

Zagreb, 23 March 2016

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: INA-Industrija nafte, d.d. – decrease of regulated gas price for households

Further on Government decision on the price of gas adopted today, which obliges INA to sell gas to HEP at the new regulated price from April 1st 2016, we would like to point out that the decision of the Government will have an untoward effect on the company's revenues in the estimated amount of HRK 160 million in the next one-year period. This is yet another in a series of unfavorable decisions in recent years which significantly damaged INA's gas business.

We would like to remind you that the price of gas in April 2014 was decreased from HRK 2.20 per m³ to HRK 1.71 per m³, and last year additionally to HRK 1.59 per m³.

Despite the negative effects of the previously mentioned decision on INA's income the company remains the most reliable supplier of gas on the Croatian market. The company believes that the liberalization of the market and the competition are the most effective ways to ensure security of supply.

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