

Zagreb, 21 May 2010

**INA-INDUSTRIJA NAFTE, d.d. – Response to the Zagreb Stock Exchange query of
21 May 2010**

INA-INDUSTRIJA NAFTE, d.d. – On 20 May 2010 the procedure for enforced collection of the total overdue receivables from DIOKI was initiated related to the delivered ethane from INA, d.d. and delivered natural gas from Prirodni plin, d.o.o.

Following the above said, and in accordance with all previous announcements to this company, INA will stop the delivery of ethane in the next five days as of the day of guarantee instruments activation. In the further 48 hours as of ethane suspension the delivery of natural gas will be stopped as well. The stated deadlines for delivery suspension are in accordance with the timing needed for the preparation of the plants and with the former practice and plans for the safe plant suspension.

This necessary business step is the result of the impossibility to reach agreement in the last several months with DIOKI whose overdue receivables towards Ina, d.d. and Prirodni plin d.o.o. exceed 120 million HRK. The debt has been accumulated in the last 300 days and also includes debts from 2009.

We are also emphasising that DIOKI contract for natural gas expired at the end of 2009. Within total negotiation process, the conditions offered to DIOKI were as those offered to other such industrial clients, together with possible solutions for the payment of the accumulated debt.

In the course of almost six-month period of unsuccessful negotiations, Ina, d.d. and Prirodni plin d.o.o. supply towards DIOKI was continuous bearing in mind their production. Considering that INA is no longer able to support the current situation, we were obliged to initiate this procedure

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