meeting adopts the following

**DECISION**

**on exclusion of pre-emption rights in subscription of convertible bonds**

1. The pre-emption rights of the Company' shareholders to subscribe the convertible bonds carrying the right to variable interest is excluded. MOL Plc. and the Republic of Croatia have the right to subscribe convertible bonds carrying the right to variable interest.
2. This Decision enters into force on the day of adoption.

**9. Decision on issuing convertible bonds**

Ad. 9 On the basis of Article 341 Paragraph 1 of the Companies Act, the General Meeting adopts the following

**DECISION on issuance of convertible bonds**

1. The Management Board is granted authority to issue, until December 31<sup>st</sup>, 2010 and subject to the prior consent of the Company's Supervisory Board given with majority determined in Article 17 Paragraph 1 of the Company's Articles of Association, bonds with the right of conversion for shares, which bonds give to their holder – creditor also (i) the right to fixed interest, and (ii) link creditor's right to shareholders participation in the Company's profit (variable interest) in the amount up to HRK 1,500,000,000.00 („Convertible Bonds“). Convertible Bonds will be issued in dematerialized form.
2. Convertible Bonds, under the condition that they are fully paid, will give their holder the right to convert them into ordinary shares of the Company and the right to fixed and variable interest.
3. The nominal value of a Convertible Bond will be defined by the Management Board of the Company, with prior consent of the Company's Supervisory Board given with majority determined in Article 17 Paragraph 1 of the Company's Articles of Association. Convertible Bonds will be issued per bond for the price equal to the nominal value of the bond, with maturity date as to be defined by the Management Board of the Company, with prior consent of the Company's Supervisory Board given with majority determined in Article 17 Paragraph 1 of the Company's Articles of Association, and which shall not be later than the 3<sup>rd</sup> (third) anniversary following the elapse of the period for subscription of the Convertible Bonds.

4. Subscription of Convertible Bonds can be conducted following the announcement on the issuance made by the Management Board of the Company within the period for subscription that will be determined by the Management Board of the Company, with prior consent of the Company's Supervisory Board given with qualified majority whereby consent of at least 7 members of the Supervisory Board is required in accordance with the goal of issuance of convertible bond and provisions of INA d.d. Articles of Association.

5. The Management Board of the Company, with prior consent of the Company's Supervisory Board given with qualified majority determined in point 4 of this decision and in accordance with provisions of INA d.d. Articles of Association and Article 17 Paragraph 1 of the Company's Articles of Association, is authorized to determine all terms of issuance and subscription of Convertible Bonds that are not determined in this decision taking into consideration interests of the Company and applicable regulations.

6. The Management Board and the Supervisory Board of the Company are authorized and responsible within their respective scope of competence for implementation of this Decision.

#### **10. Decision on exclusion of priority right in subscription of new shares;**

Ad. 10 On the basis of Article 308 of the Companies Act, the General Meeting adopts the following:

##### **DECISION**

##### **on exclusion of pre-emption rights in subscription of new shares**

1. The right of pre-emption of the shareholders of the Company to subscribe new shares is excluded. The pre-emption rights in subscribing new shares can be used only by holders of fully paid Convertible Bonds.

2. This Decision enters into force on the day of adoption.

#### **11. Decision on conditional increase of share capital;**

Ad. 11 On the basis of Article 313 of the Companies Act, the General Meeting adopts the following

##### **DECISION on Conditional Share Capital Increase**

1. For the purpose of realization of the right of the creditors of the Company to convert Convertible Bonds into ordinary shares of the Company the share capital of the Company is to be increased by the amount that equals to the total nominal value of ordinary shares to which Convertible Bonds are converted into upon conversion, and which will not be less than HRK 100,000,000.00.

2. For the purpose of the share capital increase stated under point 1 hereof, the Company will issue ordinary shares. The shares are issued in dematerialized form.

3. The right of pre-emption in subscribing the shares can be used only by holders of fully paid Convertible Bonds. The subscription of shares for the purpose of conversion of Convertible Bonds has to be performed in the period starting from the date of payment for the Convertible Bonds following their subscription and ending on the 20th day before the maturity of the Convertible Bonds.

4. The share capital of the Company is increased by issuance of ordinary shares.

5. The Management Board and the Supervisory Board of the Company are authorized and responsible within their respective scope of competence for implementation of this Decision.

6. Following realization of the conditional share capital increase in accordance with this Decision, the Supervisory Board is authorized to edit the Articles of Association of the Company in part relating to provisions on the amount of the share capital and number of shares, and to determine the consolidated text of the Articles of Association.

Original proposals according to the agenda items 8., 9., 10. and 11., were not accepted.

**For further information, please contact:**

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