

## **Croatia: Gov seeks advisers for IPO shares sales of power company HEP**

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Croatian Government will appoint adviser to explore the possibility of selling up to 25 percent of HEP Group through an initial public offering (IPO) of shares on the market, said the Minister of Economy Ivan Vrdoljak.

"After evaluating the risks and benefits, we will decide on the size of IPO, but I am convinced that it will not exceed 25 percent of stake in the company", said Vrdoljak on the sidelines of an energy summit in Budva, Montenegro.

He also said the Government would soon order a study of the feasibility of building a terminal for liquefied natural gas (LNG) on the island, intended for the supply of central and southeastern Europe.

Europe wants to reduce its dependence on Russian gas import, prompting Russia to cancel its South Stream pipeline project at the end of last year.

Terminal on the island of Krk would be at the southern end of the pipeline route, which should connect Croatia and Poland port on the Baltic Swinoujscie by 2020<sup>th</sup>.

"We will sign a contract with consultants who will complete a feasibility study by the end of this year. The final decision will be made in the first quarter of 2016<sup>th</sup>", said Vrdoljak.

Mladen Antunovic, Director of LNG Croatia, said, however, that the company would invite potential investors to express interest in the project before July.

"After the cancellation of the South Stream pipeline project, it is the most realistic and logical project for South and Central Europe", said Antunovic.

The value of the terminal is estimated at approximately 600 MEUR, and its capacity would amount to between 4 and 6 billion cubic meters (BCM) of gas per year.