



FM Vuk Jeremic says South-Eastern Europe will become a first class transit zone and the zone of renewable energy sources in the next few years.

It will therefore be the catalyst of energy stability in this part of the world, the Serbian minister stated.

At the 2011 South East European Oil and Gas Conference, Jeremic announced the beginning of a power plant construction in Obrenovac, 2012.

In his speech, which was read out on his behalf by his assistant Zoran Vujic, he said that Serbia occupies a special position in the region due to its rich capacities for the production of renewable sources of energy.

Save for being a natural transit zone for oil and gas, Serbia has natural resources which are important part of its strategic positioning on the world energy map, Jeremic said.

He noted that the Serbian government will advocate successful strategic partnerships and exploitation of natural resources it possesses.

In that sense, he said that the agreement signed between a consortium of Chinese companies and the Electric Power Industry of Serbia on the construction of the power plant in Obrenovac will enable Serbia to develop renewable energy sources, use biomass, but also reduce dependence on traditional energy sources.

The investment is worth about EUR 2mn, and it represents one of the biggest individual investments in Serbia. Such strategic investments could serve as a support for other countries to appreciate more the possibilities Serbia offers, the speech reads.

The foreign minister also said that a great number of business companies from Europe are interested in the hydroelectric power station Đerdap III and exploitation of Serbia's great hydro-potentials.

Jeremic noted that Russia has an important role in view of energy, and added that the construction of the pipeline South Stream will bring considerable benefits to Serbia. In the context of gas crisis, however, governments have to create strategic partnerships with different countries, he said.

Jeremic, who did not attend the conference for health reasons, in that context mentioned Azerbaijan, another country planning to build pipelines, in which, as he put it, the region of Southeast Europe will also has its role.

## **EUR 1.5bn in oil sector**

Serbia will invest about EUR 1.5bn in the oil sector in the next three or four years, Energy Advisor of Prime Minister of Serbia Petar Škundric stated on Friday.

The largest investment in the oil sector in Serbia is the modernization of the refinery in Pancevo (15 km northeast to Belgrade), in which the Petroleum Industry of Serbia (NIS) invests about EUR 475 million, and it should be finished by end 2012, Škundric said at the

2011 South East European Oil and Gas Conference held in Belgrade.

NIS, as he put it, will also invest into business expansion in the neighboring countries - and mentioned Romania, Bulgaria, Hungary, the Serb Republic.

The most important investment in the gas sector in Serbia is the construction of the South Stream pipeline, 400 km of which will pass through Serbia, he said, adding that a feasibility study for the section of the pipeline has been finished.

Škundric pointed out that the first phase of modernization of the underground gas storage Banatski Dvor (northeast Serbia) has been completed, and said that Serbia will work on the construction of gas pipelines ring and interconnections with Romania, Bulgaria, Croatia and other neighboring countries, with an aim of diversification of gas supply.

Serbia is planning to build another gas storage and continue the gasification of the country, he said, and pointed to great possibilities of exploitation of oil shale in ten locations in the country, among which the Aleksinac basin in southern Serbia.

Škundric also said that the country can realize a great production of bioethanol and biodiesel from crops, as well as methanol, which can be used for energy purposes.

Serbia has around 10 million tons of proven reserves of oil, and it is estimated that it has potential of around 40 million tons, he said.

The country also possesses about 35 billion cubic meters of gas reserves, he concluded.