



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

NIS Presented Environmental Investment Program

On February 8th, at the premises of the Government of the Republic of Serbia, NIS presented the results of its environmental projects, strategic goals and the environmental investment program. This highly significant project was presented by Kiril Kravchenko, NIS CEO, as well as by Oliver Dulić, Minister of Environment, Mining and Spatial Planning.

By 2015 NIS plans to invest around EUR 400 million into the implementation of environment protection strategy, an amount 6.5 times higher than the one stipulated by SPA. In addition to ecological projects, NIS is going to invest into ecological infrastructure projects, into modernization of petrol stations and into energy efficiency projects which are indirectly contributing to the improvement of environment.

This year NIS is going to implement its most significant project with ecological effects – the modernization of Pančevo Oil Refinery, the finalization of the construction of Mild Hydrocracking and Hydrotreatment Complex (MHC/DHT), worth EUR 397 million, which will completely enable the production of Euro quality fuel and also the alignment of the production process with European standards in the field of environmental and industrial safety.

Modernization of petrol stations according to international environmental standards, which is underway, also represents NIS' contribution to environment protection. Within the next two and a half years NIS will invest around EUR 100 million into the modernization and construction of new petrol stations in Serbia.

In the next three years, NIS plans to implement a series of technological improvement projects intended to reduce emissions, construction of a facility in compliance with European environmental standards and production of European quality fuels. Also, there are plans to remediate degraded soil and to achieve full compliance with European legislation, together with the improvement and rational use of natural resources.

„Investment into environment protection is a part of our strategic commitment to efficiently manage the company and also one of our main priorities. This investment will enable us to reach the leading position in the field of environment protection among oil companies in the Balkans. We are highly satisfied with our cooperation with the Government of Serbia and with competent ministries because they have provided the support and have been our equal partners throughout the implementation process of our ecological projects in the course of previous three years. We will continue to introduce and apply the standards which are applied in European refineries ” pointed out Kirill Kravchenko, NIS CEO.



“It is a pleasure to announce that NIS, despite the global economic crisis and its consequences upon the national economy, continues to invest into ecology. As well, we expect that the ecological projects and programs presented today will soon enable NIS to meet all European standards in the field of ecology”, pointed out, Oliver Dulić, Minister of Environment, Mining and Spatial Planning.

Major Environmental Protection Projects Currently in Progress in NIS:

Refinery units:

- Reconstruction of Fluid Catalytic Cracking (FCC)
- Construction of the unit for regeneration of used sulfuric acid
- Reconstruction of terminals
- Reconstruction of Waste Water Treatment Unit
- Reconstruction of Oil Sewage System

Upstream:

- Remediation of historical soil contamination by remediation of 146 primary mud pits

Projects with major ecological effects:

- Modernization of Pančevo Oil Refinery (MHC/DHT), reconstruction and modernization of NIS petrol stations
- Projects of newly formed Energy Block related to increasing the energy efficiency and rational use of energy

Ecological Projects implemented in 2011:

Air Protection

- Pančevo Oil Refinery: reconstruction of railway truck terminal. Reconstruction of a phase of fluid catalytic cracking (FCC) by installation of a new, fourth level of filtration, thus reducing the emission of powder substances.

Water Protection

- Novi Sad Oil Refinery: completed reconstruction of oil sewage and of the waste water treatment unit (Phase 1)
- installation of oil water separator at 9 reconstructed petrol stations

Soil Protection

- Upstream Block: Remediation of soil – bioremediation pilot project at oil field Turija. 42 mud pits remediated
- Sales and Distribution Block: installation of double shell tanks at 9 reconstructed petrol stations

Waste management

- 70% of oil sludge in Pančevo Oil Refinery treated
- the project of oily soil and oil sludge treatment started at the level of the company

**Deputy CEO –
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Sergey Fominykh
