

Croatia signed contracts on Friday with one local firm and one Canadian company that had been awarded onshore oil and gas exploration blocks in the north and east of the country. Zagreb awarded four exploration blocks to Canada's Vermilion and one block to Croatia's energy firm INA, whose biggest shareholder is Hungary's MOL, in June last year.

"We have secured an investment worth 500 million kuna and much more if oil or gas are found. Croatia needs investments and this is a step towards a better investment climate," Prime Minister Tihomir Oreskovic told reporters.

The exploration period will last five years and the concession for exploitation will be valid for 25 years in the case of a commercially viable discovery.

Another concession was awarded to Nigeria's Oando Plc and that contract is due to be signed next week.

Economy Minister Tomislav Panenic said he planned to announce another round of tenders for onshore oil and gas exploration, possibly next month.

Under the previous government, Croatia was preparing to award offshore exploration and drilling licences in the Adriatic but the new centre-right government stopped them amid concerns they might harm the country's lucrative tourist industry.

source: mobile.reuters.com