



Pursuant to Article 64 of the Law on Securities and Other Financial Instruments (Official Gazette of RS, no.47/2006) and articles 6, 7 and 8 of the Regulations on Content and Manner of Public Companies Informing and Reporting on Ownership of Voting Shares (Official Gazette RS, no. 100/2006, 116/2006 and 37/2009, the Company for exploration, production, processing, distribution and sales of crude oil and oil products, and exploration and production of natural gas "Naftna Industrija Srbije" a.d. Novi Sad (hereinafter: NIS a.d. Novi Sad), activity 0610 – exploitation of crude oil, hereby announces

REPORT ON SIGNIFICANT EVENT

Adoption of the Decision on the distribution of profit and coverage of losses of NIS a.d. Novi Sad for 2010.

By the Decision of the Shareholders Assembly no. 70/III of June 21st, 2011. financial reports of NIS a.d. Novi Sad were adopted for the year that ended on December 31st, 2010.

Board of Directors of NIS a.d. Novi Sad, in accordance with the provisions of Article 215 of Law on Companies and the Article 13 point 13.4. sub-point 16 of the Incorporation Act of NIS a.d. Novi Sad, on its XXXIV deciding without a meeting, on July 27th, 2011., adopted the Decision on distribution of profit and coverage of losses of NIS a.d. Novi Sad for 2010.

Profit declared in the Income statement of NIS a.d. Novi Sad for the period from January 1st to December 31st, 2010. in the amount of RSD 16,735,635 (sixteen million seven hundred thirty-five thousand six hundred thirty-five) thousand is allocated to cover losses carried forward from previous years, declared in the the balance sheet of NIS Novi Sad on December 31st, 2010. in the amount of RSD 55,836,391 (fifty-five million eight hundred thirty six thousand three hundred ninety-one) thousand.

General Director

Kirill Kravchenko
