

Petrokemija, Plc. Fertilizer Company Aleja Vukovar 4, 44320 Kutina, Croatia

Ordinary share, PTKM-R-A ISIN HRPTKMRA0005 listed on the Official Market of the Zagreb Stock Exchange Notice pursuant to the Capital Market Act

Overhaul and HBOR loan for investment

In accordance with the Capital Market Act and the Rules of the Zagreb Stock Exchange, Petrokemija, Plc. announces as follows:

Petrokemija, Plc. will carry out the overhaul of its facilities for manufacture of mineral fertilizers. With regard to the scope of works, it will be one of the largest in recent years. The overhaul will begin today, June 27, 2016 by the shutdown of the UREA 2 Plant, followed by the shutdowns of the remaining production facilities on July 1, 2016. The works will be done in July, after which the re-start the Ammonia Plant is planned for August 1, 2016, to be followed by the other plants.

"Measure M7" investment will be realized at Urea plant in the course of the overhaul, which will result in significant improvement in environmental standards in terms of reducing pollution of waste water.

In order to improve energy efficiency, Petrokemija is financing the construction of high-pressure gas pipeline from PMRS (gas measuring reduction station) Kutina 1 to the facilities (underground pipeline) and further on to Ammonia Plant (above-ground pipeline). The investment value is HRK 45 million, and it is for the most part financed by the Croatian Bank for Reconstruction and Development and its Loan Program for Financing Projects of Environmental Protection, Energy Efficiency and Renewable Energy Resources.

Sufficient quantities of fertilizer stocks have been provided in the current period, in order to meet the anticipated demand on the domestic and foreign markets.

Source:

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