

Zagreb, 28 July 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 starts production at new gas fields in Međimurje

INA has begun the test production of gas at two of its production fields - Vučkovec and Zebanec. Production at the third field - Vukanovec - is expected to begin in early 2017. Incremental production is estimated at around 2.0 mboepd in H2 2016 on average, roughly 5% increase of total INA production, and it is expected to further increase in 2017. Reinitiated production has been made possible through the successful implementation of the Međimurje project, thanks to which the necessary mining and other accompanying facilities were built over the past two years.

As part of this project, five production wells were drilled and equipped along with total 100 kilometers of new pipeline, 73 kilometers of which is a flow line for transferring the gas produced in Međimurje to the Central Gas Station Molve, where it is processed and refined. Commercially producible volume of gas are estimated at around one billion cubic meters until 2024.

INA has invested HRK 450 million in this project in Međimurje, and its successful implementation means that hydrocarbon production is making a comeback to this region after 25 years. Demanding building work was executed by four consortia of Croatian companies, two of which were led by STSI (a member of INA Group) and the other two by Končar – Inženjering za energetiku i transport and Đuro Đaković Holding.

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