

Croatian Prime Minister Andrej Plenkovic said in an interview that the current Croatian Government is the first one that actually sat at the table with the management of Croatian oil company INA and it is actively considering buying out MOL's share in INA based on the model of an initial public offering (IPO) of state-owned power utility HEP shares.

Asked why Croatia has lost the United Nations Commission on International Trade Law (UNCITRAL) arbitration proceedings with MOL, PM Plenkovic said that the situation regarding INA has been complicated for a number of years and this Government was established only two months ago. He stated that the Government wants INA to be a company with oil and gas reserves which will be also relevant outside Croatia, adding that in the given circumstances, the decision to buyout MOL's stake in INA is the best one, both in terms of Croatia's energy security and its energy supply.

Asked if that means that Croatia currently has the funds to finance the buyout of MOL's stake in INA, PM Plenkovic replied that the company's value would have to be appraised first, adding that he does not want to speculate on the price at the moment. He said that the buyout model which is currently under consideration involves an initial public offering of a precisely limited number of HEP shares, adding that he is confident that enough money would be raised based on this model, without increasing the public debt. A new law on the buyout would have to be adopted, but it will first require a broad political consensus, involving not only the current Government but other political parties as well, Plenkovic concluded.

Speculations over HEP's IPO have been present for several years already. In April 2015, HEP has hired Morgan Stanley, SberBank and Unicredit as IPO advisors in order to investigate the possibilities of selling up to 25 % of HEP's shares through the initial public offering on the Zagreb Stock Exchange.