

Minister of Energy, Mining and Industry of the Federation of Bosnia and Herzegovina (FBiH), Nermin Dzindic said that the main priorities of the Ministry in 2017 will relate to oil exploration activities, as it intends to publish a tender for the selection of consultants and later, possibly in 2017, a tender for the selection of concessionaire for hydrocarbons exploration in FBiH.

Minister Dzindic explained that the development of the Energy Strategy of the Federation of Bosnia and Herzegovina for the period 2015-2035 will be one of the key tasks of the Ministry in 2017. He believes that the Energy Strategy of the Republic of Srpska, the other entity in Bosnia and Herzegovina, will be developed in parallel with FBiH Energy Strategy, along with the amendments of the Energy Strategy on the state level.

Since gas sector is not regulated by law yet, Minister Dzindic expressed his expectations that the problem related to the adoption of the law on gas, which has been a stumbling block for quite some time already, will be finally resolved in 2017.

In September 2015, Royal Dutch Shell informed the Federal Government that the company will not extend the memorandum of understanding signed in 2011 with the FBiH, regarding oil and gas exploration. The memorandum envisaged the exploration of potential oil and natural gas deposits in the massif of the Dinarides, which stretches from Bihac to the eastern part of Herzegovina. Shell was supposed to invest about 700 million dollars in the project, but the company withdrew after three years.

Last March, French Total sent a letter of intent to the Federal Government, informing it that the company is interested in oil and gas exploration in FBiH and is prepared to invest up to one billion dollars in the project. Total is the third oil company, after Australian Key Petroleum and British Spectrum, which has declared interest in oil and gas exploration in FBiH after Shell decided to withdraw from the project. A public call for expression of interest for oil and gas exploration in FBiH should have been issued by the end of November 2016, but it was postponed.