Croatia, Dinarides thrust belt

Farm-in opportunity

DINARIDI – 14 onshore exploration block

July, 2022.

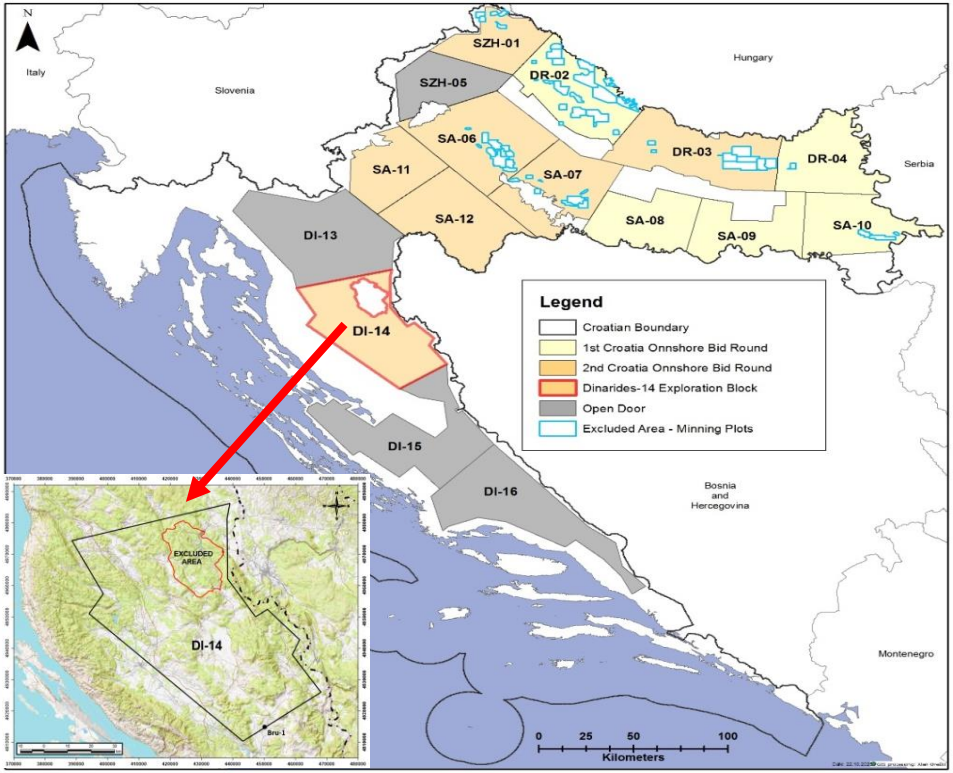
Introduction and Concession Overview

PSA TERMS

- Effective Date: 26th Mach 2020 (PSA Agreement signature)
- **INA 100% working interest**
- Agreement Area: 2.698 sq km
- Exploration period:
  - **1st Phase: 3 years (2020-2023) - ongoing**
  - 2nd Phase: 2 years (2023-2025) - optional
- Exit point after completing 1st Phase work program
- Total 1 year extension of exploration period possible
- Excluded area – National park "Plitvička jezera"
- Relinquishments:
  - At the 1st phase end: at least 25% of initial area
  - At the end of 2nd phase: all remaining area, except those declared as appraisal

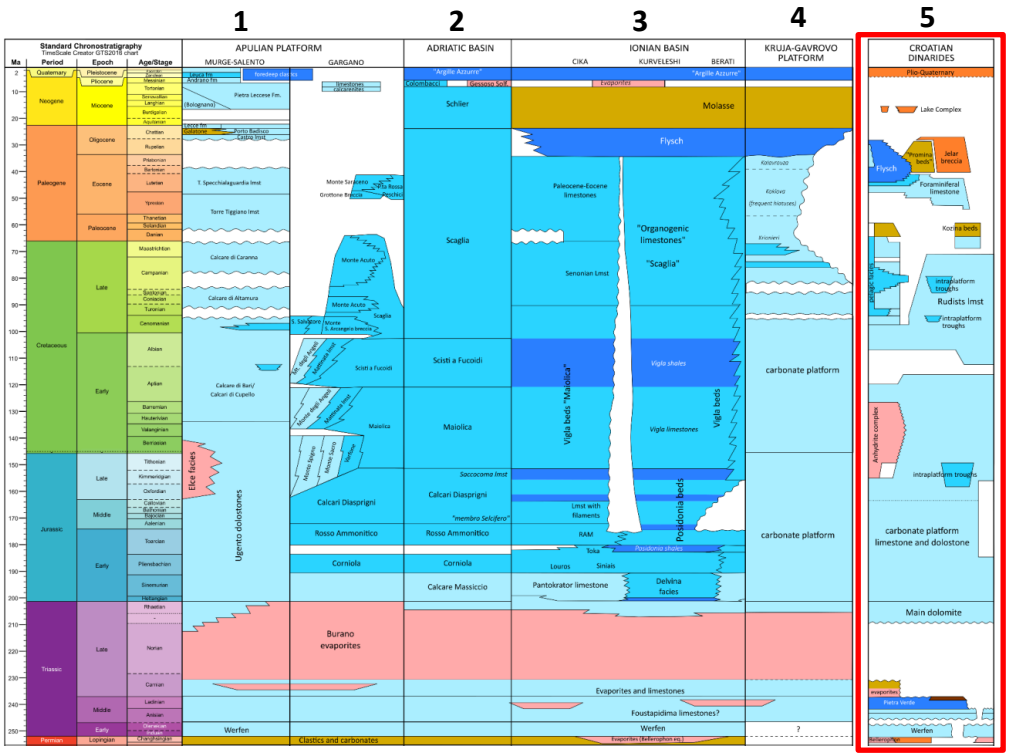
- 1st phase work program commitment:
  - **Magnetotelluric acquisition and interpretation of measurements (1500 sq km, 150 points) - COMPLETED**
  - In-house Regional G&G studies – COMPLETED
- 1st phase financial commitment **EUR 0.390 mn** - FULLFILED

- 2nd phase (optional) work program commitment:
  - **2 D seismic acquisition (200 km)**
- 2nd phase financial commitment **EUR 2.17 mn**

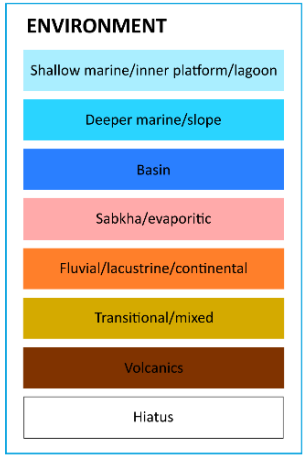


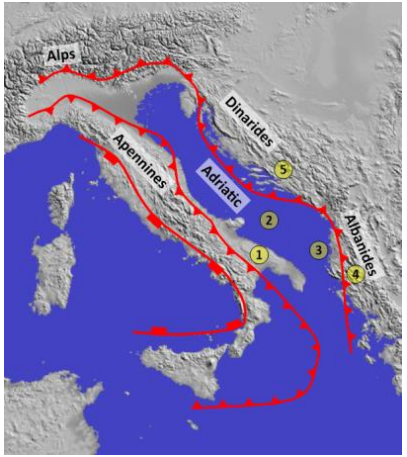
Regional Setting

- Regionally, the Dinarides form a complex 200-300 km wide fold-thrust and imbricate belt which developed along the NE margin of the Adriatic and Apulia microplate



Regional lithostratigraphic facies correlation of Periadriatic region units





- Dinarides mountain chain is a product of the Alpine orogeny and consist of a thick and strongly tectonised sedimentary succession with stratigraphic range from Carboniferous to Quaternary
- The stratigraphy from Lower Jurassic to lower Paleogene is closely related with evolution of carbonate platform setting, which deposits develop for hundreds of meters thickness, forming the major part of the stratigraphic column

Dinarides Petroleum System Elements

Source rocks

▪Upper Jurassic organic-rich laminated limestones (‘Lemeš Formation’), oil prone, immature to early mature, oil generation at lower stage of maturity – very good to excellent source rock (TOC up to 68,42%, in average 6%; S1+S2 up to 174,5 mg HC/g rock; in average 45 mg HC/g rock) – proven SR in Albania and Greece

Reservoir rocks

▪M. Triassic to U. Cretaceous dual porosity, naturally highly fractured platform carbonates, often with good reservoir properties (ϕ up to 20%)

▪Permian (Permo-Triassic) clastics of fair quality (ϕ up to 15% on surface sample measurements)

Seal rocks

▪Lower Triassic marly limestone and shale

▪Intraplatform shale locally developed due to frequently emerged/submerged events

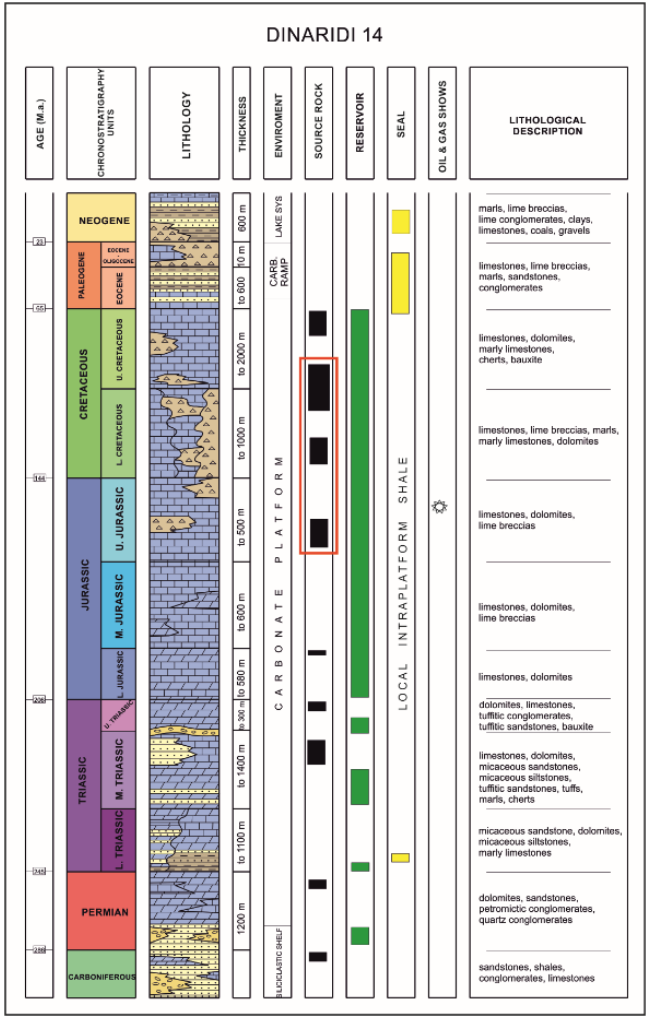
Potential plays:

Mesozoic carbonate structural play - proven producing play in northern Italy

- Upper Jurassic source rock – Upper Triassic carbonate reservoir („Haupt dolomite”) pair
- Inferring Jurassic sub-thrust position, it may reach oil window (at depth more than 3000 m)
- Seal is potential local intraplatform shale – main play risk

Paleozoic clastic structural play - not proven play in the region

- Upper Jurassic source rock – Permian clastics (sandstone, conglomerates) pair
- Seal is Lower Triassic shale regionally present – lower sealing risk
- Major risk is attributed to lower reservoir quality and challenging reservoir facies imaging bellow thick karstified carbonate sequence



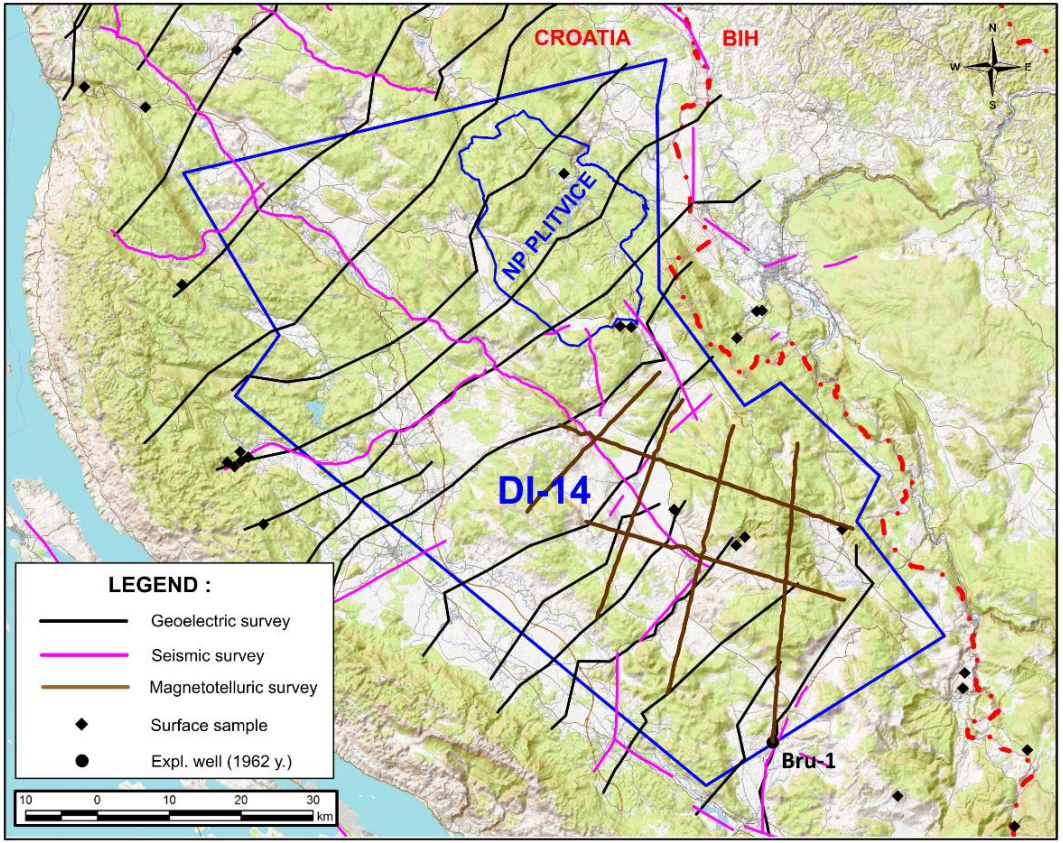
Dinarides Exploration History and Database

- Underexplored area with sparse and low quality database
- Most of the exploration activities and data gathering from 50s to early 90s

Dinarides-14 block data coverage:

- 1 well Bruvno-1 (1962) - 3400 m
- 159 km of vintage poor quality 2D seismic survey
- 417 km of vintage poor quality geoelectric survey
- Regional gravimetric and magnetometric map
- Geological maps of different scales: 1:500 000, 1:300 000, 1:100 000
- Surface samples (Lab analysis)
- Internal and external reports and studies
- Literature – published and non published papers

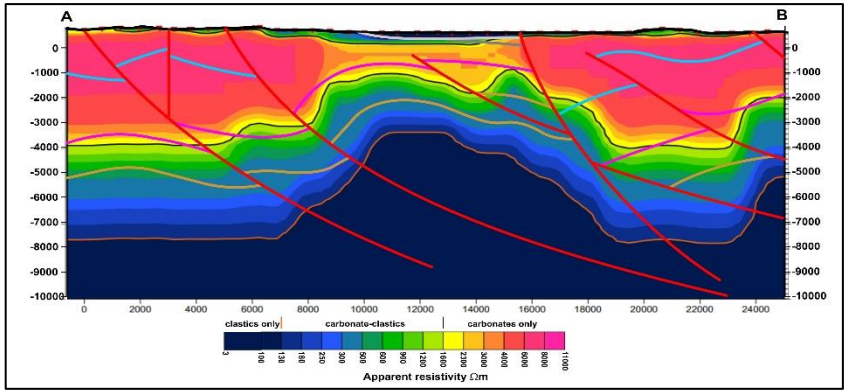
- **INA started new exploration cycle by signing PSA in 2020**
- **171 km of new 2D magnetotelluric lines acquired in 2021 as a part of 1st exploration phase – first geophysical data acquired after more then 20 years**

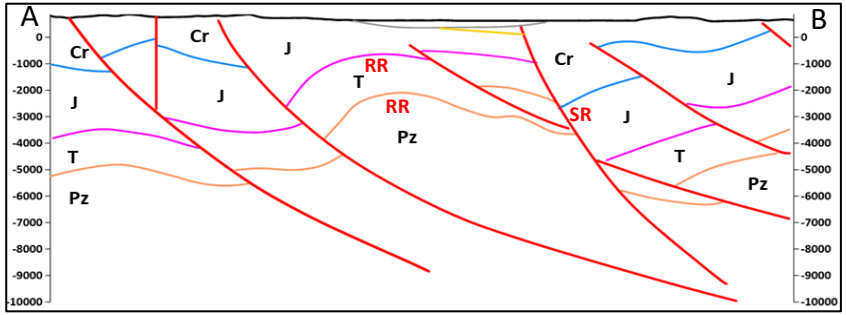


Magnetotelluric Results and Block Perspectivity

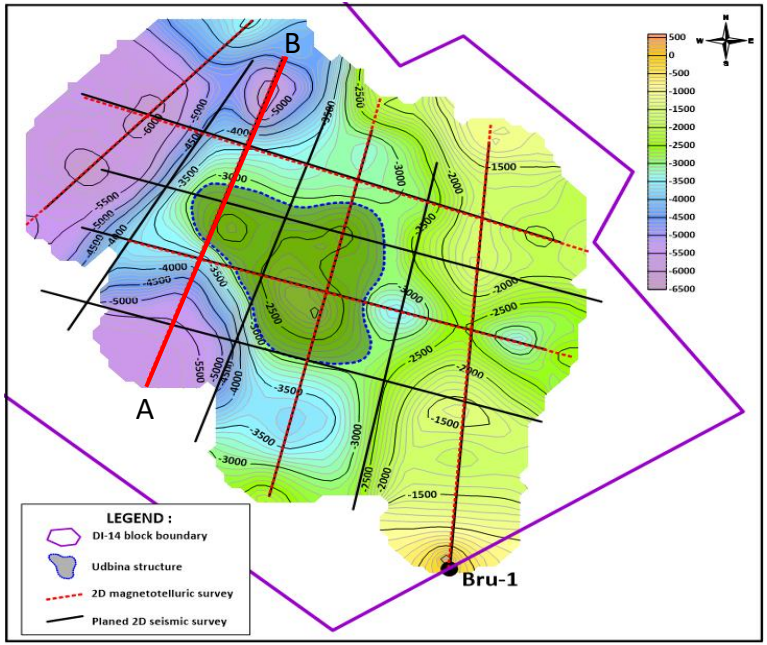
HIGH RISK-HIGH REWARD AREA RECOGNIZED BY MAGNETOTELLURIC SURVEY

- Southern part of DI-14 block, Udbina area, was selected for the MT acquisition as the most promising area due to structural architecture that could imply existence of rotated blocks and thrusts plane in the area of proven U. Jurassic source rock - structural setting was confirmed by MT





Depth horizon related to approx. 350 Ωm of apparent resistivity



- Structural interpretation of MT data indicate the general trend of the clastic Paleozoic basement where huge structure (98 sqkm) was delineated accompanied by thrust sheets to the north
- Potential favorable juxtaposition of Jurassic source rock with Permian clastics and Upper Triasssic „Haupt dolomite" – both Mesozoic carbonate and Paleozoic clastic plays possible
- Proposed 2D seismic program (295 km) would give more precise interpretation and better insight in the subsurface architecture with the goal to de-risk structure and provide well location if play confirmed

Farm-out Process

Farm-out process and Project timeline:

- Physical data room possible from September 1st 2022 upon signing NDA – INA HQ, Zagreb, Croatia
- Binding offer expected by the October 15th 2022
- SPA is expected to be signed by the end of 2022
- Transaction will be effective uppon Government approval, expected in H1 2023
- Early January 2023 - Notice to the Croatian Hydrocarbon Agency about decision to enter 2nd exploration phase
- Seismic acquisition tendering and contracting – Q1 & Q2 2023
- Seismic acquisition and processing (295 km) – Q3 & Q4 2023
- Q1 2024 – Decision on drilling exploration well (well is not working obligation in the 2nd phase – exit point without the well cost)
- Q4 2025 – Q1 2026 – 6 months drilling window at the end of 2nd exploration phase to monetize 2D seismic program by drilling optional exploration well

Farm–out offer:

- INA is expecting from farminee to finance full cost of 2D seismic acquisition in return for up to 50% non-operated WI (negotiable)
- Estimated price for proposed 295 km of 2D seismic is 2,9 mn EUR

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