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5 December 2006

INA-INDUSTRIJA NAFTE, d.d. – announcement of exercise of over-allotment option

In connection with the Offer in relation to the following ordinary shares:

INA-Industrija Nafta, d.d. ordinary shares of HRK 900 each (comprising ordinary shares listed on the Zagreb Stock Exchange and Global Depositary Receipts (“GDRs”) listed on the London Stock Exchange)

ISIN Code: US45325E2019 (Reg S GDRs) and US45325E1029 (Rule 144A GDRs)

INA-INDUSTRIJA NAFTE, d.d. (the “Company”) announces that, in connection with its initial public offering of 1,500,000 ordinary shares of nominal value HRK 900 (the “Offer”), Merrill Lynch International and Raiffeisen Centrobank AG, as joint bookrunners, have today given notice to exercise the over-allotment option in respect of 200,000 ordinary shares in the Company (the “Over-allotment Shares”).

The Over-allotment Shares have been placed with institutional investors at the offer price of HRK 1,690 per Over-allotment Share (U.S. \$303.41 per GDR) (the “Offer Price”), raising additional gross proceeds of HRK 338 million. None of the additional gross proceeds will be received by the Company.

Including the exercise of the over-allotment option, the total size of the Offer was U.S. \$478.4 million (1,619.632 ordinary shares, in total representing 17 per cent. of the ordinary shares of the Company in issue).

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