

Preparations are underway for the first exploratory drilling in the Adriatic Sea, which, according to current estimates, will begin in the first quarter of next year. According to Montenegrin Hydrocarbon Agency, the first offshore exploratory drillings were postponed due to closed borders and the inability of contractors to move personnel and equipment needed for these activities.

However, since exploratory drillings were originally planned for the summer of this year, all activities related to 3D seismic testing were completed a few months ago, so everything is ready for the first quarter of 2021.

According to the drilling program, one well will be drilled at 25 kilometers from the coast and the other at 18 kilometers. The program should last for 180 days, and if everything goes according to plan, it is expected to determine whether Montenegrin part of the Adriatic holds any commercially viable hydrocarbon reserves by the end of 2021. Based on these findings further steps will be defined, including the plan for launching new concession tenders. In mid-May 2014, three consortia submitted bids in the tender for awarding the hydrocarbon exploration and production concessions in the Adriatic Sea. Tender referred to 13 concession blocks with overall area of 3,000 km<sup>2</sup>. The bids were submitted by the consortium of Marathon Oil Corporation (USA) and OMV (Austria), consortium of Eni (Italy) and Novatek (Russia) and consortium of Energean Oil & Gas (Greece) and Mediterranean Oil and Gas (England). In early February 2016, the concession contract for oil and gas exploration in the Adriatic Sea has been signed with Italian-Russian consortium consisting of companies Eni and Novatek, which includes two exploration periods that last four plus three years, while the contract with Energean for two offshore blocks, 4219-26 and 4218-30, was signed in March 2017. In accordance with the obligations of the work program of the concession agreement for the exploration and production of hydrocarbons, the concessionaires - Italian Eni and Russian Novatek, performed 3D geophysical research at the end of 2018.