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**RELEASE**

**INA put new gas fields in Medimurje into production**

* **Commercially extractible quantities of gas are assessed to around 1 billion m³**
* **Total value of the Medimurje project is HRK 450 million**
* **After 25 years, INA once again started hydrocarbon production in Medimurje**

**Medimurje, 28 July 2016** – **INA started the test gas production in two exploitation gas fields, Vuckovec and Zebanec, and the motioning of production in the exploitation field Vukanovec is expected in early 2017. Incremental production is estimated at around 2.0 M boe/d in H2 2016 on average, roughly 5% increase of total INA production, and it is expected to further increase in 2017. The preconditions for the new production have been created after the successful realisation of the Medimurje project, within which work on the construction of necessary mining and accompanying facilities have been completed in the past two years.**

Within the project, five production wells have been drilled and equipped, and a total of 100 kilometres of new pipelines have been built, of which 73 kilometres concerns the delivery gas pipeline, through which the produced gas will be delivered from Medimurje to the Molve central gas station for further processing and cleaning. “Planned commercially extractible quantities of gas range around one billion cubic metres, and they will be produced until 2024. This increase in the Ina’s overall domestic gas production is significant, both for our company and for Croatia”, Zelimir Sikonja, Executive Director for Exploration and Production, pointed out.

INA invested HRK 450 million in the Medimurje project, and its successful realisation also means the return of the hydrocarbon production to this area after a break of 25 years. The demanding construction works were carried out by four consortiums of Croatian companies, two of which were headed by STSI, a member of INA Group, and two headed by Koncar – Inzenjering za energetiku i transport and Duro Dakovic Holding.

*“We are proud of the fact that this project was successfully realised by the Croatian construction companies and we are aware of the role and influence which our company has on the overall Croatian economy with its production activities. By motioning gas production in Medimurje, INA once again proved that it has the necessary knowledge, experience and skills to successfully realise such complex projects”,* Zoltán Áldott, President of Ina Management Board, said.

The event was also attended by the technical Minister of Economy Mr Tomislav Panenic, who said: *“These investments means not only the development of the industry but also the security of supply and reducing energy dependence, a reliable supply of gas, as an important factor of energy independence of the Republic of Croatia, is a foundation for the functioning and development of the Croatian economy.”*

Ina’s gas production in Medimurje is in synergy with oil production which the company has in Moslavina. Namely, carbon dioxide separated from the gas in Medimurje will not be released into the air, but will be transported through the pipeline to oil sites Zutica and Ivanic, where it will be re-injected into the soil to extract additional quantities of oil within the EOR (Enhanced Oil Recovery)[[1]](#footnote-1) project. “*The closed production system used on the units in Medimurje is important for environmental protection, which is in accordance with Ina’s commitment to sustainable development to the benefit of all stakeholders”,* Mrs Davorka Tancer, Director of the Oil and Gas Production Sector, said.

The start of the test production was also attended by representatives of the local and regional self-government, who pointed out the importance of this project for the improvement of the quality of life of local communities in this area.

Watch the [video story about the Medimurje project](https://www.youtube.com/watch?v=8HFV-SJJYDQ).

**About INA Group**

INA Group has the leading role in Croatian oil business and a significant role in the region in oil and gas exploration and production, oil processing, and the distribution of oil and oil derivatives. INA Group is comprised of several affiliated companies wholly or partially owned by INA, d.d. The registered office of the Group is in Zagreb, Croatia. Apart from Croatia, INA currently has business operations in the segment of oil and gas exploration and production in Angola and Egypt. Oil processing is carried out in Ina’s oil refineries, RN Rijeka and RN Sisak, while the regional retail network comprises 437 filling stations in Croatia and the neighbouring countries.

**PR**

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1. More information about the EOR project is available at <http://www.ina.hr/default.aspx?id=5455> [↑](#footnote-ref-1)