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Successful cooperation between MOL and INA resulted in a discovery of a new natural gas field

MOL Hungarian Oil and Gas Plc and INA Industrija Nafte d.d., Croatian national oil company, successfully drilled an exploratory well in the vicinity of the Hungarian-Croatian border, at Zaláta, Baranya County. This is the first result of the agreement signed in September 2006 by the two parties for jointly drilling exploratory well(s) in the exploration area of Zaláta (Hungary) and Podravska Slatina (Croatia), aiming at the exploitation of the hydrocarbon potential of the Dráva Basin. The success of Zaláta-1 well is the first major result in MOL-INA strategic partnership in hydrocarbon exploration and production.

The exact hydrocarbon reserves recently discovered will be defined after completion of the reservoir analysis. The successful well is located in an under explored area, and this adds further value to the discovery, because this may open new exploration perspectives in the region. The parties will equally share the future production. As this region at present has no infrastructure for the production, the final field development will most presumably need several years and thorough preparatory works.

Drilling of the first well, Zaláta-1 was completed in December 2006 reaching the bottom hole at 3515 m depth. The layers are currently being tested in the well are located between 3100-3200 m. Among the three layers predicted as being gas prone, two have already produced gas. During the tests, production from the lowest layer was 62.000 m³ per day, with some condensate. The middle section, after well stimulation, is now producing 337.000 m³ per day, which is a considerable volume in Hungary.

The contract signed by the parties contains the drilling of a second exploratory well in the Croatian side, if the first is successful. Extension of the gas prone dolomite layers, i.e. the genuine dimension of the reservoir and the volume of recoverable gas reserve are still to be identified based on the new drilling information, and the parties plan to launch further programs for continuing joint exploration of the reserve.

MOL-INA strategic partnership also covers other ongoing operations along the Hungarian-Croatian border. Appraisal of geophysical measurements is in progress at Vízvár - Ferdinandovac, and joint seismic measurements for large areas are also planned at Novi Gradac - Potony.

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