



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

NIS Continues Implementation of Investment Program into Geological Exploration

As a part of a major investment program related to implementation of advanced geological exploration technologies and elaborate exploration of oil and gas fields, NIS has completed the opening of the well "Maj-X-2" at the existing oil field near Majdan, in Banat. This well was drilled up to the record-breaking depth of 3,865 m, which is the deepest of all already drilled wells at the exploration area in Serbia. Currently, the phase of well completion is in the progress, after which the exploitation phase shall follow. Thus, NIS has secured additional reserves of oil and gas and in the course of well exploration gas and condensate (light oil) were obtained.

For the drilling of the well "Maj-X-2", performed by NIS Block "Oil-field Services", modern technology was used. The unit in question is a new, mobile, diesel electrical unit of a new generation, by a renowned international producer National Oilwell Varco.

The volume of capital investment into this major investment program related to introduction of advanced geological exploration technologies and detailed exploration of oil and gas fields since 2009 amounted to around 10 billion dinars. NIS' investments into reanimation of domestic oil fields, with the application of new technologies and development of complex reservoirs, has led to the increase in production at existing oil fields and the increase of resource base.

By 2020 NIS will invest around 400 million EUR in the area of geological explorations including seismic prospecting and exploration drilling in Serbia.

In addition, NIS has launched an ambitious project of development of new reservoirs in the countries of Balkan region: in Romania, Bosnia and Herzegovina, as well as in Hungary. Out of regional projects related to hydrocarbon exploration NIS expects a new production of oil and gas. In Hungary in 2012 NIS will start drilling three exploration wells, and by 2013 we expect the production to be started. Romania is also in the focus of attention since the exploration blocks are in the immediate vicinity of the Serbian border, which will enable easy connecting of wells with NIS infrastructure. Already in the following year in this area drilling of four exploration wells is planned, while in 2013 and 2014 the start of commercial production is expected.

Through its daughter company Jadran-Naftagas in Bosnia in November this year NIS has started regional 2D seismic explorations, after which the analysis and



interpretation of acquired data will follow. Based on the results obtained the first exploration well in the Republic of Srpska will be located.

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