

Canadian investors claim to be the owners of the land on which LNG terminal should be built .

This plot is part of the bankruptcy estate of the Dioki Group and is owned by its creditor Hypo Bank, which transferred its receivables to the Austrian state company Hetu. The interesting fact is that when Hetu wanted to sell the plot last year the state showed no interest, and stated that "it shall be purchased by the interested investor" or expropriated since the price was too high. The tricky part is that according to the law, the state cannot expropriate land of the investor who plans to implement the same strategic project for which the expropriation is done. Otherwise, they would be breaching competition rules. Canadian Pulsat Global Capital announced the plan to implement the project Krk Energy Hub, which includes the construction of LNG terminal in phases, TPP on gas, commissioning of Dina production which they intend to buy and accompanying activities.

If Pulsat registers as the owner of the land, the state will have to cooperate with them if they want to build the terminal on that location. As representative of the investor, Branko Šarčanin stated during the press conference that they have been developing their projects since 2008 and have been negotiating with Hypo for the last three years. LNG Hrvatska does not have any contract and it is not clear how it could receive EU funds for implementation of project on the land which is not theirs. Branko added that they obtained legal opinion that even though HETA is still the owner of the land, they have certain ownership rights which could not be taken. Šarčanin invited LNG Hrvatska to join them in project development.

Global Pulsat Capital did not answer the call for investors initiated by the state even though they consider the LNG terminal project, and they reported irregularities of LNG Hrvatska to OLAF.

Šarčanin told that they plan to buy out the documentation from Adria LNG Consortium and revise their location permit. They would begin with cooperative gas supply, then floating terminal and afterwards land-based terminal of 12 to 25 bn m<sup>3</sup> gas capacity per year.

Šarčanin added that only large land-based terminal could be profitable.

Franjo Luković , former Chairman of the Management Board of Zagrebačka banka is also included in this mega project. Luković stated that with this project Croatia would have the significant role in gas supply diversification in the EU and this project would also be long term and stable source of revenues. He added that out of EUR 4.7 billion investments, Croatian companies could participate in works worth EUR 1.5 billion. Canadian Pulsat Global Capital and BSH Group have included some Croatian companies like Pastor, Dalekovod, Končar, IVICOM, EIHP and Siemens, gathered into Croatian Business Group in in this project. They have mentioned Dragados Offshore and ARUP Engineering as technical solution providers, transmits Serbia-energy.eu