



**Croatian Energy
Regulatory Agency (HERA)**
Ulica grada Vukovara 14
10000 Zagreb, Croatia



**Hungarian Energy and Public Utility
Regulatory Authority (MEKH)**
Bajcsy-Zsilinszky út 52.
1054 Budapest, Hungary

Pursuant to Article 12 of the Regulation (EU) No 347/2013 and taking into account ACER Recommendation No 5/2015, Croatian Energy Regulatory Agency (HERA) and Hungarian Energy and Public Utility Regulatory Authority (MEKH), based on the meeting held on 26 September 2016 at HERA premises in Zagreb, have adopted the following

Statement about agreement on Cross-Border Cost Allocation for LNG terminal on Krk island

Project promoter LNG Croatia LLC submitted on 9 July 2016 the Investment Request and the Cross Border Cost Allocation (CBCA) for the investment project of LNG Terminal on the island of Krk in Croatia, to Croatian NRA (HERA) and Hungarian NRA (MEKH). These NRAs have been identified by Project-Specific Cost Benefit Analysis (PS-CBA) as being concerned NRAs since it has been determined by the PS-CBA that the investment project provides significant net positive impact for Croatia and Hungary.

Taking into account that, according to the outcome of the submitted Investment request, the resulting net benefits of the investment project for Croatia as the hosting country are higher than the costs of the investment project, it has been mutually agreed that there are no compensations required and that no costs concerning LNG Terminal are to be allocated to Hungary based on this Investment Request.

12 October 2016

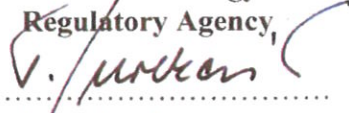
This joint Statement is executed in two (2) final copies (one for each NRA).

**Hungarian Energy and Public
Utility Regulatory Authority**


Dr. Lajos Dorkota
President



**Croatian Energy
Regulatory Agency**


Tomislav Jureković
President of the Board of Commissioners