

**BOARD'S OPINION ON THE VOLUNTARY TAKEOVER OFFER
TO ALL SHAREHOLDERS OF INA-INDUSTRIJA NAFTE, d.d. Zagreb**

Disclosed by MOL Hungarian Oil and Gas Public Limited Company on 5 September 2008

In Zagreb on 10 September 2008

On 14 July 2008, the Company, INA INDUSTRIJA NAFTE d.d. Zagreb with its registered head-office in Zagreb, Av. V. Holjevca 10 (INA, d.d., or INA) as the Issuer of ordinary shares INA-R-A listed on the Zagreb Stock Exchange and GDRs offered on the London Stock Exchange, received from MOL, Hungarian Oil and Gas Public Limited Company (the Offeror) represented by Tomislav Tus, a lawyer with the law firm Žurić & Partners of Zagreb, a notification of their intention to launch a voluntary public offer to purchase all shares of INA-INDUSTRIJA NAFTE d.d. not held by the Offeror or the Republic of Croatia (the Notification).

Under the provisions of the Takeover Act (the Act) (NN 109/07), by receiving the above-mentioned notification INA, d.d. has become a Target Company.

On 5 September 2008, MOL Hungarian Oil and Gas Public Limited Company (the Offeror) disclosed its Voluntary Takeover Offer to all shareholders of INA-INDUSTRIJA NAFTE d.d. (the Offer).

Under Article 41 of above Act, the Management Board of INA-INDUSTRIJE NAFTE, d.d. Zagreb, discloses the

BOARD'S OPINION ON THE VOLUNTARY TAKEOVER OFFER

1. Opinion on the type and amount of the offered compensation

1.1. In its Offer for purchase of shares, the Offeror has offered to the shareholders the amount of HRK 2,800.00 per share.

In accordance with the provisions of Article 16 of the Takeover Act the share price to be offered in a takeover bid, should not be lower than the weighted average of all the prices realised on the stock exchange or regulated public market in the course of 3 months before the obligation to announce a takeover bid was created, which in respect of INA d.d. equals HRK 2,573.34 per share, based on the information from the Zagreb Stock Exchange.

By comparing the offered price and the minimum price required by the Act, the Board concludes that the offered price is higher than the required minimum price and – considering the current business environment – acceptable.

According to the abovementioned, the Board of INA d.d. believes that the offered price is in accordance with the provisions of Article 16 of the Takeover Act, which is additionally confirmed by HANFA's decision of 1 September 2008 on the approval for publishing MOL's voluntary takeover bid.

1.2. In its Offer for purchase of shares, the Offeror has offered cash to the shareholders.

In our opinion, as regards the mode and payment period, cash payment within the time limit of 14 (fourteen) days as of the date of expiry of the Offer is acceptable for a majority of potential offerees.

2. Opinion on the Offeror's intentions regarding future operations of INA, d.d.

In its Offer, the Offeror stated that its intentions regarding future operations of INA, d.d. via increase of its stake in INA are to have a more active role in the development of INA focusing on growth, efficiency and operational excellence in the oil and gas exploration and production business, gas business, refining, retail and in corporate matters.

Considering the Offeror's statement regarding future operations of INA, d.d., the Management Board of INA, d.d. identifies full compatibility between the Offeror's and INA, d.d. Board's intentions.

3. Opinion on the Offeror's strategic plans regarding INA, d.d. and possible consequences of their implementation on the employment policy and the employment rights and status of INA, d.d. employees as well as possible relocations of company operations

3.1. Opinion on the Offeror's strategic plans regarding INA, d.d.

In its Offer, the Offeror stated that its strategic plan regarding INA, d.d. was as follows:

Quote: "MOL's strategic plan regarding the INA is to improve its business performance and market position in Croatia, South Eastern Europe and in the Adriatic region via supporting focused investments of INA into its own asset base, improvement of its commercial capabilities and enhanced customer orientation.

Since the establishment of the strategic partnership between INA and MOL in 2003, MOL has actively participated in the development and implementation of INA's agreed growth strategy. (...) Via increasing its ownership in the Target Company, MOL aims to consolidate INA into its financial statements and to take a more active role in the development of INA focusing on growth, efficiency and operational excellence:

- ▶ In the exploration and production businesses MOL supports the utilization of INA's accumulated professional expertise in domestic and international exploration and production projects in order to optimize the oil and gas production potentials of the Target Company.
- ▶ In the gas business MOL is targeting to increase the supply security of the Republic of Croatia via supporting the necessary, value creating investments.
- ▶ MOL's core strategic objective is to operate state-of-the-art, modern, and efficient refineries, therefore, in oil refining MOL will continue to support in the ongoing upgrading projects at both Sisak and Rijeka refineries in order to create a competitive asset base for production of refined products in line with all applicable EU quality standards.
- ▶ In retail, MOL intends to assist in the development of INA's retail network focusing on efficiency improvement and modernization via the implementation of modern technologies and customer oriented services.
- ▶ In corporate matters MOL intends to further improve the operation towards a transparent, efficient and stakeholder-oriented company in line with the industrial and European best practices." Quote completed.

INA, d.d. stated the basic elements of its strategy in the Prospectus for the IPO issued in November 2006. In the meantime its strategy elements have not changed, i.e. the projects in all business divisions mentioned in the Prospectus are underway.

By comparing the Offeror's intension regarding strategy and the one pursued by INA's Management Board, it can be concluded that there is the highest level of compatibility and in the light thereof we believe that Offeror's future activities based on its declaration in the Offer will completely support INA's strategy.

3.2. Opinion on possible consequences of the Offeror's strategic plans on the employment policy and employment rights

In its Offer, the Offeror stated that possible consequences of its strategic plans on the employment policy and the employment rights of INA, d.d. employees were as follows:

Quote: „MOL believes that the employees currently working for INA vastly contributed to the results achieved by the Target Company so far. Therefore, INA should continue to rely on their expertise in the future and ensure their professional development to enable the efficient operation and long-term success of the Target Company. MOL has the intention to develop the employment policy of INA in line with the above strategic goals. MOL has preference towards local sourcing of employees to all functions and levels of the organization and it does not envisage any changes to its own employment policy and to the labour law status of both the employees of MOL and INA as a result of this Offer.“ Quote completed.

Considering the Offeror's position on the employment policy and the employment rights of INA's employees as declared in the Offer, INA's Management Board concludes that such intentions are in accordance with the Board's attitude and that Board fully supports such intentions.

3.3. Opinion on possible consequences of the Offeror's strategic plans for possible relocations of company operations

INA, d.d. business operations are conducted at numerous locations in the Republic of Croatia (both onshore and offshore) and abroad, as a result of their very nature.

In its Offer, the Offeror stated the following as regards possible relocations of company operations:

Quote: „MOL does not intend to change the registered seats of neither the Target Company nor his own or change the major business locations of the Target Company or MOL as a result of the Offer“. Quote completed.

In respect of the Offeror's abovementioned statement, the Management Board fully supports the intentions of the Offeror.

4. Board members' statements regarding their intentions to accept or reject the Offer

The President of INA's Board, dr.sc. Tomislav Dragičević, and Board members, Messrs Mirko Zelić, Josip Petrović, Niko Paulinović, Tomislav Thür and Darko Markotić, have expressed their intention regarding the Offeror's Offer to sell a part of the shares held and to retain a part in their possession.

Board Vice-President, Mr Zsolt Bács does not hold any shares of INA's.

5. Board members' statement on the existence of any agreement with the Offeror regarding the Offer

Board members have declared that no agreement exists between any member of the target company's Board and the Offeror in connection with the takeover offer.

Before disclosing this Opinion, the Management Board of INA, d.d. presented it to the representatives of INA d.d. employees within the time frame provided in Article 41 (Paragraph 2) of the Takeover Act, and informed them of the right to give their opinion on the takeover bid within 3 days upon receiving the Board's opinion.

INA, d.d. Board received the employee representatives' opinion on the Offer within the statutorily provided period. The opinion is attached hereto.

The Management Board's opinion on the takeover offer and the employee representatives' opinion will be published in the next issue of the *Official Gazette (Narodne novine)* and the daily newspaper *Vjesnik*. As provided in Article 41 (paragraph 2) of the Takeover Act, the Opinions of INA, d.d. Board and the employee representatives will be delivered to the Agency (HANFA) and the Zagreb and London Stock Exchanges.

Management Board:

Dr. sc. Tomislav Dragičević,
President of Management Board



Zalán Bács,
Board Vice-President and Executive director of Finance Function



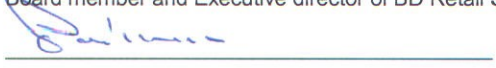
Prof.dr.sc. Mirko Zelić
Board member of BD Exploration and Production



mr. Josip Petrović,
Board member and Executive director of BD Refining and Marketing



Niko Paulinović,
Board member and Executive director of BD Retail Services



mr.sc. Tomislav Thür,
Board member and Director of Corporate Processes Function



Darko Markotić,
Board member and Director of Corporate Services Function



From: Trade Unions representative with rights and obligations of the Employees' Council in INA, d.d.

INA-INDUSTRIJA NAFTE d.d.
Management Board
Board President
Dr. Tomislav Dragičević
10000 Zagreb
Av. V. Holjevca 10

Zagreb, 15 September 2008

Pursuant to Article 41 par. 2 of the Companies Acquisition Act, the Trade Unions representative with rights and obligations of the Employees' Council in INA, d.d., acting on behalf of all trade unions represented in INA, d.d. voices the following

OPINION REGARDING MOL'S OFFER FOR THE TAKEOVER OF INA d.d.

I.

The Trade Unions representative in INA, d.d. finds that MOL's offer is in full compliance with the law and based in the law and contains no elements which could bring any doubt as to the sincerity of the bidder in carrying out their duties.

However, fully respecting the above, the Trade Unions representative is of the opinion that the offer is not acceptable for reasons stated in items II-VII.

II.

The Trade Unions representative believes that the price offered for a share is too low and does not objectively reflect the real and honest value of INA, appraised on the basis of known and ascertainable indicators and facts on which such appraisals are normally worked out.

In addition, the Trade Unions representative believes that in determining the offered price, formal and legally set parameters were taken into consideration, whereas the known and measurable factors (price of share on the stock market, known and estimated deposits of oil and gas, business results, etc.) were not sufficiently taken into account when forming the offered share price.

III.

The offer should have incorporated a suitable social clause guaranteeing employees of INA d.d. and INA Group security of employment over five years counting from the date of the takeover. To clarify, guarantees should have been clearer regarding service contract terminations, redundancies and severance pays, which constitute matters that should not be undertaken without obtaining prior approval from the Trade Unions.

IV.

In view of the rights which INA d.d. and INA Group employees currently enjoy, the offer should state clearly and without a doubt that good practice implemented and the level of the achieved social partnership shall be retained.

V.

It is not discernible in the offer that MOL is prepared to support the development of INA using its own (Mol's) resources.

VI.

With regard to the permanent dilemma focused on the future status of the gas sector, the offer should have been more concrete on the matter.

VII.

Despite the valid legal regulations, the offer should have clearly stated that Croatian shall be the official working language in the company.

Trade Unions representative with the rights and obligations of the Employees' Council u INA d.d.

Jasna Pipunić

With approval of:

Trade Union of INA and Oil Economy

/Božo Mikuš/

INAŠ – Trade Union of INA employees and INA companies Zagreb

/Maja Rilović/

EKN Croatia Independent Trade Union

/Željko Jurašinović/