

TECHNICAL AGREEMENT
between
the Ministry of Economic Development of the Italian Republic
(Directorate General for Energy and Mineral Resources)
and
the Ministry of Economy, Labour and Entrepreneurship of the Republic
of Croatia (Directorate for Mining)

on the Joint Exploitation of the Annamaria Gas Field in the Adriatic Sea

WHEREAS,

the Annamaria gas field was discovered in 1979 and lies on both sides of the delimitation line between the Italian and the Croatian continental shelves;

by virtue of concession A.C11.A.G. of 26-6-1981 the exploitation rights for the Italian side are held by E.N.I. S.p.A.;

gas field Annamaria is located within exploitation field “Sjeverni Jadran”, which is granted (approved) to INA-Industrija nafte d.d., by the decision (decree) of 2-2-1996 and the mining concession for mining works on the exploitation field of hydrocarbons “Sjeverni Jadran” – gas field Annamaria was granted to INA- Industrija nafte d.d., by the decision of 26-5-2009,;

the 1968 Agreement between the Italian Republic and the Socialist Federative Republic of Yugoslavia , in its Article 2 states that joint exploitation of mineral and energy resources found on the delimitation lines between the two states should be subject of the specific agreement be signed between the competent authorities of the two states;

the 1968 Agreement continues to be in force between the Italian Republic and the Republic of Croatia as successor of the Socialist Federative Republic of Yugoslavia on the basis of the General Succession of Bilateral Agreements, confirmed by the exchange of diplomatic notes of 25 March 1992 and 22 January 1993;

since 1979 no extractive activities occurred by neither side since the accurate delimitation line of the continental shelves was not unambiguous and thus it was not possible to determine the exact volumes of gas belonging to the two parties;

the Italian Republic and the Republic of Croatia, have agreed the accurate determination of the delimitation line of their continental shelves utilising the WGS-84 satellite-based survey data, by the exchange of diplomatic notes of 22 July 2005 and 29 July 2005;

by the means of the agreement called *Annamaria Integrated Development and Operating Agreement* - “AIDOA” of 19/12/2006 ENI S.p.A. and INA – Industrija nafte d.d., were able to determine the exact volumes of gas belonging to Italy and Croatia;

the *Annamaria Integrated Development and Operating Agreement* - “AIDOA” agreement sets the work plan and technical aspects, including the measuring of extracted volumes, royalties and the periodic redetermination of volumes belonging to the two States;

the Environmental assessment procedures on the Italian side have been completed by the Ministry of the Environment with decree GAB-DEC-2008-0000271 of 19/12/2008;

the Environmental assessment procedures on the Croatian side have been completed by the Ministry of Environmental Protection, Physical Planning and Construction within procedure for the Northern Adriatic Exploitation Area with Decision UP/I 351-02/97-03/218 of 29/05/1997 and Decision UP/I 351-02/98-06/36 of 05/02/1999.

the Signatories have agreed as follows:

Sole article

The *Annamaria Integrated Development and Operating Agreement* - “AIDOA” is hereby approved with the following prescriptions:

1. The yearly gas exploitation programmes shall be approved by the competent authorities of both Italy and Croatia.
2. Any possible suspension of activities imposed by the competent authorities of one side shall be shared with the other side.
3. The competent authorities of both sides will jointly approve measurement systems on both platforms.
4. The competent authorities of both sides will periodically verify the functioning of measurement systems on both platforms and certify every three months production and withdrawal from both platforms in cross-examination of ENI and INA-Industrija nafte d.d..
5. Modifications of the allocation of reserves and compensation plans on past production shall to be approved by the Ministry of Economic Development of the Italian Republic and by the Ministry of Economy, Labour and Entrepreneurship of the Republic of Croatia , each side referencing in its own acts the quantities to be compensated for past years.

Done in Rome on July 1st 2009 in two originals in English language.

For the Ministry of Economic
Development of the Italian Republic
Franco Terlizzese
Director General for Mineral and
Energy Resources

For the Ministry of Economy, Labour
and Entrepreneurship of the Republic
of Croatia
Branimir Horaček
Director of the Energy Directorate