



NIS STARTED THE REALIZATION OF THE ENERGY EFFICIENCY PROGRAMME

Within the long-term program of efficient use of gas resources of the company on July 3, the first cogeneration module was officially put into operation, located on the territory of the collection and dispatch station (SOS) NIS "Sirakovo" (municipality of Veliko Gradiste). The ceremony was attended by the NIS CEO Kirill Kravchenko, and the Minister of Energy, Development and Environment of the Government of Serbia, Zoran Mihajlovic.

Program of more efficient use of gas resources of the company consists of three parts, one of which - the cogeneration project, is focused on the utilization of dissolved gas. Also, the program provides the build of amine plants for purification of natural gas in the LPG Plant in Elemir, and further injection of CO₂ separated from amine plant in the reservoir, in order to increase the coefficient of extraction hydrocarbons. Implementation of this program will enable NIS not only to start generation of electricity and heat using its own resources in the form of dissolved gas, but also improve the quality of the natural gas which company exploits.

The total investment in the program of more efficient use of gas resources of the company amounts to over 6 billion dinars, of which 3.027 billion dinars will be invested in the construction of amine plants and related activities, while the rest in the project of construction of cogeneration facilities. The program predicts that by the end in 2014 NIS will be able to use up to 90% of the dissolved gas, which is the absolute amount of around 90 million cubic meters.

The aim of the project is to maximize the efficient use of available resources, in this case - the dissolved gas, which has so far burned in a flare, in parallel with the reduction of environmental risks to the environment, due to decreased emissions of harmful substances, which results from the burning of dissolved gas in a flare.

"Precarious conditions in the economy, in which the company operates, are forcing us to seek new ways to increase cost efficiency, primarily through the introduction of new technologies. One of these ways is to achieve the maximum possible level of energy efficiency, including the optimal use of resources which we already have, like the gas in all forms. It should be noted that the active use of cogeneration is a worldwide trend in the work of oil companies and NIS, starting the program for more efficient use of gas resources, once again proved that in its work it applies the latest technology"-said the NIS CEO Kirill Kravchenko.

About cogeneration:

The designed capacity of the cogeneration SOS "Sirakovo" is 0.85 MW, the annual volume of electricity generated amount 6.12mn KWh. The amount of funds invested in the project is about 1,2 mln EUR. The general contractor on the project was the company TENENERGO (Czech Republic).



The principle of operation of the cogeneration module is based on the conversion of dissolved gas into heat and electricity. The resulting heat will be used for the infrastructure of wells, while the electricity is delivered to external customers. Saving on the cost of energy in this case could reach up to 40% of the original volume.

As part of the utilization of dissolved gas it is planned to set up another 7 cogeneration facilities in the company until the end of the 2013, with total capacity of 7.65 MW, and the total volume of investments will amount to 10 million EUR. Cogeneration project predicts that by the end in 2014 the total cogeneration capacity is 25 MW.

Implementation of the project of the utilization of dissolved gas will enable NIS to increase the energy efficiency of the Block "Exploration and Production" by reducing the cost of energy resources, and the level of stability of energy supply wells and SOS company. In addition, NIS will have the possibility of going to the local electricity market.

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