

Zagreb, 06 September 2016

INA INDUSTRIJA NAFTE, d.d.
Av. V. Holjevcica 10
10 000 Zagreb, Croatia
Ordinary shares INA-R-A ISIN HRINA0RA0007
Listed on the Zagreb Stock Exchange official market
Announcement in line with Capital Markets Act

Subject: INA-Industrija nafte, d.d. – Decision on approval of Takeover Offer for Energopetrol d.d. Sarajevo

INA-INDUSTRIJA NAFTE, d.d. Zagreb, received the Decision on approval of Takeover Offer for Energopetrol d.d. Sarajevo.

Translation of the official Decision, available in Bosnian on Zagreb Stock Exchange web site and other prescribed publication places, is as follows:

BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
SECURITIES COMMISSION OF
FEDERATION OF BOSNIA AND HERZEGOVINA
No: 04/1-19-289/16
Sarajevo, 31 August 2016

Pursuant to Article 13 of the Law on the Securities Commission (“Official Gazette” of the Federation of Bosnia and Herzegovina, No. 39/98, 36/99, 33/04, 92/13), Article 200 of the Law on Administrative Procedure (“Official Gazette” of the Federation of Bosnia and Herzegovina, No. 2/98 and 48/99) and Article 24, paragraph (3) of the Act on the Takeover of Joint Stock Companies (“Official Gazette” of the Federation of Bosnia and Herzegovina, No. 77/15), by executing a request of the company INA – Industrija nafte d.d. Zagreb, submitted by the attorney at law Bajramović Amar from Sarajevo, for approval of announcement of the Offer for Takeover of the company to the company INA – Industrija nafte d.d. Zagreb, Securities Commission of Federation of Bosnia and Herzegovina, at its 492nd session held on 31 August 2016, rendered a

DECISION

1. Announcement of the Offer for Takeover of the company Energopetrol d.d. Sarajevo, Maršala Tita 26, Sarajevo (Target Company) is approved to the company INA – Industrija nafte d.d. Zagreb, ul. Avenija Većeslava Holjevcica 10, Zagreb (Offeror).
2. The Offeror shall announce the offer within 7 (seven) days after the day of receipt of this Decision and deliver the Offer to: Energopetrol d.d. Sarajevo, Sarajevo Stock Exchange and the Registry of Securities in Federation Bosnia and Herzegovina, no later than the following day after the receipt of this Decision.
3. The Decision shall be published in the Official Gazette of the Federation of Bosnia and Herzegovina

Explanation

On 10 August 2016, INA – Industrija nafte d.d. Zagreb, with its seat at Avenija Većeslava Holjevca 10, Zagreb (Offeror), submitted a request for the takeover of the company Energopetrol d.d. Sarajevo, Maršala Tita 23, Sarajevo (Target Company).

The following was submitted along with the request: Offer for Takeover of the company Energopetrol d.d. Sarajevo; an Excerpt from court register of the Republic of Croatia notarized by the Notary Public Maroslavac Željka, Zagreb, No. OV-21143/16 dated 12 July 2016; Special Power of Attorney of the Issuer INA Industrija nafte d.d. Zagreb, No. Re U-16-4/16 dated 13 July 2016, by means of which authorization was given to the attorneys at law Sead Miljković, Maja Šimunac, Mia Čivić, Lamis Kulenović, Tea Sipović-Imamović and Amar Bajramović, certified by the Notary Public Ljubiša Marković, OPU-OV-5193/2016 dated 10 August 2016; Sales Agreement on Block of Shares outside of the Stock Exchange No. 02/16 concluded between MOL Hungarian oil and gas public limited company MOL Plc, Budapest, Hungary, as the Seller, and INA – Industrija nafte d.d. Zagreb, as the Buyer, dated 11 July 2016, notarized by the Notary Public Ljubiša Marković, OPU-OV-5184/2016 dated 09 August 2016; Receipt of the Sarajevo Stock Exchange No. 1-03-654/16 dated 5 August 2016; Guarantee issued by UniCredit Bank d.d. Mostar No. WD160804gd.391 13 dated 4 August 2016, Request to the Register for conclusion of Agreement dated 10 August 2016; proof of fee payment to the Commission.

On 16 August 2016, an Agreement entered into by the Offeror and the Registry of Securities in Federation Bosnia and Herzegovina, on 16 August 2016, and a Receipt of the Registry No. 04-6-8473/16 dated 15 August 2016 were subsequently submitted.

The following was stated in the Offer for Takeover of the Target Company: information about the Target Company, Energopetrol d.d. Sarajevo, Maršala Tita 26, Sarajevo, with the share capital in the amount BAM 68,661,525.00 which is divided among 5,492,922 shares which have a nominal value of BAM 12.50; information on the Offeror, INA – Industrija nafte d.d. Zagreb, ul. Avenija Većeslava Holjevca 10, Zagreb, owns 3,680,258 or 67.00% of shares of the Target Company; the number of shares that are subject of the Offer: 1,812,664 or 33% of the total number of ordinary shares; the Offeror stated that the Offer is directed at all the shareholders of the Target Company; the price of one share: BAM 2.30 or 18.40% of the nominal value of the share; sources and method of warranty of the compensation for payment of shares: a bank guarantee issued by UniCredit Bank which covers acquisition of all shares that are the subject of the Offer, and the Offeror's own funds were stated as the source of funds; payment deadline: seven days after the day of expiry of the Offer and the payment will be performed through the Registry of Securities; expiration date of the public invitation: 28 days after the announcement of the Offer; conditioning of the Offer: the Offeror conditions that the subject of the Offer for Takeover are not shares with encumbrances; the Company authorized for collection of offers is the Registry of Securities of the FBiH; instructions on the manner and effects of depositing shares and other rights and obligations of shareholders which deposit shares are stated, and especially the right to withdraw shares or withdraw acceptance of the Offer for Takeover. Furthermore, in the Offer the Offeror stated its intention in terms of future business operations of the Target Company, as follows: "the Offeror's intention is to continue with strengthening of the market position at the Bosnian and Herzegovinian market through continuation of an extensive modernization program of the retail network of the Target Company, which relates to projects for capital reconstruction and modernization of retail sites of the Target Company, as well as introduction of the new concept for non-fuels (consumer goods, restaurants and carwashing). In the upcoming period the stated changes should present a positive basis for a stable growth of the fuel sales and non-fuel sales on the territory of the Bosnia and Herzegovina, by continuing to invest in superior technical equipment at the retail locations of the Target Company the Offeror will achieve distinctness as well as a higher level of current and future customer satisfaction of the Target Company. The Offeror expects that in the short term the subject Offer for Takeover will not majorly affect the future business of the Target Company. After the conclusion of the Offer the Offeror does not intend to alter the business operations of the Target Company or to change the manner of usage of assets of the Target Company or create future liabilities that are beyond the usual course of business". Some strategic plans are included as well: "The Offeror intends to continue with the current business strategy and the policy of business stabilization that was in force even before provision of the Offer for Takeover of the Target Company. In that regard, the Offeror does not expect that the subject Offer for Takeover will have a significant effect on the position and benefits of employees of the Target Company. The Offeror expects that after this Offer the Target Company will be able to seize opportunities on the Bosnian and Herzegovinian market in future to improve business, and that the above-stated will also result in potential increase of the

number of employees in the Target Company. Location of performance of the business activity of the Target company and the Offeror will not change. Significant changes regarding locations where the Target Company and the Offeror perform their activities have not been foreseen.” With regard to the intention related to the Management Board of the Target Company, the Offer stated as follows: “The Offeror foresees changes in the Management Board of the Target Company after the Offer, but without any significant changes of the present composition of the executive management and their existing benefits. No changes of the existing monetary and non-monetary contributions and other benefits for the members of the Management Board and Supervisory Board of then Target Company were foreseen.”

An inspection of the Registry of Issuers at the Commission was performed and it was established that the share capital of the Target company is BAM 68,661,525.00, divided into 5,492,922 ordinary shares of nominal value of BAM 12.50.

It was established that the price in the Offer was in accordance with Article 16 of the Act on the Takeover of Joint Stock Companies and that the Offer for Takeover of the Target Company contains all information referred to in Article 22 paragraph 1 of the Act, whereas the Commission shall not be liable for the for the accuracy and authenticity of data stated in the Offer.

Seeing as along with the subject request the Offeror submitted wording of the Offer for Takeover that was drawn up in line with the provision of the Article 22 paragraph 1 of the Act on the Takeover of Joint Stock Companies, as well as documentation prescribed by the Article 22 paragraph 3 of the stated Act, and proof of fee payment to the Commission, in accordance with the Tariff number 5, para. 1 of the Decision on the Tariff of Fees (“Official Gazette” of the Federation of Bosnia and Herzegovina, No 31/13, 48/14, 60/14, 22/16) the decision is adopted as in the operative part.

Legal remedy:

This Decision is final and not open to an appeal. However, it is possible to initiate an administrative dispute before the Cantonal Court in Sarajevo by means of a complaint within 30 days of the date this Decision was received. A complaint is filed in two identical copies, and the original or a copy of this Decision shall be attached.

Chairman of the Securities Commission of Federation
of Bosnia and Herzegovina

Hasan Ćelam

Deliver to:

- INA – Industrija nafte d.d. Zagreb, via Proxy: attorney at law Amar Bajravić and other, Augusta Brauna 3, Sarajevo;
- Archive, a/a

Co. Registry of Securities

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