

Exploitation of oil and gas in the Adriatic Sea is not news to the countries who share the Adriatic Sea - except in Montenegro, who seems to be joining the game at a late stage, and from the beginning point.

Vice Director of Directorate for Hydrocarbons Vladan Dubljević thinks that we can not speak of unfavorable regional context for the country when it comes to exploiting the benefits of oil exploration, such as the organizations for environment protection and opposers of fossil energies claim.

“Adriatic has been a home for oil and gas explorations for more than 40 years. There are over 1 500 research and production platforms currently. The Italian part of the Adriatic has 1 358 drills, and the Croatian 133. In the Italian part there are over 110 production platforms for gas and 38 for oil that are active. In Croatia there are 18 production platforms for the gas, and none for oil. Researches are being done in Albania for decades. Greece made a public call last year for oil and gas explorations in ten blocks that cover all of its western coast, at the entrance to the Adriatic Sea. Our surroundings are not unfavorable for these processes, but on the contrary, almost all the countries in the Adriatic have been researching and exploiting hydrocarbons for decades”, he said for Pobjeda.

He reminded that a few days ago in Italy a referendum on abandoning the process of oil and gas production fell through. It will intensify the production on the other side of the Adriatic. Oil and tourism?!

The key argument of the organizations who claim environment protection is the possibility of a risk of exploiting in the seabed such as Adriatics. Dubljević does not think that the oil industry excludes valorization of touristic capacities.

“There is great number of examples in the Adriatic and wider where these two industries go hand in hand. The example of Croatia, where 18 production gas platforms are located in Istra, which is a touristic potential for our neighbors, speaks a different story. The most drills are located in the Italian part of the Adriatic, and Italy is renowned as a touristic destination. Greece has productions in the zone of island Tasos, oil plantation Prinos. Platforms are 8 or 18 km away from the coast, in the part that is very developed Greece’s tourism. In these spaces, oil industry and tourism exists together for 30 years. From the moment oil production has started, Greece has record numbers of tourists each year”, Dubljević claims.

When asked whether we are late with oil exploitation, because we see that the world is slowly leaving the concept of fossil fuel and is being positioned towards energetically sustainable resources, Dubljević said that the choice of every state is to valorize its resources in the best way possible, while respecting the best world practice in all parts.

“Sustainable energy resources are recognized as strategically important and it is well known that many projects in this area are underway”, Dubljević said.

He thinks that we cannot avoid the fact that the valorization of oil would bring revenues, if the exploration would confirm that there is enough oil in store.

“Benefits from this project are manifold and they are fiscal, which means that the state would gain revenue from future oil and gas production, ranging from 62% to 68% in this sector. Besides, there are direct revenues such as space for rent for 300 EUR on km<sup>2</sup>, which goes into the budget, then reimbursement for produced oil and gas that is 5-12%, depending on the volume of oil produced, and 2% for gas, which also goes into the budget. There is a tax of 54% on the gain of companies from which 85% goes into the oil fund and 15% into the budget. There is also a 9% tax on dividends, which also goes into the budget”, Dubljević said.

He said that other benefits are Fund for training and building capacities in state administration related to exploration and production of hydrocarbons, such as environment protection, sea safety, university, public health, that entails 400 000 EUR on a yearly basis during the exploration phase, and 600 000 EUR yearly during the production phase.

#### Environment protection

According to him, no activity related to exploration and production of hydrocarbons will not be started before there is an agreement with the study of estimated influence on the environment. All the measures defined in the Study will be binding for the companies.

“In the area of environment protection there are regulations and a contract that defines mandatory respect of laws in the area of environment protection, including respecting recommendations and findings from the Strategic estimate of the influence on the environment, a prohibition for discharging waste in the sea, including the policy of 0 discharge of dust made during the drilling, prohibition from exploration during the migration and mating rituals of sea mammals, the obligation to do an estimate of influence on the environment EIA before every activity, including detailed record of seabed in order to determine the sensitivity of biodiversity, limits in implementing activities in protected areas, archeological sites, fishing zones, underwater roads, Natura 2000 zones, as well as obligatory implementation of EU Directive for safety of oil and gas operations in the seabed, as if the Directive was completely applied to the Montenegrin legal system”, he said.

According to the regulations, those who implement activities of exploration and production of hydrocarbons will respect strict procedures in order to avoid incidents and discharge of chemicals and hydrocarbons into the Adriatic Sea.

This entails production of a safety study and a plan for action in the case of incidents before

starting any activities.

Before any exploration and production of hydrocarbons can start, companies must do all encompassing recordings of seabed, in order to determine their sensitivity and presence of objects that can have influence on the environment and health of the people.

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