

Belgrade Stock Exchange a.d.
Belgrade

Omladinskih brigada 1

Novi Beograd



Function for Legal and Corporate Affairs

Number:

Date:

BUSINES NEWS OF THE ISSUER OF NIS A.D. NOVI SAD

NIS a.d. Novi Sad Presented Results of Environmental Audit

The Report on the Implementation of the Complex Environmental Audit of NIS a.d. Novi Sad facilities has been presented on March 17, 2011 to the Government of the Republic of Serbia. This complex environmental audit of NIS a.d. Novi Sad facilities was performed in 2010 by an independent consultant, Italian company D'Appolonia S.P.A. In addition to the assessment of the environment condition and potential risks upon it, this audit also includes the impacts of production activity to the environment, as well as the corrective measures proposed in order to remediate observed incompliance.

This Environmental Audit was implemented in compliance with the Sales and Purchase Agreement of NIS a.d. Novi Sad shares, as well as by the NIS a.d. Novi Sad Terms of Reference approved by competent ministries.

The Audit performed by an independent auditor includes the highest risks inflicted by NIS a.d. Novi Sad production, refining and storage facilities which were selected as potential polluters of the environment due to its being significantly damaged during NATO bombing or to technological obsolescence. The international standards and the best international practice were taken into account in the assessment of the existing status of soil and groundwater.

For the purpose of identifying the environmental condition of each of the facilities, for each of them potential soil and groundwater contamination points were identified. On the same occasion the methods of drilling exploration wells, as well as soil and groundwater sample analyses were used. Results obtained were compared with local and international environmental values.





Simultaneously with the performance of environmental audit, NIS a.d. Novi Sad initiated the realization of specific environmental projects in the area of air, water, and soil protection and waste management, for the purpose of: air protection, water protection, waste management and soil protection.

Additional investments based on the results of environmental audit will amount to EUR 9.6 million. EUR 90 million is to be invested into NIS a.d. Novi Sad environmental protection projects, out of which EUR 60 million will be financed by Gazprom Neft. The deadline for the completion of environmental protection projects is the year 2014.

**Deputy CEO –
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Sergey Fominykh
