

Weil, Gotshal & Manges LLP

CONFIDENTIAL

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July 24, 2013

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By Federal Express

The Government of the Republic of Croatia
The Rt. Hon. Zoran Milanović
Prime Minister of the Republic of Croatia
Trg svetog Marka 2, 10 000 Zagreb
Republic of Croatia

With a copy to:

By Hand Delivery

HE Josip Joško Paro
Ambassador of the Republic of Croatia to the
United States
2343 Massachusetts Ave. NW, Washington DC
20008
United States

By Federal Express

Mr. Ivan Vrdoljak
Minister of Economy of the Republic of Croatia
Ulica grada Vukovara 78, 10 000 Zagreb
Republic of Croatia

By Federal Express

Ms. Jelena Zrinski Berger
Assistant Minister of Industrial Policy, Energy
and Mining
Ministry of Economy of the Republic of Croatia
Ulica grada Vukovara 78, 10 000 Zagreb
Republic of Croatia

Re: Notice of Intent to Commence Arbitration Against the Government of Croatia

Your Excellency:

Our law firm has been instructed by MOL Hungarian Oil and Gas Public Limited Company (“MOL”) to represent it in its disputes with the Government of Croatia (the “Government”), and, if necessary, to commence international arbitration on MOL’s behalf against the Government. These disputes arise from the Government’s breaches of its obligations and undertakings with respect to MOL’s substantial investments in Croatia – including, but not limited to, MOL’s investments in INA Industrija Nafta d.d. (“INA”).

MOL has long been honored to be a strategic partner for the Government in its role as one of the largest foreign investors in the Croatian economy. In that spirit, MOL has always sought an amicable

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resolution of any disputes that have arisen between MOL (and/or INA) on the one hand, and the Government on the other. Over the past many months, MOL has made numerous efforts to resolve its disputes with the Government. None of these efforts have materialized in an amicable resolution of these disputes. This is unfortunate. Our Client, being a publicly listed company, has strict legal obligations vis-a-vis its shareholders and stakeholders to further pursue good faith negotiations. However, failing that, it is also under strict legal obligations to commence legal action to enforce its rights.

As MOL has previously notified Your Excellency, the Government has, among many other things, breached its obligations owed to MOL under the Gas Master Agreement of 30 January 2009 and the First Amendment to the Gas Master Agreement of 16 December 2009, and has taken various steps that threaten MOL's rights under the Shareholders Agreement of 17 July 2003 and the Amended Shareholders Agreement of 30 January 2009. (These agreements are collectively referred to as the "Contracts"). Moreover, the Government, through various other acts and omissions – including regulatory action and inaction that violated MOL's (and INA's) rights under international and Croatian law – has further damaged MOL's investments in Croatia. Thus, in addition to breaching MOL's (and INA's) rights under the Contracts, the Government has also breached its obligations to MOL under Croatian and international laws, including, without limitation, Croatia's obligations under the Energy Charter Treaty ("ECT") and the Agreement between the Republic of Croatia and the Republic of Hungary for the Promotion and Reciprocal Protection of Investments (*i.e.*, the Croatia-Hungary bilateral investment treaty, or "BIT").

MOL has made numerous efforts to settle amicably these disputes. Over three months ago, MOL sent a letter dated 11 April 2013 to Your Excellency, requesting further negotiations concerning the breaches of these obligations. MOL proposed to send a high-level negotiation team to meet with representatives of the Government. Specifically, in its letter to Your Excellency of 11 April 2013, MOL proposed a team to be led by Mr. Sándor Csányi, Deputy Chairman of the Board of Directors of MOL Plc., and Mr. Zoltán Ádott, President of the Management Board of INA d.d., supported by additional managers and experts from MOL Group as needed. Despite MOL's latest letter, and numerous other efforts, the proposed negotiation has not taken place and the disputes remain unresolved.

Our Client is prepared to make one last effort at achieving an amicable resolution to this dispute before commencing international arbitration against the Government under the Contracts, the ECT, and/or the BIT. As counsel to MOL, we propose meeting with a negotiating team mandated by the Government (including, if desired, external lawyers on your behalf as well) at your earliest convenience.

Finally, we must emphasize that for MOL – having already made repeated and numerous efforts at amicable settlement – time is of the essence. If Croatia is not willing to hold such a meeting with us – or if we cannot otherwise resolve these disputes amicably by the end of September 2013 – you would leave no other choice to MOL but to commence international arbitration against the Government. In addition, consistent with the obligations of the Government under the ECT, Croatian law, and

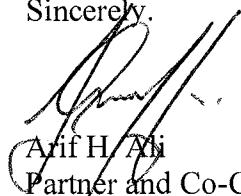
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international norms, we request that the Government refrain from taking any actions or measures that would further exacerbate or escalate the parties' disputes.

We look forward to receiving the response of the Government. In the meantime, Your Excellency, please be assured of our highest consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arif H. Ali', is written over a circular stamp or seal.

Arif H. Ali
Partner and Co-Chair
International Arbitration Practice