

MANAGEMENT BOARD

Av. V. Holjevca 10
ZAGREB

No: 8-20/12
Date: 25.04.2012.

Pursuant to the provisions set out in Article 277 of the Companies Act and Article 34 of the Articles of Association of INA – INDUSTRIJA NAFTE, d.d. (hereinafter: "INA d.d." or "the Company"), the Management Board of the Company on April 25, 2012 rendered the decision on the convocation of the General Assembly of the Company, and hereby invites the shareholders of the Company to the

GENERAL SHAREHOLDERS' ASSEMBLY of INA d.d.

**to be held on June 19, 2012 in Zagreb, Croatia
at the Company headquarters, Zagreb, Avenija V. Holjevca 10
at 12 a.m.**

With the following Agenda

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 2011 together with Independent Auditor's Report, Company and INA Group Status Report for 2011, Supervisory Board Report for 2011**
- 3. Appropriation of profit of INA, d.d. in 2011**
- 4. Discharge to the members of the Management Board for business year 2011**
- 5. Discharge to the members of the Supervisory Board for business year 2011**
- 6. Appointment of the auditors of the Company for 2012**
- 7. Decision on the amendments to the list of the Company's business activities – additional activities**
- 8. Amendments to the Articles of Association of INA, d.d**
- 9. Approval of the completed Company's Articles of Association and abrogation of the Company's Articles of Association dated May 23, 2011 (clean text)**

INA, d.d.
Avenija Većeslava Holjevca 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
Rlačkoga 6, 10000 Zagreb
Petrinjska 59, 10000 Zagreb
Paromlinska 2, 10000 Zagreb
Pl. 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
2390001-1100337078
2503007-1100062183

Trgovački sud u Zagrebu
Commercial Court in Zagreb
MBS: 090000604
Uplaćan temeljni kapital – Paid capital stock
9.000.000,00 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 Uprava / President and members of the Management Board:
Zoltán Áldott, Pal Kara dr., Niko Delić, Peter Ratajcs, Ivan Krešić, Davor Mayer

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

Proposals of decisions:

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

Ad. 3

The profit for 2011 is established in amount of HRK 1,966,735,423.48 and is allocated as follows:

1. Legal reserves in amount of HRK 98,336,771.17 and
2. Retained earnings in amount of HRK 1,868,398,652.31

Ad. 4

Discharge is granted to the INA, d.d. Management Board members for business year 2011

Ad. 5

Discharge is granted to the INA, d.d. Supervisory Board members for business year 2011

Ad. 6

For the business auditor in INA, d.d. for 2012 **Deloitte d.o.o., Radnička cesta 6, Zagreb** is selected.

Ad.7

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

- Participating in implementation of preventive measures for protection against fire and explosion
- Fire fighting and rescuing people and property threatened by fire and explosions
- Providing technical assistance in accidents and hazardous situations
- Carrying out other activities in accidents, environmental and other accidents
- Fire protection services
- Protection and rescue in disasters and greater accident
- Preparation of special studies, budgets and projections for protection and rescue
- Vulnerability and consequence assessment and preparation of protection and rescue plans (operational plans, internal plans)
- Private security activities
- Investigation and detective service activities
- Preparation of danger assessment
- Testing of high risk machines and instruments, and testing in the working environment
- Checking machines and instruments, personal protection equipment
- Repair and maintenance of fire extinguishers

- Performing activities of accuracy check of derivative fire detection and extinguishing equipment, system for reporting presence of flammable gases and vapors, and devices and installation for prevention of fire from spreading and explosions from occurring, and the scope of control of these systems
- Waste collection for other parties
- Waste transportation for other parties
- Intermediation services in organization of waste use and/or management for other parties
- Collection, waste use and/or management (treatment, disposal, incineration and others means of waste management)
- Activity of management of special waste
- Export of waste
- Reintroduction of vanished wild taxa into the natural environment on the territory of the Republic of Croatia
- Activities of management and maintenance of real estate
- Activities of air quality and air emissions monitoring
- Activities of protection against noise
- Professional non-ionizing radiation protection activities
- Manufacture, transport and use of hazardous chemicals
- Activities of environmental protection services
- Testing of protection systems, electrical, lightning conductor and gas installation and boiler rooms

Ad. 8

Decision on the Amendments of the Articles of Association of INA-INDUSTRIJA NAFTE, d.d.

Article 1

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

- Participating in implementation of preventive measures for protection against fire and explosion
- Fire fighting and rescuing people and property threatened by fire and explosions
- Providing technical assistance in accidents and hazardous situations
- Carrying out other activities in accidents, environmental and other accidents
- Fire protection services
- Protection and rescue in disasters and greater accident
- Preparation of special studies, budgets and projections for protection and rescue
- Vulnerability and consequence assessment and preparation of protection and rescue plans (operational plans, internal plans)
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- Checking machines and instruments, personal protection equipment
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- Performing activities of accuracy check of derivative fire detection and extinguishing equipment, system for reporting presence of flammable gases and vapors, and devices and installation for prevention of fire from spreading and explosions from occurring, and the scope of control of these systems
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- Activities of air quality and air emissions monitoring
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- Professional non-ionizing radiation protection activities
- Manufacture, transport and use of hazardous chemicals
- Activities of environmental protection services
- Testing of protection systems, electrical, lightning conductor and gas installation and boiler rooms

Article 2

Other provisions of the Articles of Associations shall remain unaffected.

Article 3

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

Ad.9

Approval is given by the General Assembly for the completed Articles of Association as in the enclosed text.

On the day the new Articles of Association come into effect, the Articles of Association dated 23 May 2011 (consolidated text) shall no longer be valid

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 2011, but the General Assembly shall not decide on the abovementioned. 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 2011, and Supervisory Board Report on conducted control in 2011.

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

Ad 3: Because of difficult situation in the financial environment it is suggested that no dividend is distributed out of profit from the year 2011.

The proposal for the 2011 profit distribution highlights the Company's commitment to the financial stabilization and understanding of the current business and operating environment,

especially of the credit markets. With this decision company is aiming to ensure maintaining the financial flexibility and appropriate level of liquidity while assuring the efficient operations in the increasingly challenging 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. During 2011 the company has succeed in sustaining strong financial position by reducing indebtedness on the back of capitalised investments from the previous exceptionally capex intensive period. However, the developments at the end of 2011, (fourth quarter) both in the business environment and the financial markets indicated strong need for relaying on own funds. Reduced cash flow from Syrian operations, announcement of "Force majeure" in Syria and especially the increasing tightening of the financial markets and reduced credit availability as the European banking sector is unlikely to boost lending while focusing on increasing capital requirements imposed by the European Banking Authority are the strong indicators that financing focus should be on maximizing the utilisations of internal capacities.

Expected investments in Exploration and Production activities, in Refining system development and operational efficiency optimisation for achieving stable refineries operations with better white products yield and lower own consumption and losses are in the focus of company and capital expenditures spending which needs to be financed in the current year. In addition, a comprehensive Retail business modernisation and revitalisation programme is continuing with increased intensity in order to meet the highest expectations. Resulting from the major constraints in the financing sources (internal reduced cash flow and external increasingly difficult market conditions with decreased credit availability) maximum utilisation of internal capacities is considered more than prudent business practice. In that light, the company should retain the 2011 earnings and utilise them to mitigate already mentioned unfavourable influences and to achieve its ambitious capex plan for 2012.

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 2011. 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: 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 2012.

Ad 7:

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

Ad 8: Explanation of the Amendments to the Articles of Association

Amendments to the Article 4 of the Articles of Association are required in terms of addition to the business activities as referred to in item 7.

Ad 9: No particular explanation

Invitation and instructions for the Shareholders regarding their participation at the Assembly

Invitation, time and venue of the General Assembly

1. The Company's Shareholders are hereby invited to participate in the work of the General Assembly of the Company to be held on June 19, 2012, in Zagreb Croatia, at the Company's headquarters, Avenija V. Holjevca 10, at 12 a.m.
2. Registration of the participants of the General Assembly will take place on June 19, 2012, on the mezzanine floor at the Company's headquarters, Av. V. Holjevca 10, Zagreb, between 10:00 and 11:30, after which registration will not be possible. We kindly ask that the Shareholders register on time. After the registration finishes, the shareholders or their proxies who are not listed under participants, but are registered with the Central Depository, have the right to participate at the General Assembly, but they will not be able to use their voting right.
3. 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.

Participation and voting at the General Assembly

4. Each shareholder of the Company who has submitted to the Company, either personally or through their proxy or representative, an application for participation in written form at the latest six days prior to the General Assembly meeting excluding the date of receipt at the Company, i.e. by June 12 2012, at 24:00 hours at the latest, has the right to participate in the General Assembly. A legal or natural person, who is on the last day for application for participation in the General Assembly i.e. June 12, 2012 registered as a shareholder of the Company with the Central Depository and Clearing Company Inc., Zagreb, is considered a shareholder of the Company.
5. 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 an person authorized to represent it according to the law.
6. 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.
7. The **Registration Form** can be found on the Company's website (www.ina.hr) and can also be obtained by fax on request to the Company Secretary's Office.
 - o **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
- o **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 June 12, 2012) 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."

8. 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.
9. 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.
10. 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.

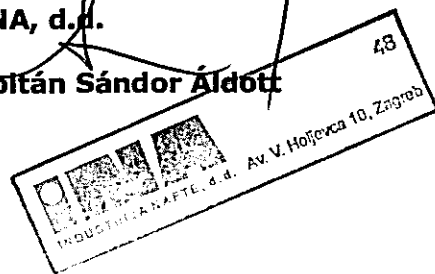
Shareholders rights to ask questions, requests amendments to the agenda, counterproposals and the right to information

11. 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.
12. 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.
13. Shareholders have the right to submit counterproposals to the proposals submitted 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 June 4, 2012. 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.

14. 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.
15. 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, whereas the official text of this announcement is in Croatian only.

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 **19 June 2012**

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 _____ on _____
(Place) (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 19 June 2012, 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 19 June 2012.

Signed

In Zagreb on _____
