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Petroleum Industry of Serbia is very interested in exploiting oil shale from Aleksinac basin and it is willing to invest around EUR 300 million for the first phase of the project. The entire project, which would significantly increase the oil and gas reserves in Serbia, could start in the middle of this year, as "Politika" unofficially finds out.

Shale from which oil is produced is located on the ground surface and extracted as an ore, and a certain percentage of oil is obtained for every ton of ore. Afterwards, it is transported to refinery for processing. All conducted tests so far confirmed that the percentage of oil production from oil shale is very high and it amounts 13.5 to 15 percent.

It is estimated that the implementation of this project, for which Serbia has been waiting for nearly half a century, could bring about 1,000 new jobs, and the State would annually earn EUR 16.1 million from taxes.

According to our source, oil shale is a large energy resource of Serbia, and the proximity of the oil refinery in Pancevo, where the processing would be conducted, significantly increases the economic viability of the whole project. With the exploitation of oil shale, electricity for households would be produced, oil for agriculture would be processed, heat energy would be produced...

Local experts in this field have agreed that the Russian technology is best for the exploitation of oil shale in Aleksinac, and they were guided by the highest level of environmental protection, which is the main issue when the exploitation starts. But if Estonia as a member of the EU has developed a technology that meets strict European environmental standards, why Serbia could not do it as well.

Anyway, in 1977 the first samples of oil shale from Aleksinac were sent to Estonia. Even then it was known that few million tons of oil shale could be excavated per year in this basin and 500,000 to 600,000 tons of oil could be processed, which is about 15 percent of annual consumption of oil in Serbia.

In 2012 Serbia was on the list of top 10 countries that have the largest oil shale deposits. Another reason for NIS to get involved in this great project is the fact that this production is profitable when the price of oil comes to around USD 45 per barrel. Having in mind that price slowly reaches USD 60 per barrel, the calculation is clear.

Anyhow, previous studies of the Faculty of Physical Chemistry showed that for the price of EUR 10 per ton of oil shale from Aleksinac basin, a high-octane motor fuel at a price of EUR 247 per ton could be produced. There is also an opinion that there are far more reserves of oil shale than oil.

The total investment in the exploitation of oil shale in Aleksinac, which would include the opening of the mine and the construction of two plants for oil shale processing, would cost

between 700 million and one billion euros.

95 % of electricity from oil shale

Estonia processes 17 million tons of oil shale per year. From that amount it produces 95 percent of electricity and about 400,000 tons of oil, covering a quarter of the country needs for this fuel, which is used by ships, industry and power plants, says one of the directors of the Estonian state-owned company "Eesti Energia" Pritt Ride.