

Zagreb, 21 December 2011

INA INDUSTRIJA NAFTE, d.d.
Av. V. Holjevca 10
10 000 Zagreb, Croatia
Ordinary shares INA-R-A ISIN HRINA0RA0007
Listed on the Zagreb Stock Exchange official market
Announcement in line with Capital Markets Act

Subject: Syria

Due to the developments in Syria, INA reduced the crude oil and natural gas production for approximately 1.3 thousand of boe/day in addition to already announced September crude oil production decrease of 1.5 thousand bbl per day.

On November 14, 2011, INA announced that the developments in Syria in respect of EU restrictive measures against Syria could have a negative effect on the company's overall profitability and operations. Additionally, INA experienced and is still experiencing difficulties in collection of receivables from the Syrian partner for its share of hydrocarbon production.

The extension of the scope of EU sanctions by the EU Council implementing Decision of 1 December 2011 and also the increasing political instability in Syria effect INA's Syrian operations.

On 21 December 2011 INA has requested from both the Zagreb Stock Exchange and the London Stock Exchange to temporarily suspend the trading of INA shares / DR's until 9 January 2012 due to the above detailed high unpredictability of the current developments influencing INA's Syrian activities and which are all beyond INA's control with highly uncertain outcome.

INA will be following closely the developments related to its Syrian operations and will provide regular updates to the ZSE, LSE, HANFA, FSA and to the capital market participants.

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