**The Ministry of the Economy has issued new decisions on the exploration areas Sava and Northwest Croatia**

The Ministry of the Economy has issued new decisions in accordance with the instruction of the High Administrative Court of the respective judgments, which refer to the withdrawal of authorization to INA for exploration on exploration areas "Sava" and "Northwest Croatia". The Ministry has again gathered all the relevant evidence and has explained them in detail in the new decisions which means that the Ministry of the Economy stands firmly on the earlier adopted decisions.

**Otherwise, the Ministry of the Economy has deprived INA – Industrija nafte d.d. of the exploration areas "Sava" and "Northwest Croatia" as the company did not conduct the exploration in accordance with the approval.**

**The Ministry of Economy revoked „Sava“ and „North-Western Croatia“ exploration licenses due to the fact that exploration activities were not perfomed as specified in the exploration licenses**

The Ministry of Economy in July 2011, issued a set of decisions by which hydrocarbon exploration licenses were revoked to the company INA – Industrija nafte d.d. Licenses which were revoked are „North-Western Croatia“ and „Sava“ areas and were revoked due to the fact that INA didn’t perform exploration activities according to the issued licenses.

INA – Industrija nafte d.d. appealed the above mentioned decisions to the High Administrative Court of the Republic of Croatia. In this procedure, the High Administrative Court canceled the Ministry's decisions due to formal reasons, which refer to an incomplete and/or unclear factual situation (Article 39. point 2 of the Law on Administrative Disputes – Official Gazette no. 53/91, 9/92 and 77/92). In accordance with this, the decisions were returned to the Ministry of Economy with the dictate to issue new decisions. Carrying out the courts dictate, and in line with applicable Laws, the Ministry of Economy on 18. November 2014. issued a set of new decisions by which INA – Industrija nafte's d.d., hydrocarbon exploration licenses have been revoked in the „North-Western Croatia“ and „Sava“ areas.

We find it important to note that it is wrong to interpret the above mentioned rulings of the High Administrative Court as annulments due to unfounded grounds, given that the Court returned the decisions to the Ministry of Economy with the decree to issue new decisions based on Article 39. point 2 of the Law on Administrative Disputes. Which the Ministry of the Economy followed and again revoked INA – Industrija nafte d.d. exploration licenses.

**Accordingly, the dispute between the Ministry of Economy and the company INA – Industrija nafte d.d. has no bearing on nor can it influence in anyway the currently opened 1st onshore licensing round or any other anticipated licensing rounds for the exploration and exploitation of hydrocarbons in the Republic of Croatia**.