

## 500MEUR investments cycle of Gazprom's Serbia oil company until 2015

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**Date :** July 4, 2012

Serbian oil firm NIS is set to invest 500 million euros (\$630.3 million) a year through 2015 in a bid to become a regional market leader, its Chief Executive Kirill Kravchenko said on Tuesday.

NIS, majority owned by Russia's Gazprom Neft, will spend 40 percent of the total on the expansion of its retail network in Serbia, Romania, Bulgaria and Bosnia. The remainder will go towards exploration, production and refining, he said.

The company aims to finish an upgrade of its Pancevo oil refinery by the end of October and to start an overhaul of base oils refinery Novi Sad in 2013. The cost of the latter was estimated at 100 million euros, Kravchenko said.

"We want to make sure that our retail supports placement of products from our refineries," he told reporters.

He said that as of 2016 the company's annual investments would double and NIS would shift the focus on securing new gas and oil sources.

"We are planning to bring annual production of oil and gas to 5 million tonnes from the current 1.7 million tonnes," Kravchenko said.

The company has already started oil and gas exploration in Serbia, Bosnia and Hungary and will this summer focus on oil wells in Romania which are close to the Serbian border, he said.

Under a 2009 energy pact between Russia and Serbia, Gazprom Neft, the oil arm of gas export monopoly Gazprom, paid 400 million euros for a 51 percent stake in NIS and raised its

holding to 56.15 percent last year for another 40.3 million euros.