

Zagreb, 10 July 2007

INA announces development of the Jazal field and a new commercial discovery in Syria

Syrian authorities grant INA approval for the Jazal Development Area Lease

Notice of another commercial discovery (in the Hayan Block) submitted

Following the discovery of the Jazal oil field by the Jazal-1 exploration well at the end of 2006, and Development Area Lease approval in March 2007, INA's Management Board has approved the Development Plan for the Jazal field. The preliminary estimate of recoverable reserves currently stands at 1.42 MM m³ of oil. Oil production from the Jazal-1 well is scheduled for September this year with initial rates of 300 m³/d and the possibility for production to increase to up to 500 m³/day.

In addition, on 21 June 2007, INA submitted to the Syrian Ministry of Oil and Mineral Resources a Notice of Commercial Discovery for its fifth commercial discovery (Mustadira field) in the Hayan Block, Syria, for gas condensate reservoirs of the Carboniferous Markada formation. By the end of this year, INA expects to prepare the Development Plan for the Mustadira field and start production from the Mustadira-1 well at initial rates of 500 000 m³/d of gas and 23 m³/d of condensate.

In line with its strategy, INA continues with its exploration and development activities in Syria with the aim of maintaining its production growth and capitalising on market opportunities in this segment.

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