

MANAGEMENT BOARD

Av. V. Holjevcica 10
ZAGREB

No: 10-20/11
Date: 13.04.2011.

Acting pursuant to the authority set out in Article 277 of the Companies Act and Article 34 of the Articles of Association of INA – INDUSTRIJA NAFTE, d.d., at the 10th Board meeting held on 13 April 2011 the Management Board rendered the decision to call an

**GENERAL SHAREHOLDERS' ASSEMBLY
of INA – INDUSTRIJA NAFTE, d.d. Zagreb
scheduled for 23 May 2011 in Zagreb, Croatia
on the mezzanine floor of the central office building of INA-Industrija nafte, d.d.
on the at 12 a.m.**

The Assembly is to proceed according to the proposed

A G E N D A

- 1. Opening of the Assembly and checking the attendance list**
- 2. Consolidated and unconsolidated Financial Statements for the year ended 2010 together with Independent Auditor's Report, Company and INA Group Status Report for 2010, Supervisory Board Report for 2010**
- 3. Appropriation of profit of INA, d.d. in 2010**
- 4. Discharge to the members of the Management Board for business year 2010**
- 5. Discharge to the members of the Supervisory Board for business year 2010**
- 6. Decision on the amendments to the list of the Company's business activities – additional activities**
- 7. Amendments of the Articles 3, 4, 5, 35 and 36 of Articles of Association of INA, d.d**
- 8. Approval of the new Company's Articles of Association and abrogation of the Company's Articles of Association dated 19 April, 2010 (clean text)**
- 9. Appointment of the auditors of the Company for 2011**

INA, d.d.
Avenija Većeslava Holjevcica 10
10 002 Zagreb p.p. 555
Hrvatska - Croatia
Telefon - Telephone +385(1)6450000
Faks - Fax + 385(1)6452100

Banka - Bank
Privredna banka Zagreb d.d.
Raiffeisenbank Austria d.d. Zagreb
Zagrebačka banka d.d.
Societe Generale-Splitska banka d.d.
OTP banka Hrvatska d.d. Zadar
Hrvatska poštanska banka d.d.
Zagreb
Volksbank d.d. Zagreb

Adresa - Address
Račkoga 6, 10000 Zagreb
Petrinjska 59, 10000 Zagreb
Paromlinska 2, 10000 Zagreb
R. Boškovića 16, 21000 Split
Domovinskog rata 3, 23000 Zadar
Jurišićeva 4, Zagreb
Varšavska 9, Zagreb

Žiro rač. - Giro acc
2340009-1100022902
2484008-1100619483
2360000-1101303595
2330003-1100204546
2407000-1100152149
2390001-1100337076
2503007-1100062183

Trgovački sud u Zagrebu
Commercial Court in Zagreb
MBS: 080000604
Uplaćen temeljni kapital – Paid capital stock
9.000.000.000,00 kn - HRK
Broj izdanih dionica / Nominalna vrijednost
No. of issued shares / Nominal value
10.000.000 / 900,00 kn - HRK
Matični broj – Reg. No. 3586243
OIB - 27759560625

Predsjednik i članovi Uprave / President and members of the Management Board:
Zoltán Áldott, Lajos Alács, Niko Dalić, Attila Holoda, Ivan Krešić, Davor Mayer

Predsjednik Nadzornog odbora / President of the Supervisory Board: Davor Štern

The Management Board and the Supervisory Board proposed the following decisions to the Shareholders' Assembly:

Ad. 3

Based on approved 2010 Financial Statements of INA-Industrija nafte, d.d. Zagreb, it is established profit for 2010 in amount of HRK 1,767,154,801.47 that is allocated as follows:

1. Legal reserves in amount of HRK 88,357,740.07 and
2. Retained earnings in amount of HRK 1,678,797,061.40

Ad. 4

Discharge is granted to the INA, d.d. Management Board members for business year 2010

Ad. 5

Discharge is granted to the INA, d.d. Supervisory Board members for business year 2010

Ad.6

The Company's list of business activities is to be amended by addition of the following activities:

- Business and other consulting
- printing and multiplication of records
- foreign currency exchange activities
- laying installations for water and gas supply, heating installation, cooling installation and vent
- filling gas bottles and gas storage facilities
- maintenance and servicing of gas bottles and gas storage facilities
- controlling and supervision of consumer gas facilities installations all in accordance with the Act on hazardous liquids and gases
- LPG (liquefied Petroleum Gas) handling and transportation
- transportation of LPG through the pipeline
- transportation of LPG through the marine, coastal and inland waterways

Ad. 7

Amendments of the Articles 3, 4, 5, 35 and 36 of Articles of Association of INA, d.d

Article 1

In Article 3 paragraph 2 new indents shall be added as follows:

The trademark of the Company consists of the characteristic „INA“ letters such that the letter „I“ contains a circle in the upper part, and the height of the letters is twice their width. The Circle is not colored in, but transparent and of the same color as the background, with the exception of filling stations, where the circle might be red.

Article 2.

In Article 4 paragraph 1 new indents shall be added as follows:

- “Business and other consulting”
- printing and multiplication of records
- foreign currency exchange activities
- laying installations for water and gas supply, heating installation, cooling installation and vent
- filling gas bottles and gas storage facilities
- maintenance and servicing of gas bottles and gas storage facilities
- controlling and supervision of consumer gas facilities installations all in accordance with the Act on hazardous liquids and gases
- LPG (liquefied Petroleum Gas) handling and transportation
- transportation of LPG through the pipeline
- transportation of LPG through the marine, coastal and inland waterways

Article 3

In Article 5 paragraph 1, the phrase “on the Company’s website” shall be substituted with “on the Company’s web pages”.

Article 4

Article 35 shall be altered as follows:

Notices of General Assembly and announcements

Notices of General Meetings and proposals shall be published in “Narodne novine” (the Official Gazette of the Republic of Croatia), as well as in foreign newspapers if so required by the rules of any stock exchange market in which the Company’s shares are listed and on the Company’s website. Only publication in the Official Gazette is considered relevant. A notice of a General Meeting must be sent in advance as prescribed by the applicable laws.

Announcements from the Article 281 paragraph 1 of the Companies Act (the Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09) shall be released on the Company’s website.

Article 5

Article 36 shall be altered as follows:

The right to participate in General Assembly shall have each shareholder registered within the computer system of the Central Depository and provided that he/she sent an application for participation at the General Assembly meeting prior, and that the Company received, at the address indicated in the notice convening this meeting, the notification of his/her intention to participate at the General Meeting six (6) days before such meeting at the latest. The date application is received by the Company is not included in this 6 day deadline.

Shareholders may attend General Assembly either in person or through their authorized agents.

The Power of attorney shall include:

- the name of the authorized agent;
- the name of the appointing shareholder;
- authorization to vote in the name of the shareholder.

The abovementioned power of attorney shall be deposited by personal delivery or post at the office of the Company’s Secretary six day before the day of holding of the General Meeting at the latest.

Any legal person who is a shareholder of the Company may, by resolution of its Management Board or under the hand of an officer duly authorized by it, authorize such person as it thinks fit to act as its representative at any General Meeting of the Company. A person so authorized shall be entitled to exercise the same power on behalf of

the grantor as the grantor could exercise itself, save that the Company may require such person to produce a certified copy of the resolution of authorization or other authority before permitting him to exercise his powers. The grantor shall, for the purpose of these Articles, be deemed to be present in person at any such meeting if a person so authorized is present at the meeting.

For the purpose of exercising their rights and obligations, shareholders may organize themselves into associations of shareholders in the manner they determine. The associations of shareholders shall notify the Company on the number of shareholders in the association, the general meeting held, decisions passed on the election of the representatives of the association (attorneys) and his rights in the General Meeting of the Company.

Article 6

Other provisions of the Articles of Associations shall remain unaffected.

Article 7

The decision on the Amendments of the Articles of Association shall come into effect on the date of entry into the court registry.

Ad. 8

Approval is given by the General Assembly for the new Articles of Association of INA, d.d. as in the enclosed text.

On the day the new Articles of Association come into effect, the Articles of Association dated 19 April 2010 (consolidated text) shall no longer be valid.

Ad. 9

For the business auditor in INA, d.d. for 2011 Deloitte d.o.o. , Radnička cesta 6, Zagreb is selected.

ARGUMENTS FOR AGENDA ITEMS OF THE GENERAL ASSEMBLY MEETING

Ad 2: Pursuant to the Article 280 of the Companies Act, INA d.d. shall notify the shareholders that pursuant to Article 300d of the Companies Act the Management Board and the Supervisory Board established the financial statements of the Company and consolidated annual financial statements of INA Group for the year 2010. The financial statements shall be presented to the General meeting of the Company together with the Annual report of the Management Board on Company and Group status and operations in 2010, and Supervisory Board Report on conducted control in 2010.

The General Assembly under this item shall not render any decisions.

Ad 3: The Management and Supervisory Boards propose to the General Assembly that the net profit is allocated to legal reserves and retained earnings.

Company's main goal is to maintain financial flexibility and ensure efficiency of the business processes in the current business environment. Over the course of years to follow, we aim at preserving financial stability, improving efficiency and maximizing the value of the current portfolio.

The proposal highlights the Company's commitment to the financial stabilization of INA that will ensure keeping financial flexibility and appropriate level of liquidity while assuring the efficient operations in the current business environment.

In 2009 and 2010, full repayment of overdue liabilities towards the Croatian State and suppliers required INA to significantly increase its debt level and gearing, above the level sustainable on longer term. Besides reinforcing the

strong financial position by reducing indebtedness, the company will utilize its own funds to set the basis for its future growth by major investments in all business areas.

Investments in Exploration and Production activities in Adriatic and Syria would ensure the increase of hydrocarbon production while continuation of Refineries Modernization would result stable refineries operations with better white products yield, increased production of EURO V fuels, and lower own consumption and losses. In the Retail business modernisation and revitalisation of filling stations have already started, in order to meet the highest expectations and make filling stations the first choice for customers. Mentioned projects would significantly contribute to INA's competitiveness and ensure future growth and profitability, which will bring INA to the regional market leader position.

Ad 4 and 5: Pursuant to Article 280 paragraph 3 of the Companies Act, the Management and Supervisory Boards propose to the General Assembly decision on Discharge of the members of the Management Board and Supervisory Board for the year 2010. On granting discharge to individual members of the Management Board i.e. Supervisory Board, may be voted separately, upon decision of General Assembly or upon request of the shareholders whose shares combined form at least one tenth of the capital stock of the Company .

Ad 6:

Amendments to the Company's list of business activities are proposed in accordance to Company's business purposes.

Ad 7: Explanation of the Amendments of the Articles 3, 4, 5, 35 and 36 of Articles of Association of INA, d.d

- a) Amendments to the Article 3 paragraph 2 of the Articles of Association referring to the Company trademark is required due to business purposes.
- b) Amendments to the Article 4 paragraph 1 of the Articles of Association are required in terms of addition to the business activities as referred to in item 7.
- c) In Article 5 paragraph 1, for the purpose of harmonization of terminology the with the Companies Act, the phrase "on the Company's website" shall be substituted with "on the Company's web pages".
- d) The Amendments of the Article 35 of the Articles of Association refer to the announcement of invitation i.e. announcement from the Article 281 paragraph 2 of the Companies Act via Company's website.
- e) In addition, amendments to the Article 36 of the Articles of Association are proposed due to harmonization with the *Amendments to the Companies Act* from 2009, which prescribed that the Company must receive the application for participation at the General Assembly no later than six days prior to the General Assembly meeting (the deadline does not include the date of receipt at the Company), while the current Article 36 of the Articles of Association of the Company prescribes that the condition of application for participation is fulfilled beforehand if one applies at least 7 days before the General Assembly Meeting.

Ad 8: No particular explanation

Ad 9: Pursuant to Article 280 paragraph 3 of the Companies Act the Supervisory Board proposes to the General Assembly decision on selecting Deloitte d.o.o., Radnička cesta 6 for the Business Auditor in INA, d.d. for 2011.

Invitation to the Shareholders

The Company's Shareholders or custodian of such Shareholders (hereinafter referred to as "Shareholders") in INA – Industrija nafte, d.d. listed in the Securities Register of the Central Clearance and Depository Company are invited to attend the proceedings of the General Assembly on 23 May 2011 in Zagreb, Croatia, on the mezzanine floor of the central office building of INA-Industrija nafte, d.d, at 12 a.m.

➤ Participation and voting at the General Assembly

Each Shareholder of INA –Industrija nafte d.d. that is listed in the Securities Register of the Central Clearance and Depository Company is entitled to participation and voting at the General Assembly. No later than six days prior to the General Assembly meeting, excluding the date of receipt at the Company, i.e. 16 May 2011. at the latest, 24:00 p.m. the shareholder must deliver a written registration form. Shareholder of the Company is every natural or legal person that was, as the Company's shareholder, listed in the Securities Register of the Central Clearance and Depository Company, d.d., Zagreb on the last day of registration for participation at the General Assembly, i.e. 16 May 2011. at the latest.

In the event that a Shareholder wishes to appoint an authorized agent (proxy) to attend and vote at the General Assembly, the **Registration Form** is to be supplemented with an **Authorization** certified by a notary public. At the General Assembly, The Shareholders may be represented by an authorized agent based on valid authorization issued by the Shareholder, i.e. which on behalf of the Shareholder, which is a legal person, is issued by a person authorized to represent it according to the law

In the **Registration Form** the Shareholders shall state whether they are to attend the Assembly in person or via an authorized agent. In the event that a Shareholder does not wish to attend the Assembly proceedings in person and wishes to assign the right to attendance and vote to an authorized agent, the Shareholder shall include a valid authorization to this effect, certified by a notary public.

The **Registration Form** may be found on the Company's website (www.ina.hr) and may also be obtained by fax on request to the Company Secretary's Office.

The **Registration Form** shall include the following particulars:

I.Registration for the Shareholder - natural person

- Name and family name, residence, address, number of account opened with the Clearance and Depository Company and the total number of shares of the shareholder concerned

II.Registration for the Shareholder - legal person

- company name, headquarters and address, personal identification number
- account number at the Central Clearance and Depository Company and the total number of shares of the shareholder concerned
- An excerpt from the court register or from other register in which the legal person is entered or a copy of such document, a certified copy or other appropriate public document clearly showing that the application was signed by a person who is under law authorized to represent the legal person concerned shall be attached to the application Company name of the legal person, seat and address, personal identification number (OIB)

III.Registration submitted by the Shareholders Authorized agent

a)Authorized agent – natural person:

- name and surname, place of residence, address of the authorized agent
- List of shareholders representing, and account numbers at the Central Clearance and Depository Company and the total number of shares for all represented shareholders

- All individual powers of authority on the recommended form shall be attached to the application

b) Authorized agent – legal person

- company name, headquarters and address, personal identification number
- List of shareholders representing, and account numbers at the Central Clearance and Depository Company and the total number of shares for all represented shareholder
- Individual powers of authority given by shareholders in written form shall be attached to the application; if a shareholder is a legal person, the attachment shall contain an excerpt from the court register or other register in which the legal person is entered or a copy of such document, a certified copy or other public document clearly showing that the power of authority was signed by a person who is under law authorized to represent the legal person concerned

The **Authorization for the registration for participation and/or voting** at the General Assembly shall include the following particulars of the **authorizer**: Authorizer's name and surname or the company's name, place of residence, address or headquarters, account number at the Central Clearance and Depository Company and the total number of shares, Authorized agent's name and surname or the company's name, place of residence, address or headquarters, authorizer's signature, or legal representative or representative by law, if the authorizer is a legal person, and the **text** of the authorization (authorization to vote on Shareholder's behalf) stating that the authorized agent is entitled to attend and vote on behalf of the issuer on all items in the Agenda

Authorization shall be valid only for one general meeting, however, they will be also valid at the repeated general meeting, if any, reconvened due to lack of quorum.

If the authorizer is a legal person, the authorization shall be signed by the authorized representative.

If the Registration Form or the Authorization is not prepared in Croatian, a Croatian translation certified by an official court interpreter shall be attached.

The **Registration Form**, either for attendance in person or via an authorized agent, shall be delivered in person or via registered mail six days at the latest prior to the scheduled date of the Assembly (by 24 p.m. on 16 May 2011.) at the address:

INA - INDUSTRIJA NAFTE, d.d.
Company Secretariat
ZAGREB, Avenija V. Holjevca 10
Fax: +385 1/6452-103; Tel: +385 1/6450-103
"For the General Assembly of INA, d.d."

Voting shall be performed in electronic way. The voting procedure shall be explained as part of item 1 of the Agenda.

The share capital is divided into 10 million shares, and each Company's share equals one vote at the General Assembly. The Shareholder may vote in person or via an authorized agent or via shareholders' association.

Materials pertaining to the individual items on the Agenda shall be available to all interested Shareholders on the Company's premises, as of the announcement date, at the address stated above, on working days, from 10 a.m. to 3 p.m. on working days. The materials shall also be released on the Company's website (www.ina.hr) on the same day.

In case of holders of depository receipts (DRs) issued pursuant to a foreign law, Citibank N.A. as the issuer of such DRs, shall be entitled to exercise rights of representation. Holders of DRs will be entitled to exercise their voting rights by a Letter of Authorized agent issued in favour of Citibank as the depository, in accordance with the Articles of Association of the Company, the Deposit Agreement and applicable laws. We request the DR holders to obtain information on the detailed rules of procedure at the customer service of the Citibank. INA shall have no liability for the performance of, or the failure to perform, the instructions given to securities account holder.

Registration of the participants in the General Assembly shall take place on 23 May 2011. , between 10:00 and 11:30 at the entrance to the mezzanine hall of the central office building, Av. V. Holjevca 10, 10000 Zagreb, afterwards registration shall not be possible. The Shareholders (or their authorized agents) are kindly requested to register within the time stated above. After the closing of the registration, those shareholders and authorized agents or nominees, who are not listed in the attendance list but registered in the share register, are entitled to participate at the general meeting but cannot exercise their voting rights.

At the registration the shareholders, or their authorized agents or representatives must provide a valid identification card prescribed by the law. As for the authorized agents who are legal persons, a court or other register excerpt in which the legal person is listed must be delivered if it was not delivered during submitting applications for participation at the General Assembly.

➤ **Shareholders rights to ask questions, requests amendments to the agenda, counterproposals and the right to information**

The shareholders who intend to ask questions at the General Assembly regarding individual agenda items are hereby asked, for the purpose of an efficacious organization of the work of the General Assembly, to announce their intention in writing when submitting their application for participation in the General Assembly or during the registration of participants prior to the General Assembly at the latest and to indicate the agenda item which their question or proposal will refer to and the content of their question.

If Shareholders who together hold a twentieth part of the share capital of the Company request, after the General Assembly is convened, that an additional item is included in the agenda and published, the new agenda item should be accompanied by an explanation and respective decision proposal. Shareholders shall deliver the requests to add new items to the agenda at least 30 days prior to the day the General Assembly takes place. This deadline does not include the day the request is received by the Company. In case the previously stated deadline is not observed, the proposed additional items of the Agenda would be considered as not validly published and no decision on them can be made at the General Assembly.

Shareholders have the right to submit counterproposals to the proposals submitted by the Management Board and/or Supervisory Board relating to the particular agenda item. Counterproposals, together with the names and surnames of shareholders, explanation and opinion by the Management Board if any, shall be reported to credit or financial institutions and to shareholder associations that voted on behalf of shareholders at the previous General Assembly and made available to shareholders on web pages of the Company (www.ina.hr), in case a shareholders submits his/her counterproposal to the Company at the Company's address, at least 14 days prior to the day the General Assembly takes place. The date counterproposal is received by the Company is not included in this 14 day deadline, which expires accordingly on 9 May 2011. In case the shareholder does not exercise this right, he shall still be entitled to make counterproposals at the General Assembly. The same applies to shareholders proposals regarding the election of the Supervisory Board Members or appointment of the auditor of the Company.

In the event of a lack of quorum for the Assembly scheduled for 12 a.m., the Assembly shall be convened at 2 p.m. on the same day and on the same premises with the same agenda. Such repeatedly convened general meeting shall

have a quorum for issues originally put on the agenda irrespective of the number of the shareholders present or represented.

The official language of the general meeting is Croatian; the Company will provide simultaneous English-Croatian and Croatian-English translation.

This announcement is published in Croatian and in English. The official text of this announcement is in Croatian only.

PRESIDENT OF THE MANGEMENT BOARD OF INA, d.d

Zoltán Sándor Áldott

NOTICE OF ATTENDANCE

(Please fill in using block letters)

Shareholder's name and surname:

Name of company *(for legal persons)*:

Date of birth:

Company ID *(for legal persons)*:

Address:

Registered office *(for legal persons)*:

(Street name and number, place, country)

Shareholder's account number *(for all)*:

I hereby advise of my intention to attend the Annual General Meeting of INA-Industrija nafte, d.d. Zagreb,

to be held on

(Date of the shareholders' meeting)

I will attend the meeting

in person/ by proxy/through authorised corporate representative

(Put a circle)

and I will vote with

_____ shares.

(Number of shares)

In

(Place)

on

(Date)

Shareholder's signature:

PROXY FORM
ANNUAL GENERAL MEETING

1. Shareholder's name and surname

Company name

2. Date of birth

Company ID number (for legal persons)

3. Home address

Registered office (for legal persons)

4. Account number (investor's ref.number)

(for all)

5. Total number of shares

I hereby authorise

1. Proxy's name and surname

Proxy's company

2. Proxy's place of residence/

registered office

3. Address

Proxy's date of birth

4. Company ID number (for legal

persons)

As my/our true and lawful attorney to send in my/our name the Notice of Attendance for the Annual General Meeting of **INA – INDUSTRIJA NAFTE d.d. Zagreb, Av. V. Holjevca 10**, shareholders to be held in Zagreb on 23 May 2011, and to represent me/us at that General Meeting, to participate in it on my/our behalf and to vote as my/our proxy on all resolutions to be passed at the meeting on the basis of shares held by me/us.

This proxy is also valid for any adjournment of the AGM if not held at 12:00 on 23 May 2011.

Signed

In Zagreb on _____
