

Croatian Minister of Energy and Environment Tomislav Coric said that an advisor, chosen by the Government in the transaction of a possible purchase of INA shares by Hungarian MOL, investment bank Lazard, will not finish its report by the end of March, but it should surely have during the second quarter.

Last August, US investment bank Lazard has been selected as the Croatian Government's consultant on the buyback of the Hungarian MOL's stake in Croatian oil company INA. A consortium of Morgan Stanley, Intesa Sanpaolo Group and Privredna Banka Zagreb had previously been selected as a consultant, but that disagreements had emerged over what should be included in the agency agreement, notably technical aspects of the hiring of consultants. Therefore, the Government decided to conduct interviews with other bidders from the first round and finally selected a new consultant - Lazard. Minister Coric said at the occasion that the services of new consultant will cost 9 million euros at most, while the price agreed with the previous consulting consortium was 8 million euros. He said that the Government could make its offer to MOL in the first quarter of 2020. In late 2016, Prime Minister Andrej Plenkovic announced the Government's intentions to buy back the stake of Hungarian oil company MOL in Croatian oil company INA, adding that the best model for the buyout would be the initial public offering (IPO) of 25 % minus one share of state-owned power utility HEP, since Croatia will keep, with 75 % plus one share, all management rights in HEP without selling national resources. However, the HEP option seems to be scrapped in the meantime. In mid-December 2017, the Government launched an invitation for financial advisor which will help the Government choose the best model to buy back INA's shares currently held by MOL, adding that the Government could later choose to sell those shares to another strategic partner. Hungarian MOL owns 49.08 % of INA's shares, while the Croatian state has 44.84 % stake in the company.