



Investor Relations Release

Zagreb, 12 December 2019

INA - INDUSTRIJA NAFTE, d.d.

Av. V. Holjevca 10

10 020 Zagreb, Croatia

LEI: 213800RUSOIJPD19H13

Ordinary shares INA-R-A ISIN HRINA0RA0007

Listed on the Zagreb Stock Exchange Official market

Announcement in line with Zagreb Stock Exchange rules

Member State: Republic of Croatia

Subject: Final investment decision on the Rijeka Refinery Residue Upgrade project

INA Supervisory Board today granted its prior agreement for the Rijeka Refinery Residue Upgrade project and the INA Management Board unanimously approved the investment. The decision was supported both by the Croatian Government and by MOL, the two major shareholders of INA.

This investment is increasing the overall efficiency and complexity of the Rijeka Refinery and it is a significant part of the INA Downstream 2023 New Course transformation program, which is aimed at turning INA's Refining and Marketing segment into a sustainable and profitable business. The total investment budget amounts to around HRK 4bn (around USD 600mn) and includes the Residue Upgrade unit, the reconstruction of existing refinery units as well as a new port with closed petroleum coke storage. The Residue Upgrade unit, using delayed coker technology, will improve the product structure of Rijeka Refinery by increasing the share of profitable white products, i.e. motor fuels and its commissioning is expected in 2023.

INA's Downstream 2023 New Course transformation program also includes the concentration of crude refining activity in the Rijeka Refinery and the conversion of the Sisak Refinery to an industrial site, which will serve as a base for bitumen production (a project approved in March 2019), a logistic hub and potentially for lubricant production and a bio-component refinery, subject to further investment decisions.