

Croatia: Ministry of Energy denies INA's exploration license

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Croatian oil company INA said that the Ministry of Energy and Environmental Protection has denied its hydrocarbon exploration license in Sava exploration area.

The statement from the company said that this is the third time that the Ministry has denied a license for this exploration area to INA, although the High Administrative Court previously ruled that there is no grounds for the Ministry's decision. INA said that it will take further steps in order to protect its interests in this matter.

The license in question was initially revoked by the Ministry of Economy in July 2011, along with exploration licenses for another two blocks - Drava and Northwest Croatia, because the conditions pertaining to the license had not been fulfilled. INA filed a complaint to the Administrative Court, which quashed the Ministry's decision.

However, in November 2014, the Ministry revoked the licenses once again, claiming that INA did not carry out exploration works in accordance with the licenses. This time INA filed the complaint to the Constitutional Court regarding the Drava block and to the High Administrative Court for the two other blocks.

According to the latest ruling, the Ministry's assessment of the obligations pertaining to the exploration license which led to its revocation, was unduly focused on the form to the detriment of INA and clashed with the legal principle of proportionality in administrative proceedings and the objectives of the EU Directive on conditions for the issuing and use of hydrocarbon, exploration, exploitation and production licenses.