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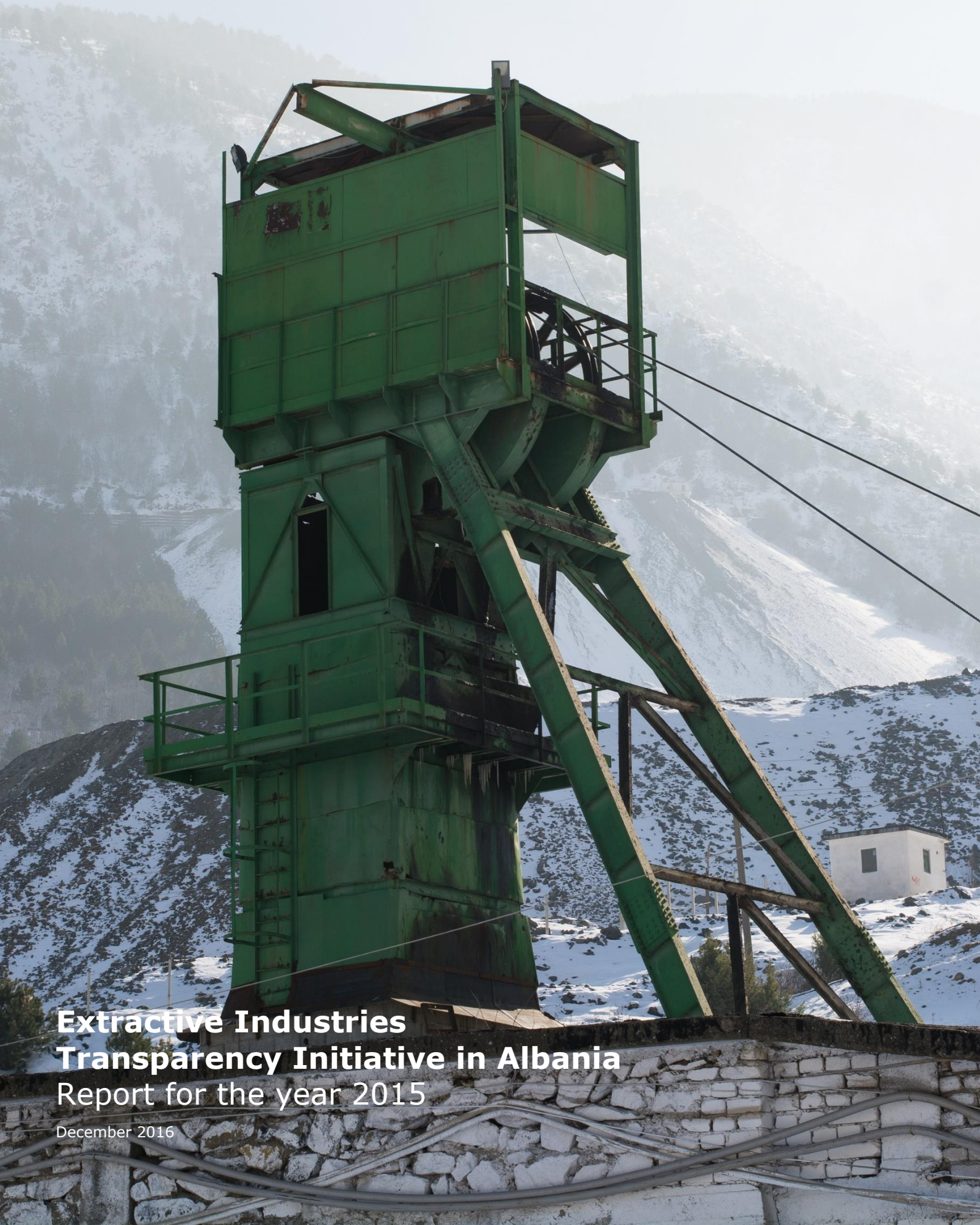
EITI Extractive Industries Transparency Initiative
ALBANIA



Extractive Industries Transparency Initiative in Albania

Report for the year 2015

December 2016

A country’s natural resources, such as oil, gas, metals and minerals, belong to its citizens. Extraction of these resources can lead to economic growth and social development.

More openness and public scrutiny of how wealth from a country’s extractive sector is used and managed is necessary to ensure that natural resources benefit all.

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The Albanian Working Group
c/o Ministry of Energy and Industry
"Deshmoret e Kombit" Blvd.
Tirana, Albania

Report of factual findings - assembly and reconciliation of cash flows

We were engaged to perform the procedures agreed with you with regard to the reconciliation of cash flows from the petroleum, mining and hydro-energy activities and compilation of the contextual information as part of the implementation of the Extractive Industries Transparency Initiative (EITI) in Albania for the year 2015.

In performing our work we referred to the International Standard on Related Services ("ISRS") 4400 "Engagements to perform agreed upon procedures regarding Financial Information" published by the International Federation of Accountants ('IFAC").

Our procedures are listed in Chapter 9 of the report. Our findings are presented in Chapter 10 and in the appendices as indicated in Chapter 9.

Because the agreed-upon procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the financial information provided in this report including payments reported by the companies and government institutions. The information presented in our report, or information provided by licensees or government institutions, has not been subject to control or verification procedures unless otherwise stated in the report. Had we performed additional procedures, or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported.

The enclosed EITI report for 2015 consists of eleven chapters covering among other things contextual information on the industry, description of the compilation, and reconciliation processes and related findings as well as lessons learned during this year's reconciliation and summarized recommendations.

Information presented in Chapters 1 to 7 and other information in addition to payment streams that were subject to the reconciliation process and our procedures, is provided mainly by EITI Albania in collaboration with the Ministry of Energy and Industry, National Agency of Natural Resources in Albania, Albpetrol, and the Albanian Geological Survey. We did not carry audit or other testing procedures to validate the completeness and accuracy of such information.

The objective of this report is to enhance transparency within the petroleum, mining, and hydro-energy industry. Our procedures are not designed to identify fraud or misstatements made by licensees and government bodies.

Deloitte Audit Albania sh.p.k.

December 28, 2016
Tirana, Albania

Content

Executive Summary

Promoting public awareness about how the country manages oil, gas and mineral resources

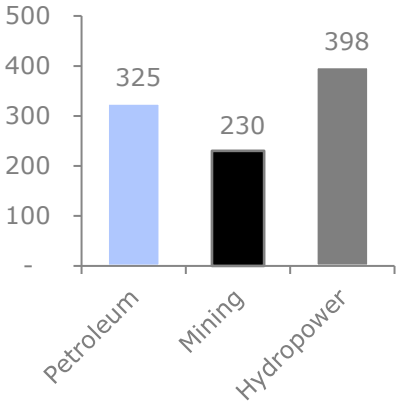
Albania stands among 51 countries adhering to the Extractive Industry Transparency Initiative ("EITI"), a global initiative which seeks to improve the governance of the extractives sector globally.

As part of the ongoing implementation of EITI, the Albanian Government publishes this informative report on the extraction of oil, gas and other minerals and their contribution to the State budget and Albanian Economy. The report provides an overview of activities in the upstream oil and gas sector, mining sector and hydro-energy, and the reconciliation of main flows paid by licensees and collected from the government agencies in these sectors.

Oil deposits, Bankers Petroleum Patos

Based on data reported by Government agencies, production value generated during 2015 by these sectors is estimated at USD 953 million. The sectors' collective known contribution was about 4.1% of the revenue recorded in National Budget for 2015, however employee collectively less than 1% of total employee workforce registered in the country in 2015, based on AKBN statistics.

Chart 1 - Production in USD million in 2015



Crude oil comprised about 59% of the total output from the extractive sector. About 89% of crude oil was extracted from Bankers Petroleum operating the Patos-Marineza oilfields. Chapters 2 to 5 provide an overview of regulatory and fiscal regime and exploration and production activities in the three sectors.

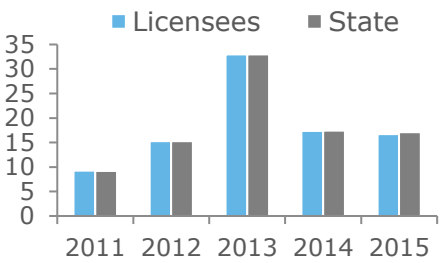
Reconciliation of the cash flows

The reconciliation and reporting according to the EITI standard covered all companies operating an exploration license and production license in oil and gas, 106 mining companies and 19 hydro-energy companies.

By the date of this Report cash flows were reconciled to 98% of total cash flows reported from the licensees and the Government. Chapter 10 presents the reconciliation on an aggregated level. Company-by-company reconciliation is presented in the appendices to the report.

Chart 2 on the right presents the trend of the cash flow reconciliation from year 2011 to 2015.

Chart 2 - Chash-flows reconciled in Lek billion



Source: EITI reports 2011 - 2015

Koman Lake, Koman

1. Introduction

This Report is the 6th Albanian Extractive Industry Transparency Initiative Report and covers the year ended 31 December 2015.

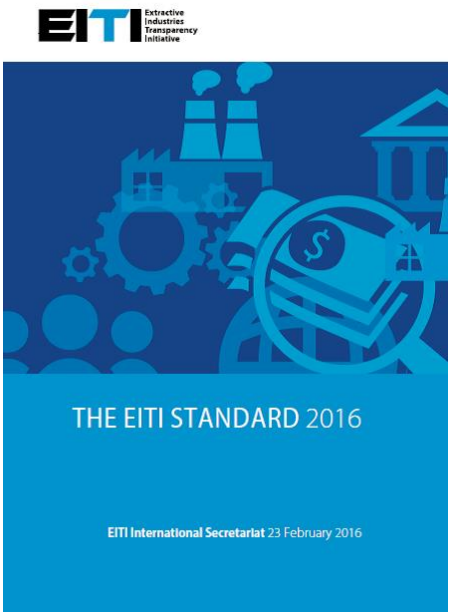
1.1 What is EITI?

The Extractive Industries Transparency Initiative ("EITI") is a voluntary international coalition of governments, extractive industry companies and civil society organizations engaged in management and use of natural resources, such as oil, gas and minerals (see also: www.eiti.org). EITI's final aims, is to promote transparency in order to prevent corruption as well as provide citizens with a basis for demanding fair use of revenue.

The transparency initiative is regulated through an international standard that ensures more transparency around countries' oil, gas and mineral resources, the "EITI Standard", which replaced the "EITI rules" on July 2013. Since then, the EITI standard was further amended in January 2015 and February 2016.

The EITI standard is developed and overseen by a coalition of governments, companies and civil society. It is based on the belief that prudent use of natural resources contributes to economic growth, sustainable development and reduction of poverty in resource-rich countries.

Under this standard, companies declare what they pay and governments declare what they receive. These payments are disclosed in an annual EITI Report which shall be comprehensive and actively promoted to allow citizens to see for themselves how much their government is receiving from their country's natural resources and demand for fair use of the revenue.



The EITI Standard 2016

1.2 EITI in Albania

The Extractive Industries Transparency Initiative in Albania (ALBEITI, www.albeiti.org) was established in 2009 by the Government of Albania. Albania joined EITI as a candidate in May 2009 and obtained the EITI compliant status in May 2013. Since the initial candidature Albania has published annual reports summarizing the activities and cash flows year on year from 2009 to 2014. This report covers year 2015.

EITI implementation in Albania is overseen by the Albanian Multi-stakeholder Group ("MSG" or the "Albanian Working Group"), regulated by Public Order of the Prime Minister No. 71 dated 21 July 2011. The MSG is composed of various EITI stakeholders including the Government, extractive companies, civil society etc. and chaired by the Deputy Minister of the Ministry of Energy and Industry. The the EITI Albania Secretariat ("ALBEITI") supports the MSG throughut the EITI implementation.

Banja HPP, Devoll Hydropower Gramsh

In December 2016, the Minister responsible for energy approved a new regulation of the MSG via order no. 454 dated 30 December 2016. The regulation sets role and operating principles, selection and performance of the members, etc. The regulation along with the updated list of the MSG members is published in the ALBEITI website: www.albeiti.org.

1.3 Albanian Working Group

Government of Albania

1.	Mr. Ilir Bejtja	Chair, Deputy Minister of Energy and Industry
2.	Mr. Dritan Spahiu	Ministry of Energy and Industry
3.	Mr. Sajmir Laçej,	Ministry of Finance
4.	Ms. Elda Spasse	Ministry of Justice
5.	Ms. Borjana Shaka	General Directorate of Taxes
6.	Mr. Nikoll Kaza	Albanian Geological Survey
7.	Mr. Azbi Arapi	National Agency of Natural Resources

Civil Society Organizations

8. Mr. Ilir Aliaj — Centre for Development and Democratization of Institutions
9. Ms. Anila Hajnaj — Albanian Centre for Development and Integration
10. Mr. Sami Neza — Centre for Transparency and Free Information
11. Mr. Baki Bajraktari — Syndicate of Miners in Bulqize
12. Waiting for the new member confirmation

Interest Groups

13. Mr. Adriatik Golemi — Bankers Petroleum Albania Ltd
14. Mr. Saimir Boka — Albchrome
15. Mr. Perparim Alikaj — FIAA
16. Mr. Dritan Dervishaj — Antea Cement

Permanent Members Contributors

17. Mr. Sokol Mati — Beralb sh.a.
18. Mr. Mehmet Hasalami — Ministry of Energy and Industry
19. Mr. Oltion Kuke — Albanian Custom Administrate
20. Ms. Arjana Dyrmishi — Albanian Custom Administrate
21. Ms. Jonida Kaza — Ministry of Finance
22. Ms. Entela Muha — Ministry of Justice
23. Ms. Laura Cela — Bankers Petroleum Albania Ltd
24. Ms. Erjola Sadushi — Albanian Energy Regulator
25. Ms. Raimonda Islamaj — Albanian Energy Regulator
26. Mr. Bilal Koçi — Albanian Geological Survey
27. Mr. Anda Beluli — PETROMANAS Albania Gmbh

1.4 Annual reporting

According to the EITI Standard, licensees and the Government bodies shall report payments made and revenues received annually and these shall be reconciled by an independent administrator. In this context, the MSG and ALBEITI requested the following parties to report all payments made to the Albanian Government:

- all licensees operating in exploration of oil, gas, and mining;
- all licensees operating in production of oil and gas;
- the largest mineral producers;
- the largest hydro-power producers; and
- the largest investors in hydro-power plants in the pre-production phase.

Additionally, the MSG and ALBEITI requested recipient Government institutions to report revenues received.

EITI Reporting in Albania for the mining and petroleum sector are regulated respectively, through Law No.10304 "On the Mining sector in the Republic of Albania", dated 15 July 2010, amended and Law No. Law no.7746 "On Petroleum (Exploration and Production)" dated 28 July 1993, amended. These laws compel all mining and oil and gas companies to implement the EITI. The Hydro-energy sector has voluntarily accepted EITI.

In accordance with the new EITI standard requirements, the contextual information over the extractive and hydro-energy sector in Albania is presented in chapter 2 of this report. For compiling of the contextual information, the MSG and ALBEITI requested the industry regulators, and fiscal Government agents to furnish ALBEITI with macroeconomic data, production, exports, and revenue collected from the extractive industry.

Independent Administrator

The MSG appointed Deloitte Audit Albania Sh.p.k ("Deloitte") as administrator according to a contract dated July 14, 2016. The administrator's role is to:

- Receive reporting from licensees and governmental agencies
- Compile the reporting and seek to resolve discrepancies to the extent possible
- Prepare and publish a report comprising the reconciled payments and revenues, any discrepancies, and other information relevant, to understand the payments and revenues from the petroleum and mining activity.
- Compile the contextual information in accordance with EITI report requirement 3.
- Other information requested by MSG; and
- Provide recommendations for improving the process

1.5 Acknowledgements

We would like to express our sincere thanks to the Ministry of Energy and Industry, the Albanian Working Group and to the Albanian EITI Secretariat, who have assisted us in receiving timely replies from the Government and participating companies.

2. Overview of the extractive sector and hydro-energy sector in Albania

Albania is rich with energy resources: oil, gas, coal, wood, bitumen, and hydro-energy potential, etc., which contribute in different ways to meet energy demands in the country.

2.1 Key facts

2.1.1 Energy and resources in Albania

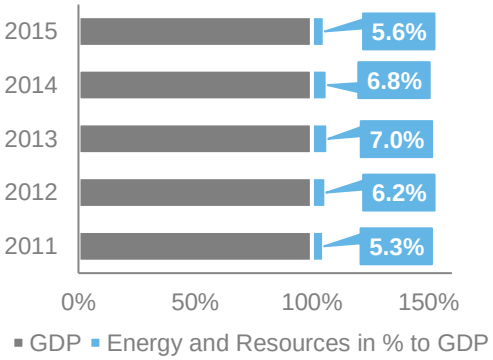
Energy and resources sector in Albania is dominated by the:

- petroleum sector,
- hydro-energy sector and
- Mining sector.

Based on preliminary results published by INSTAT, the Energy and resources sector accounted for 5.6% of the gross domestic product in 2015. Oil and mining sector together account for a share at 3% of the GDP, while the power sector comprised about 2.6% of the GDP.

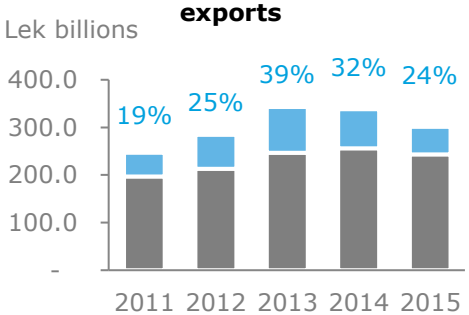
Exports from the extractive sector have increased substantially by over 100% up to 2013, when reached Lek 96.7 billion or 39% of total exports. This share dropped to 24% of total exports in 2015 or Lek 57.9 billion (chart 4).

Chart 3 – Contribution of Energy & resources to GDP (at current prices)



Source: INSTAT-Annual National Accounts (production approach)

Chart 4 – Exports from extractive sector vs. total exports



Source: Albanian Custom Administrate

Oil and gas

Crude oil comprised the primary source of energy produced in Albania. Crude oil extracted in 2015 acounted for 60% of domestic energy from primary sources followed by the power sector with about 24% of energy produced from primary sources in 2015.

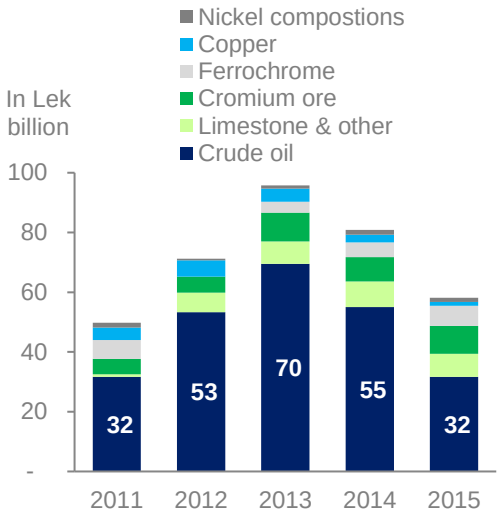
In 2015, oil and gas sector counted five companies extracting crude oil in the southern part of Albania and four companies engaged in exploration activities. The State partecipated in the upsteam oil sector through direct ownership of Albpetrol, engaged in exploration, development and production of oil and gas. Albpetrol holds shares as a primary licensee in all oil fields discovered up to 1993. In order to pursue efficient operations, Albpetrol sub-granted its rights to private oil companies. Production of crude oil has more than doubled since 2003, when private oil companies started operating in the sector.

In 2015, AKBN reported domestic crude oil production at 1,279 thousand ton with an estimated worth of USD 325 million. Bankers Petroleum operating the Patos-Marinza oilfield, extracted about 89% of total crude oil output in 2015. Where as, Albpetrol production counted at about 4% of domestic output. Fiscal and non-fiscal revenue collected from the oil and gas sector were above 1.1% of total revenue recorded in the National budget in 2015.

Despite increased production, employee number in the sector fell by 21% in the last five years. These changes were due to transfer of production operations from Albpetrol to the private oil companies. In 2015, the upstream oil and gas sector employed about 3,215 staff contributing with about 0.3% of total registered workforce reported by INSTAT in 2015. Albpetrol was the largest employer in 2015 in the sector with about 1,995 employees, comprising 62% of total employment in the sector.

Oil produced in the country is mostly exported to be refined abroad. Internal consumption for refined oil is fulfilled through imported oil. As shown in chart 6, exports of crude oil comprised about 55% of total exports from extractive sector at the end of 2015, contributing to 13% of total exports.

Chart 6 – Exports from extractive industry by minerals



Source: Albanian Custom Administrate

Oil deposits Patos, Bankers Petroleum

Ming sector

As a traditional mining country, Albania contains an increasing number of medium, small-scale mining and quarry companies, and only a couple of large-scale industrial mining companies. In December 2015, AKBN reported 597 mining licenses, whereas 116 licensees were extracting chromium ore in Bulqiza mines.

Domestic mining output including the value added through mineral processing was estimated at USD 230 million in 2015.

Chromium contributed the largest share with about 55% of domestic mining output in 2015. Limestone and other construction minerals represented the second largest group of minerals after chromium, with 31% of the domestic mining output.

Mining sector employed about 5,000 staff in 2015 (0.4% of total registered workforce), where as chromium sub-sector employed about 66% of mining workforce in 2015.

Fiscal and non-fiscal revenue from the mining sector accounted at minimum for 0.8% of total revenue in the national budget.

Chromium mine, Albcrhome Bulqizë

Chromium mine, Albcrhome Bulqizë

Hydro-energy sector

The hydropower production in Albania is dominated by the public sector. At the end of 2015, the State owned and operated the Albanian Electrical Power Corporation (KESH), the Transmission System Operator (OST) and Electricity Power Distribution Operator (OSHEE)

KESH is the largest producer in the country. With an installed capacity of 1,448 MW built in a cascade over Drini River in the north, KESH contributed with 76% of power output in 2015 reported at 5,866 GWh.

Domestic output covered about 81% of the total energy flows transmitted and distributed for domestic consumption in 2015. A substantial portion of the power transmitted is lost in the distribution system because of its poor technical conditions and informal connections to the system. The Government of Albania and OSHEE are actively working to reduce both technical and financial losses estimated at 31.7% in 2015.

The vaue added by the power sector, including power generation, public suppy, transmission and distribution is assessed at USD 398 million. The sector's known fiscal contribution accounted at 2% of the total revenue in to the National budget in 2015.

The Government of Albania has constantly sought to seize hydropower potentials in the Country through concessions and private investments. At the end of 2015, AKBN reported about 533 HPPs granted

HPP Koman, KESH Koman

on concessions, where only 74 have generated power in 2015. AKBN informs that a a large number of HPP granted on concessions have not yet commenced the construction or are still under construction as at the date of this report, showing delays of two years and above.

In 2015 and for over many years the Albanian State subsidized the power sector through regulation of tariffs for the power supply, transmission and distribution. This fact explains the relatively low contribution of the sector in terms of fiscal revenue.

Currently the Albania is undergoing through power sector reforms towards liberalisation of the energy market. In the context of ongoing reforms at the end of 2016, the Albanian Government approved the new model of the energy market that will gradually replace the regulated energy market. The date of this report, the Government is in the process of drafting the transitional measures for the transition from a regulated market.

HPP Banja, Devoll Hydropower Gramsh

Gas infrastructure

Albania will have access to gas supply in five years through connecting to the Trans-Adriatic Pipeline crossing through 215 kilometres the southern part of Albania. The Government of Albania approved the Law on natural gas sector No.102/2015 in March 2015. This new law will govern the development of infrastructure for the transmission and distribution of gas in Albania.

In 2016 the Government established the Albanian Gas Transmisstion Operatopr (Albgaz Sh.a.) and introduced the draft master-plan on the gas distribution network.

Government's revenue form the extractive sector and the hydro-energy

Table 1 – Statement of Governments revenue from the extractive sector

Payment stream	Albpetrol	AKBN	ERE	KESH	National Budget	Total in MLek	Total in M$
Share of oil production	1,624	-	-	-	-	**1,624**	**12.9**
Bonuses	46	45	-	-	-	**91**	**0.7**
Concession fee	-	-	-	180	-	**180**	**1.4**
Regulatory payments to ERE	-	-	95	-	-	**95**	**0.8**
Royalty	-	-	-	-	5,151	**5,151**	**40.9**
Tax on profit	-	-	-	-	2,464	**2,464**	**19.6**
Social and health insurance and personal income tax	-	-	-	-	3,635	**3,635**	**28.9**
VAT	-	-	-	-	2,279	**2,279**	**18.1**
Dividends	-	-	-	-	-	**-**	**-**
Other	-	-	-	-	156	**156**	**1.2**
	1,670	**45**	**95**	**180**	**13,684**	**15,674**	**124.4**
Oil and gas	1,670	45		-	6,875	**8,590**	**68.2**
Mining	-	-	-	-	3,930	**3,930**	**31.2**
Hydro-energy	-	-	95	180	2,879	**3,154**	**25.0**

Payment stream listed above include only the significant payments made by the licensees to the State Budget, AKBN, ERE, KESH and Albpetrol which are selected for reconciliation in this Report. The list does not represent a list of all payments streams. Such comprehensive disclosure is not supported by the Government's information systems.

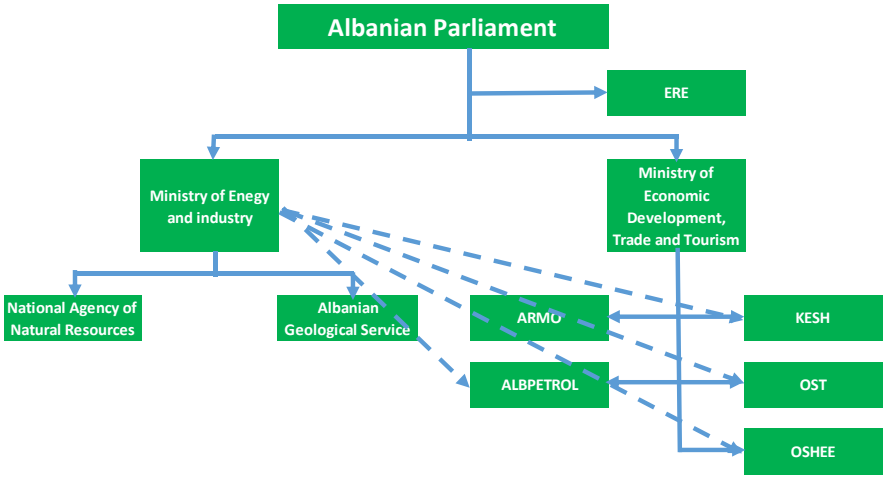
Royalty comprises the main revenue stream contributed by the extractive sector of oil, gas and mining to the National budget. **Share of oil production** is the second largest revenue stream collected from the oil sector. Private oil companies collectively paid in kind the share of oil production of 50,791 ton in 2015.

Values shown above for share of oil production were estimated using the annual average export prices applied during 2015 at USD 254 per ton.

Amounts in USD were converted in Lek using the average rate of the Bank of Albania for the year 2015, respectively at 1 USD equal to 125.96 Lek and 1 USD equal to 105.5 Lek.

2.1.2 Public institutions and entities governing the sector

Figure 1- Key public institutions and reporting lines as applicable in 2015



Ministry of Energy and Industry ("MEI" or "the Ministry")

MEI[1] is the Ministry responsible for making public policy and monitoring the implementation of legislation in the energy and resources sector. It operates through its directorates responsible for the development of public policies in the petroleum, mining, hydro-energy, renewable energy sources and energy efficiency, and technical and industry standards.

The mission of the Ministry in the energy sector is to promote constant and sustainable economic development through:

- encouraging private investment, domestic or foreign, in the energy sector with an attractive legal climate for these investments; and
- development of market reforms in the energy sector to achieve national objectives for EU integration and the development of a Regional Electricity Market.

MEI is responsible for granting exploration and production licenses in the mining sector for evaluating applications for petroleum agreements and concession rights for the construction of hydropower plants in Albania. Petroleum agreements and hydro-energy concessions are approved by the Council of Ministers, and undersigned by the Minister responsible for Energy on behalf of the Contracting Authority.

MEI is primarily financed by the State Budget in accordance with Budget law. Revenues generated by the energy sector include service tariffs and license fees. In 2015, MEI reported collection of revenue at Lek 286 million.

The Ministry operates through the State Treasury System, where revenue collected and disbursements for expenditure are pooled in the State's joint bank accounts. MEI publishes in its website financial information on expenses by nature and program in the following link: http://www.energjia.gov.al/al/publikime/trasparence-per-publikun/te-dhena-financiare-te-mei. MEI annual accounts are audited by the Supreme State Auditor as part of its activities.

MEI is primarily financed by the State Budget in accordance with Budget law.

Revenues generated by the energy sector include service tariffs and license fees and amount at Lek 286 million in 2015.

[1] Link to website: www.energjia.gov.al

National Agency of Natural Resources ("NANR" or "AKBN")

AKBN is established as a public entity reporting to the Minister responsible for Energy pursuant to CMD no. 547 dated 9 August 2006, amended. Its main purpose is to develop the sector strategies and supervise the rational deployment of natural resources in the mining, petroleum and energy sector based on governing policies in force.

AKBN is responsible to supervise the exploration activities of the oil sector and exploitation activities of the oil, mining and hydro-energy sector sectors, planning of the energy needs and compilation of the national and regional energy balance in accordance with the requirements of EUROSTAT[2] and the International Energy Agency[3].

AKBN acts as a specialized technical expert in studies and projects implemented in the sectors, negotiates and monitors the implementation of petroleum and mining agreements, and monitors the implementation of the concessionary agreements in the hydro-energy sector.

AKBN is headed by the Board of Directors staffed by seven member including the Chairman and the Executive Director. All members are nominated by the Minister of Energy and Industry. The entity performs its public functions through the directorates of petroleum, mining, hydro-energy and renewable energy, primary responsible for the activities in each sector.

AKBN is organized as non-budgetary institution and administers its own bank accounts where deposits its surplus funds. AKBN makes no payments to and receives no financing from the State budget, except when AKBN implements specific projects foreseen in the State Budget. Any surplus of annual income over expenditures, is carried forward in the next fiscal year. AKBN's activity is primarily financed by the revenue collected from the supervised petroleum agreements, tariffs applied for technical expert review and other services and projects. Its annual accounts are audited by the Supreme State Auditor as part of its activities.

AKBN's annual financial accounts were not made available for public access and EITI's review at the date of this report.

AKBN's activity is primarily financed by the revenue collected from the supervised petroleum agreements, tariffs applied for technical expert review and other services and projects.

AKBN's annual financial accounts were not made available for public access and EITI's review at the date of this report.

[2] http://ec.europa.eu/eurostat/web/energy/data/energy-balances
[3] http://www.iea.org/

Albanian Geological Survey (AGS or SHGJSH)

SHGJSH operates as a scientific institution in geo-sciences in accordance with Law no. 111/2015 "On Albanian Geological service"[4], SHGJSH is responsible for several scientific studies on hydrocarbons, mining and hydro-energy etc.

Among other duties, SHGJSH is responsible for promoting and negotiating exploration licenses in mining sector, and for monitoring the project implementation under each exploration license granted.

SHGJSH is financed by the State Budget, service fees and tariffs for technical reviews and geological surveys.

The entity publishes projects implemented or under implementation in its website: www.gsa.gov.al.

Albanian Energy Regulator (ERE)

ERE is an independent public body responsible for the regulation of activities in the power and natural gas sector, organized in accordance with the provisions of Law No. 9072 dated May 22, 2013 "On power sector", amended, and Law No. 102/2015 dated 23 September 2015 "On gas sector"[5].

ERE is the competent authority for issuing licenses for the generation, transmission, distribution, supply and trading of power and gas. The Body is directed by a Board of Commissioners appointed by the Albanian Parliament.

ERE is financed by regulatory license fees and regulatory tariffs paid by the licensees in generation, transmission, distribution, trade of electrical power and licensees in transmission and distribution of gas etc.

ERE reports annually to the Albanian Parliament "On Power Sector Situation and ERE's Activity". The report approved by the Parliament, is published in the ERE's website: www.ere.gov.al within three months from the end of the reporting period. ERE's annual financial statements are published in ERE's annual report. These accounts are audited by the Supreme State Auditor as part of its activities.

Agency for Concession and PPP (ATRAKO)

ATRAKO is a public directorate established within the Ministry of Economic Development, Trade, Tourism and Entrepreneurship ("MEDTTE") based on CMD no. 150, dated 22 March 2007 "On organisation and functioning of ATRAKO", as amended. ATRAKO provides support to the contracting authority thought the assessment of concession opportunities and negotiation of concession contracts, including hydropower concessions. ATRAKO publishes in its website law and regulatory acts applicable to concessions, and summary of instructions for the procedures applied from identification of concession and PPPs opportunities to allocation of contracts. www.atrako.gov.al.

In accordance with the Law no. 125/2013 "On concessions and PPPs", as amended, from 2015 ATRAKO is responsible for maintaining the Concession Register. This register, along with a list of hydropower concessions in force is not made public.

ERE is the competent authority for issuing licenses for the generation, transmission, distribution, supply and trading of power and gas.

ERE is financed by regulatory license fees and regulatory tariffs paid by the licensees in generation, transmission, distribution, trade of electrical power and licensees in transmission and distribution of gas etc.

[4] This law abrogated the law no. 8366, dated 2 July 1998 "On Geological service", amended by law no. 9221, dated 15 April 2004 and law no. 10227, dated 4 February 2010.
[5] This law abrogated Law No. 9946 dated 30 June 2008 "On the gas sector"

Ministry of Environment

Ministry of Environment (ME) is responsible for establishing policies, strategies and action plans for the protection and administration of the environment, forests, waters and fisheries in order to achieve sustainable development, and to improve the quality of life and enable the country to join the European Union.

ME issues water and environmental licenses for all thermal-power plants, hydro-power plants, wind-power plants and other power generating resources in accordance with Law no. 10 440, dated 7 July 2011, as amended. The ME is also the national focal point for UNFCCC and Kyoto Protocol.

State-owned entities in the energy and resources (SOEs)

MEI representatives chair the Board of Directors of the State owned entities in the energy and resources sector. The Ministry of Economic Development, Trade, Tourism and Entrepreneurship ("MEDTTE") responsible for economic policies holds shares in the sector through ownership of:

- Albpetrol Sh.a (100% of shares) – upstream oil and gas operations (*)
- Korporata Elektroenergjitike Shqiptare Sh.a ("KESH") (100% of shares) – hydropower generation
- Operatori i Sistemit te Transmetimit Sh.a. ("OST") (100% of shares) – power transmission
- Operatori i Shperndarjes se Energjise Elektrike Sh.a. ("OSHEE") (100% of shares) – power distribution

(*) In 2016, ownership of Albeptrol were transferred to MEI in attempt to achieve better coordination of its activities in the energy sector.

In addition, the State retained 15% of the shares in ARMO Sh.a engaged in oil refining activities.

Role of Albpetrol and ARMO is explained in chapter 3 Oil and gas sector. Role of KESH, OST and OSHEE is explained in chapter 5 Hydro-energy sector.

Albpetrol is the State-owned company engaged in the exploration and production of oil and gas.

KESH is the State-owned company engaged in hydro-power production.

2.1.3 Membership in Regional Energy initiatives

Albania is a member of the Regional Energy Community since 2006, part of European Union initiatives for the creation of the European energy market.

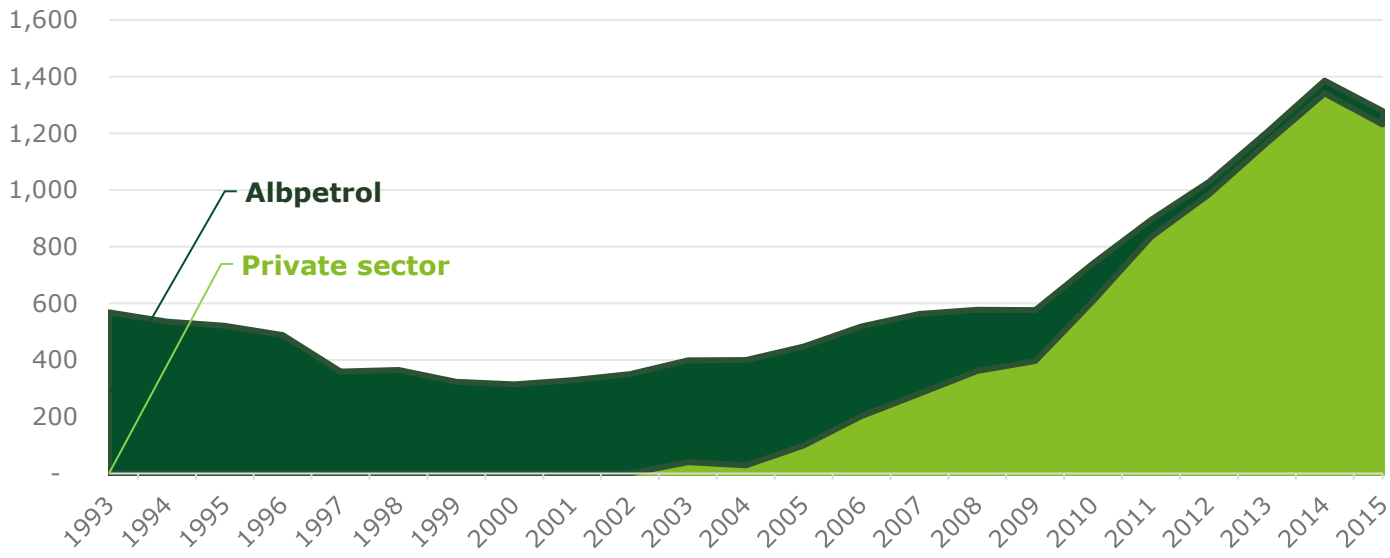
Energy Community, as an international organization, has as its basis the development of a common energy policy in the region of Southeast Europe and its integration into the energy market of the European Union (EU), through creating an integrated energy market allowing for cross-border energy trade and integration with the EU market.

By signing the Energy Community Treaty, Albania is committed to the implementation of the relevant acquis communautaire by developing an appropriate regulatory framework and the liberalization of the energy market in line with the acquis. Details of the community goals and activities can be found at www.energy-community.org.

3. Oil and gas

Crude oil production in Albania began in 1929 with 750 tons of crude oil. After World War II production increased steadily and recorded the highest pick in 1974 with an annual production of 2.25 million tons equivalent to 38,408 barrels/day). In the 80s oil production fell under 1 million tons per year and did not pick up until 2012. Oil production through petroleum agreements increased 3 times in the last five years.

Chart 7 - Historical oil production 1993-2015



Source: MEI - www.energjia.gov.al

3.1. Exploration, development, and production of oil and gas

The oil sector has historically been strategically important and main contributor to the economic development in the country. Oil exploration in Albania began in 1918. Since then, oil bearing fields were discovered in the onshore and offshore areas, and the country developed a complex oil refining industry throughout the years 1970-1980[6]. Information related to geological oil structure, history of oils development, existing oilfield and their technical details, as well as new investment opportunities are

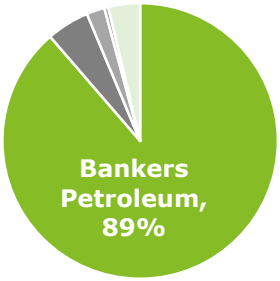
[6] Source: "Petroleum exploration and exploitation opportunities in Albania" published by AKBN - www.akbn.gov.al.

presented in AKBN's publication "Petroleum exploration and exploitation opportunities in Albania" accessible at www.akbn.gov.al.

In 2015, MEI[7] announced that crude oil production at 1,279,136 ton, worth USD 325 million, based on the average export price in 2015 at USD 254 per ton.

Oil produced by private licensees operating in the petroleum sector represented 96% of total oil produced in 2015. This production was extracted mainly from the Patos-Marinza oil fields, operated by Bankers Petroleum, respectively 89% of total oil production in 2015. MEI, AKBN and Albpetrol did not report gas production in 2015.

Chart 8 - Production of Crude oil in 2015

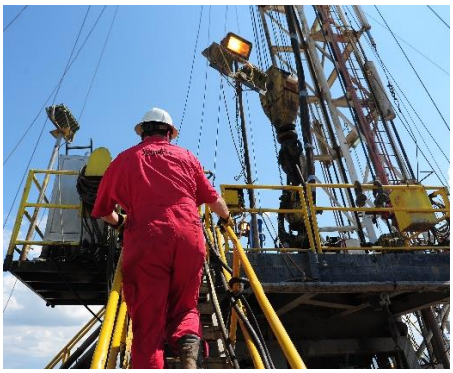


Source: MEI - www.energjia.gov.al

3.2 Oil refining and exports

Currently oil refining in the country focuses on production of bitumen and petroleum coke. Internal consumption is fulfilled through imported refined oil, meanwhile crude oil produced in the country is exported to be refined abroad, etc.

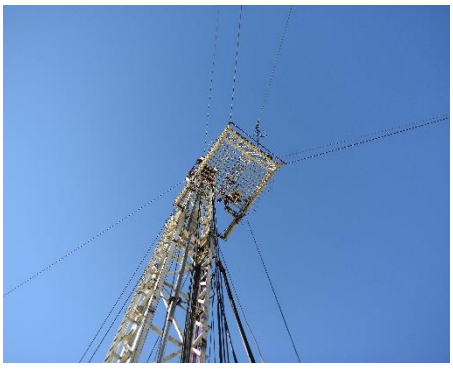
ARMO Sh.a. ("ARMO") is the only oil refining company operating in Albania. ARMO is established as a spin off from the State-owned oil company Albpetrol Sh.a. in April 1999. In August 2008, the Albanian Government privatized 85% of the shares in ARMO to Anika Mercuria Refinery Associated Oil ("AMRA Oil"), established by Albanian entrepreneurs, who sold their shares in AMRA Oil to Heaney Asset Corporation (80%) and Refinery Associate of Texas (20%) in August 2013. Since then Heaney Asset Corporation had effective control in ARMO through indirect ownership of 68% of the shares.



Oil operations, Bankers Petroleum Patos

ARMO owns two oil refineries in Ballsh and Fier, three wholesale branches, a research facility, and an import/export terminal with a total storage capacity of 220,000 cubic meters. The refineries were built in early 70s with technology, which dates back in the 60s. The facilities have both a refining capacity of 1.5 million tons per year, however work at substantially low capacity due to outdated technology. Ballsh is the only complex refinery in the country equipped to produce different oil by-products.

For the years 2011-2014, MEI announced that both refineries processed about 678 thousand tons of crude oil in total, which is far below to their annual capacity. Up to 2015, the refinery of Ballsh produced diesel 10 ppm sold in the Albanian market and virgin naphtha exported to be further refined. The refinery of Fier produced mainly bitumen and petroleum cocks.



Oil rig, Bankers Petroleum Patos

Since its privatization ARMO entered into a severe financial situation with an increasing debt which at the end of 2013 amounted to Lek 28.75 billion equivalent to USD 270 million.

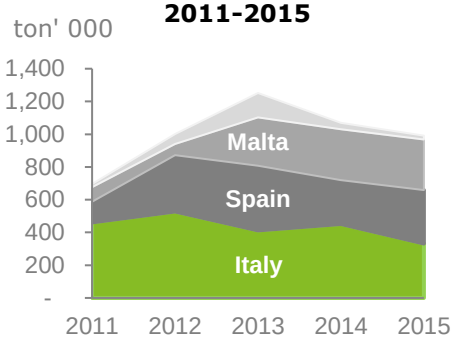
ARMO's accounts were blocked by many seizure orders issued by its creditor banks, suppliers, tax authorities etc. The operation of the refineries of Ballsh and Fier were rented out to respectively to Deveron Oil Albania Sh.a (Deveron), affiliated to ARMO, and TPD Trading Petrol & Drilling Sh.a. (TPD).

[7] Source: http://www.energjia.gov.al/al/publikime/nafta/prodhimi-i-naftes

According to public information, ARMO and Deveron have interrupted the operation of Ballsh refinery since June 2015, accumulating among other debts, several months of unpaid salaries to over thousands of employees. ARMO's management left the country, while the company's assets, including the two refineries, are subject to execution orders issued by its creditor banks, suppliers, tax authorities etc.

In 2016, Bankers Petroleum announced signing of a conditional domestic offtake crude oil sales agreement with Ionian Refining and Trading Co. – IRTC SH.A. ("IRTC") to sell up to 65% of its crude oil production pre-payment security from October 1, 2016 to December 31, 2017 at export prices reduced for transportation and terminal fees. IRTC will process the crude oil at the domestic Fier and Ballsh refineries in Albania, however will not take over ARMOs debts. The agreement was reach through intermediation of the Albanian Government in attempt to re-active the operations of the refineries.

Chart 9 - Exports of crude oil 2011-2015



Source: Albanian Customs Administrate

Exports of crude oil

Exports of crude oil in 2015 amounted at Lek 31.7 billion (equivalent to USD 252 million) and accounted at 13% total exports in 2015. Exports of oil steadily increased at a compound annual rate of 30% from 2011 to 2013, than dropped by 54% from 2013 to 2015 as a result by the drop in international oil prices and increased domestic refining activity.

During the last five years, petroleum was exported mainly to the Western Europe countries, where Italy appears to be the major importer of oil, followed by Spain and Malta.

Oil transportation

Currently, crude oil is transported via oil tanks from the oil fields to the costal terminal of La Petrolifera Italo-Albanese Sh.a. in the Port of Vlora.

La Petrolifera Italo-Albanese Sh.a. operates the costal terminal for oil, LPG and their derivatives in the port of Vlora serving the upstream oil and gas companies with the deposit of crude oil to be exported. Information on the company and the concession terms can be reached at the company's website http://www.gruppopir.com/en/la-petroliera-italo-albanese and Foreign Investors Association of Albania (FIAA): http://fiaalbania.al/members-list/la-petrolifera-italo-albanese-sh-a/. There are no State-owned companies offering portual oil deposit capacities.

Oil transporting capacities include also two crude oil pipelines that connect the two refineries with each other and to Vlora oil terminal. In total, the oil pipeline network is 188 km long and has a capacity of 2.5 million tons per year[8]. Both pipelines are out of operation due to poor condition.

[8] Sourced from: Emergency Oil Stocks in the Energy Community Level, Petroleum Development Consultant Limited, Energetski Institut Hrvoje Požar, April 2011.

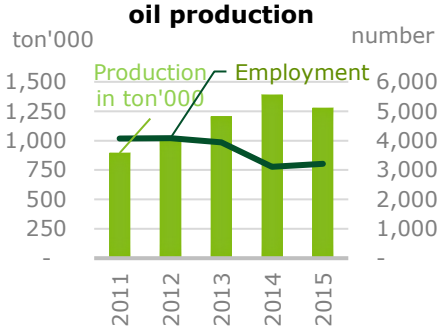
3.3 Employment in the upstream oil and gas sector

MEI reports that in the 70s and 80s, when the petroleum upstream and downstream sectors were entirely owned and administered by the State, the sectors employed about employed about 25,000 staff[9].

Based on the data reported by Albpetrol and AKBN, during 2015 the upstream petroleum sector employed about 3,215[10] staff, where Albpetrol represented the largest employer among all with 62%[11].

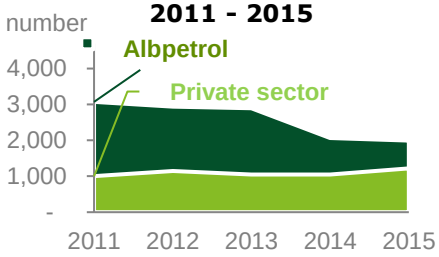
Employee number in the sector dropped by 21% in the last five years, because of transfer of production operations from Albpetrol to the private oil companies in accordance with PSA in force (see also section 3.6). Apparently, the private sector could not absorb the employee force made redundant during these transfers.

Chart 10 - Employeement vs. oil production



Source: AKBN and Albpetrol

Chart 11 - Employment in the upsteam oil setor 2011 - 2015



Source: AKBN and Albpetrol

3.4 Oil reserves

Albanian oil sources, which are distributed in the western and south-western part of Albania (figure 2), are mainly in two structures: sandstone and limestone. Currently these sources have considerable reserves but their full potential extraction needs advanced secondary methods.

According studies performed by foreign companies and Albpetrol[12] between year 1985 and 1990, petroleum reserves at existing Albanian drill sites totalled about 437.6 million tons, however recoverable stocks estimated based on extracting methods applied in those years amounted to only 81 million tons.

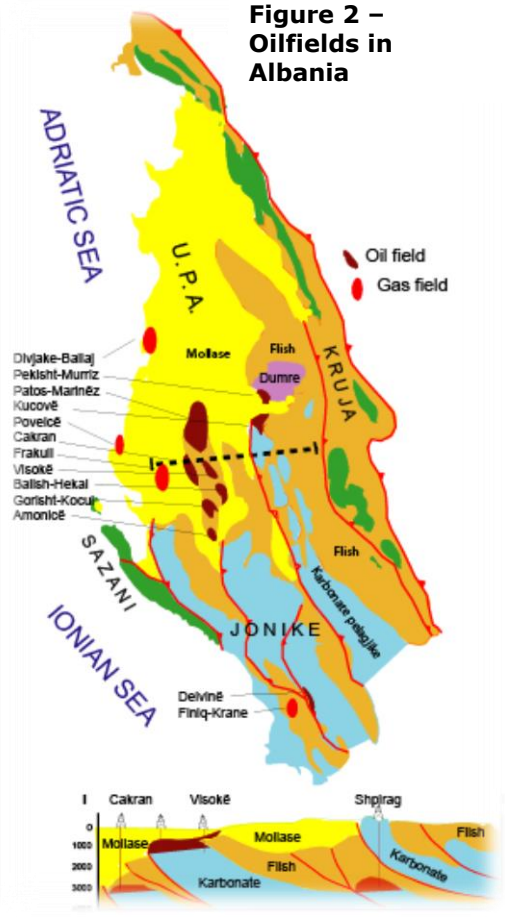
Estimated geological reserves from sandstone structures comprised 77.4% of total geological reserves, however their recovery was assessed at 13%. Recovery of geological reserves from limestone formations varied from 24% to 53%.

Based on the same studies Albania's known natural gas reserves have been estimated at 18,164 million Nm^3 and lie mainly in the Kuçova and Patos areas. Albpetrol reported cumulative gas produced until the end of 2012 of 12,504 million Nm^3.

The Albanian Government has not undertaken further studies to reassess oil and gas reserves in accordance with current international standards.

Table 2 in the following summarizes the reserves assessed through studies performed between year 1985 and 1990 and the assessed recovered reserves after deducting cumulative oil production up to December 31, 2015.

Figure 2 – Oilfields in Albania



[9] Source: http://www.energjia.gov.al/al/publikime/nafta/prodhimi-i-naftes
[10] AKBN shared for the purpose of this Report, information on the staff number of the private companies.
[11] Albpetrol shared for the purpose of this Report, information on the staff number of Albpetrol.
[12] Information on reserves and cumulative production is provided by Albpetrol. Aggregated data are disclosed in the following link: http://www.albpetrol.al/rezervat-gjeologjike/

Table 2 - Geological and recoverable oil reserves based on studies dating 1985-1990 and cumulative oil production up to 2015[13]

in ton '000

Oil Fields	Geological reserves	Recovered reserves	Recovery ratio	Cumulative production up to 2015	Recovered reserves at 31 December 2015
Cakran-Mollaj	16,128	8,144	50%	4,291	3,853
Ballsh-Hekal	19,269	6,360	33%	5,079	1,281
Gorisht-Kocul	30,500	14,674	48%	12,025	2,650
Karbunarë	411	136	33%	94	42
Amonicë	2,836	1,503	53%	709	794
Visokë-Kolonjë	28,362	6,807	24%	6,241	566
Delvinë	335	134	40%	19	115
Finiq-Krane	1,027	154	15%	10	144
Drashovicë	80	24	30%	8	16
Total Limestone	**98,949**	**37,936**	**38%**	**28,476**	**9,460**
Patos-Marinëz	258,394	31,120	12%	26,575	4,545
Kuçovë	78,332	11,772	15%	4,283	7,490
Rasë-Pekisht	1,970	197	10%	17	180
Total Sandstone	**338,696**	**43,090**	**13%**	**30,876**	**12,214**
Total	**437,645**	**81,026**	**19%**	**59,351**	**21,675**

Reserves reported above for the oil field of Patos Marinza, the largest oil field discovered in the country, differ significantly from the reserves reported by Bankers Petroleum Albania Ltd ("Bankers Petroleum"), which operates the oilfield through enhanced horizontal drilling method. According Bankers Petroleum press release, proven reserves at the end of 2015 in Patos-Marinza oilfield amounted at 122.9 million barrels equivalent to 18.6 million ton[14] of crude oil (refer to section 3.6).

Mr. Dritan Spahia, Director for the Development of policies in the petroleum sector at MEI explains that these changes arise because enhanced horizontal drilling method increase the recovery opportunities of certain geological reserves previously classified as non-recoverable. Mr. Spahia announced that MEI will reassess the reserves according to standards applicable in the EU until year 2020[15].

[13] Albpetrol shared for the purpose of this Report, information on the staff number of Albpetrol.

[14]1 Metric Ton of crude oil is converted into 6.5939 Barrels as reported by US Energy Information Administration for Albania: http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=94&pid=57&aid=32&cid=AL,&syid=2010&eyid=2014&unit=BCOPMT

[15] Information confirmed by Mr. Dritan Spahiu, Director for the Development of policies in the petroleum sector for the purpose of this Report.

Petroleum geology

AKBN provides detailed information on geological formation of Albania territory, including onshore and offshore opportunities in "Petroleum exploration and production opportunities in Albania". This publication can be accessed in AKBN's website: www.akbn.gov.al. A summary of the exploration history and characteristics of oil fields and oil in Albania is presented in the table 3 below.

Table 3 - Summary of exploration activity in Albania

Field	Year discovered	Reservoir type	Reservoir depth (m)	Oil gravity (API)	Sulphur content (%)
Drashovica	1918	Oligoc-flysch	100-200	Oil < 10 °	N/a
Patos	1927	Mess-clastics	Surface to 1200	Oil (12-24° API)	2.5-6
Kuçova	1928	Mess-clastics	Surface to 1500	Oil (13-16° API)	4
Marinza	1957	Mess-clastics	1200-1800	Oil (12-35° API)	4-6
Visoka	1963	Cret/Eoc.Carb	800-1000	Oil (5-16° API)	5-6
Gorisht- Kocul	1965	Cret/Eoc.Carb	1000-2500	Oil (17° API)	6
Ballsh-Hekal	1966	Cret/Eoc.Carb	1000-3000	Oil (12-24° API)	5.7-8.4
Cakran-Mollaj	1977	Cret/Eoc.Carb	3000-4500	Oil 14-37 ° API) Cond., 52 ° API	0.9
Finiq- Krane	1973	Cret/Eoc.Carb	800-2000	Oil (<10° API)	3.7-4.3
Delvina	1989	Cret/Eoc.Carb	2800-3400	Oil (31° API) Cond., 53 ° API	0.7
Divjaka	1963	Tort/clastics	2400-3000	Gas & Condensate	N.a
Ballaj-Kryevidh	1983	Piloc/clastics	300-1700	Gas	N/a
Frakulla	1965	Mess-clastics	300-2500	Gas	N/a
Povelca	1987	Mess-clastics	1800-3500	Gas & Condensate	N/a
Panaja	1988	Mess-clastics	2500	Gas	N/a
Adriatik-4 (offshore)	1994	Mess-clastics	2500-3100	Biogenic Gas & Cond, 54.3° API	N/a
Sqepuri	2001	Cret/Eoc.Carb	4950	Oil (37° API)	2.3

N/a – not available

3.5 Organisation and governance of the petroleum sector

Exploration, development, and production of oil and gas in Albania are regulated by Law no. 7746 "On Petroleum (Exploration and Production)" dated 28 July 1993, amended ("Petroleum law")[16] and its accompanying regulatory acts. MEI publishes and updated in its website www.energjia.gov.al the full list and content of laws and regulatory acts applicable in the sector.

The Petroleum Law expressly recognizes that Albanian State as the sole owner of the all petroleum deposits existing in their natural condition in strata lying within the jurisdiction of Albania and permits the Ministry responsible for the energy sector to enter into a Petroleum Agreement, whereby grant exclusive rights to explore and produce oil and gas for a limited period to an oil company.

All petroleum agreements in force during 2015 were developed as petroleum sharing agreements ("PSA"). The Petroleum Law[17] defines PSAs as agreements under which:

- the Licensee may recover costs incurred from the petroleum produced in the contract area or from a proportionate part thereof through owning of "the cost oil"; and
- the stock of petroleum outstanding after the recovery of contract costs "the profit oil", is divided between the Licensee and the State in accordance with a scale or formula specified in the petroleum agreement.

As set in the Petroleum Law PSAs for oil fields discovered are granted for an initial production period no longer than 25 years and can be extended further as provided for in the Petroleum Law.

The Petroleum law guarantees the oil companies operating petroleum agreements, the right to export their share of production derived from operations in Albania, unless there is an emergency call on the supply of crude oil in the local market[18]. Moreover, foreign investors becoming part of a petroleum agreement may negotiate fiscal stability terms to prevent future changes in certain taxes. However, in December 2016, MEI introduced changes in the Petroleum law to limit the implementation period of the stability terms up to the first 12 years of the petroleum agreement term[19].

Detailed terms of signed petroleum agreements are considered confidential and not currently disclosed for public access. In order that PSAs are fully disclosed to public MEI and the private oil companies shall grant both their explicit authorization.

MEI[20] representative announced that would not favour the free public access of the PSAs in order not to adversely affect any subsequent negotiation with the oil companies.

MEI provides a main terms and conditions of the petroleum agreement in its website: http://www.energjia.gov.al/al/publikime/blloqet-e-lira-te-kerkimit.

Detailed terms of signed petroleum agreements are considered confidential and not currently disclosed for public access.

In order that PSAs are fully disclosed to public MEI and the private oil companies shall grant both their explicit authorization.

[16] Summary of the Albanian legal framework for petroleum exploration and production – www.energjia.gov.al.
[17] Law No. 7746 on Petroleum (Exploration and Production), Article 2
[18] Law No. 7746 on Petroleum (Exploration and Production), Article 5/c
[19] Source: http://www.energjia.gov.al/al/njoftime/lajme/projektligji-per-hidrokarburet-prezantohet-ne-komisionin-e-veprimtarive-prodhuese&page=1
[20] Information confirmed by Mr. Dritan Spahiu, Director for the Development of policies in the petroleum sector for the purpose of this Report.

State participation in the petroleum sector

The State participates in the oil and gas industry through Albpetrol Sh.A., the state-owned oil company engaged in exploration, development and production of crude oil and gas. Albpetrol's profile and governance are presented in Appendix 4.

Albpetrol holds exclusive exploration and exploitation rights in all existing oilfields in Albania and some exploration blocks. Albpetrol is the contracting party in all PSAs granted rights in areas under its administration.

At 31 December 2015 Albpetrol held shares in PSAs with 5 companies operating in production of oil and gas (see section 3.6), and operated on its own wells located in Ballsh, Patos and Kuçova. List of PSAs that sub-grant rights to oil operations under Albpetrol's administration is presented in Appendix 5

Allocation of petroleum agreements

Petroleum agreements in Albania are negotiated in accordance with the "Regulation for approval procedures of hydrocarbon agreements and agreements license and respective deadlines", amended. This regulation provided steps and timeline for evaluation proposals. MEI[21], AKBN[22] and Albpetrol[23] summarize the process under of this regulation in their website.

Announcement of the application rounds is approved by the Minister responsible for energy. MEI regularly publishes free exploration blocks and announcements for application rounds and respective deadlines in the following link: http://www.energjia.gov.al/al/publikime/blloqet-e-lira-te-kerkimit.

Applicants need to demonstrate to possess technical competences, including know-how, technology, personnel, and previous experiences in the sector and at the same time possess financial resources to finance a viable investment exploration and development plan for the exploration blocks and oil fields in Albania, as well as ability to positively affect the surrounding communities.

In case of areas administered by AKBN, the PSA is undersigned by the Minister responsible for Energy, while for areas administered for Albpetrol the PSA is undersigned by Albpetrols' legal representative.

Where two or more applicants compete for the same oil area, AKBN or Albpetrol submit their preliminary evaluation of technical and financial capacity and application files to MEI. If their proposal is approved they start the negotiation procedures.

Almost all PSAs signed until the end of 2015, were awarded though ad-hoc negotiations. Main technical and financial terms negotiated are not disclosed for public access.

The petroleum industry recognized two main systems for awarding contracts: competitive bidding, where companies compete against each other to offer the best terms with regard to one or more defined variables, and ad hoc negotiations, where investors come unsolicited with a project proposal and negotiate terms.

The system used depends on the state of the petroleum sector. Ad hoc negotiations usually applies to cases where geological data are not available, oilfields are not discovered or in case of hard to reach areas.

[21] MEI: http://www.energjia.gov.al/al/publikime/blloqet-e-lira-te-kerkimit
[22] AKBN: http://www.akbn.gov.al/rregullore-per-procedurat-e-miratimit-te-marreveshjeve/
[23] Albpetrol: http://www.albpetrol.al/marreveshjet-hidrokarbure/baza-ligjore/

Albpetrol's license-agreement

Albpetrol is licensed by MEI under the same terms as included in the PSAs under its administration. Hence for each PSA granted for Albpetrol's oilfield and exploration blocks, MEI and Albpetrol undersign the respective license-agreement.

The license-agreement is negotiated at the same time with the PSA and undersigned within 10 days after the PSA's approval.

The PSA and related license-agreement enter inforce upon approval of the Council of Ministers.

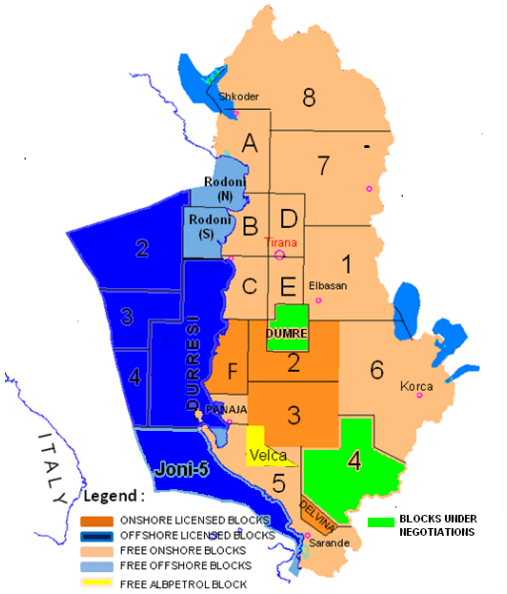
During 2015, MEI commenced procedures for allocation of the free on-shore exploration blocks: 4, 5, C, Panaja and Dumre and free off-shore exploration blocks: Joni-5 and Rodoni.

At the end of 2015, MEI was in process of negotiating the PSA with consortium Petromanas Albania GmbH. & Shell Upstream Albania B.V. (Shell) for the exploration block 4 and Navitas Petroleum Limited[24] (Navitas) for Dumre exploration blocks.

At the date of this report negotiations with Shell[25] dhe Navitas are yet not finalised.

On 15 March 2016, MEI and AKBN undersigned a PSA with Albanides Energy, for the on-shore exploration block number 8. This PSA is approved via Council of the Ministers Decision (CMD) on 26 April 2016. The CMD and the translated version of the PSA is published in the official gazette number 63/2016.

Figure 3 – Exploration blocks



[24] Navitas Petroleum Limited part of Delek Group: www.delek-group.com/
[25] Petromanas Albania GmbH sold its petroleum operations to Shell Upstream Albania B.V. and filed for liquidation in 2016.

3.6 Oil and gas companies operating in 2015[26]

All petroleum agreements for development and production of oil and gas, presented below, were administered by Albpetrol, in its capacity of primary licensee in the area. Accordingly, Albpetrol held a share of oil produced under these agreements. Up to the end of 2015, Albpetrol sub-licensed development and production activities for all existing oilfields.

Table 4 – Oil companies, production and main flows

Oil and gas companies	Oil produced in 2015 *(in ton '000)*	Share of oil allocted to Albpetrol *(in ton '000)*	Royalty (M$)	Other income (M$)	License Agreement date	Oil field / Exploration block
Bankers Petroleum Albania Ltd	1,131.6 Exploration	(17.7)	29.5	16.5	July 2004 November 2010	Patos-Marinza, Blloku F (on-shore)
Transatlantic Albania ltd. (i)	64.2 Exploration	(25.3)	0.9	7.9	August 2007	Gorisht-Kocul, Cakran-Mollaj, Ballsh-Hekal, Blloku Delvinës
Albpetrol Sh.A.	47.6	50.5	1.5	8.1	July 1993	Kuçova
TransoilGroup – Dega në Shqipëri	27.2	(3.6)	0.6	1.2	February 2012	Visoka
Sherwood International Petroleum Ltd	2.7	(2.0)	0.0	0.8	September 2007	Kuçova
Phoenix Petroleum Sh.A.	6.0	(1.9)	0.1	0.7	August 2013	Amonice, Pekish-Murriz, Frakulle Gaz, Panaja, Povelce, Divjak, Ballaj-Kryevidh, Finiq-Krane, dhe Drashovicë
San Leon Durresi BV.	Exploration	-	-	0.1	August 2007	Blloku Dumresë, (off-shore),
Petromanas Albania GmbH. (ii)	Exploration	-	-	0.4	July 2009	Blloku, 2, 3, (on-shore)
Emanuelle Adriatic Energy Ltd	Exploration	-	-		August 2004	Blloku Adriatik 2, 3 dhe 4 (off-shore)
Total	**1,279,3**	**-**	**32.6**	**35.7**		

(i) In September 2014 Transatlantic Petroleum Ltd acquired operations of Stream Oil & Gas in Albania for an amount of USD 41.2 million (www.transatlanticpetroleum.com). MEI approved the transaction and allowed Transatlantic Petroleum to continue operation of the PSA awarded to earlier to Stream Oil and Gas. In February 2016, Transatlantic Petroleum entered in an agreement to sell its shares to GBC Oil[27].

(ii) In February 2016[28], Petromanas Albania GmbH. sold all its operations and PSA rights on the exploration on-shore blocks 2 and 3 to Shell Upstream Albania B.V. for USD 45 million.

Full list of exploration blocks is presented in appendix 7.

[26] Source: MEI – www.energjia.gov.al and AKBN – www.akbn.gov.al.
[27] Source: http://www.oilandgas360.com/transatlantic-petroleum-sells-albanian-assets-to-gbc-oil-company/#
[28] Source: http://www.reuters.com/article/albania-petromanas-shell-idUSL8N15H3NN

Key oil operators in the exploration and production activities in the country

Bankers Petroleum Ltd (Bankers Petroleum)

Bankers Petroleum Ltd (www.bankerspetroleum.com), through its wholly owned subsidiaries Bankers Petroleum Albania Ltd (Bankers Petroleum) and Sherwood International Ltd owns two petroleum agreements with Albpetrol for the exploration, development and production of crude oil in the oilfields of Patos-Marinza and Kucova and a petroleum agreement with AKBN per exploration, development and production of crude oil in on-shore block F as shown in appendix 6 and 7.

Bankers operate Patos-Marinza sandstone formation oilfield since 2004, through through enhanced horizontal drilling method. According to AKBN, Bankers has extracted about 6.6 million ton of crude oil since the begging of its operation.

At the end of 2015, Bankers reported proven reserves at 122.9 million barrels equivalent to 18.6 million ton[29] of crude oil and proven plus probable reserves at 190.3 million barrels equivalent to 28.9 million ton of crude oil.

Bankers Petroleum has been the main oil produce in the last five years with above 85% of the annual crude oil production, based on the information reported in EITI reports for the year 2011-2014 and this report.

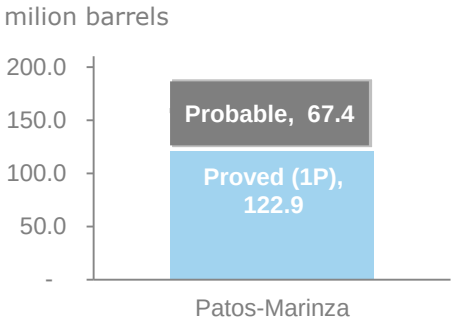
Bankers Petroleum announced that cumulative payments of taxes since the beginning of its operations amounted at 575 million USD, while investments in these 12 years of operations were about USD 1.7 billion[30].

During 2016, "Alberta Ltd." and its parent "Charter Power Investment Ltd." entered into an agreement to purchase all public shares of Bankers Petroleum in the London and Toronto stock exchanges at a price of Canadian Dollar 2.20 (C$ 2.20) per share. The transaction was finalized within 2016.

"Alberta Ltd." and "Charter Power Investment Ltd." Are wholly owned subsidiaries of the Chinese oil company, Geo Jade Petroleum Corporation (www.geojade.com). Accordingly, Geo Jade Petroleum Corporation obtain control of Bankers Petroleum Ltd and its subsidiaries Bankers Petroleum Albania Ltd dhe Sherwood International Petroleum Ltd.

During 2015, Bankers Petroleum and AKBN entered in a dispute after AKBN's 2011 audit report allegation over Banker's wrongdoing for allocating costs in the amount of USD 248 million as petroleum costs entered in the calculation of the factor *R* and petroleum profit tax. In February 2016, parties engaged a panel of experts including Pricewaterhouse Coopers and Navigant consulting company, which expressed its conclusion in favour of Bankers Petroleum in August 2016. The Company announced that payments made and to be reimbursed by the State upon the expert panel decision were about Lek 6 billion. AKBN appealed the panel decision in the International Court Case, whose decision is still in process at the date of this report.

Chart 12: Banker's reserves in 2015



Source: www.bankerspetroleum.com

[29] 1 Metric Ton of crude oil is converted into 6.5939 Barrels as reported by US Energy Information Administration for Albania at: http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=94&pid=57&aid=32&cid=AL,&syid=2010&eyid=2014&unit=BCOPMT

[30] Source: http://www.bankerspetroleum.com/about/profile-structure

Shell Upstream Albania B.V. (SHELL)

Shell Upstream Albania B.V. (SHELL) established in Netherlands as a wholly owned subsidiary of Royal Dutch Shell plc. (www.shell.com) performs exploration activities through its Albanian branch. SHELL commended its operations in block 2 and 3 through acquiring of 50% of interest in the PSA signed between MEI and Petromanas Albania GmbH on those exploration blocks.

In 2013, after an important commercial discovery of light oil in well Shpiragu-2, flowed at rates of 800 to 1300bbl per day of 35 - 37 degree API oil37, 2-3, SHELL acquired additional interests in the PSA to 75%[31].

In February 2016, SHELL signed an agreement to purchase 100% of the interests in the PSA for block 2 and 3, and the Albanian operations of Petromanas Albania GmbH for USD 45 million.

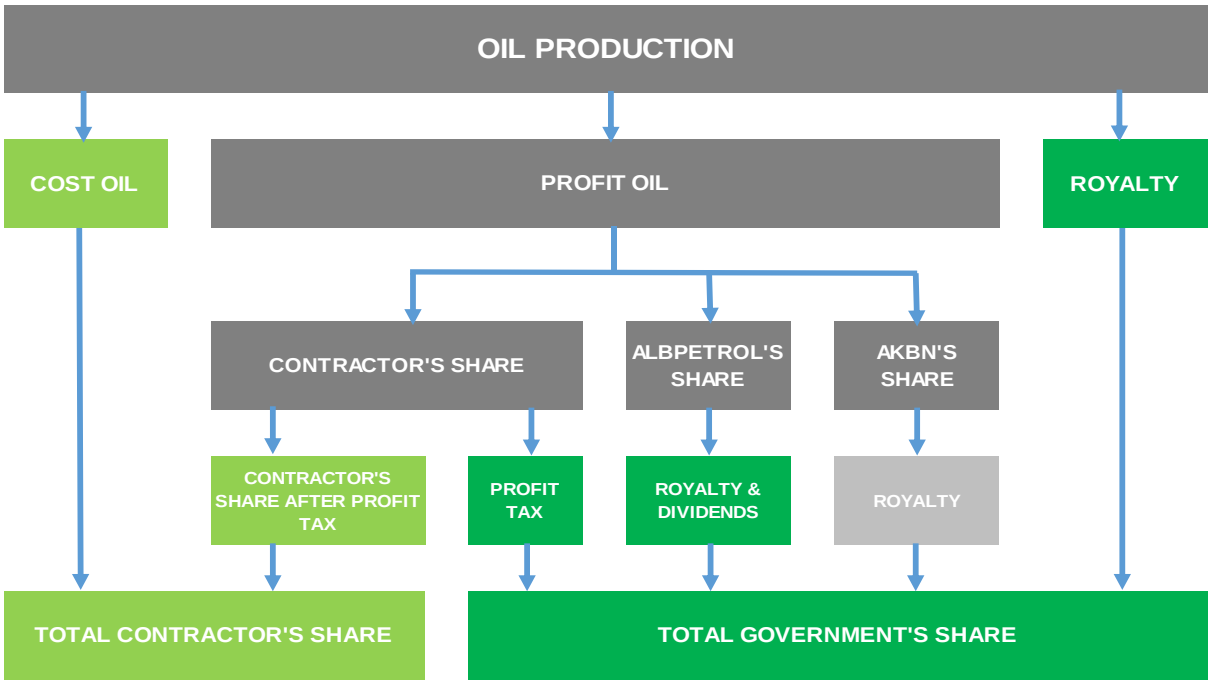
In June 2016, SHELL commenced drilling well Shpiragu-3 with a total budgeted investment of USD 72 million. According to AKBN, investments performed so far under this PSA amount at USD 270 million[32].

[31] Source: Financial Statements of Shell Upstream Albania B.V. – dega e Shqiperise, published at www.qkr.gov.al
[32] Source: http://www.kryeministria.al/al/newsroom/lajme/shell-tjeter-investim-madhor-ne-fushen-e-naftes-ne-shqiperi

3.7. Revenue from the upstream oil and gas

The Albanian State mainly derives its revenue in the oil and gas sector through share of oil, bonuses, royalty tax, profit tax and revenue from direct investments in the sector. The figure 4 below show allocation of total revenue share generated by oil operations between the Albanian Government, Albpetrol, AKBN and the oil contractor. The Albanian State's interests in the PSAs are administered by Albpetrol and AKBN, which derive from PSAs: bonuses, their share of oil and other revenue arising from contract breach and termination such as penalties and executed guarantees, etc.

Figure 4 – Allocation of revenue form the oil and gas sector



Main revenue streams from the petroleum sector in 2015 as presented as follows:

Oil and gas companies	Revenue Private sector MLek	Revenue Albpetrol MLek	Revenue Private sector M$	Revenue Albpetrol M$	Revenue (M$) allocated to		
					State Budget	Albpetrol	AKBN
Royalty	3,859	187	30.6	1.5	32.1	(1.5)	-
Tax on profit	752	309	6.0	2.5	8.4	(2.5)	-
VAT	-	284	0.0	2.3	2.3	(2.3)	-
Payments for social and health insurance and personal income tax	384	300	3.0	2.4	5.4	(2.4)	-
Personal income tax	664	87	5.3	0.7	6.0	(0.7)	-
Tax on dividend	-	51	-	0.4	0.4	(0.4)	-
Tax penalties	1	-	0.0	0.0	0.0	(0.0)	-
Share of oil production	1,624	-	12.9	-	-	12.9	-
Bonuses	91	-	0.7	-	-	0.4	0.4
Total	**7,373**	**1,218**	**58.5**	**9.7**	**54.6**	**3.6**	**0.4**

Royalty

Royalty represents the principal revenue stream paid from oil and gas sector to the State Budget. Royalty is exclusively applied to the taxable value (or fiscal value) of revenues from extractive activity in accordance with Law No. 9975 "On national taxes", dated 28 July 2008, amended. Royalty on exports is collected by the Albanian Customs Administrate and royalty on domestic sales is collected by the General Tax Directorate. Under this law, royalty tax on petroleum extraction is applied at 10%.

As set in the Law on National taxes, royalty is recorded in the National Budget and a portion is transferred to the Local government units (LGUs) at 5% of the royalty portion generated by each unit (refer to chapter 6).

Tax on profit

Taxation on petroleum, regulated by President's Decree no. 782 "On fiscal system in petroleum sector" dated 22 December 1994 ("Law on petroleum taxation") is levied at 50% flat tax on taxable profit. Under this law, taxable profit is equal to accumulated revenue less accumulated capital and operating expenses as specified in the terms of the Petroleum Agreement. Accordingly, profit tax is applied when cumulative revenue exceeds capital and operating expenses accumulated since the start of operations.

During 2015, the State Budget collected tax on profit from Albpetrol and Bankes Petroleum. The amount of Lek 752 million collected form Bankers Petroleum has been subject to the dispute between AKBN and the latter (refer to section 3.6). Both, the Company and Tax authorities reported respectively the payment and collection of Lek 752 million for the purposes of cash-flows reconciliation for 2015.

None of the other oil companies reported paid tax on profit for the year 2015.

In December 2016, MEI introduced new changes to the Law on petroleum in order that oil companies pay profit tax since the start of production phase.

Accordingly, all PSAs signed after the new changes enter in force will allocate at least 10% of the revenues as net profit and pay petroleum taxes at 50%.

VAT

Value Added Tax (VAT) is payable at 20% of taxable sales in the country based on the Law no. 92/2014 "On Value Added Tax". VAT on exports is taxed at 0%.

Apart Albpetrol that sells its whole production in the domestic market, none of the other oil companies made VAT payments in 2015, as a result of dominated export sales.

Payments for social and health insurance and personal income tax

Compulsory payments for the social and health insurance are calculated and paid in accordance with the Law no. 9136, dated 11.9.2003, "For the collection of compulsory social and health insurance in the Republic of Albania", amended and the Law no. 10383, dated 4.2.2011 "On compulsory health insurance in the Republic of Albania". These laws define the minimum payable contribution for the State pension and public health care and do not provide for specific requirements applicable only to the oil sector.

Personal income tax

Personal income tax (PIT) is calculated and paid in accordance with the provisions set in the Law no. 8438, dated 28.12.1998 "On Tax on income", amended. Based on the law provisions, personal income earned from employment and other sources up to Lek 30,000 are taxed at 0%, income earned above Lek 30,000 and up to Lek 130,000 are taxed 13% and income earned above this threshold are taxed at 23%.

Based on the information provided by the Tax Authorities and AKBN, PIT payments made by the oil and gas sector employees amount about Lek 234 thousand per employee in a year or Lek 19 thousand per employee in a month.

The State's interest in the upstream oil sector

The State is entitled to dividends from annual financial results and revenue from potential privatization of Albpetrol. Albpetrol is also subject to taxes applicable to oil commercial entities such as profit tax, royalty, VAT etc.

Apart from the distribution of dividend, there are no other transfer policies between the State and Albpetrol.

Revenue generated by Albpetrol from the PSAs under its administration

Main revenue Albpetrol generates from the PSAs include:

- Share of oil production allocated to Albpetrol, and
- Signature and training bonuses.

Share of oil production[33]

Share of oil production collected from Albpetrol comprised the second largest revenue stream from the private oil sector in 2015.

Albpetrol holds share in oil produced by the companies operating in areas under its administration, based on deemed production (pre-existing production when the well was transferred - PEP) and incremental production (production issued from contractor's investment - ASP), which varies based on the level of production and cost recovery stage as measured by R factor[34].

The share of production allocated to Albpetrol can be either paid in cash or in kind[35].

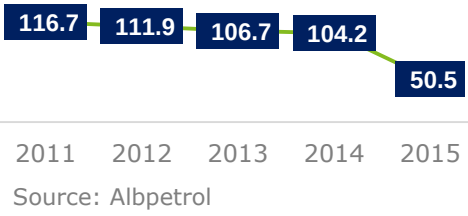
In 2015 Albpetrol collected 50,540 ton crude oil in form of share of production out of its entitled share of PEP at 91,039 crude oil and ASP at 11.985 ton crude oil[36].

Albpetrol sells its own oil production and the share of oil collected from the PSAs through annual public auctions.

Pursuant to the oil contract allocated in 2015 and contracts brought forward from previous years, Albpetrol reported sales of 84,623 ton crude oil to TPD-Trading Petrol & Drilling in the amount of USD 15,4 million at an average sales price of USD 182 per ton. TPD operates through a cooperation agreement the oil refinery of Fier owned by ARMO (see section 3.2).

Details of public auctions organized for Albpetrol's sale of crude oil are presented in appendix 4.

Chart 13 - Share of oil allocated to Albpetrol 2011 - 2015 *(ton'000)*



Source: Albpetrol

[33] Shared by AKBN for the purpose of this report.
[34] Factor R is calculated by dividing oil revenue accumulated since the commencement of the PSA operations to the oil costs accumulated for the same period. Royalty accrued during the period is deducted from revenue.
[35] Instruction of MEI and MF no. 1, dated 26.5.2015 "On rules and procedures for collection in cash of corrspontë value of the transferable PPE and Albpetrol's share"
[36] Shared by Albpetrol for the purpose of this report.

Signature and training bonuses

Signature and training bonuses are typical features of Petroleum agreements. These are determined (based on contract negotiations) upon the granting of exploration permits or production licenses in oil and gas within the context of the specific contractual terms and conditions.

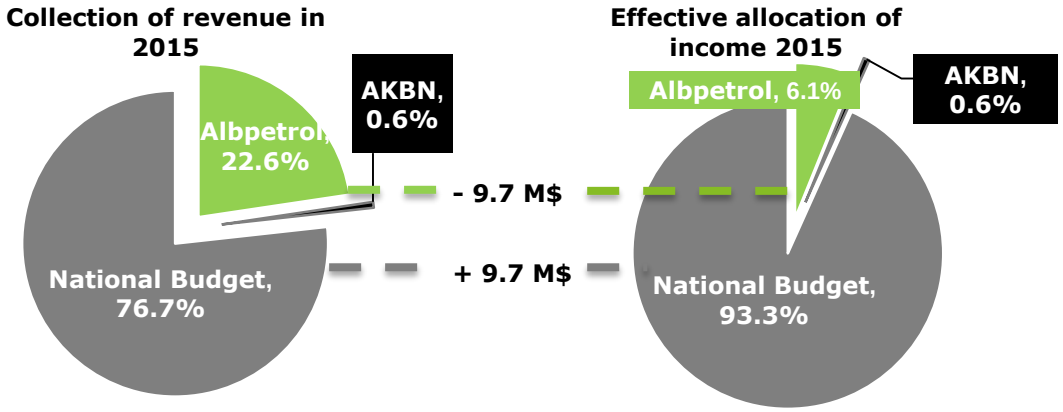
Chart 14 presents bonuses paid by the PSAs to Albpetrol during the period 2011-2015.

List of PSAs signed for oil operations under Albpetrol's administration is presented in Appendix 6.

Chart 14 - Bonuses collected by Albpetrol 2011-2015 (in USD'000)

Source: Albpetrol

Chart 16 – Allocation of revenue from the oil sector



Approximately 76.7% of revenue generated from the private sector of oil and gas was directly allocated and recorded in the State Budget. About 22.6% of the revenue generated from the PSAs was collected by Albpetrol and a small part of 0.6% was collected by AKBN. At the same time, Albpetrol did contribute about USD 9.7 million to the State Budget, through the payment of corporate income tax, royalty tax, VAT etc. Considering the payments made from the private sector of oil and gas and Albpetrol, the overall revenue contribution was estimated at 54.6 million, approximately 2% of the total revenue recorded in the State Budget for 2015.

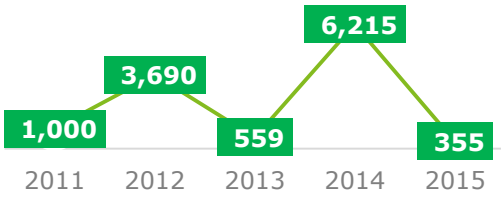
Revenue generated by AKBN from the PSAs under its administration

AKBN employees and develops technical expertise in the oil and gas sector in pursuing its expert role in negotiating petroleum agreements, technical reviews of the petroleum projects, monitoring implementation of negotiated petroleum projects etc. (see also sub-section 2.1.2).

AKBN holds shares in the petroleum agreements on behalf of the State and collects signature and training bonuses derived from PSAs. When these PSAs will enter the production phase, AKBN will receive and retain the benefits of share of profit oil negotiated in the PSAs. Chart 15 presents revenue paid by the PSAs to AKBN during the period 2011-2015. During this period, AKBN derived its share from PSAs through collection of bonuses, except for 2014, when revenue collected relate to the appropriation of guarantee from termination of PSAs in blocks A, B, D and E.

None of the PSAs granted for sites administered by AKBN has entered the production phase; hence, AKBN has no revenue from share of oil in this period. List of PSAs signed for oil operations under AKBN's administration is presented in appendix 6.

Chart 15 - Bonuses collected by AKBN 2011-2015 (in USD'000)



Source: AKBN

3.8 Gas project and infrastructure

Trans-Adriatic Pipeline project (TAP project)

Source: www.tap-ag.al

Albania is one of the transit countries of the Trans Adriatic Pipeline (TAP). TAP will transport natural gas from Shah Deniz II field in Azerbaijan to Europe. The approximately 870 km long pipeline will connect with the Trans Anatolian Pipeline (TANAP) near the Turkish-Greek border at Kipoi, cross Greece and Albania and the Adriatic Sea, before coming ashore in Southern Italy. Accordingly, Albania will become a central transit country for gas supply to the European Union. TAP is expected to promote the economic development and job creation along the pipeline route, including Albania. It will be a major source of foreign direct private investment as it is not dependent on grants or subsidies. TAP operations are expected to commence in year 2020.

The Government of Albania is committed to support the TAP project through several steps of State authorizations and permits. At the end of 2013 the Council of Ministers established the Multi-institutional group for coordination of work in implementing the TAP project in Albania (CMD no. 1081 dated 18 December 2013). Host Government Agreement (HGA) signed between Albania and TAP, approved by Law no. 116/2013 dated 15 April 2013 and other related agreements can be accessed in MEI website - www.energjia.gov.al. The agreement does not foresee any transition fee.

In December 2016, the Government of Albania and TAP signed an amendments to the HGA and the accompanying agreement for the beneficiary communities. Main amendments include:

- Change of the fiscal stability period which grants the Albanian government with an estimated impact of additional EUR 60 million of tax on profit from the pipeline operation through its life-time;
- Increase of investments for the benefit of the communities to EUR 14 million out of EUR 7 million;
- Doubling of training funds for the gas sector up to EUR 700 thousands.
- Memorandum of Understanding aiming to support through technical capacities the newly established company Albagaz, the gas transmission operator in Albania, throughout TAP operations;
- Possibility to extend the HGA for additional 25 years and
- Implementation of same improved benefits to the Albania HGA in case of ongoing improvements negotiated with other transit countries.

The signed amendments will be approved by the Council of Ministers and the Albanian Parliament in 2017. Further information on TAP project can be found at: http://www.tap-ag.al/ and www.energjia.gov.al.

Jonian Adriatic Pipeline (IAP project)[37]

TAP has entered into multiple Memoranda of Understanding and Cooperation (MoUC) with the developers of the proposed Ionian Adriatic Pipeline (IAP), aiming to take Caspian gas into the un-gasified markets of Albania, Montenegro, Southern Croatia and Bosnia and Herzegovina.

Because of IAP the planned route and transport capacities, IAP project comprises a strategical important part of the gas transmission network in Albania

Further support for the TAP-IAP connection came in May 2013 when the governments of Albania, Bosnia and Herzegovina, Croatia and Montenegro signed an MoU in support of both pipelines, as well as a declaration of support by the Adriatic Ionian Initiative Council.

Source: www.tap-ag.al

Gas infrastructure in Albania

Government of Albania approved the Law no. 102 / 2015 "On gas sector" in March 2015. This law will govern the development and operation of the gas transmission and distribution infrastructure in Albania.

In 2016, the Government established the Operator of the Gas transmission system, Albagaz sh.a. and announced the drafted the master plan for the gas sector38. This study performed by COWI, costed about EUR 1.1 million and financed by EU.

The draft master plane analyses the use of gas in the industry, transport and household, etc. TAP will be the primary source of gas supply will be TAP, followed by the Ionian-Adriatic Pipeline (IAP) and other potential reserves in the country. The draft master plan considers the possibility of linking Kosovo and Macedonia to the Albanian network of gas transmission. In addition, the plan considers the possibility of underground gas storage tanks in the Divjakë Dumre.

According to the study, domestic gas consumption needs are forecasted at 2,167 million m^3 in 2040 (including agriculture and transport). In the same year, potential use of gas in production of electrical power is estimated at 770 million m3, while potential use of gas in the oil refining process is forecasted at 89 million m3.

Tirana (the capital) and Durres are expected to count for 32% of the domestic gas consumption, whereas the industrial sector as whole will comprise 37% of total domestic gas consumption.

The draft master-plan is not published for free public access. However, key forecasts and scenarios are officially announced by MEI in its website and accessible in the following link: http://www.energjia.gov.al/al/njoftime/lajme/masterplani-i-gazit-gjiknuri-piketat-e-zhvillimit-te-20-30-viteve-te-ardhshme&page=4.

[37] Source: https://www.tap-ag.al/lajme-dhe-evente/2013/05/27/the-adriatic-and-ionian-initiative-council-signs-a-declaration-in-support-of-tap
[38] Source: http://www.energjia.gov.al/al/njoftime/lajme/masterplani-i-gazit-gjiknuri-piketat-e-zhvillimit-te-20-30-viteve-te-ardhshme&page=4

4. Mining sector

Albania has a longstanding history in mining with significant mineral deposits of chromium, nickel, copper, limestone etc. Geological studies carried out from 1945 to 1995, revealed substantial deposits of chromium ore, ferronickel, copper, bitumen, and non-metallic minerals such as limestone and decorative stones etc. The sector was previously dominated by state-owned enterprises and started to open up to private investment in 1994, when the Mining law was approved.

4.1 Exploration, development, and production of mineral ores

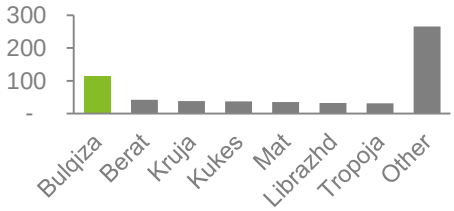
In 2015, the sector is wholly dominated by the private companies holding 597 production licenses, operating in the districts of Bulqiza (116), Berat (42), Kruja (38), Kukës (37), Mat (35), Librazhd (22), Tropoja (31), with the remaining 266 licenses spread across 29 districts.

Mining activity in the country is mainly focussed in the extraction of the minerals of chromium, copper, iron-nickel and nickel-silicate, gravel and tar sands, limestone, clay etc. Mineral processing in the country is insignificant. Concessions and investments in the country allow only for the enrichment of chromium and copper, production of Ferro-chromium and production of construction materials such as cement, concrete, bricks etc. Decision to further process or export the minerals is affected significantly by the international markets.

The construction minerals sub-sector followed by the chromium sub-sector engaged the largest portion of mining companies in the sector with respectively 285 and 246 production licenses. Sub-sectors of iron-nickel and nickel-silicate held 27 production licenses, while tarry and copper had 12 and 11 production licenses each.

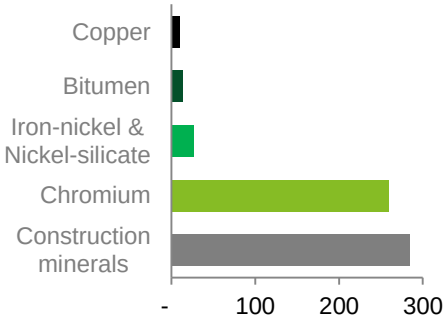
SHGJSH reported minimal activity in exploration of iron-nickel and nickel-silicate, with no commercial discovery during 2015.

Chart 17 - Licenses by district



Source: MEI

Chart 18 - Licenses by minerals



Source: MEI

Mining production $$$

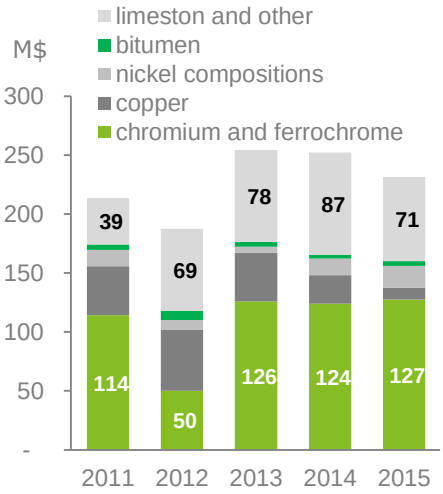
Chart 19 on the right presents mining production trend for the years 2011-2015. Year 2013 marked a successful year for the mining sector with a production valued at USD 254.3 million. In 2015 mining output worth dropped to USD 230.2 million. These changes are driven mostly the chromium and ferrochromium output trends.

Chromium and ferrochrome contributed the largest share of the mining production with about 55% of the domestic production worth in 2015.

Limestone and other construction minerals represented the second largest sub-sector with about 31% of the domestic production worth in 2015. Copper, of iron-nickel and nickel-silicate and bitumen comprised collectively 14% of the domestic production worth in 2015.

Table 5 below summarises key production data and regions for the main minerals extracted in Albania.

Chart 19 - Mining output 2011-2015 (M$)



Source: AKBN and Albanian Customs Administrate

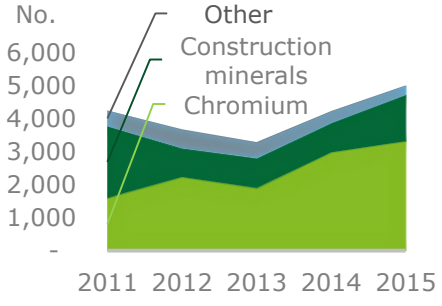
Table 5 – Mining activity

Mineral	Output for 2015 *(ton'000)*	Value in M$	Number of licensees in production	Key production districts	Geological reserves[39] *(million ton)*
Chromium	653	127.3	243	Bulqizë, Kukës, Tropojë, Pukë	10
Ferrochrome	32		1		
Copper	140	10.1	11	Pukë	50
Iron-nickel & nickel-silikat	746	18.6	29	Kukës, Librazhd, Pograde	300
Cement	914	50.5	2	Kruje, Fushë-Krujë, Berat, Tiranë, Lezhë, Vlorë, Kavajë	-
Limestone and other		23.7	271		
Total		**230.2**	**557**		

Employment in the mining sector

The mining sector employed about 5,000 staff in 2015. Number of employees in 2015 increased despite the drop in mining output. Chromium and limestone & other employed respectively 68% and 28% of total employees in the sector.

Chart 20 - Employeement in the mining sector 2011-2015



Source: AKBN

[39] CMD 479, dated 29 June 2011 "On approval of the Mining Strategy in the Republic of Albania".

Reserves

Studies of mining reserves and maps are all dated prior to 1990. Since then, MEI or SHGJSH did not engage in subsequent studies of for assessing of the available outstanding reserves in the existing or exploration of new mineral deposits in accordance with best international practices.

The most recent information on reserves and mineral's deposits is officially published in the Mining strategy for the years 2010-2025 approved by CMD no. 479 on 26 June 2011.

Exports from mining sector

Exports from the mining sector in the amount of Lek 26.3 billion (equivalent to USD 208.5 million) represented about 11% of the total exports.

Despite the adverse changes in the international prices for minerals exports from the chromium, ferrochrome and cement increased in the last five years as a result of increase in the respective sub-sectors activity.

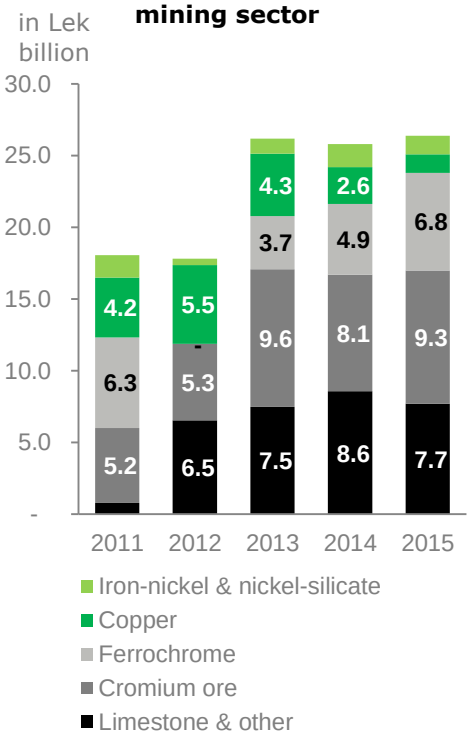
Limitation of data reported by AKBN on production volumes and employment

Production level and employee number are derived from data reported by AKBN, which are produced out of data reported by the licensees to AKBN as part of annual reporting and are not confirmed through any assurance process. Moreover, data might be incomplete due to missing reporting from licenses in 2015.

Based on numbers reported by AKBN, only 67% of total licenses (400 out of 597 licenses) reported their production in 2015. In addition, AKBN could not provide details of composition and quality (concentration) of mining output throughout the years 2011 and 2015.

In absence of such information mining output could be priced after international market prices for minerals. Production values shown in this report are estimated using exports prices[40] for each of the group of minerals and prices reported by AKBN, in cases when mineral is not exported etc.

Chart 21 – Exports from the mining sector



Source: Custom authorities

[40] Prices are derived from data elaborated from ALBEITI team in collaboration Custom staff for the purpose of this Report.

4.2 Mining activity in each main sub-sector

Chromium ore

Chromium represents the main mineral extracted in Albania and main contributor to the employment in the mining sector.

Recoverable reserves of chromium (at an average quality 30.8% Cr2O3) are estimated at 10 million ton[41], located mainly in the district Bulqiza, Kukes, Has, Mat and Pogradec. Current strategy in the sector focusses in attracting large strategic investments in processing of chromium ore (Figure 5).

At the end of 2015, chromium sub-sector counted about 258 production licenses operating in the chromium mines and quarries existing in the '90 and two licenses exploiting chromium sterols and ferrochrome wastes deposited respectively in the district of Bulqiza and Elbasan.

Chromium production activities are concentrated in the district of Bulqiza with 115 active licensees in exploiting chromium during 2015.

Chromium output is exported in form of chromium ore and ferrochrome. In attempt to incentivize domestic processing of the mining output, in November 2014, the Government introduced a reduced royalty at 2/3 of nominal rate applied for the metallic mineral ores processed in Albania. During 2015, Ferrochrome output increased by 31% as compared to the previous year. At the end of 2016, the Government further reduced royalty at 1/2 of nominal rate applied for the metallic mineral ores processed in Albania.

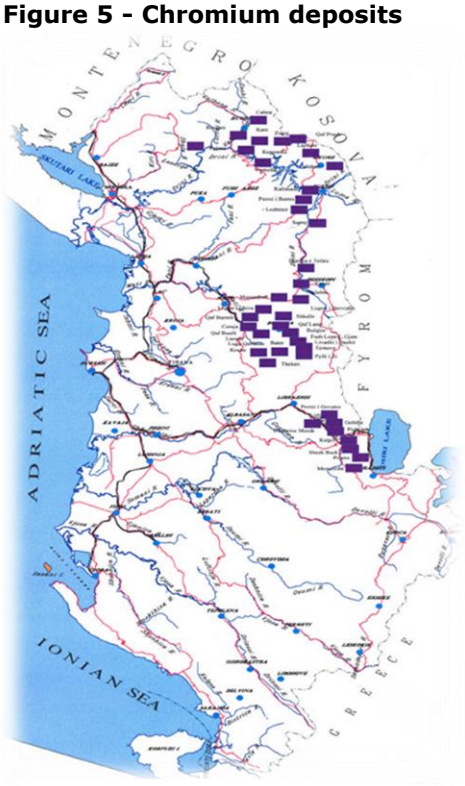
Albchrome[42] shpk (Albchrome) operating the mines in Bulqiza was the largest industrial company and the largest employer in the chromium sector in Albania. Albchrome holds a concessionary contract with the Government of Albania in since year 2001 for the extraction and processing of chromium ore and ferrochrome. The Company's assets include chromium ore mines in Bulqiza, ferrochrome factories in Elbasan and Burrel, chromium enrichment plant in Klos, and other mining and metallurgy infrastructure elements.

Chromium output

AKBN[43] reported chromium output from active license in the sector at 653,010 ton in 2015, where licensees operating in Bulqiza extracted about 412,934 ton or 63% of total chromium output, followed by Kukesi with 12% and Tropoja with 8% of total chromium output.

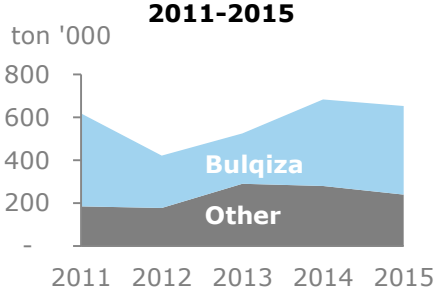
The 10 largest licensees produced about 39% of total chromium output headed by Albchrome with 11% total chromium output. Chromium extracted in Albania was exported in the form of chromium and ferrochrome.

Figure 5 - Chromium deposits



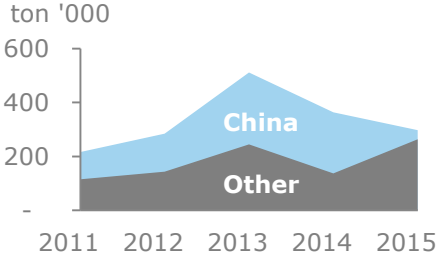
Source: AKBN – www.akbn.gov.al

Chart 22 - Chromium output 2011-2015



Source: AKBN

Chart 23 - Exports of chromium ore 2011-2015



Source: Albanian Customs Administrate

[41] Source CMD no.479, dated 29 June 2011 "Approval of the National mining strategy".
[42] Information on Albchrome is derived from the company's websites – www.balfin.al and www.albchrome.al.
[43] Information on production, regions and number of staff is based on data reported by AKBN for the purpose of this report.

Exports of Ferro-chromium and chromium ore in 2015 amounted to Lek 16 billion (equivalent to USD 127 million)[44]. About 561 thousand ton worth Lek 9.3 billion (equivalent to USD 73.4 million) were exported in form of chromium ore towards China (53%), Cayman Islands (11%), Honkong (10%), Turkey (9%) etc.

During 2015, Albchrome produced and exported about 42 thousand ton Ferro-chrome worth Lek 6.8 billion (equivalent to USD 54 million)[44] towards Italy (26%), Netherlands (21%), Austria (13%), Germany (9%) etc.

Employment

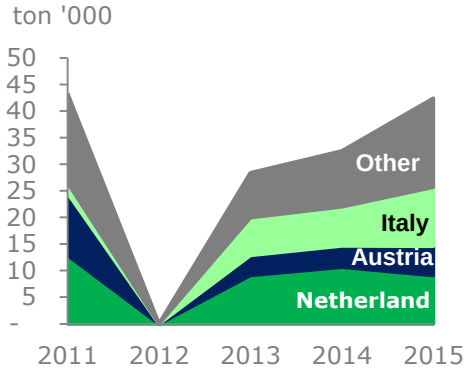
According AKBN data[45], chromium licensees employed about 3,317 staff or 66% of the total workforce employed in the mining sector in 2015.

The 10 largest producers with 39% of total chromium output, employed about 1,097 staff or 33 of the total workforce employed in the chromium sub-sector in 2015. Albchrome reported about 637 employees or 19% of the total workforce employed in the chromium sub-sector.

Despite the output fluctuations through the period 2011-2015, the number of employees in the chromium sub-sector has shown an increasing trend. Licensees operating in Bulqiza employed about 69% of the workforce employed in the chromium sub-sector.

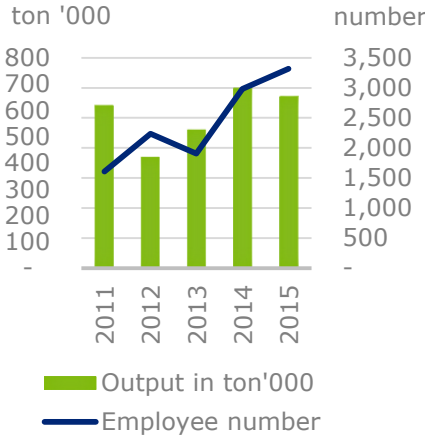
Based on the data reported by AKBN on the output and employee number, chromium sub-sector produced an average output of 197 ton per employee during 2015. Considering that part of employees is engaged in enrichment plants and Ferro-chrome production, the average output per employee may be even larger. Domestic value added by the chromium sub-sector is estimated at USD 38 thousand per employee in 2015[46].

Chart 24 - Exports of ferrochrome 2011-2015



Source: Albanian Customs Administrate

Chart 25- Employeement vs. chromium output



Source: AKBN

[44] Information on export quantities, values and export countries were reported by Albanian Customs Administrate for the purpose of this report.
[45] Information on production, regions and number of staff is based on data reported by AKBN for the purpose of this report.
[46] Domestic value added per employee in 2015 is derived through divding the export values with the number of employees.

Copper ore

During the 1980s, copper was the most successful sector in Albania's mineral extraction industry.

Geological reserves of copper deposits (including Cu 1.3-2.65%, zinc, gold and silver) are estimated at about 50 million tons[47]. However, recoverable reserves are estimated at 27 million ton. Copper deposits are located in six districts: Korça, Mirdita, Puka, Shkodra, Kukes, and Has regions.

Recoverable reserves at current copper mines sites amount at 4.7 million ton (Cu 1.39%). Recoverable reserves at new sites are estimated at 13.4 million ton, where 7.9 million ton (Cu 1.85%) are located in Munella mining area and 5.6 million ton (Cu 2.65%) are located in Lak Rosh, South Perlat, Karme 2 and Bregu i Geshtenjes.

Copper extraction and enrichment activity were mainly focussed in the district of Puka, where operates the largest industrial company Beralb.

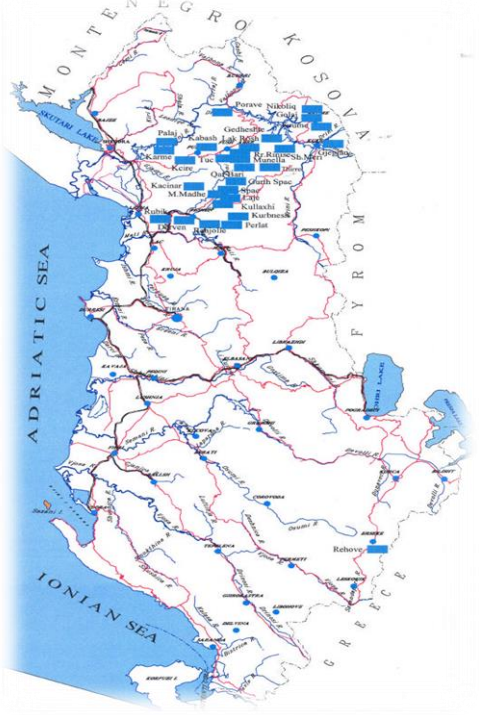
Beralb operating a concession agreement since 2001 (www.beralb.com), was the only industrial company extracting copper in 2011-2015. Beralb holds production licenses for the mines of Munelle, Lak Roshi, Karma and Fushe-Arres, and three other mines all located in the province of Puke. Beralb processes copper through Copper Enrichment Plant of Fushe-Arrez, located north of the town of Fushe-Arrëz. The plant has an annual capacity of 600,000 ton per annum, which generates approximately 45,000 ton of copper concentrate per annum. The Company has realized different studies to increase parameters in ore treatment especially for the recovery of zinc, of gold, silver and other precious elements.

Beralb reported cumulative investments in operations amount to USD 70 million, where USD 40 million were invested in the Munella mine and about USD 30 million in enrichment plant capacities.

Copper business activity suffered substantial losses due to significant drop in international prices for copper ore. International copper ore prices[48] dropped by -38% from 2011 to 2015. In 2016, international copper ore price dropped further by -12%.

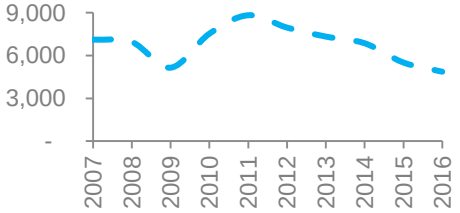
Based on the data reported by AKBN[49], production of copper ore dropped to 140,386 ton valued at USD 4.1 million USD in 2015. This production was mainly extracted from the copper mines near Puka by Beralb (at 90%). Beralb, also, represented the largest employer in Fushe-Arrez and the surrounding area contributing with over 94% of the workforce employed in the copper sub-sector.

Figure 6 - Copper ore deposits



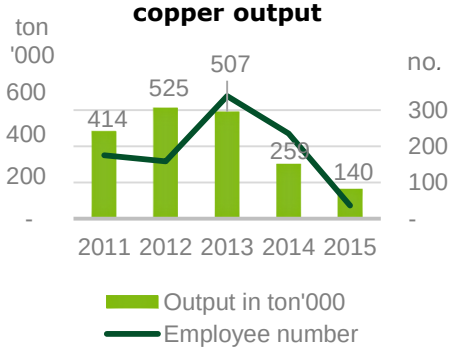
Source: AKBN – www.akbn.gov.al

Chart 27 - International copper prices US$ / Mton



Source: World Bank Commodity Price Data (The Pink Sheet)

Chart 26- Employeement vs. copper output



Source: AKBN

[47] Source CMD no.479, dated 29 June 2011 "Approval of the National mining strategy".
[48] Source for international copper price: http://databank.worldbank.org/data
[49] Information on production, regions and number of staff is based on data reported by AKBN for the purpose of this report.

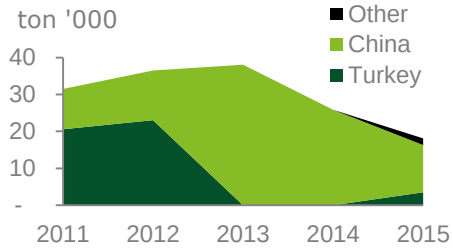
Temporary suspension of copper activity

In September 2015 Beralb publically announced its decision to suspend its operations for a period of at least 1 year until copper market recovers. The Government accorded a suspension period until May 2017. Based on the suspension terms Beralb pays to its 400 employees a remuneration of USD 220 per staff55.

The Company reported that due to extraction costs and poor copper quality (concentration), the business break-even point is reached when international copper prices mark USD 6,000 per ton[50]. In December 2016, the average price for Copper (LME), grade A, was reported at USD 5,660 per ton[51].

In the last five years Beralb exported output to its strategic partners in China and Turkey. Albanian Customs Administrate[52] reported total copper exports, at 17 thousand ton priced at Lek 1.3 billion (equivalent to USD 10.1 million). In 2014 copper exports decreased to Lek 2.5 billion paid for 25.8 thousand ton.

Chart 28 - Exports of copper ore 2011-2015



Source: Albanian Customs Adminsitrate

[50] Information shared by Prof. Sokol Mati, Member of Beralb's Board of Directors for the purpose of this report.
[51] Source for international copper price: http://databank.worldbank.org/data
[52] Information on export quantities, values and export countries were reported by Albanian Customs Administrate for the purpose of this report.

Iron-nickel and nickel-silicate

Albania's deposits of nickel (Ni 0.85-1.15%) are estimated at 300[53] million tons are located near Pogradec, Librazhd, Bilisht, Kukes and Peshkopi.

Nickel sub-sector is quite un-exploited as compared to its potential. AKBN54 reported 27 licensees exploiting iron-nickel and nickel-silicate in the existing mines and quarries. In 2015, 13 out of 27 licensees reported iron-nickel and nickel-silicate output at 746,440 ton.

AKBN provided no details on mineral composition and concentration. However considering that iron-nickel and nickel-silicate are exported as extracted, production value was estimated through export prices in 2015 at Lek 2.3 billion (equivalent to USD 18.6 million).

Based on AKBN data, the nickel sub-sector employed approximately 105 staff, and generated an average output of 7,100 ton mineral per employee through 2015.

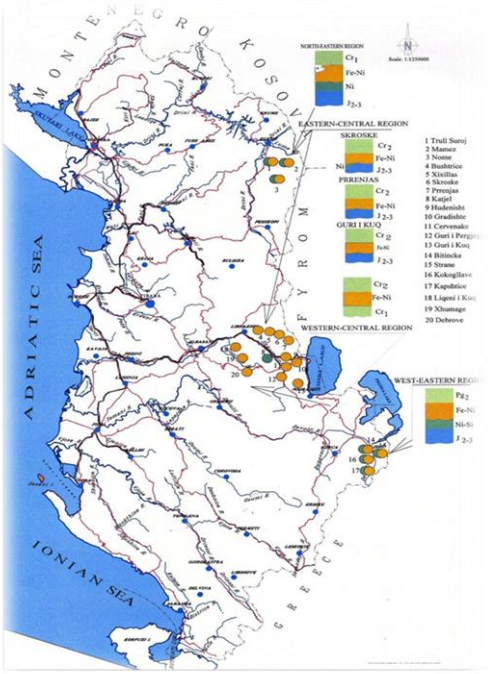
Nickel was mostly extracted in the form of iron-nickel and nickel silicate, in the districts of Kukes 75%, Librazhd 12% and Pogradec 29%, etc.

Custom authorities[55] reported exports of iron-nickel and nickel-silicate at 414 thousand ton worth Lek 1.3 billion (equivalent to USD 10.3 million) in 2015.

Exports of iron-nickel and nickel-silicate in 2015 represented about 55% of the domestic output.

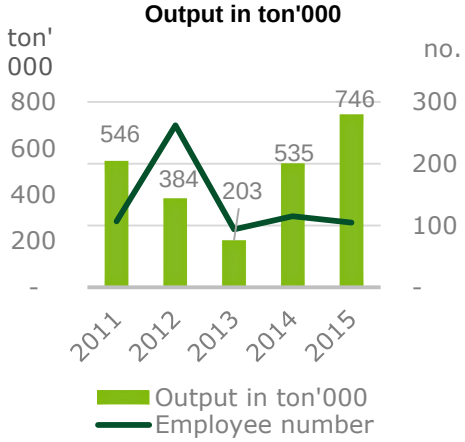
In 2015 nickel was mainly exported60 to Kosovo (68%) and Macedonia (32%).

Figure 7 –Nickel deposits



Source: AKBN – www.akbn.gov.al

Chart 29 - Employeement vs. Output in ton'000



Source: AKBN

[53] Source CMD no.479, dated 29 June 2011 "Approval of the National mining strategy".
[54] Information on production, regions and number of staff is based on data reported by AKBN for the purpose of this report.
[55] Information on export quantities, values and export countries were reported by Albanian Customs Administrate for the purpose of this report.

Limestone and other construction minerals

Geological studies in Albania up to 1995 revealed approximately 32 different kinds of rocks and construction industrial minerals, expanded all over the country, including: limestone, sandstones, dolomites, carbonate decorative stones, clay, granites, gypsum etc. These minerals represent principal raw material for Albania's construction industry.

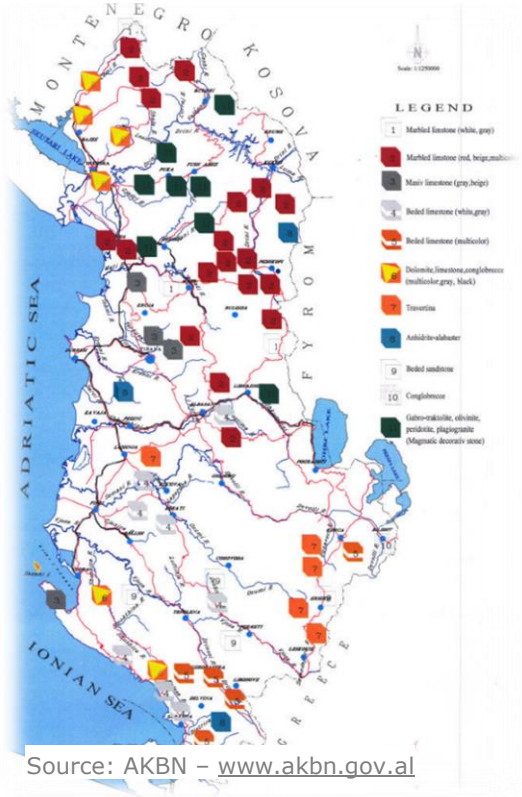
The construction minerals sub-sector counts about 285 licenses, where 183 were granted for the production of limestone. During 2015, 154 out of 285 licenses reported production of limestone (4 million m^3), clay (1 million ton), gypsum (85 thousand ton), sandstones (17 thousand m^3) etc.

Domestic sub-sector output worth[56] including the value added through mineral processing was estimated at USD 71.2 million in 2015.

Fushë-Kruja Cement, operating in the district of Fushë-Kruja and Antea Cement, in the district of Kruja, were the largest producers in 2015, contributing respectively with 17% and 12% to the total sub-sector output value. Both companies are engaged in the production of cement and similar by-products. Based on AKBN data, the sub-sector employed about 1,408 staff in 2015, representing an increase by 57% as compared to 2014.

Exports[57] of limestone and construction minerals amounted at Lek 7.6 billion (equivalent to 60.7 million USD) in 2015. The sub-sector output was mainly exported to towards Kosovo (35%), Montenegro (17%), Macedonia (16%) etc. Exports of cement comprised 83% of the value of exports from the subsector.

Figure 8 – Deposits of limestone and other construtions minerals

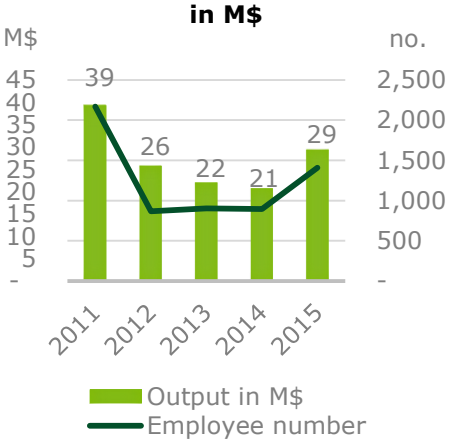


Source: AKBN – www.akbn.gov.al

Production of bitumen, gravel and tar sands

Albanian bitumen and asphalt deposits were located near Selenica and in the Vjosa River valley. The sub-sector reported 12 licnesees exploiting gravel and tar sands. During 2015, 9 licensees reported production of 143 thousand ton of tar sands and gravel, assessed at USD 2.9 million based on AKBN reported prices. The sub-sector employed about 141 staff, an increase of 12 % compared to 2014. The sub-sector output was sold in the domestic market.

Chart 30 - Employeement vs. output of construction minerals in M$



Source: AKBN

[56] Value added is assessed using prices are derived from production and revenue data reported by AKBN and where output is exported the value is assessed using prices applied in export based on the export values and quantities reported by the Albanian Custom Administrate.

[57] Information on export quantities, values and export countries were reported by Albanian Customs Administrate for the purpose of this report.

4.3 Organisation and governance of the mining sector

The mining sector in Albania is regulated by Law No.10304 "On the Mining sector in the Republic of Albania", dated 15 July 2010 ("Law on Mining"), which entered into force in August 2010 and abrogated the Mining Law No.7796, dated 17 February 1994. MEI and AKBN provide a summary of laws and regulations in force for the mining sector in their respective websites: www.akbn.gov.al and www.energjia.gov.al.

The Law on Mining groups minerals in to the following four categories:

1. Metals, non-metals, coal and bitumen;
2. Minerals used in construction;
3. Precious and half-precious minerals; and
4. Radioactive minerals.

The law on mining and its accompanying regulatory acts set the main licensing terms for exploration and exploitation activities for each of group of minerals

In 2015 all licensees were operating in exploration and exploitation activities in the first two mineral groups. AKBN and SHGJSH did not report licensees exploring or exploiting precious minerals, half-precious minerals and radioactive minerals.

Regulation approved by CMD no. 364 on 4 May 2011 "On setting minimum surface and investment value for mining licensees" sets the minimum surface and value to be invested in USD for exploration and production licenses. These vary by type of minerals. Anyways the maximum licenses areas cannot exceed the limits set by the Law on mining and presented below:

Table 7 – Maximum license terms and surface

	Metals, non-metals, coal and bitumen	Minerals used in construction
Exploration license term	3 years (can be extended up to 2 years)	1 year
Maximum exploration license area (*)	not greater than100 km^2	not greater than 10 km^2
Production license term	25 years (can be extended up to 10 years)	
Maximum production license area (*)	not greater than 10 km^2	not greater than 5 km^2

Production licenses grant the licensee the exclusive right to develop the infrastructure, extract and own the production derived in the licensed area. MEI may also grant licenses for elaboration of mining waste. Licensees are encouraged to invest in processing plants.

Supervision and guarantees

Under the new Law on Mining (2010), licensees in this sector are no longer required to pay surface tax. Instead, the new Law introduces the concept of incorporating an environmental rehabilitation plan and commitment toward the annual investment and work.

As set in the Mining law, licensees shall submit for approval the annual investment and environmental rehabilitation plan. AKBN and SHGJSH approve these financial plans respectively for the licensees under their

supervision. Afterwards, licensees shall deposit financial guarantees each year in favour of MEI, in accordance with the approved annual plans. Rules for the deposit and return of financial guarantees and respective minimum values are provided in the regulation approved by CMD no. 440, dated 16 June 2011, amended[58] and MEI order no. 718 dated 3 October 2011.

Deposits of financial guarantees for minimum investment plan for production licenses is set at 10% of the approved annual plan. The guarantee is returned in full to the licensee if the investment is realized in full and within the timeline set. If the licensee realized less than 90% of the investment, MEI may appropriate the guarantee and record revenue in its budget.

Deposits of financial guarantees for minimum investment plan for exploration licenses is set at an amount equal to the approved annual plan for the exploration license term, anytime not less than the minimum investment values set in CMD no. 364 on 4 May 2011.

Deposits of financial guarantees for environment rehabilitation are set based on annual production plans approved. These deposits are returned when the licensee restores the damaged area in accordance with the plan. Otherwise, MEI may appropriate the guarantee and commission environmental rehabilitation in the area.

The mining law requires that the selected sub-contractors engaged in exploration or extracting of minerals are approved by MEI in accordance with the technical and financial terms set during the license allocation.

In addition, the mining law specifically required exploration and production licensees to employee technical expertise through the whole license term.

Operators perspective on the Mining law[59]

Mr. Përparim Aliaj, Director of the Foreign Investors Association in Albania (FIAA), noted that the mining law does not ofer attractive terms to investors in mining explorarion as compared to the neighbourhood countries like Kosovo. Amounts required to invest are unreasonably high and the time available for exploration is very low compared to Kosovo. According to FIAA, exploration license term shall be granted for not less than 6 years, considering also cold climacteric conditions of the exploration blocks located in the northen and northestern part of the country. Minimum investment amount of EUR 300,000 per km2 after the second year shall be reconsidered. Levek of requested guarantee is almost equal to the minimum invested amount. Such comprise another financial hit investor and shall be reconsiderd to a more reasonable amount i.e. 10% of the invstement similar to the production licenses.

Deposits of financial guarantees for minimum investment plan for exploration licenses is set at an amount equal to the approved annual plan for the exploration license term, anytime not less than the minimum investment values set in CMD no. 364 on 4 May 2011.

[58] CMD no. 440, dated 16 June 2011, amended by CMD no. 741, dated 9 September 2015
[59] Information confirmed by Mr. Përparim Aliaj Director of the Foreign Investors Association in Albania (FIAA) for the purpose of this report.

Deposits of financial guarantees for environment rehabilitation are set based on annual production plans approved. These deposits are returned when the licensee restores the damaged area in accordance with the plan. Otherwise, MEI may appropriate the guarantee and commission environmental rehabilitation in the area.

The mining law requires that the selected sub-contractors engaged in exploration or extracting of minerals are approved by MEI in accordance with the technical and financial terms set during the license allocation.

In addition, the mining law specifically required exploration and production licensees to employee technical expertise through the whole license term.

Allocation of licenses

AKBN and SHGJSH support MEI with the pre and post-licensing procedures, AKBN for production licenses and SHGJSH for exploration licenses, respectively.

MEI grants mining licenses through round biddings for competitive mining areas and ad hoc negotiations on the basis of first-in first-served for open mining areas. Competitive and open mining areas are set in the annual mining plan based on the following criteria:

- Competitive bids are granted for areas where known geological and recovered reserves present significant economic interest;
- Add hoc negotiations are usually performed on areas with limited information on reserves, licensees present an extended plan involving areas neighbourhood to their current licensed area and other strategies with significant public interest pursuit in the area.

Subject to approval by the Council of Ministers, MEI may grant mining concessions for projects assessed with significant economic and social interest.

MEI publishes the bid notices, terms of references and bid evaluation criteria in its website: www.energjia.gov.al[60] and at the public procurement agency website: www.app.gov.al. Public Procurement Agency (PPA) is a public agency reporting directly to the Prime Minister. PPA oversees the public procurement activity including mining licenses and concessions.

Bids notice provide information on the mining cadastre and coordinates, surface, map, mineral concentration, reserves and the minimum investment value and production expected to be realised throughout the license terms.

Mining bids are evaluated against the following main criteria which are weighted from 10% to 20%, allocating up to 60 points to the technical capacity and 40 points to the financial capacity.

Technical capacity and experience of the firm and its staff;	up to 15 points
Financial capacity including available cash flows and financing facilities;	up to 20 points
Forecasted production for the license terms;	up to 15 points
Forecasted value of the production for the license terms;	up to 10 points

[60] http://www.energjia.gov.al/al/sherbime/lejet-per-koncesionet-minerare/procedurat-konkurruese-per-zonat-minerare

Forecasted production to be elaborated;	up to 20 points
Projected investments in the area; and	up to 10 points
Project's internal rate of return (IRR)	up to 10 points

Chair of the bid evaluation commission, publishes within 20 days from the bid date the evaluation report summarising information on the bid award, candidates ranked based on the total number of points allocated and

proposes to the contracting authority the bid winner. The report summarises information on the mining cadastre allocated, summary of the bid evaluation procedure, listing and summary of all applicant's bids, technical and financial criteria used and evaluation of each bid against the criteria, ranking of the bids and complaints if any.

In addition to licenses, which are long term, mining licensees obtain mining permit each year of activity in accordance with Law no. 10081, dated 23 February 2009 "On licenses, authorizations and permits in the Republic of Albania".

The bid evaluation report and detailed financial terms of the mining license are not disclosed for public access.

Licensing activity in 2015

MEI announced competitive bids for 77 mining areas in 2015 and granted 50 mining licenses for chromium (14), limestone and other construction minerals (40, iron-nickel and nickel-silicate (4) and gravel and tar sands (4). List of areas allocated and wining applicants are shown in Appendix 8. No additional information with regard to the bit evaluation process and non-winning applicants is disclosed for the purpose of this report.

4.4 Revenue from the upstream and midstream mining sector

The State derives its revenue from the sector through collection of the royalty applied to the sales value of the minerals and profit taxes. Main revenue from the upstream and midstream mining sector in 2015 analysed as follows were all recorded in the State's Budget:

Table 8 – Main revenue from the mining sector

	Fiscal revenue in MLek	Fiscal revenue in M$	Structure in %
Royalty	1,105	8.8	28%
Tax on profit	632	5.0	16%
VAT	643	5.1	16%
Payments for social and health insurance and personal income tax	1,159	9.2	29%
Personal income tax	303	2.4	8%
Tax on dividend	64	0.5	2%
Tax penalties	25	0.2	1%
Total	**3,930**	**31.2**	**100%**

These revenue comprised about 1.1% of total revenue recorded in the State's budget in 2015.

Royalty

Royalty represents the main revenue stream earned form the upstream mining sector. Royalty is exclusively applied to the taxable value (or fiscal value) of revenues from extractive activity in accordance with Law No. 9975 "On national taxes", dated 28 July 2008, amended. Royalty for exports is collected by the Albanian Customs Administrate and for domestic sales by the General Tax Directorate. As set in the Law on National taxes, royalty is recorded in the National Budget and a portion is transferred to the Local government units (LGUs) at 5% of the royalty portion generated by each unit (refer to chapter 6). Royalty payments made by the mining companies in 2015 comprise about 5% of the mining output value, which approximates the average royalty rate applied for the main minerals and shown in table 9:

In November 2014, the Government introduced a reduced royalty at 2/3 of nominal rate applied for the metallic mineral ores processed in Albania and is expected to be further reduced royalty at 1/2 of nominal rate applied for the metallic mineral ores processed in Albania.

Table 9 – Royalty applied for main minerals

Mineral	Royalty applied 2011-2015
Chromium	6%
Copper	6%
Nickel-silicate	6%
Iron-nickel	5%
Coals and bitumen	200 – 19,940 Lek / ton
Limestone	47 Lek / m^3
Sandstone	491 Lek /m^3
Gips - Alabaster	21 Lek / ton - 423 Lek / m^3

Tax on profit

Tax on profit is levied from the General Directorate of Taxes as a percentage of the company's net profit. Up to December 2013, in accordance with "Law on Income tax" No. 8438, dated 28 December 1998, amended, profit tax in Albania was charged at 10% on net profit. Starting from 1 January 2014 profit tax rate increased to 15% of the company's net profit. Full requirements of this Law apply to the mining sector.

VAT

Value Added Tax (VAT) is payable at 20% of taxable sales in the country based on the Law no. 92/2014 "On Value Added Tax". VAT on exports is taxed at 0%. VAT payments made from the mining companies comprise about 2.9% of the mining output value, as a result of dominated export sales.

Payments for social and health insurance and personal income tax

Compulsory payments for the social and health insurance are calculated and paid in accordance with the Law no. 9136, dated 11.9.2003, "For the collection of compulsory social and health insurance in the Republic of Albania", amended and the Law no. 10383, dated 4.2.2011 "On compulsory health insurance in the Republic of Albania" and Law no. 150/2014, "For the pensions of the underground workers". These laws define the minimum payable contribution for the State pension and public health care and applicable to the mining sector. Specifically for the mining workers, these laws foresee an additional contribution at 5% of the salary for social security and benefit of the State's pension at the age of 55.

Payments shown above include both share of contribution paid by the employer and the employee. This payment stream is relatively high when compared to the other streams because of the large number of employees engaged in the sector. The average payment per employee are assessed at Lek 231 thousand Lek per annum or Lek 19 thousand per month.

Personal income tax

Personal income tax (PIT) is calculated and paid in accordance with the provisions set in the Law no. 8438, dated 28.12.1998 "On Tax on income", amended. Based on the law provisions, personal income earned from employment and other sources up to Lek 30,000 are taxed at 0%, income earned above Lek 30,000 and up to Lek 130,000 are taxed 13% and income earned above this threshold are taxed at 23%. Based on the information provided by the Tax Authorities and AKBN, PIT payments made by the oil and gas sector employees amount about Lek 61 thousand per employee in a year or Lek 5 thousand per employee in a month.

Tax on dividend

Tax on dividend is calculated and paid in accordance with the provisions set in the Law no. 8438, dated 28.12.1998 "On Tax on income", amended at 15% of the declared dividend. This tax is withheld at source and paid form the Company when dividends are declared. This tax is not applied when the shareholders are registered entities in accordance with the tax laws and pay taxes in Albania.

5. Hydro-energy sector

Electrical power is ranked the second most important energy source in the country after oil and oil-by products, with 24% of the energy produced from primary sources and 26% of domestic energy consumed. The Albanian power system relies practically only on hydropower plants (HPPs). The sector is dominated by the public companies, and few private hydropower concessions increasing from 2016.

5.1 Overview of the Hydropower sector

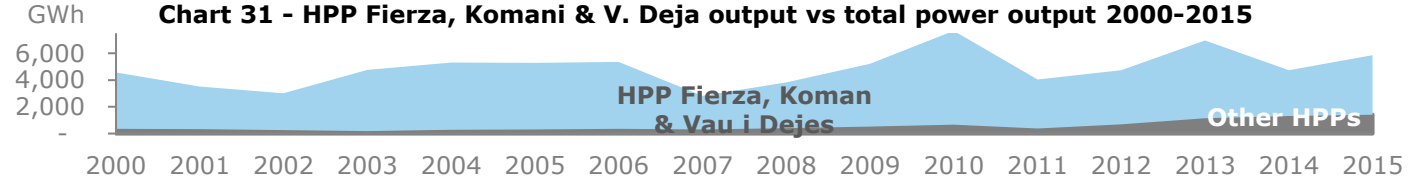
Albania is rich in water reserves and a hydropower potential that bears an important developmental role for the country. Albanian hydrographical territory is 44, 000 m2 or 57% larger than its geographical territory. The country counts eight main rivers: Drini, Buna, Vjosa, Semani, Mati, Shkumbini, Ishmi and Erzeni. Formation of the cascades along the main rivers makes these substantially important for the hydropower potential in the country.

According to the National Energy Strategy, total annual potential production from hydropower plants in Albania is estimated at 16-18 TWh and can be derived from an installed capacity of 4,500 MW[61].

The three largest hydropower plants of Fierza, Koman and Vau i Dejes were built in a cascade form on the Drini River from year 1971 to 1985 with an installed capacity of 1,350 MW. The HPPs of Fierza, Koman and Vau i Dejes on Drini River generated about 90% of the hydropower in the last 15 years with an average annual output of 4,300 GWh. The net domestic output slightly increased in the last 4 years as a result of private and concession HPPs starting production. In 2015, domestic power output was about 5,866 GWh, where the three largest HPPs generated about 76% of the power output at 4,452 GWh or 76% (Chart 31).

Figure 9 – Main Rivers crossing Albania

Source: AKBN – www.akbn.gov.al

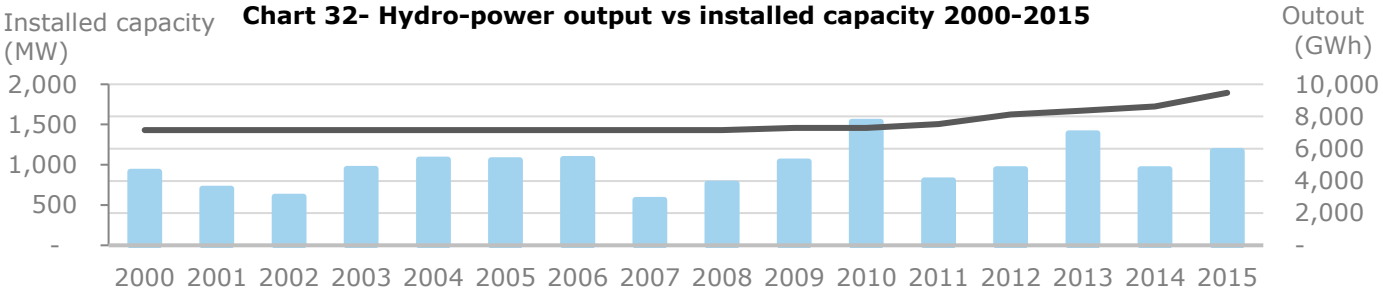


Source: ERE reports 2009-2015 – www.ere.gov.al

[61] National Energy Strategy 2013-2020, publihsed by MEI in its website: www.energjia.gov.al.

Chart 32 presents the power output and capacity installed throughout the period 2000 – 2015. Annual domestic output varies largely on hydrological cycles. In the last 15 years, the annual power output reached its highest peak in 2010 with 7,674 GWh and lowest peak in 2007 with 2,826 GWh, where the maximum output was 2.7 times larger than the minimum output.

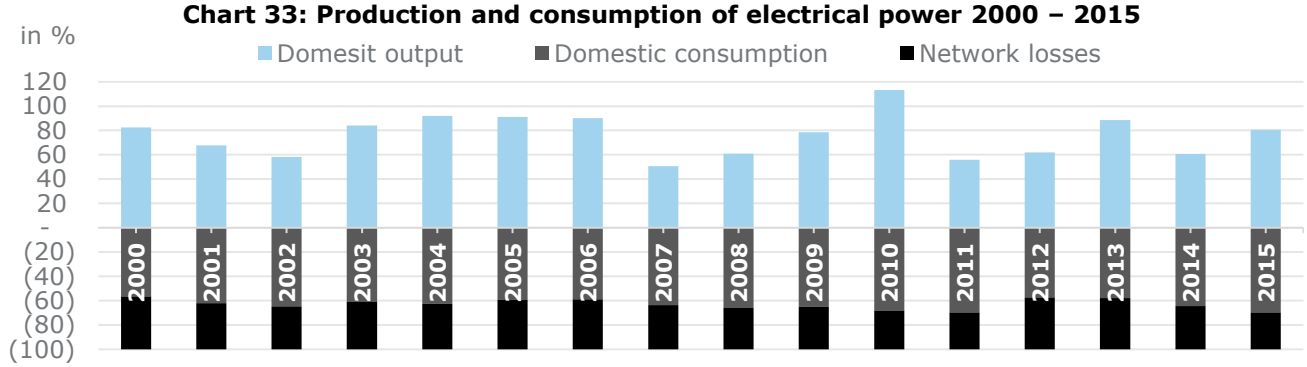
Chart 32- Hydro-power output vs installed capacity 2000-2015



Source: ERE reports 2009-2015 – www.ere.gov.al

Up to 2007, the installed capacity in the country of 1,480 MW was entirely administer by Korporata Elektro-Energjetike Shqiptare (KESH). At the end of 2015, the installed capacity increased to 1,894 MW upon entering in production of the private and concession HPPs.

Chart 33: Production and consumption of electrical power 2000 – 2015



Source: Power Balance, 2000 -2015 - INSTAT

Despite its abundant hydropower potentials, Albania has been a net importer of hydropower to compensate for its negative power balance in the last 15 years.

The negative power balance resulted mainly due to high level of losses in the distribution network. Based on the data reported by INSTAT, the annual average power output for the period from year 2000 to year 2015 comprised about 76%[62] of the domestic annual average of energy needs (including losses).

If assumed that technical and financial losses in the network are completely eliminated, as shown in Chart 33, the energy balance would improve significantly. Based on this scenario the annual average power output would fulfil at 122%[63] the annual average of energy needs.

[62] Calculated as a simple annual average of the ratio production / usage during years 2000 - 2015. Data sourced from "Power balance, 2000 -2015" - www.instat.gov.al.
[63] Calculated as a simple annual average of the ratio production / consumption during years 2000 - 2015. Data sourced from "Power balance, 2000 -2015" - www.instat.gov.al.

5.2 Organisation and governance of the power sector

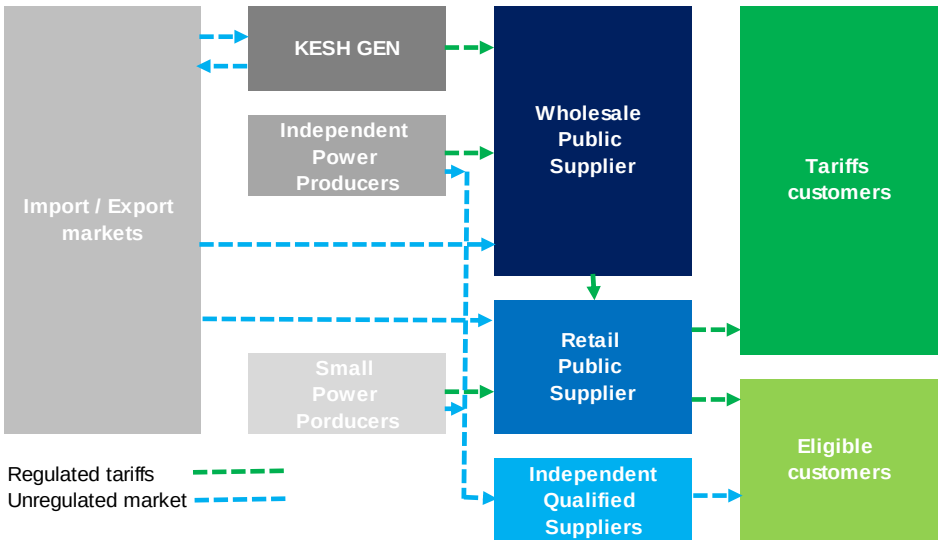
The country's power system including power generation from water, thermal and alternative sources, power transmission and distribution is regulated by law on power sector. In April 2015, the Government of Albania approved a new law no. 43/2015 "On power sector" ("Law on power sector")[64], in attempt to reflect the EU Directives on power sector. This law sets the minimum requirements for the allocation of concessions for the construction or reconstruction of the hydropower plants and licensing in power generation. Main terms and procedures are summarised in section 5.3 in the following.

The Law on power sector assigns ERE as the responsible authority for allocating rights and obligations among the power market participants, and regulatory control over the Albanian power market.

Albania power market model ("Market") applied during 2015[65], presented the transitional rules towards market liberalization in accordance with the new Law on power sector. In July 2016, the Albanian government introduced the new market model approved via CMD no. 519, dated 13 July 2016 as a final step toward development of a liberalised and competitive power market, in compliance with the requirements of the Energy Community Treaty of Southeast Europe. This model foresees establishment and operation of the Albanian Power stock exchange within 2017 and liberalisation of access to all market participants.

Market Rules along with the Grid Code, Distribution Code, Metering Code and Market Model are part of the acts that regulate the power market are published in the official website of ERE: http://www.ere.gov.al/. Key market participants and their role is presented in the following:

Figure 10 – Energy flows between the power market participants



[64] This Law abrogated Law no. Law No.9072, dated 22.05.2003 "On power sector" amended.
[65] Albania power market model was approved by decision of the commissioners No. 338, dated 19.03.2008 and ratified by the Albanian Parliament in 2006, is developed in accordance with EU Directives on Power and requirements of the Energy Community Treaty of Southeast Europe for establishment of the Regional Energy Market: www.ere.gov.al

Key market partecipans

Albanian Electrical Power Corporation (KESH)

KESH the largest the public power producer and supplier in the country. The company acts at the same time as the public producer (KESH Gen) and whole sale public supplier (WPS). KESH owns and operates owns and operates the largest HPPs on Drini River, HPP Fierza, HPP Koman and HPP Vau i Dejes, with a total installed capacity of 1,350 MW, and a thermal power plant (TPP) in Vlora built in 2009, with an installed capacity of 98 MW. The three HPPs on Drini River are in operation and contribute to the largest share of domestic power output, while TPP of Vlora is not in operation due to a defect in the cooling plant turbine.

Fierza HPP is located near the village of Fierza about 20 km from the town of Bajram Curri. The HPP was built in the period from 1971 to 1978. Koman HPP, built from 1980 to 1988, is located in the Drini River Valley, between Fierza HPP and Vau i Dejes HPP, and about 2 km from the Koman village. Vau i Dejes HPP, built from 1967 to 1971 is located in the lower part of the Drini River Valley, about 18 km from the city of Shkodra.

KESH performed several interventions to increase efficiency of the operations and dam safety[66]. Details of HPPs, power output, imports and projects pursued by KESH can be accessed in its official website: www.kesh.al. Main technical details of the HPPs on Drini River are presented below:

Table 10 – Technical data of HPPs on Drini River

Technical data of HPP	Fierza	Koman	Vau i Dejes
Utilization start year	1978	1985	1971
Number of aggregates	4	4	5
Installed power per aggregate	125MW	150MW	50MW
Installed power	500MW	500MW	250MW
Type of turbines	Francis	Francis	Francis
Total capacity in the lake	2.7 billion m^3	450 million m^3	560 million m^3
Maximum height of the lake	296 m	176 m	76 m
Nominal falling	118 m	96 m	52 m
Average annual output	1,800 GWh	2,060 GWh	1,000 GWh

Source: KESH – www.kesh.al

KESH sells the energy produced to the Retail Public Supplier at quantities and prices regulated by ERE. During 2015, KESH sold the energy to OSHEE (Retail Public Supplier) at Lek 3 / kWh (2012-2014: Lek 2.83/kWh)[67]. To fulfil its obligations for supply, KESH imports power in the international market with market prices. At the same time, sells to the domestic or

KESH-i has historically been and continue to be owned 100% and administered by the Albania since its establishment.

Due to current power supply structure and consumption, output generated by KESH comprise the main source of energy in the country.

The new market model releases KESH from its obligation to supply OSHEE at regulated prices and create opportunities that KESH manages its power resources and sell energy at the highest prices in the market.

[66] Dam safety project financed by the World Bank and international financial organizations: http://projects.worldbank.org/P125856/dam-safety-additional-financing?lang=en.
[67] Burimi: Raporti vjetor per vitin 2015, publikuar nga ERE: www.ere.gov.al.

international market the energy surpluses beyond the requirements for public supply.

Transmission System Operator (TSO)[68]

OST was established in 2004 as a spun off from KESH. OST operates of the transmission network including ownership, maintenance and expansion of the network. OST transmits the power through the transmission lines and interconnection lines with voltage of 110-400kV and substation points.

Along with system operation, OST is also the market operator responsible for managing and organizing payments and exchanges of power between market participants on the market imbalances.

OST charges system users for the transmission system services, ancillary services, payments under the Interconnection Agreement and for the purchase of balancing power under the Market Rules. Fees for transmission service are regulated by the ERE.

Lines	Length in km
400 kV	293.6 km
220 kV	1,150.30 km
150 kV	34.4 km
110 kV	1,582.5 km

OST transmission network include the following interconnection lines, which provide necessary infrastructure for international exchange of power:

- 220 kV interconnection line between Fireza (Albania) – Prizren (Kosovo)
- 220 kV interconnection line between Koplik (Albania) – Podgorica (Montenegro)
- 400 kV interconnection line between Zemblak (Albania) – Kardia (Greece)
- 400 kV interconnection line between Tirana (Albania) – Podgorica (Montenegro)

In June 2016, MEI inaugurated completion of the new 400 kV interconnection line Fierza (Albania) – Prizren (Kosova)[69].

Through continuous improvements of its capacities, in May 2016, OST announced the inauguration of the National Dispatch Centre and New Control System SCADA / EMS, as one of the most important projects of the Transmission System Operator worth of EUR 23 million. The SCADA / EMS System project, has been the main prerequisite for the membership of OST in the European network of the electric power transmission system operators (ENTSO-E)[70].

OST has been historically owned 100% by the Albanian State since its establishment.

The new market model assigns OST with new responsibilities for the administration of the Albanian Power Exchange.

[68] Source of information on transmission line – ERE's Report on the Power sector activity in 2015 - www.ere.gov.al.
[69] Source: OST webpage - http://www.ost.al/sq/inaugurohet-linja-400-kv-shqiperi-kosove-nje-nga-veprat-me-te-rendesishme/
[70] Source: http://www.ost.al/en/it-is-inaugurated-the-modern-dispatch-center-of-the-transmission-system-operator/

Electricity Power Distribution Operator - OSHEE[71]

OSHEE was established in 2006 as a spun off from KESH. OSHEE currently owns, maintains, expands and operates the distribution system across the country composed of substations 110/20, 15,600 km of distribution network of 35/20/10/6 kV, and transformers 110/35/20/10/6kV and acts at the same time as Retail Public Supplier (RPS), for the power to tariff customers under contract terms and rates regulated by ERE.

OSHEE (RPS) buys electrical power from KESH (WPS) with tariffs approved by ERE and when the energy to be supplied exceeds the budged and approved figures, OSHEE pays the difference at market prices. At the end of 2015, OSHEE reached an agreement with KESH for the supply of power imbalances.

OSHEE provides connection and distribution services tariff customers, small power producers and eligible customers connected to the distribution, on a non-discriminatory basis. Fees, terms and conditions of distribution services are regulated by ERE.

Distribution network assets are old dated ranging from 12 to 40 years old. Poor technical conditions of the distribution network in combination with financial losses due to energy theft and unpaid bills caused significant losses to the OSHEE, making above 42% in the years 2011 and 2012. As a result of integrated actions of OSHEE and the Albanian Government losses decreased to 31.34% in 2015.

Wholesale public supplier and retail public supplier operate under special licenses issued by ERE.

At the end of 2014 OSHEE is owned again 100% by the Albanian State after the unsuccessful privatization history with CEZ AS.

New market model

Private power producers

Private power producers are divided into small and large producers. Small Power Producers (SPPs) are the small power generating plants, linked directly to the distribution system. Independent Power Producers (IPPs) are independent producers that relate directly to the transmission system. SPPs and IPPs can sell electricity to the Wholesale Public Supplier with regulated prices, or to the other market operators based on market negotiated terms.

ERE establishes the unified regulated tariffs for the power sold by small and large power producers.

Retail Customers

Tariff Customers purchase electricity by Retail Public Supplier at prices regulated by ERE.

Eligible customers are those who can freely choose the energy supplier, including the Retail Public Supplier. According to the definitions of the Law on power eligible customers can be consumers connected to 110kV tension line and above and all other consumers who have a higher consumption of 50 million kWh per year.

Other market operators

Energy traders, purchase and wholesale power to other market operators, with the exception of Retail Public Supplier and Tariff Customers. Traders may purchase power from KESH Gen (for the surpluses), SPPs and IPPs and sell power to the Qualified Suppliers, Wholesale Public Supplier or OSHEE.

[71] Source – ERE Report for 2015 -- www.ere.gov.al.

Qualified Suppliers are domestic or foreign suppliers licensed by ERE, who may purchase power from traders, SPPs or IPPs and sell to the Eligible Customers. Qualified Suppliers may also sell power to the Public Wholesale Suppliers, Traders or other Qualified Suppliers. SPPs and IPPs must be licensed in order to act as Qualified Suppliers, if they wish to sell power directly to the Eligible Customers.

Guaranties and other transfers between State and State Companies

Alongside the benefits in the form of taxes and fees from hydropower sector, the State injects funds into the sector through investment in equity and direct lending to state-owned companies. The Albanian State, also guarantees the banking and other loans granted to the state-owned companies KESH and OST. At the end of 2013 and 2014 loans taken by the SOEs for the improvement of power generation and transmission infrastructure amounted respectively at Lek 96.5 billion (equal to Lek 121.2 billion less Lek 24.7 billion) and Lek 107.3 billion (equal to Lek 131.6 billion less Lek 24.3 billion).

Table 11 - Key financials of the SoEs in the sector[72]

	2014				2015			
	KESH	OST	OSHEE	Total	KESH	OST	OSHEE	Total
Property, plant, and equipment	81,460	41,819	20,552	**143,831**	93,890	50,943	21,081	**165,914**
Loans to other SOEs	24,302	-	-	**24,302**	22,090	-	-	**22,090**
Trade and other receivables	64,574	13,419	12,637	**90,630**	57,254	11,107	16,670	**85,031**
Total assets	**170,336**	**55,238**	**33,189**	**258,763**	**173,234**	**62,050**	**37,751**	**273,035**
Equity	63,251	24,163	(71,248)	**16,166**	76,068	28,923	(55,755)	**49,236**
Loans guaranteed by the State	83,623	25,459	22,565	**131,647**	75,487	26,909	19,502	**121,898**
Trade and other payables	23,463	5,576	81,872	**110,911**	20,777	4,349	74,380	**99,506**
Total equity and liabilities	**170,336**	**55,199**	**33,189**	**258,724**		**60,181**	**38,127**	**270,640**
Revenue from power sale	10,832	6,886	47,286	**65,004**	19,651	6,093	58,585	**84,329**
Imports of energy	(9,837)		(34,199)	**(44,036)**	(10,546)		(30,383)	**(40,929)**
Other operating expenses, net	370	(4,266)	(14,018)	**(17,914)**	(4,871)	(4,888)	(8,602)	**(18,361)**
Impairment of receivables from OSHEE	(19,653)			**(19,653)**	(496)			**(496)**
Financial costs, net	(3,848)	(286)	(1,144)	**(5,278)**	(2,054)	(33)	(1,337)	**(3,424)**
EBT	**(22,135)**	**2,334**	**(2,075)**	**(21,876)**	**1,684**	**1,172**	**18,263**	**21,119**
Tax expense	(105)	(445)	(2)	**(552)**	(649)	34	(2,770)	**(3,385)**
EAT	**(22,241)**	**1,890**	**(2,078)**	**(22,429)**	**1,035**	**1,206**	**15,493**	**17,734**

Source: Financial statements of KESH, OSHEE and OST for 2015.

[72] Summary of Key financials is derived from the annual financial statements of KESH, OST and OSHEE for 2015. The companies shared these financial statements with us for the purpose of this report.

Following to the financial difficulties encountered by the power public sector, State guaranteed borrowings are expected to increase further. These loans will be used to finance investments in improving efficiency of the power generation, transmission and distribution and also enhance tools and systems in measurement of power consumption by the tariffs customers and collections of bills for the power consumed.

In September 2014[73], the World Bank approved financing of USD 150 million from the International Bank for Reconstruction and Development (IBRD) to be disbursed for the Project of Energy Sector Recovery approved by CMD no. 171, dated February 25 2015 "On Approval of the Plan for the financial recovery of the Power Sector". The Project will support reforms in the Albanian power sector, particularly those undertaken to improve the reliability of power supply and financial sustainability of the sector, including reforms to diversify the sources of energy production, reduce losses and improve collections.

In May 2016[74], European Bank for Reconstruction and Development (EBRD) granted a government backed loan of EUR 218 million for the refinancing of KESH borrowings and provision of technical assistance to the improvement of the overall governance and operations of KESH in the context of the power sector reforms.

[73] Source: http://www.worldbank.org/sq/news/press-release/2014/09/29/world-bank-approves-us150-million-project-for-albanias
[74] http://www.energjia.gov.al/al/njoftime/lajme/berzh-jep-218-milione-euro-hua-ne-shqiperi-per-kesh&page=5

5.3 Private and concession HPPs

The Ministry responsible for energy acts as the Contracting Authority for all concessions granted in hydropower sector. HPP concesions are granted in accordance with Law No. 123/2013 "On Concessions and Public-Private Partnership" ("Law on Concessions and PPP") and accompanying Regulations "For the evaluation and granting of concessions and public-private partnership" approved with CMD. No. 575 dated July 10, 2013 ("Concessions Regulation").

Definition of public private partnership

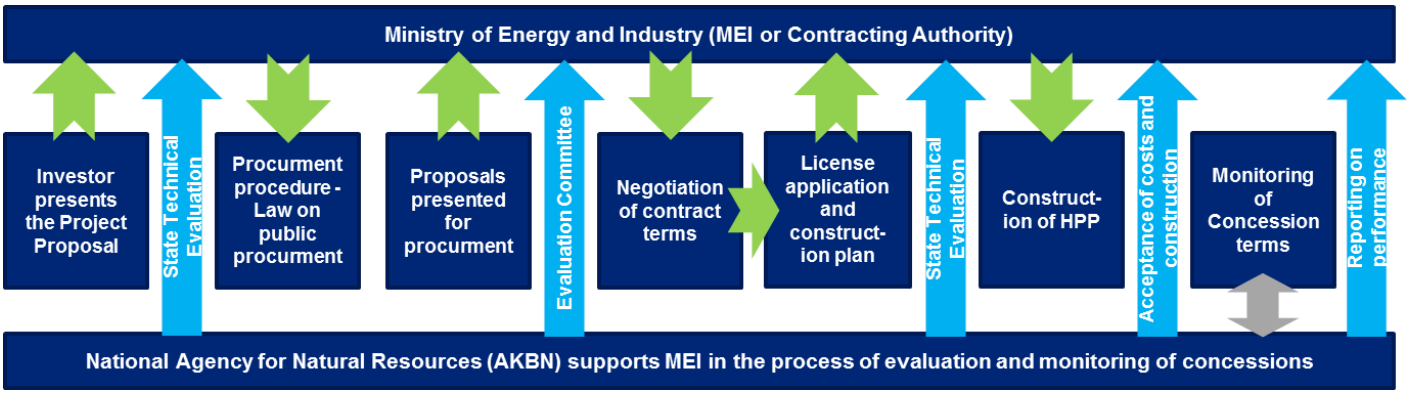
According to the Law on Concessions and PPP, Public Private Partnership establishes a long-term cooperation, regulated by contract, between the contracting authority (public partner) and one or more economic operators (private partner), where the private partner undertakes the obligation to provide public services within the competencies of the public partner and / or the obligation to provide to the public partner the necessary prerequisites for providing public services.

These prerequisites include the construction or renovation of public infrastructure and / or its operation and maintenance.

Legislation and regulations for concessions define the principles and procedures for the evaluation and granting of the concession opportunities in the hydropower sector. According to the concession law and regulation, all concessions in Albania are approved by the Council of Ministers.

HPP concessions in Albania are organized as Build-Operate-Transfer (BOT) or Reconstruct-Operate-Transfer (ROT). According to this regulation, the operator finances the construction / reconstruction of the power plant and benefits from operation of the plant. The sale of power generated by the Operator is guaranteed through the Power Purchase Agreements signed between the Operator and Wholesale Public Suppliers with tariffs regulated by ERE using the "feed in" model. According to the concession law and regulation, all concessions in Albania are granted for a period not longer than 35 years.

Figure 11 – Granting and monitoring process of concessions



Allocation of HPP concessions

Identification of concession HPP opportunities

Ministry of Energy and Industry may identify areas for concessions through review of submissions received (unsolicited proposals) from private investors or other government institutions and non-governmental organizations.

Before announcing the concession opportunities, MEI will ensure on the technical feasibility and economic, environmental and social impact of any agreement, in accordance with the applicable laws.

When private investors initiate unsolicited proposals, they need to carry out and presents a feasibility study in their project proposal in accordance with minimum requirements of the applicable laws. The project proposal undergoes through a technical evaluation in accordance to CMD. No. 191, dated March 22, 2007 "For the establishment of state technical opposition to construction projects of HPP under concession". This evaluation is carried out by the group of hydro-energy, geology and the environment experts appointed by the Minister responsible for the economy and approved by AKBN in accordance with Law No. 8093, dated March 1, 1996, "On water reserves" and the Law No. 8402, dated September 10, 1998 "On the control and regulation of construction works"[75].

Procurement procedures

When project proposals turn into concession opportunities the Ministry invites all interested applicants to a tender procedure published through a contract notice, in accordance with Law No. 9643 November 20, 2006 "On Public Procurement" ("The law on public procurement"). By the decision No. 130 dated 12 March 2014 the Council of Ministers decided that the procurement of concessions, including acceptance of the projects and communication with the operators will be carried out via the official website of the Public Procurement Agency www.app.gov.al.

Concessions are allocated in accordance with the provisions of the Law No. 9643, dated 20 November 2006, and amended "On Public procurement".

According to Concession law and regulation each applicant shall be treated fairly, however Article 7 of the new concession law allows evaluation committee to assign a bonus up to 10% credits to the project proposer. If the concession is assigned to an investor other than the initial proposer, the new regulation provides compensation for the concession project proposer that varies from 0.5% to 2% of the concession value based on the extent of the feasibility study carried out in the initial project proposal.

The concession price is assessed against:

- Greater technical and economic advantages as assessed by the Contracting Authority, or
- Higher concession fee offered for the technical specifications required in the contract notice.

The operator must guarantee the performance of his duties up to 10% of the investment. This guarantee is executable in cases of termination of contract or violation of contractual terms.

Approval of concessions

All concession contracts are signed by the Ministry of Energy and Industry in the capacity of contracting authority and approved by the Council of Ministers. Upon the concession contract is signed and approved, the operator develops the detailed construction plan, which undergoes to the state technical evaluation before being approved. Construction of hydropower plants is subject to 10 up to 20 permits and licenses from various regulatory bodies, including: environmental permit (annual),

[75] CMD No. 191 dated March 22, 2007 "For the establishment of state technical opposition for to construction projects of HPP with concession"

permits for construction (preconstruction), permission for the use of water resources (annual), license for power generation (before start of operations), permission to connect to the transmission etc.

Technical and non-technical terms of the concession agreements and public-private partnerships are confidential and cannot be disclosed by any party without the consent of all parties to the concession agreement. The main terms and conditions of the concession agreements for the construction of hydropower plants are listed as follows:

1. Object of agreement

   The object of the concession agreement includes financing, design, construction, operation, management and maintenance of hydropower plant and at the end contract term transfer of plant to the Contracting Authority (Ministry of Energy and Industry) at the terms and technical conditions agreed.

2. Duration of the Concession

   The concession is granted for a period up to 35 years. The concession period may be extended in case of an Event of Force Majeure or as approved by the Council of Ministers.

3. The Concessionary Company

   Upon signing the concession agreement the concessionaire must establish a special purpose entity and pass all rights and obligations of the under concession contract to the new Concessionary Company. The Concessionary Company shall be organized as a Limited liability company or Joint stock company in accordance with the Albanian laws and shall conduct solely commercial activities under the terms of the concession contract. This company will operate until the duration of the concession agreement.

4. Features of the hydropower plant

   The concession clearly determines the name, location, number and technical terms of the hydropower plants and forecasted annual power production. The contract also determines the installed capacity plant.

5. Investment Value

   The concession agreement clearly states the total value to be invested by the Concessionaire in monetary terms and also part that will be investment in machinery and equipment. Because of the estimate risk, the actual investment may change from the forecasted investment, however cannot be lower than 95% of the forecasted value.

6. Concession fee and re-investment value

   Concession fee is expressed as a percentage of the forecasted annual power production. The fee is fixed and no changes apply until the end of the concession agreement. After 15 up to 25 years from contract signing the concessionaire shall reinvest a portion of the initial investment (given in percentage) for machinery and equipment.

7. Contract guarantee

   The Concessionaire must issue a performance on behalf of the Contracting Authority at an amount that varies form 5% to 10% of the total investment value, depending on the contract negotiations. Such will guarantee the proper construction of the plant and adherence to

operation, maintenance and other the contract terms for the concession period.

8. Guaranteeing of Concession benefits

   In accordance with the market rules the operator may sign a power purchase agreement with the Public Wholesale Supplier and will sell the electricity to the latter with applicable tariffs, set by ERE.

9. Other terms related to the projects risks

   In the case of complex and risky projects, the contract foresees allocation of certain risks and related costs associated to construction of the plant and other project features between the public and private partners.

Concessions Register

Until year 2013, the register of concessions was kept by the Contracting Authority in accordance with the old legislation of the concessions. The new law defines ATRAKO, established within the Ministry of Economic Development, Tourism, Trade and Entrepreneurship as responsible authority for maintaining the Concession Register. This register, along with a list of hydropower concessions in force is not made public. A copy of the hydropower concessions register is presented in Appendix 9 of this Report.

Monitoring the Concessions

MEI in association with AKBN are responsible for monitoring the implementation of concession and public private partnership contracts. AKBN reports to the Contracting Authority the situation of the concessions in the construction phase and related violations on quarterly basis. Currently, AKBN is in the process of evaluation of actual investment and installed capacity for concessions that have completed the construction phase and are in operation.

Licensing in power production

When HPP construction completes, the Concessionaire undergoes to a final technical review before applying for power production license. ERE grants power production license based on regulations in force. Regulations and licensing practices for the production, trading and supply of power and the register of licensees for each type license is continuously published on the official website of ERE: www.ere.gov.al.

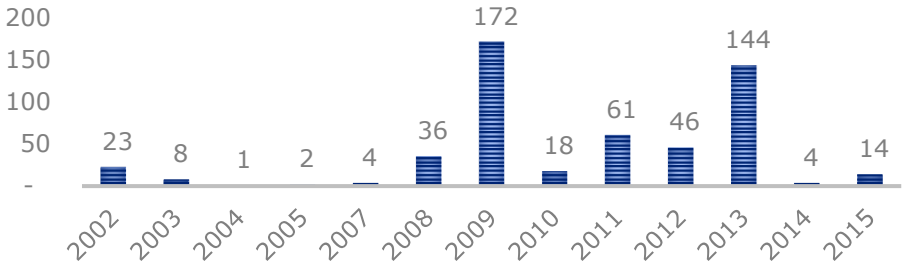
Reports published for the Power sector

In the first quarter of the following year, ERE publishes a comprehensive report on the state of the power sector through the reporting period. This Report includes information on a) generation, transmission and distribution of power, b) regulation and monitoring of operators in the power market, c) activity of licensing and handling of conflicts, d) legislation developments, e) Institutional and international relations on the power sector etc.

5.4 Concessions and private investments up to 2015

Based on data reported by AKBN[76], the Albanian state signed about 179 concession agreements for the construction of 533 HPP across the country during the period from 2002 to 2015. 2009 and 2013 are marked as years with high concession activity. In 2009 MEI granted 55 concessions for the construction of 177 HPPs that would have an installed capacity of 820 MW and an estimated annual output of 3,362 GWh. Based on the data reported by ERE, only 21 concession HPPs have generated electrical power during 2015 and 5 were can celled.

Chart 34 - Number of HPP granted through concession (2002-2015)



Source: Concession register reported by AKBN / ERE report – www.ere.gov.al

In 2013 MEI granted 46 concessions for the construction of 144 HPPs that would have add 484 MW to the domestic installed capacity and with an estimated annual output of 2,179 GWh. Based on the data reported by ERE, only 3 concession HPPs have generated electrical power during 2015.

Out of 533 HPPs under concession, 74 HPPs with installed capacity of 270 MW were in production and generated about 876 GWh during 2015.

Main concessions and private investments[77]

AKBN reports that during the years 2008 - 2011 Albanian Government signed concession agreements for the construction of six large hydropower stations as follows:

HPPs Ashta 1 and Ashta 2 on Drini River[78]

In 2008 the Government of Albania awarded a 35 year concession (build, operate and transfer - BOT) for construction of two hydropower plants Ashta 1 and Ashta 2 on Drini river that would utilize residual water released form HPP Vau i Dejes. The HPPs were completed and started production in 2013. The project brought a new technology with increased efficiency of water utilization, employing several small turbines instead of one large turbine. Investment of the project partners EVN AG and Verbund AG accumulate to EUR 200 million. Both HPPs have a total capacity of 53MW and are expected to generate an annual output of 240 GWh. HPP Ashta accumulates an output of 657 GWh[79] since the commcement of its operations in 2012 up to 2015.

Ashta has signed a power buyout agreement with KESH, for the sale of power generated at prices regulated by ERE. In case the company does not deliver the daily budget (declared production) will compensate KESH for the

[76] AKBN shared this information with use for the purpose of this Report.
[77] Source: "Hydro-energetic Potential" published by AKBN- www.akbn.gov.al
[78] Information presented in this section is derived from the Company's website - http://www.energji-ashta.al/
[79] Source: ERE reports 2012-2015: www.ere.gov.al

imbalances at market prices, and be compensated in case of reverse position.

Details of the project and investments are presented in Ashta's website: http://www.energji-ashta.al/.

HPPs on Devolli River[80]

In 2009 the Government of Albania awarded the right to develop three hydropower plants on Devoll river in Albania, through a Concession Agreement (build, own, operate and transfer - BOOT) to Devolli Hydropower Sh.a. (Devolli HPP) owned by Statkraft Markets B.V. for 75 years.

Currently the project consists of building two hydropower plants, Banja and Moglice in the valley of Devoll, with an installed capacity of 256 MW. The power plants are expected to generate an annual output of 729 GWh, which represent an increase of 15% compared to domestic output in 2014. HEC Banja was completed and entered in production in 2016, while HEC Mongolica is expected to be completed in 2018. Upon successful completion of the two HPPs, DHP will consider investing in a third HPP on Devoll River.

Devolli HPP will sell the power generated at prices negotiated in the power market. Details of the project and investments are presented in DHP website: http://www.devollhydropower.al/

HPP "Kalivaç" on Vjosa River

In 1997, the Government of Albania granted a 30 years BOT concession to Becchetti Energy Group (BEG SPA) for the construction of HPP Kalivac, on the Vjosa River. HPP would have a capacity of 100MW and generate and annual output of 350GWh. The project construction was expected to be completed in year 2000, however due to delayed investments fell several years behind the initial timeline. The concession agreement was further amended in year 2000 and in 2007 Deuche Bank AG acquired 45% of the shares in the Project. The Government of Albania and Deuche Bank AG pursuit legal cases against BEG SPA for breach in respective agreements.

HEC Ulza, Shkopet, Bistrica 1 and Bistrica 2

KESH owned and operated the medium sized HPPs of Ulez, Shkopet and Bistrica 1 & 2 with a total installed capacity of 78 MW. These HPPs were sold to Kurum International Ltd in the second semester of 2013 for price of USD 130 million.

[80] Information presented in this section is derived from the Company's website - http://www.devollhydropower.al/

5.5 Value generated by the power sector

Domestic energy needs are fulfilled through domestic output and imports of energy. Table 12 in the following presents an estimation of the value created collectively by the activities of power generation, supply, transmission and distribution

Table 12 – Value created collectively by the activities of power generation, supply, transmission and distribution in Albania

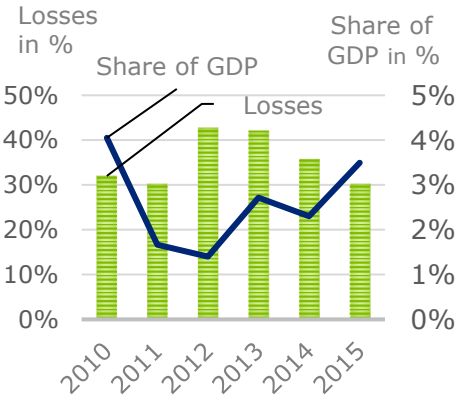
In Lek million		2010	2011	2012	2013	2014	2015
Power generated from private and concession HPPs (i)		1,118	1,008	2,590	7,675	11,201	10,959
Production and wholesale public supply (ii)		20,614	23,620	(2,683)	7,221	13,503	23,989
Power transmission and capacity allocation (iii)		3,895	4,415	5,767	5,534	6,417	6,394
Distribution and retail publish supply (iv)		24,588	(7,366)	12,990	16,237	976	8,766
Total in Lek million		**50,216**	**21,677**	**18,665**	**36,668**	**32,097**	**50,108**
Value created vs. GDP in %[81]		**4.05%**	**1.67%**	**1.40%**	**2.72%**	**2.30%**	**3.49%**
(a)	Domestic power output *(GWh)*[82]	7,674	4,036	4,725	6,959	4,726	5,866
(b)	Domestic use of power *(GWh)*	(4,606)	(5,032)	(4,369)	(4,551)	(5,011)	(5,069)
(c)	Network losses *(GWh)*	(2,167)	(2,179)	(3,250)	(3,306)	(2,783)	(2,196)
(d)	Import / export *(GWh)*	(901)	3,174	2,895	898	3,067	1,399
Network losses vs. % total available energy (a+d)		**32.0%**	**30.2%**	**42.7%**	**42.1%**	**35.7%**	**30.2%**

- Estimated through multiplying energy produced by private and concession HPPs with average prices applied by ERE for the concession HPPs. (Source: ERE reports for the years 2009-2015).
- Revenue generated from sale of energy less costs incurred for the purchase of energy. (Source: Financial Statements KESH).
- Revenue generated from energy transmission and allocation of transmission capacities. (Source: Financial Statements OST).
- Revenue generated from sale of energy less costs incurred for the purchase of energy. (Source: Financial Statements OSHEE).

The contribution of the hydropower sector, including generation, transmission and distribution is estimated to be about Lek 50.1 billion or 3.49% of GDP in 2015. During the last 6 years, the sector contribution to GDP did fluctuate significantly and reached its lowest peak at 1.4% in 2012 when network losses were about 42.7%

Fluctuations in the net income generated by KESH and OSHEE arise due to their public duties to secure power supply to all customer tariffs at regulated prices and procure additional energy to close the domestic power deficit at market prices. Both entities sell the energy at regulated prices below the energy costs procured through imports.

Chart 35 - Share of GDP% vs. network losses in %



Source: GDP stucture and Power Balance, INSTAT

[81] Burimi: "Prodhimi i brendshëm bruto sipas aktivitetit ekonomik" INSTAT – www.instat.gov.al
[82] Burimi: "Bilanci i Energjisë Elektrike, 2000-2015" INSTAT – www.instat.gov.al

Power foreign trade balance

KESH Gen exports daily power surpluses in excess of the needs for public use. When domestic power generated cannot fulfil the public demand for power and network losses, KESH Gen, WPS and RPS import power in the international market. Serbia, Switzerland, Montenegro and Slovenia were the main import and export partners in the international power market with above 80% of imports and exports during the period from 2011 to 2015.

Table 13 – Exports and imports of power during 2011 - 2015[83]

	2011	2012	2013	2014	2015
Exports					
Power exported in *GWh*	1,225	288	938	84	855
Value of power exported (*in Lek million)*	6.7	2.0	4.1	0.6	4.2
Average export price in Lek/KWh	**5.45**	**6.85**	**4.39**	**7.06**	**4.87**
Imports					
Power imported in *GWh*	3,003	3,394	1,674	3,219	4,184
Value of power imported (*in Lek million)*	22.6	30.1	11.3	23.0	27.4
Average import price in Lek/KWh	**7.52**	**8.87**	**6.76**	**7.15**	**6.55**

Source: Provided by the Albanian Custom Administrate

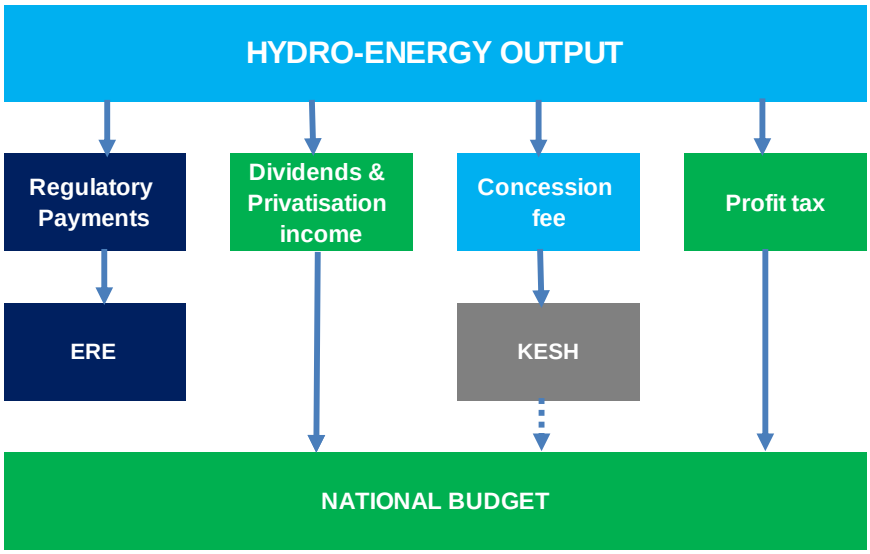
[83] Albanian Custom Authority provided information on quantity and value of energy import, exports and trade countries for the period from 2011 to 2014 for the purpose of this Report.

5.6 Revenue from the Power sector

The Albanian Government receives its share of the value created from the hydro-energy sector through:

- Taxation of activities
- Tariffs / fees and
- Dividends or profit from selling of direct investments in hydropower sector

Figure 12 - Allocation of revenue form the hydro-energy sector



Main revenue streams contributed by the hydropower sector are analysed in the following:

Table 14 - Main revenue streams contributed by the hydropower sector

	Fiscal revenue in MLek	Fiscal revenue in M$	Structure in %	State's Budget	KESH	ERE
Tax on profit	771	6.1	24.5%	6.1	-	-
VAT	1,352	10.7	42.9%	10.7	-	-
Payments for social and health insurance and personal income tax	448	3.6	14.2%	3.6	-	-
Personal income tax	291	2.3	9.2%	2.3	-	-
Tax on dividend	11	0.1	0.4%	0.1	-	-
Tax penalties	5	0.0	0.2%	0.0	-	-
Concession tariff	180	1.4	5.7%	-	1.4	-
Payments for licenses and regulation	95	0.8	3.0%	-	-	0.8
Total	**3,154**	**25.0**	**100.0%**	**22.9**	**1.4**	**0.8**

Concession fees and contract related income

Concession fee is paid to the Contracting Authority as a percentage of the value of annual power output generated from the HPP and any other benefit arising from the agreement. This percentage is confidential part of the agreement and differs in various concessions. The fee is calculated as a percentage on each monthly bill for power sold to KESH, and is collected by KESH on behalf of the Contracting Authority, in accordance with Order No. 4 dated January 9, 2012 of the Minister of Economy, Trade and Energy, responsible for the energy sector at that time.

Other income arising from HPP agreements

In addition to concession fee, HPP concessions may generate significant penalties for non-compliance with concession and PPP agreement

Penalties are negotiated as part of the contract negotiations. The concession agreement stipulates penalties for:

- Breach of the deadlines for the submission of the construction project;
- Breach of the terms and conditions of the contract;
- Failure to invest at least 95% of the contracted value;
- Failure to install capacity agreed;
- Failure to produce of the annual power output compared to forecasted output, etc.

Contracting Authority benefits the contract guarantee up to 10% of the investment value, if terminates the contract, as a result of the failure of the private partner to fulfil the contractual terms.

MEI did not report income from penalties for in 2015.

Income from investments and privatization of state-owned companies

Power sector is dominated by State-owned companies. As a Shareholder, the State receives dividends distributed out of the companies' net profit and income and revenues from partial or complete sale of its shares.

MEI and MEDTTS did not report material income from the privatization of public entities or sale of their sale of assets during 2015.

Tax on profit

Tax on profit is levied from the General Directorate of Taxes as a percentage of the company’s net profit. Up to December 2013, in accordance with “Law on Income tax” No. 8438, dated 28 December 1998, amended, profit tax in Albania was charged at 10% on net profit. Starting from 1 January 2014 profit tax rate increased to 15% of the company’s net profit. Full requirements of this Law apply to the mining sector.

VAT

Value Added Tax (VAT) is payable at 20% of taxable sales in the country based on the Law no. 92/2014 “On Value Added Tax”. VAT on exports is taxed at 0%. VAT represent a material revenue stream in the power sector, as a result of dominated domestic sales.

Tariffs for licensing and regulation of the power sector

All tariffs for licensing on production, trade, supply and distribution of power are paid at the time the license is granted, modified or transferred as set by ERE. ERE collects annually by the licensee regulatory fees which are derived on the basis of revenue generated from under the licensed activity. These revenues are part of the budget of ERE and are used to cover the operating costs of the institution.

6. Subnational transfers

Royalty levied from taxable sales of oil, gas, and minerals is recorded in the State Budget. According to Law on National taxes no. 9975, dated 28 July 2008, amended, a portion of royalty tax shall be allocated to each local government unit ("LGU") in proportion with their contribution to the domestic output of oil, gas and mining.

Up to November 2014, the Law on National taxes requested 25% of royalty tax to be allocated to each local government unit ("LGU") in proportion with their contribution, however within the terms of the annual budget law.

On 27 November 2014, the Albanian Parliament approved changes to the Law on National taxes. According to the proposed changes, the LGUs will be entitled to receive 5% of the royalty generated from companies operating in their area regardless any transfer foreseen in accordance with the annual budget law.

Instruction no. 26, dated 4.9.2008 "On national taxes", amended sets the reconciliation procedures to be performed to ensure accurate allocation of royalty. Accordingly, each LGU shall agree at the end of the month royalty payments made by licensees operating in the LGU district, with the regional directorate of taxes and customs. The regional directorates of taxes and customs shall submit analytical list of royalty collected and benefiting LGUs to the Directorate of Budget at Ministry of Finance, which initiates monthly transfers of royalty to LGUs.

For oil companies, which operate simultaneously in several LGUs the instruction sets portion of royalty allocated to each LGU based on the output generated by each oil and gas field.

Royalty is the main tax lievied by the State from the extractive sector in the country.

Starting from 2015, 5% of the royalty collected and recorded in the National Budget will be allocated to the producing LGUs.

The following table presents the subnational transfers made so far out of royalty collected for the year 2015.

Table 15 – Royalty collected and transferred 2015

Amounts in MLek	Custom authorities	Tax authorities	Total royalty	Transferable royalty @ 5%	Royalty transferred (*)	Royalty transferred in %	Royalty not yet transferred
Mining sector	774.7	330.1	1,104.8	55.2	28.4	2.57%	26.8
Oil & gas sector	3,100.8	945.1	4,045.8	202.3	151.7	3.75%	50.6
Total	**3,875.5**	**1,275.1**	**5,150.6**	**257.5**	**180.1**	**3.50%**	**77.4**

(*) These amounts include royalty transferred so far out of the collected royalty for the year 2015, including subnational transfers made in 2015 and 2016.

Based on the data reported by the Ministry of Finance, Custom authorities and tax authorities' sub-national royalty payment comprised about 3.5% of total royalty payments levied in 2015. The amount of Lek 77.4 million is not yet allocated to the generating LGUs at the date of this report.

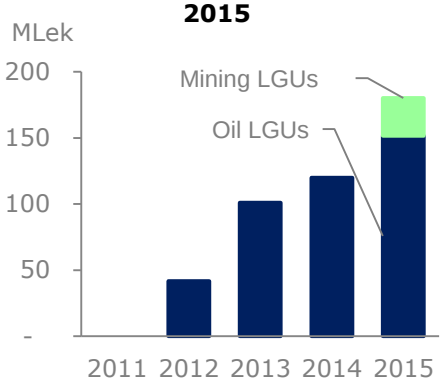
Ministry of Finance explained that LGUs are responsible to initiate the process through reconciliation procedures and that the amount not yet allocated were not claimed by the LGUs. The Ministry of Finance confirmed that noted this deficiency arising on the this first implementation year since the law changes were introduced and is investigating the unclaimed amounts in order to ensure complete allocation of the outstanding transferable royalty. In the following the Ministry of Finance will introduce necessary amendments to the regulatory procedures in order to prevent cases of under-claims or over-claims in the future.

Chart 36 shows the trend of subnational royalty for the year from 2011 to 2015.

Chart shows an increasing share of royalty allocated to the local government budgets in the last five years.

Up to 2014, only oil producing countries could benefit from the subnational transfers of royalty and no clear correlation could be made between royalty collected and subnational transfers. Since 2015, royalty transfers procedure provide clear references for allocation and led to increased level of subnational transfers of royalty. These transfers will be even higher when the royalty for 2015 is fully allocated to the producing LGUs.

Chart 36 - Subnational transfers of royalty 2011-2015



Source: EITI reports 2011-2015

7. Audit and disclosure requirements in Albania

Companies operating in the extractive sectors and public institutions providing supervision and oversight to the extractive sector are subject to the same statutory reporting and audit requirements as all private and public entities in Albania.

No special audit requirements were imposed with regard to the numbers reported under EITI.

Audit of private companies

In Albania, every limited liability company ("Ltd" or "Sh.p.k."), except for small companies, is subject to statutory audit. Law on Audit no. 10091 "On statutory audit, organization of the registered auditor and chartered accountant profession", dated 5 March 2009 defines as small companies those that meet two of the following criteria:

- Total assets are lower than Lek 40 million
- An average of no more than 30 persons are employed, and
- Annual revenue does not exceed Lek 30 million.

Limited liability companies electing to report under IFRS for statutory purposes are subject to audit requirements regardless the thresholds set above. Branches of foreign operations are not subject to statutory audits, unless they elects to report under IFRS for statutory purposes.

Joint stock companies ("JSC" or "Sh.a.") are subject to statutory audit regardless of their size. The audit is based on laws, regulations, and auditing standards and practices generally accepted in Albania, including International Standards on Auditing. The Financial statements are submitted to the National Registration Centre (www.qkr.gov.al) within July 31 of the subsequent calendar year.

No special audit requirements were imposed with regard to the numbers reported under EITI.

At present, there are no requirements on the independent audit of the performance of the petroleum agreements and concessions and public-private partnership terms in Albania, not even as part of the annual statutory audit.

Audit of government entities

The Supreme State Auditor in Albania performs audits on the State's activities and accounts. The audit is performed in accordance with laws and regulations for the Office of the Supreme State Auditor, and with the

standards and guidelines of the Office of the Supreme State Auditor in its website: http://www.klsh.org.al/. The auditing standards and guidelines are based on the INTOSAI standards for government auditing.

Ownership of private companies

Information on the shareholders and activity of all companies operating in the Republic of Albania can be accessed at the National Registration Centre website: http://www.qkr.gov.al/nrc/default1.aspx.

This information extends to the direct shareholders of the company. The Ministry does not maintain a register listing the all beneficial owners and their shares in accordance with EITI definition.

Disclosure of beneficiary owners

EITI standard amended in 2016, requires that by 1 January 2020, all implementing countries must ensure that corporate entities that bid for, operate or invest in extractive assets disclose the identity of their beneficial owners. It is recommended that the beneficial ownership information is made available through a public registers. In addition, any politically exposed persons who are beneficial owners must be identified.

In order to ensure that the necessary preparatory steps and reforms are undertaken, EITI Albania engaged a legal due diligence aiming to agree and publish roadmap to beneficial ownership disclosures by January 2017 and draft regulatory changes. In addition to the legal due diligence the MSG decided to perform enquiries of the reporting entities in order to receive feedback on their readiness to cooperate.

The reporting templates for the year 2015 included a specific form explaining the beneficial ownership and asking the reporting entities to provide information. At the date of this report we received information from 31 licensees out of 134 selected reporting entities. Information compiled in the templates included up to the direct shareholders as publically disclosed also in the National Commercial register at www.qkr.gov.al. During the data collection process, representatives of the reporting entities commended that were not able to or authorised to provide this information.

8. Overview of flows reported and reporting entities

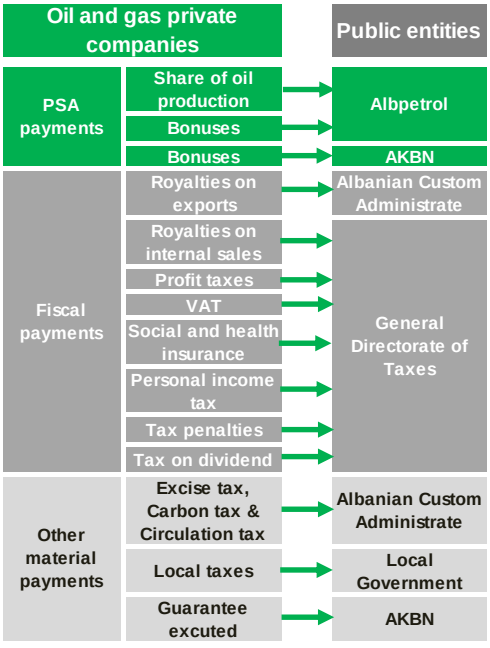
Companies and Government entities must report material taxes and revenues. The MSG defines the payments and companies to be included in the reporting based on the substantial revenue that flows to the State budget from the extractive sector and hydro-energy sector.

Accordingly, licensees shall report these payments made in the year 2015 in relation to the oil, gas, mining activity and hydro-energy activity. The MSG, through the terms of references for EITI reporting, specified revenue streams to be reconciled described in the following.

8.1 Selection of payments and reporting entities in the oil and gas sector

In accordance with the requirements set in EITI standard 4.184, the MSG selected for reporting:

1. All material payments arising from the contractual terms set in Petroleum Agreements such as share of oil production and bonuses (see sections 2.2.2 and 2.2.3).These payments are collected by Albpetrol for areas under Albpetrol's administration or AKBN for areas under AKBN's administration. Currently, petroleum agreements granted for areas under AKBN's administration have not entered the production phase and therefore did not generate share of oil payments in the year 2013 and 2014.
2. All material payments arising from the State's direct investment in the sector. These include only dividends from Albpetrol in the years 2013 and 2014.
3. Fiscal payments such as royalty, profit tax and tax on dividend, which are directly related to the petroleum operations. In addition to the payments listed in EITI requirement 4.1, the MSG decided to reconcile also payments for Tax penalties and VAT as these have shown to be a substantial flow to the National budget in the past.

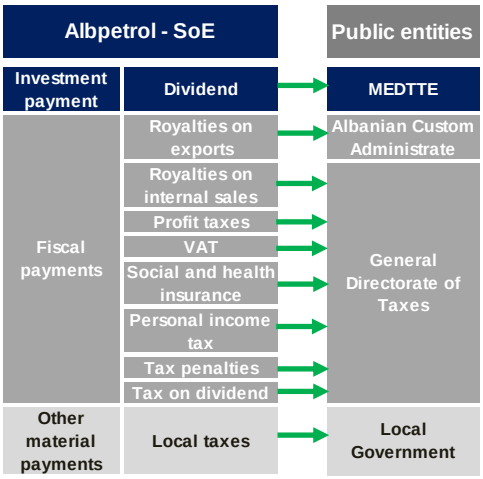


[84] EITI REQUIREMENT 4 lists the minimum payments which are required to be reconciled.

4. Other payments made if exceeding USD 50,000 for payments made to the State and 5,000 USD for payments made to the LGUs.

The MSG asked to report all oil and gas companies operating in 2015. (List shown in Appendix 1).

In Albania, the MSG (through terms of references) have excluded payments that are not directly related to upstream oil, gas and mining activity such as import duties and local taxes are general in nature and apply to all industries. Such fees and taxes are similar for all industries and no special rates apply for oil, gas and mining companies. In addition, licensee and entry fees do not give rise to substantial payments from the sector and hence are not included in the reconciliation. However, when local taxes reported were above 50,000 USD, these were selected for reconciliation as material payments



Social payments

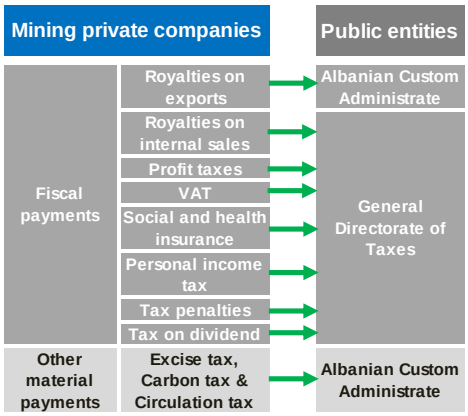
Companies were asked to declare details of social payments in excess of Lek 5 million per payment. The recipient of the payment was not required to confirm the receipt and accordingly, any payments declared were not reconciled between paying and receiving entities.

Payments in kind

Reporting entities were requested to report contributions in kind made to or received by Government or state owned entities.

8.2 Selection of payments and reporting entities in the mining sector

Payment streams selected for reconciliation in the mining sector include all fiscal payments such as royalty, profit tax and tax on dividend, which are directly related to the mining operations. In addition to these payments, the MSG decided to reconcile also payments for Tax penalties and VAT as these have shown to be a substantial flow to the National budget in the past.



Companies operating in the mining were instructed to report and describe other material payments to the State in exceed of USD 50,000 and to LGUs in exceed of 5,000 USD.

In the mining sector, the MSG and EITI Albania selected for reporting all mining companies operating an exploration license in attempt to discover material payments arising from exploration activities and the largest mining producers based in the following criteria:

- for the chromium sub-sector, selection included all companies that reported production more than 3.000 tons p.a.;
- for the copper sub-sector, selection included all companies reporting production in excess of 100 tons p.a.;
- for the nickel sub-sector, all companies that reported production above 10.000 tons per year;
- for limestone sub-sector, all companies that reported production above 20.000 tons per year, and for clay above 100,000 ton;
- for the bitumen and bitumen sands sub-sector that reported production above 10.000 tons per year;

The selection resulted in 106 reporting entities in the year 2015. (List of selected reporting entities in the mining sector is shown in Appendix 2)

No material payments related to mining concession agreements in were reported by licensees in 2015.

The selection is assumed to cover 89% of the estimated mining production value in 2015. However, this analysis is limited because information provided by AKBN on production for the years 2015 did not include details of minerals quality (concentration). Under these circumstances, mining production could not be priced after international prices for mineral ores. In addition, as explained in section 4.1, AKBN alerts that production data reported is based on self-declarations submitted by licenses. AKBN did not perform further tests to confirm accuracy and completeness of production was extracted. Further, not all licensees submitted their reporting for the years 2015. About only 67% of total licenses reported (400 out of 597 licenses) their production in 2015. Considering these facts, significant uncertainties affect production data and the value of production reported in 2015.

8.3 Selection of payments and reporting entities in the hydro-energy sector

The MSG decided to include the hydro-energy sector under the cadre of EITI reporting starting from year 2013. In order to assess importance of the sector and materiality of payment flows the MSG engaged Deloitte Audit Albania sh.p.k. on February, 11 2015 "To perform a scoping study for the assessment of the contribution of the hydro-energy production sector to the Albanian economy and its inclusion under the "cadre" of Albania EITI reports".

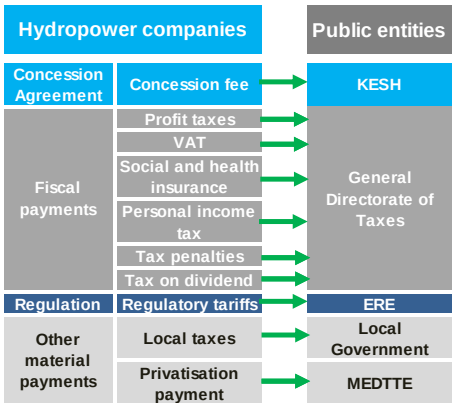
The scoping study brought main facts on:

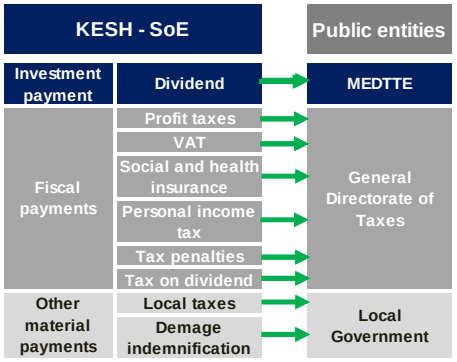
- the State's participation in the sector and material flows and relations between the State and the SoEs;
- Payments generated by the hydropower companies in the production phase and pre-production phase based on applicable law and regulation in force; and
- Proposed materiality thresholds.

The study revealed that material flows are contributed by companies operating in the production phase, whereas KESH, the public power generating company contributes the largest share. The MSG asked to report the 13 largest hydro-energy producers including KESH, which generated 97% of the output in 2015. In attempt to capture any material payments arising in the pre-production phase the MSG decided to include in the reporting process the four largest investors. (List of selected reporting entities is shown in Appendix 3)

Payment streams selected for reconciliation in the hydro-energy sector include:

1. Concessionary fee, which is payable in accordance with the concession agreement based on the annual output generated by companies operating HPP concessions; and
2. Fiscal payments such as royalty, profit tax and tax on dividend, which are directly related to the mining operations. In addition to these payments, the MSG decided to reconcile also payments for Tax penalties and VAT as these have shown to be a substantial flow to the National budget in the past.
3. Investment and other payments made by KESH to the State in the capacity of its shareholder.





4. Companies operating in the hydro-energy sector were instructed to report and describe other material payments to the State in exceed of USD 50,000 and to LGUs in exceed of 5,000 USD.

8.4 Other limitations in the analysis of material payments

The Government's reporting systems could not produce information on revenue generated by each sector aggregated for each applicable payment stream. We understand that the Government revenues and expenditures are recorded through a single cash management system: the Treasury system. This system can provide information on a monthly basis on revenue generated for each tax, however cannot disaggregate for the upstream oil and gas sector, the mining sector and the hydro-energy sector.

In absence of such information, the MSG cannot receive from the Government's information system accurate and complete information on the total revenue generated for each applicable revenue stream in the sectors of oil, gas, mining and hydro-energy.

In addition, the Government's information system cannot produce information on total revenue generated by each individual license due to the following reasons:

1. Companies may operate one or more license, however, taxes and payment streams are not recorded separately for the individual license, but for the entire business operating a Unique Tax Identification Number (NUIS). Hence, the cost account systems can produce information for taxes paid by a NUIS, but not for taxes paid by each license, unless a separate NUIS is granted for each operating license.
2. Each public entity collecting revenue maintains its own management accounting system for recording and administering payments made by each NUIS. More specifically, the General Directorate of Tax, Albanian Custom Administrate, Local tax directorates, Local government units, Ministries and other public entities that collect revenue have their own records on revenue accrued and payments made by each NUIS, however this information is not consolidated in the Government's information system to provide aggregated revenue generated by each individual NUIS. Therefore, the MSG cannot retrieve information on total revenue generated by each NUIS in a fiscal year in order to identify material reporting entities.

Furthermore, management accounting systems held separately by each public entity (including tax and custom authorities) could not produce information on revenue disaggregated by payment streams for the sector of oil and gas, mining and hydro-energy. We understood that sectors' classifications in their management systems are not set in order to include licensees operating in the upstream oil and gas, mining and hydro-energy sector. Therefore, the MSG cannot retrieve accurate and complete information on the revenue generated in total and by payment stream from the sectors under EITI reporting.

9. Approach, methodology and work done

Companies and Government entities must report material taxes and revenues. The MSG defines the payments and companies to be included in the reporting based on the substantial revenue that flows to the State budget from the extractive sector and hydro-energy sector.

We conducted our work in accordance with the Terms of set forth in the consultancy contract dated July, 14 2016 ("the Administrator's term"). The objective of our engagements was to compile the EITI report for the years 2015 and 2016 in accordance the EITI Standard published, amended in February 2016.

In accordance with our scope of work we performed the following:

1. **Collated the necessary contextual information with regard to the following:**
   a. Description of the legal framework and fiscal regime governing the extractive industries (Requirement 2).
   b. Overview of the extractive industries, including any significant exploration activities (Requirement 3);
   c. Contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report (Requirement 4) limited to the analysis and information published by the Albanian Institute of Statistics;
   d. Production data for the fiscal year covered by the EITI Report (Requirement 3);
   e. Information regarding state participation in the extractive industries and hydro-energy sector (Requirement 4);

f. Distribution of revenues from the extractive industries (Requirement 5);
g. Information on the licensees register and process for allocation of licenses (Requirement 3)
h. A compact description/guideline of the licensing steps, requirements and involved institutions per each of the industries analysed on the report.
i. Any information requested by the MSG on beneficial ownership (Requirement 3)
j. Any information requested by the MSG on contracts (Requirement 3).

Process and approach for collating and analysing contextual information

We performed a preliminary analysis through collecting and analysing the following background information:

- Law and regulation, including the governance arrangements and tax policies;
- Conclusions and recommendations from previous EITI Reports and Validations.
- Facts and procedures published on the websites of:
- Ministry of Energy and Industry - www.energjia.gov.al;
- Ministry of Finance - www.financa.gov.al;
- Ministry of Economic Development, Trade, Tourism and Entrepreneurship - www.ekonomia.gov.al;
- General Directorate of Taxes – www.tatime.gov.al;
- Albanian Customs Directorate – www.dogana.gov.al;
- AKBN – www.akbn.gov.al;
- Albpetrol – www.albpetrol.al;
- Albanian Statistic Institute – www.instat.gov.al;
- Albanian Energy Regulator - www.ere.gov.al;
- KESH – www.kesh.al;
- OSHEE – www.oshee.al;
- OST – www.ost.al; and
- Major companies in the operating private sector of oil and gas, mining and hydro-energy: www.bankerspetroleum.com; www.albchrome.al; www.beralb.com; www.devollhydropower.al; www.energji-ashta.al etc.

Based on the preliminary summary and analysis of contextual information developed reporting templates to collect information that was not published/accessible in the government entities' websites in August 2016.

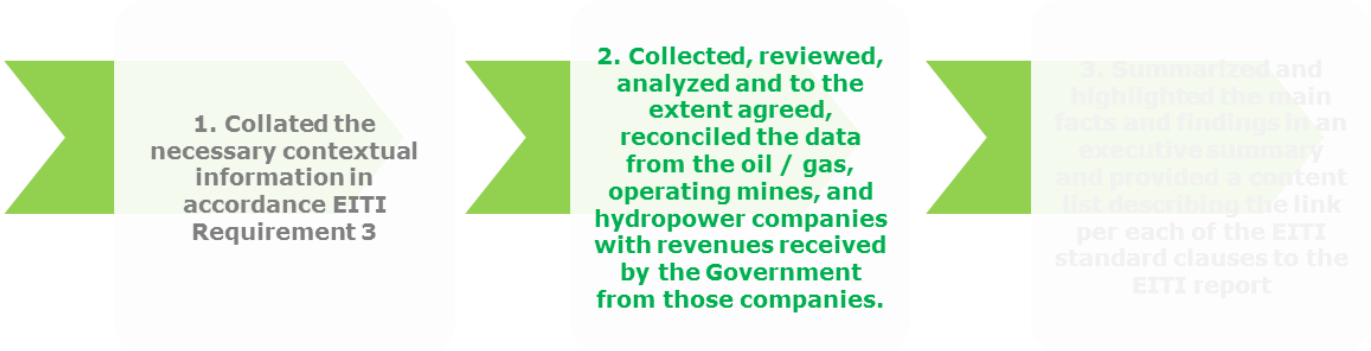
The public entities submitted their reporting of contextual information via email from August until December 2016. We collated, analysed and corroborated the information received through meetings and correspondences.

Where applicable, we identified and analysed limitations and barriers to collating and publication of contextual information in the report.

Disclaimer

Our work is limited to gathering and analysing the information presented in this Report in accordance with the terms of references integral part of our engagement contract. Our work did not extent to providing assurance or reconciliation of the contextual data and information

presented in this study. All sources of information are clearly referenced across the study.



2. Approach the collating and reconciling payments

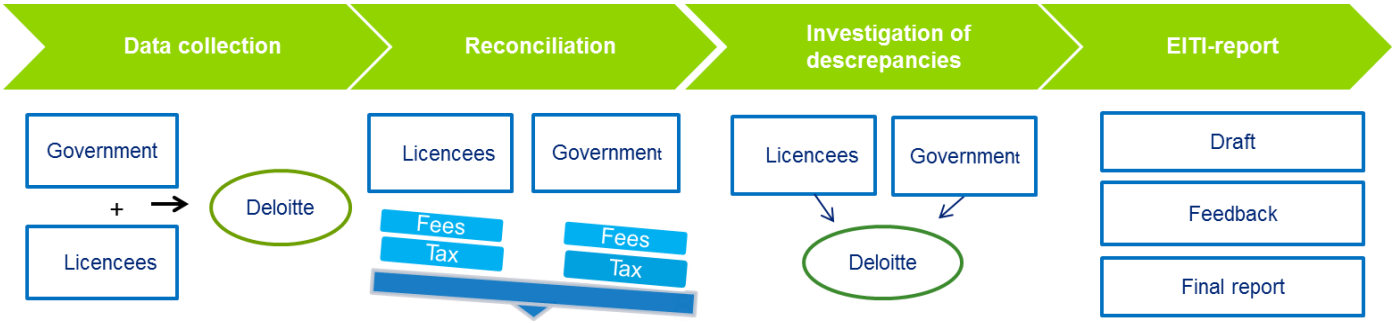
In accordance with the Administrator's role set in the EITI Standard and the terms of reference integral part of our engagement contract with regard to reconciliation of material payments, we:

- Reviewed the materiality thresholds, reporting entities and payment streams selected by the Albanian Working Group. Commented, as applicable, on limitation of data used for setting materiality thresholds and making selections.
- Based on the revenue streams approved by the Albanian Working Group, prepared the draft EITI Reporting Template for review and approval by Albanian EITI Secretariat and Albanian Working Group.
- Lectured a workshop organized by EITI Albania on 6 September 2016, where provided instructions and tips for the reconciliation process and submission of reporting to companies operating in the oil and gas, mining and hydro-energy sector.
- Distributed the reporting templates via CD to the participants in the seminar and electronically via email to all the selected reporting companies and public institutions. In many cases information obtained with regard to reporting licensees on tax identification number, contact details, address etc. resulted to be incorrect. Such barrier complicated and extended further the process of collating and reconciling payments;
- Collected reporting of payment data from the recipient public entities and licensees that provide the basis for reconciliation. Public entities and licensees submitted their electronic reporting via email from 14 August to 29 December 2016, beyond the deadline set as at 31 October 2016;
- Updated EITI Albanian on regular basis on the status of reporting of public entities and licensees in order to ensure cooperation of these parties within the timeline set by our engagement contract;
- Compared amounts reported by the recipient public entities and the licensees to determine if there were discrepancies between what the public entities report as received and the licensees report to have paid;
- Contacted with public entities and licensees to clarify the reason for the discrepancy. Because of significant delays in reporting from both parties the process of investigating and clarifying the payments was extended until the end of December 2016;
- Reconciled the reported figures against other publicly available information, including the State Budget accounts, where these provided at a disaggregated level;

- Prepared the draft report summarizing the results of the work and lessons learned including recommendations for improvement and follow up on prior year's recommendations;
- Where applicable commented on limitation and barriers identified during the process;
- Obtained and reflected on the draft report, input from stakeholder groups and delivered the final report.

Figure 18 as follows summarizes the reporting and reconciliation process.

Figure 18 – Flow of the reconciliation process



We obtained the financial statements or Albpetrol and KESH, but because these entities receive payments in kind rather than cash flows we could not compare directly cash flows reported by the licensees to, what disclosed in Albpetrol's and KESH's audited financial statements for the years 2015. We requested but did not receive until the date of this Report the audited financial statements of AKBN.

We requested but did not receive confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. We understand that this request comes with extract costs for the companies when asked after the audit of financial statements for the years under report have been completed. We recommend the MSG pursue such procedure so that the confirmation letter be integrated into the usual work program of the company's auditor and ensure that all reporting entities be audited regardless their legal form.

By the date of this Report we received reporting templates for 122 out of 134 selected licensees in 2015. Out of these, we received official reporting signed by senior company official attesting that the completed reporting form is a complete and accurate only by 15.

Because the financial accounts produced by the General Directorate of Taxes and the Albania Custom Directorate do not provide disaggregated disclosures of revenue collected by the oil and gas, mining and hydro-energy sectors, we could not compare the information included in this Report to their published annual accounts,

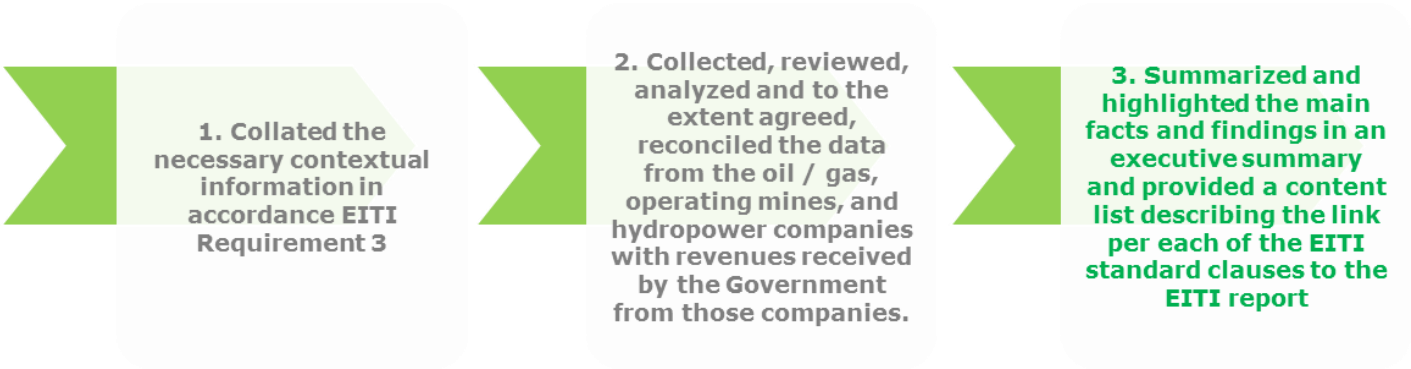
The EITI Standard provides no materiality for explanation of discrepancies. Consequently, to the extent that we did not succeed in finding the reason for the discrepancy through contact with the licensees, we contacted the governmental agency and asked for details of the cash flows.

Due to lack of disaggregated information, we could not compare the reported cash flows under EITI with cash flows from the petroleum and mining industry as presented in the state accounts for the years 2015.

This process does not confirm that there were no other payments made to the government other than those that were reported, as such amounts may have been omitted in the reporting from licensees and governmental agencies at the same time.

The current regulations do not require us to perform detailed testing in order to uncover such omissions; and to uncover these omissions would be difficult even through detailed testing of all licensees.

The results of our procedures are presented in chapter 10.



Finally, in order to highlight main facts and provide an easy-to read information we summarized the main facts and findings from the report in an executive summary, provided key facts over the sectors in section 2.1 and summarized results of the reconciliation chapter 10. Further, we provided content list describing the link per each of the EITI standard clauses to the EITI report in the Appendix 10 of this Report.

10. Results of the reconciliation

This chapter presents reconciliation of cash flows from the oil and gas licensees, the selected mining licensees and hydropower companies, as well as a reconciliation of payments made by Albpetrol to the State budget.

The table below summarizes the result of the reconciliation for the year 2015:

Table 16 – Results of reconciliation for the year 2015

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Adjusted reporting		Remaining discrepancy	
			Payer	Recipient	Payer	Recipient	Unidentified	Without counter-party
Oil and gas sector	11,010,880	10,757,610	66,103	318,292	11,076,983	11,075,902	1,081	-
Mining sector	3,207,688	4,116,941	(84,942)	(985,223)	3,122,747	3,131,718	(3,898)	(5,359)
Hydro-energy sector	2,538,390	3,690,493	34,864	(800,778)	2,573,255	2,889,716	8,322	(324,783)
Total	**16,756,958**	**18,565,044**	**16,026**	**(1,467,709)**	**16,772,984**	**17,097,336**	**5,505**	**(330,142)**

10.1 Reconciliation of aggregated cash flows from the oil and gas

In total, 8 private oil companies were asked to report payments in 2015, respectively 6 production licensees and 4 exploration licensees. Bankers Petroleum holds both production and exploration licenses.

We received reporting from all private oil companies and Albpetrol.

Based on unilateral reporting from the government entities, there were no cash flows from the non-reporting company.

The table below presents the aggregated cash flows reported by petroleum companies.

Table 17 - Aggregated payments from the oil and gas sector in 2015

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy explained		Adjusted amount	Without counter-party
		Payer	Recipient		
Licenses	11,010,880	66,103	-	11,076,983	-
Government	10,757,610	-	318,292	11,075,902	-
Discrepancy	**253,270**			**1,081**	-

The licensees initially reported payments of TLEK 11,010,880 to the Government, which were TLEK 253,270 lower than the payments reported by the Government.

The discrepancies of TLEK 66,103 and TLEK 318,292 were explained through the reconciliation work. A list of discrepancies noted is presented in the reconciliations by revenue stream below.

The column "without reporting from counterparty", includes amounts reported unilaterally by the Government for those licensees mentioned above, who failed to report by the date this Report is published and vice versa.

Reconciliation of cash flows from oil and gas by revenue stream

Table 18 - Aggregated payments from the oil and gas sector– by revenue stream

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without counter-party
Share of oil payments	1,623,662	1,615,639	-	-	8,024	-
Royalty – exports	3,181,484	3,129,277	(13,891)	39,090	(774)	-
Royalty – internal sales	857,139	928,440	87,849	16,548	(0)	-
Bonuses - AKBN	44,758	44,758	-	-	-	-
Bonuses - Albpetrol	32,701	13,226	-	32,701	(13,226)	-
VAT	288,464	284,295	1,575	5,800	(56)	-
Tax on profit	1,061,443	1,061,443	0	-	-	-
Payments for SI and HI	1,392,035	1,367,295	22,580	47,450	(130)	-
Tax on dividend	48,735	49,663	2,642	1,714	-	-
Tax Penalties	38,432	243	(34,652)	3,556	(19)	-
Other payments - State	2,276,078	2,104,643	-	171,435	-	-
Other payments – LGU	165,950	158,688	-	-	7,263	-
Total	**11,010,880**	**10,757,610**	**66,103**	**318,292**	**1,081**	**-**

Royalty stands out as the largest cash flow paid from the oil and gas sector, with 32% of the total payments reported above. Royalty paid to the custom authorities on exports was 25% of total payments reported in 2015, which is explained with export trends of the crude oil. Share of oil payments was the second largest payment stream reported in 2013, respectively at 13% of the total payments reported above. Bankers Petroleum contributed the largest share of the total cash flows, respectively at 74%.

In addition, Bankers Petroleum reported social payments in 2015 at the amount of Lek 194 million made for the benefit of the community in the area surrounding the business. These payments were not reconciled to the recipient.

Other reporting matters

As at the date of this Report, 8 out of 9 licenses submitted officially signed declarations and authorizations for publication of data, beside the electronic declarations submitted earlier via email.

We did not receive reporting from Emanuelle Adriatic Energy Ltd, however the Government entities did not report payments collected from this company.

Discrepancies in reporting

In total, 6 oil companies adjusted their initial reporting, whilst Government entities adjusted their initial reporting for 8 cases. In total 29 discrepancies were explained through reconciliation work. By the date of this report 18 discrepancies amounting TLEK 1,081 remained unsolved.

The main reasons and explanations for the resolved discrepancies were as follows:

- Amounts not reported initially by Tax authority. In these cases licensees provided payment documents showing the beneficiary entity.
- In some cases the Licensees had not reported payments, which were declared from the Tax authority.
- Parties reported accruals versus cash flows
- Different assumption used in conversion from barrel to ton.
- In many cases, licensees and the tax authorities reported taxes which were not in scope of the reconciliation.
- Many licensees confused payments of taxes with each other and penalties paid.
- Licensees reported deposits made for royalty, rather than actual royalty paid on exports to the custom authorities. (*)

(*) In case of exports, the licensees deposit in advance prepayments for royalty at the Custom’s account. Royalty is withheld out of this prepayment on the export date. The Government’s revenue is recorded on the export date and prior to this date the prepaid deposit pertains to the licensee. Therefore, prepayments are not considered as cash revenue, until used to pay royalty on export.

A disaggregated overview company-by-company is presented in Appendix 1

10.2 Reconciliation of aggregated cash flows paid to the State budget from the mining sector

In total, 106 mining licensees were asked to report payments to the State budget, 104 production licensees and 3 exploration licensees, respectively. Beralb holds both production and exploration licenses.

We received declarations for 100 out of 106 licensees. The companies who failed to report until the date of this Report were Durici, Kurti, Silbora, Nickel Mine, Oruçi, and Afrimi - K.

Based on unilateral declarations from the government agencies, the cash flows from these six companies amount to 0.2% of total cash flows reported from the mining sector.

The table below presents the aggregated cash flows reported by mining companies.

Table 19 - Aggregated payments from the mining sector in 2015

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy explained		Adjusted amount	Without counter-party
		Payer	Recipient		
Licenses	3,207,688	(84,942)	-	3,122,747	(5,359)
Government	4,116,941	-	(985,223)	3,131,718	-
Discrepancy	**(909,253)**			**(8,971)**	**(5,359)**

The licensees initially reported payments of TLEK 3,207,688 to the Government, which were TLEK 909,253 less than the payments reported by the Government.

The discrepancies of TLEK 84,942 and TLEK 985,223 were explained through the reconciliation work. A list of discrepancies noted is presented in the reconciliations by revenue stream below.

The column "without reporting from counterparty", includes amounts reported unilaterally by the Government for those licensees mentioned above, who failed to report by the date this Report is published and vice versa.

Reconciliation of cash flows from mining by revenue stream

Table 20 - Aggregated payments from the mining sector– by revenue stream

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without counter-party
Royalty - Custom authorities	479,340	468,276	(9,298)	928	837	-
Royalty - Tax authorities	255,723	311,299	(8,949)	(68,750)	4,235	(10)
VAT	465,479	784,255	19,932	(250,789)	(48,064)	-
Tax on profit	468,642	1,145,206	3,096	(671,202)	(45)	(2,214)
Payments for SI and HI	1,297,785	1,332,176	14,764	4,103	(20,741)	(3,135)
Tax on dividend	173,624	60,206	(110,535)	1,887	996	-
Tax penalties	67,096	15,524	6,048	(1,400)	58,884	-
Total	**3,207,688**	**4,116,941**	**(84,942)**	**(985,223)**	**(3,898)**	**(5,359)**

Payment of social and health insurance, Profit tax and royalty comprise respectively 42%, 15% and 23% of total reported cash flows from the mining sector. Contributions from the eight producers of chromium, copper and limestone comprise together 28% of the total cash flows reported from the

mining sector. Respectively, Beralb (copper) contributed with 6% to total cash flows reported in the table above and Albchrome (chromium) contributed with 15% and Antea Cement (limestone) contributed with 4%.

Other reporting matters

By the date of this Report 4 out 104 reporting licensees submitted officially signed declarations and authorizations for publication of data, beside the electronic declarations submitted earlier via email.

Discrepancies in reporting

In total, 35 mining licensees adjusted their initial reporting, whilst Government entities adjusted their initial reporting for 74 cases. In total 209 discrepancies were explained through reconciliation work. By the date of this report 60 discrepancies amounting TLEK 3,898 remained unsolved.

The main reasons and explanations for the resolved discrepancies were as follows:

- Amounts not reported initially by Tax authority. In these cases licensees provided payment documents showing the beneficiary entity.
- In some cases the Licensees had not reported payments, which were declared from the Tax authority.
- Parties reported accruals versus cash flows
- In many cases, licensees and the tax authorities reported taxes which were not in scope of the reconciliation.
- Many licensees confused payments of taxes with each other and penalties paid.
- Licensees reported deposits made for royalty, rather than actual royalty paid on exports to the custom authorities. (*)

(*) In case of exports, the licensees deposit in advance prepayments for royalty at the Custom’s account. Royalty is withheld out of this prepayment on the export date. The Government’s revenue is recorded on the export date and prior to this date the prepaid deposit pertains to the licensee. Therefore, prepayments are not considered as cash revenue, until used to pay royalty on export.

A disaggregated overview company-by-company is presented in Appendix 2.

10.3 Reconciliation of cash flows collected from hydro-energy sector

In total, 17 hydro-power companies, including KESH, were asked to report payments to the State budget, respectively 13 production licensees and 4 companies in the investment phase.

We received declarations for 11 out of 17 selected entities. The companies who failed to report until the date of this Report were ALB-ENERGY, EURON Energy Group, GENERATE RENEWABLE ENERGIES, HEC-i Tervolit, POWER-ELEKTRIK-SLABINJE, and Shala Energy

Based on unilateral declarations from the government entities, the cash flows from these two companies amount less than 9% of total cash flows reported from the hydro-energy sector.

The table below presents the aggregated cash flows reported by hydro-energy companies.

Table 21 - Aggregated payments from the hydro-energy sector in 2015

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy explained		Adjusted amount	Without counter-party
		Payer	Recipient		
Licenses	2,530,258	34,864	-	2,565,123	(324,783)
Government	3,690,493	-	(800,778)	2,889,716	-
Discrepancy	**(1,160,235)**			**(324,593)**	**(324,783)**

The licensees initially reported payments of TLEK 2,530,258 to the Government, which were TLEK 3,690,493 below the payments reported by the Government.

The discrepancies of TLEK 34,864 and TLEK 800,778 were explained through the reconciliation work. A list of discrepancies noted is presented in the reconciliations by revenue stream below.

The column "without reporting from counterparty", includes amounts reported unilaterally by the Government for those licensees mentioned above, who failed to report by the date this Report is published and vice versa.

Reconciliation of cash flows from mining by revenue stream

Table 22 - Aggregated payments from the hydro-energy sector– by revenue stream

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without counter-party
VAT	1,198,224	2,096,895	-	(763,842)	(48)	(134,782)
Payments for SI and HI	668,835	506,632	1,727	175,985	(295)	(11,760)
Tax on profit	480,186	904,101	31,935	(238,740)	198	(153,438)
Concession tariff	74,802	82,802	1,162	17,437	189	(24,462)
Other material Payments to the State	83,103	84,698	-	(1,524)	(71)	-
Regulatory tariff to ERE	4,312	4,213	-	-	100	-
Tax on dividend	7,341	7,699	-	(39)	-	(320)
Tax penalties	13,455	3,453	40	9,946	118	(21)
Total	**13,455**	**3,453**	**40**	**9,946**	**118**	**(21)**

VAT, payment of social and health insurance and tax on profit comprised the largest regular payment flows, respectively 47%, 29% and 19% of total reported cash flows from the hydro-energy sector in 2015. KESH and Energji

Ashta represent the major contributor in the cash flows, with about 37% and 32% of total regular cash flows shown above.

Other reporting matters

By the date of this Report 4 out 19 reporting licensees submitted officially signed declarations and authorizations for publication of data, beside the electronic declarations submitted earlier via email.

Discrepancies in reporting

In total, 4 cases adjusted their initial reporting, whilst Government entities adjusted their initial reporting for 9 cases. In total 29 discrepancies were explained through reconciliation work. By the date of this report 47 discrepancies amounting TLEK 324 remained unsolved.

The main reasons and explanations for the resolved discrepancies were as follows:

- Profit tax payments were netted with VAT receivable balance and resulted in lower or nil net cash flows.
- Parties reported accruals versus cash flows
- Amounts not reported initially by Tax authority. In these cases licensees provided payment documents showing the beneficiary entity.
- In some cases the Licensees had not reported payments, which were declared from the Tax authority.
- In many cases, licensees and the tax authorities reported taxes which were not in scope of the reconciliation.
- Many licensees confused payments of taxes with each other and penalties paid.

A disaggregated overview company-by-company is presented in Appendix 3.

10.4 Reconciliation of cash flows paid by Albpetrol to the State budget

In 2015, Albpetrol contributed the following to the State budget:

Table 23 - Summary of cash flows contributed by Albpetrol in 2015

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Un-identified	Without counter-party
Royalty – exports	-	-	-	-	-	-
Royalty – internal sales	186,420	186,892	472	-	(0)	-
VAT	282,083	283,664	1,575	-	(6)	-
Profit tax	309,443	309,443	0	-	-	-
Payments for SI and HI	386,293	386,859	566	-	0	-
Tax on dividend	48,735	49,663	2,642	1,714	-	-
Tax Penalties	2,678	34	(2,675)	-	(31)	-
Other payments - Local government	17,887	17,880	-	-	8	-
Total	**1,233,538**	**1,234,434**	**2,580**	**1,714**	**(29)**	**-**

By the date of this Report, we could not obtain an explanation for a total of discrepancies amounted TLEK 29.

In agreement with PSAs granted for areas under its administration, Albpetrol collected the following payments from the petroleum

Table 24 - Summary of cash flows collected by Albpetrol in 2015

Amounts in Lek thousands

Revenue Stream	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Un-identified	Without counter-party
Share of oil payments	1,623,662	1,615,639	-	-	8,024	-
Bonuses - Albpetrol	32,701	13,226	-	32,701	(13,226)	-
Total	**1,656,363**	**1,628,864**	**-**	**32,701**	**(5,202)**	**-**

Share of oil payments were entirely paid in kind and amount at 50,791 ton in 2015. Values shown above for share of oil production were estimated using the average export price applied in 2013 of USD 254 / ton. Amount in USD were converted in Lek with the average rate of the Bank of Albania for the year 2013 at 1 USD equal to 125.96 Lek.

11. Lessons learned and recommendations

This chapter presents reconciliation of cash flows from the oil and gas licensees, the selected mining licensees and hydropower companies, as well as a reconciliation of payments made by Albpetrol to the State budget.

During the course of this assignment, we noted areas as summarized below that could be further improved affecting the extent of EITI reporting process and the process itself. The determination of relative merits and timescale for implementation of the recommendations where accepted is the responsibility of the Albanian Working Group.

Following to the recommendations in the EITI report for 2010, the Albanian Working Group appointed a focal point in every concerned Government agency including MEI, AKBN, Albanian Geological Survey, General Directorate of Taxes, Albanian Custom Administrate etc., but also within the major extractive companies operating oil, gas, and mining, in order to strengthen access to reliable and timely data.

Appointment of EITI focal points among the concerned Government institutions positively contributed to increase their awareness and coordination of EITI activities. However, further efforts need to be made to improve reporting and analysis of extractive industry activity and cash flows.

During our work we noted that access to reliable and comprehensive data at the time required to compile this Report, was hindered and limited by several barriers including regulatory aspects, readiness of reporting entities and public institutions, poor quality of data available etc.

Some of these barriers and suggested remedial actions are listed in the following points.

11.1 Access to timely and reliable information from the reporting licensees

11.1.1 Delays and discrepancies

The licensees' reporting came with significant delay and many discrepancies. Over 90% of the selected reporting entities submitted, their reporting after the deadline set in September and October 2016 and about 65 out of 134 reporting entities in both years had to adjust their initial reporting. Through inquiries of the reporting companies, we understood that in major part of cases information to be reported was not readily available from their accounting and reporting systems and required additional elaboration. Due to lack of time, some of them refused to cooperate with us during the reconciliation process.

In most of the cases companies omitted payments in their initial reporting or reported accruals instead of payments. Main discrepancies were identified in reconciliation of payments made to tax authorities. In many cases companies confused payments and tax net offs made for different

type of taxes. This fact was even more evident in cases where payments resulted from tax audits.

Recommendation

In order to facilitate the reconciliation and reporting work, we suggest establishing an annual time-scheduled process. The annual deadline for submission of declarations should be planned ahead and be included in the reporting entities schedule. Accordingly, selection of the reporting entities and requirements shall be planned and communicated months ahead of the reconciliation work schedule.

Furthermore, in order to reduce the number of discrepancies with reported payments to tax authorities, the MSG may ask reporting entities to agree with tax regional offices the amount of taxes paid for the year covered by reporting, prior to submitting their EITI reporting.

The Ministry should follow up on strict application of local legislation related to the financial reporting and auditing of financial statements of the companies in this sector. This will enable increase in the quality and quantity of the financial information produced in relation to the extraction activity in Albania.

11.1.2 Assurance process

Licensees did not obtain confirmation of the reporting templates from their statutory auditor. Many licensees were not required to undergo through statutory audit because of their form of organization (i.e. registered branch instead of incorporation) or low level of activity. However, even companies which had their financial statements audited refused to engage their auditors. In our understanding this request came with extra audit costs, because the statutory audit was finished earlier.

Recommendation

In the context of improving the quality of the companies reporting and at the same time obtain assurance on the reported information, we recommend that the Ministry requires the licensees to disclose EITI payments in the required format and other information as a separate report or in an annex to the annual financial statements. In both cases, this information should be subject to independent annual audits.

11.1.3 Other quality aspects of the payments analysis

Operating licensees in Albania are taxed based on the results of their business reported under each Tax identification number, which may include one or more license operating in the mining and hydro-energy production. Furthermore, tax identification can produce payments by operations in other sectors (i.e. – reporting licensee pursued under the same tax number mining activity and construction business)

Recommendation

We suggest MEI to enforce regulatory requirement in order to achieve reporting of payments and taxes by each license terms. Comparison of trends of payments by license terms compared to level of production and taxes applied, will provide MEI with useful basis for budgeting revenues and analysing effectiveness of fiscal policies applied in mid-term and long-term.

11.2 Access to timely and reliable information from the reporting government entities

Recipient public entities' reporting came with significant delay and many discrepancies. Through inquiry and communications, we understood that their management information systems and structures did not support EITI reporting requirements.

11.2.1 Lack of centralized reporting at government level

Central Government MIS could not produce data on taxes paid by individual taxpayers. We understand that the Government cash collections and payments are recorded into a single cash management system: the Treasury system. We were informed that this system can provide information on a monthly basis on revenue generated for each tax; however it does not provide disaggregated information by individual taxpayer. Due to this fact, the MSG requested information from all concerning government agencies, which collected substantial cash flows in the sector, instead of deriving information from one source.

Recommendation

In order to enhance effectiveness and efficiency of reporting from the Government we recommend the following:

Cooperating with the Government's MIS team to establish reports that can produce from the Treasury system, information on payments collected by revenue streams from individual tax payers. For a number of reasons explained in the following points, access to reports from the Government central MIS would be the best option.

However, if this option is not feasible in short or medium term, we recommend looking for opportunities to produce such disaggregated payment information from the collecting government agencies' MIS.

11.2.2 Reporting from Local Government Units

Because reporting licensees' activity is extended in a large number of local government units, the MSG could selected for reporting only few LGUs, pursuant to regional production levels reported by AKBN for the year 2015. The reporting process did not extend to the all LGUs collecting revenue from the petroleum, mining and hydro-energy sector.

Despite continues cooperation among ALBEITI secretariat and certain LGUs, their reporting was incomplete and came with significant delays.

Despite the Law requirements, and continues cooperation

Recommendation

LGUs have certain autonomy in cooperating and taxing business operating in their managed areas. To improve transparency in such cooperation in terms of payments local taxes and fees, contributions and activities made in the benefit of local communities etc. we recommend selecting a number of LGUs based on level of production activities reported by AKBN. Selection of reporting LGUs and requirements shall be planned and communicated months ahead of the reconciliation work schedule, in order to fit the reporting requirements within their schedules.

The Petroleum Law (as amended in March 2015) and Law on Mining (as amended in October 2014) request operating licensees respectively in the oil and gas sector and mining sector to report data and information in accordance with the EITI Standard. In addition, both laws demand reporting from the General Directorate of Taxes, Albanian Custom Administrate and the central and local public institutions collecting revenue from the sector.

In order to ensure continues implementation of these requirements we recommend the MSG introduces complementary regulation addressing continues cooperation of the LGUs and their transparency disclosures.

11.2.3 Limitations on reports produced by the Tax authorities' MIS

The system of General Directorate of Taxes, which administers the largest number and value of taxes, did produce reports on analytical payments based Tax identification number. However these reports were incomplete and contained many errors, which were explain through reconciliation work.

Recommendation

As recommended earlier in point 7.2.1 in order to enhance effectiveness and efficiency of reporting from overall government agencies MSG and EITI Albania shall cooperate with the Government's MIS team to establish reports that can produce from the Treasury system.

However, if this option is not feasible in short or medium term, and considering the relative size of revenue collected by tax authorities from the concerned sectors, we recommend looking for opportunities to produce such disaggregated payment information from the GDT's MIS.

11.3 Quality aspects of the contextual information presented in the report

11.3.1 Publication of statistics in the sector

The new EITI standard imposes certain requirements on provision of contextual information for the activity and regulation in the extractive industry, including disclosure of:

- Overview of the extractive industry in terms of reserves, regions, current structure and size, significant exploration activities etc.;
- Contribution in the economy, employment and export levels;
- Total government revenue generated by the extractive industry and funds earmarked for specific programs / geographic regions and sub-national transfers;
- Environmental and social impact studies performed for the sector;
- Public information on license allocations, register of licensees, beneficial owners, contract terms etc.

We noted progressive efforts made by MEI, AKBN and Albpetrol by publishing information on their website, however data is scattered across different sources and further improvements are still necessary to provide a comprehensive and consistent reporting on the extractive industry.

The contextual information in this Report is referenced to different sources dispersed across public sector and often not publicly available. Certain analyses were limited due to unavailability of statistics on the sector. Where available national statistics included information for a wider sector.

Recommendation

In order to enhance completeness and accuracy, reliability and accessibility of the contextual information, we recommend that the Ministry of Energy and Industry publishes on a periodical basis (at least annually) contextual information including: the potential of the industry and current production, the contribution to the economy, the strategy on the sector, events and facts, current regulation, and forthcoming changes, etc.

Disclosures can include other information useful for statics on the sector such as:

- production size and quality details (gravity of oil, concentration of minerals etc.),
- Investments (number of wells and mineshaft hold / developed),
- environmental rehabilitation projects and costs,
- workforce employed, average salary and subcontracting, social expenses, etc.

These can be collected and elaborated annually and provide the basis for reporting statistics and facts on the industry. AKBN, engaging in several monitoring activities in the sector can contribute to this compiling contextual through collating received information out of individual licenses' annual monitoring reports based KPIs set by the MSG on production,

reserves, sales, employee number, investment in environment, social payments etc.

In addition, through use of KPIs, AKBN can summarize facts based on annual environmental studies highlighting risks and trends on a country level as well as specific areas were activity of operators in the extraction and energy sector is concentrated.

In the context of improving reporting and statistics on the extractive sector, we recommend the Ministry of Energy and Industry consider whether to implement similar reporting requirements as in the EU Directives on Accounting and Transparency85

11.3.2 Production data and values

Through inquiries of AKBN, we understood that production data reported by AKBN were produced out of self-declarations submitted by the licensees to AKBN as part of annual reporting. AKBN informed us that its current level of monitoring did not include assurance procedures to ensure on accuracy of self-declared production, revenue and reserves data.

Based on numbers reported by AKBN, only 67% of total mining licenses reported their production in 2015. Moreover, AKBN could not provide details of minerals composition and quality (concentration) in the reported mining output throughout the years 2011 to 2015. In absence of such information, mining output could be priced after the average international market prices.

Recommendation

In addition to declarations submitted, we suggest that AKBN provides a comparison of the production declared with the measurements made from AKBN throughout the year, including details of mineral concentration and values based on local market transactions and exports.

Transaction prices could be compared to international prices for the minerals.

11.3.3 Disclosure of total government revenue

We could not obtain a full disclosure of Government revenue in aggregate and by payment stream from the extractive sector for the years 2011-20154. The Central Government MIS system could provide information on a monthly basis on revenue generated for each tax., however could not disaggregate information for the upstream oil and gas, mining and hydro-energy sector, neither could provide information disaggregated by individual tax payer (as listed in 7.2.1).

Lack of availability of such data limits the analysis of relative size of the payments streams, payment trends compared to production, relative size of payments derived from individual tax payers etc.

Recommendation

The Central Government's Treasury collects information on all payments made by individual taxpayers despite the collecting government entity or industrial sector. As suggested in 7.2.1, through working with the Government's MIS, the MSG can derive full disclosure government's revenue in the extractive sector and hydro-energy. Such, can be pursued through maintaining an updated register of license operating including accurate data on license number and Tax identification number. The same register should be furnished in real-time to the Government's MIS.

If cooperation with the Government's MIS is not possible in short or medium term, we suggest cooperation with tax collecting agents such as

85 EU Accounting Directive 2013/34/EU

tax and custom authorities and the local government, which represent the major agents receiving and administering taxes.

In addition to fulfilling a standard requirement, updated information from the Government's reporting system will enhance statistics from the sector and can be compared with other information such as production levels, structure of the industry, number of licenses etc.

11.3.4 Reserves

We understand that the Government did not undertake studies of the oil and mining geological reserves in the last 25 years. In this case we suggest that the MEI publishes the results geological studies and maps from the 80s and 90s. Although their accuracy is limited due to advancement of exploration and extraction technologies and lack of official and accurate data on production extracted throughout the country since the date of latest geological studies.

Recommendation

We understand that assessing the national reserves requires many years and comprises a heavy cost burden to the State's Budget. However, reserves are key to providing contextual information on the overall worth of the national resources in accordance with the EITI requirement 3. We suggest MEI to overweight the benefits from current measure of reserves across all over Albania and considers implementation of the project in certain area with significant extraction interest. In addition, coherent information on reserves proven and probable reserves in combination with tight control over current exploration and extraction activities should help with effective production and fiscal planning and prevent abuses with the national resources.

11.3.5 Maintaining of an updated public register of licensees and concessions

MEI maintains in its website a publicly available register for all a licenses holding an oil-field or oil exploration blocks including information:

- License-holders,
- Date of award and duration of the license,
- Allocated exploration blocks and oil fields,
- Commodities produced.

MEI provides no publically available information on coordinates for the oil fields and exploration blocks, dates of applications and Tax number which would help identify entities holding similar commercial names. In addition information on licensees is not updated to show changes sales of shares and transfers of operation in the sector.

For the mining sector MEI maintains in its website a publicly available register for all a licenses[86] showing:

- License number,
- Licensee
- Mining area,
- Commodities
- License surface
- Company administrator and address etc.

Again, MEI provides no publically available information on coordinates for the mining areas and operating mines, dates of applications and Tax number which would help identify entities holding similar commercial

[86] http://www.energjia.gov.al/files/userfiles/minierat2/2016/RREGJ._LEJEVE_SHKURT_2016_Aktive.pdf

names. In addition it is not clear how often is the register updated. The current disclosed register is dated February 2016.

MEI provides information on the commodities, however does not provide a full list of minerals comprising the commodity and respective concentration.

Recommendation

We recommend MEI establish processes to ensure maintenance of a public accurate and updated register of licenses in accordance with EITI Requirement 2.3.

The license register or cadastre shall include information about licenses held by all entities, including companies and individuals or groups that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold.

As explained earlier in this section, maintenance of an updated public register will contribute to improvement of reporting on Government's revenue on the sector. Furthermore, accurate data on licensees, Tax identification numbers (NUIS), contact details, address etc. will facilitated the communication with entities selected to report in the EITI report.

11.3.6 Transparency over license allocation

In accordance with EITI standard 2.3, implementing countries are required to disclose information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report. Disclosures shall include:

- A description of the process for transferring or awarding the license;
- The technical and financial criteria used;
- Information about the recipient(s) of the license that has been transferred or awarded, including consortium members where applicable; and
- Any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards.
- Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria.

Current status

Oil and gas agreements

Through inquiry and communications, we understood that almost all petroleum agreements were allocated through ad hoc negotiations procedures up August 2013. Information on recipient licensees and joint operations were publically disclosed in MEI's website.

In accordance with the EITI requirement 2.3, we requested but did not receive from MEI information on technical and financial criteria used in allocating these agreements.

Mining licensees and concessions

We obtained information on bid rounds performed to grant mining licensees in 2015, however could not obtain information on the bid criteria used to evaluate bids in each round and name of applicants where more than one applicant submitted its proposal.

Hydropower and concessions

With regard to hydropower concessions, we are aware that Law allowed both ad hoc negotiations of unsolicited proposals and bid rounds. MEI did not disclosed methods and criteria used when evaluating concessions in the hydro-energy sector for the years 2015.

Recommendation

We recommend MEI disclose in its website for public access methods, criteria used and name non-winning bids. Such disclosure will enhance transparency of the process and contribute towards improving the effectiveness of bids and negotiations.

In addition, Albania has signed investment treaties with many countries (full list of treaties in force is provided in: http://investmentpolicyhub.unctad.org/IIA/CountryBits/2#iiaInnerMenu). These agreements impose heavy requirements on transparency of licensing and procurement procedures. Under these circumstances, lack of transparency and ineffective processes for allocation licensees could expose the Country against international arbitration claims.

11.3.7 Reconciliation of subnational transfers

As noted in section 2.5, in November 2014, the Albanian Parliament introduced changes to the Law on National taxes for the allocation of subnational transfers of royalty and related reconciliation procedures.

Based on the numbers reported by the Ministry of Finance, for 2015, the subnational transfers of royalty were significantly lower than the transferable portion as set in the Law.

Recommendation

In order to increase transparency and ensure that the new law changes are fully implemented, we recommend the MSG to include reconciliation of subnational transfers of royalty or other assurance procedures in the forthcoming EITI reports.

11.4 Regulatory aspects in the context of EITI reporting

Transparency disclosure of payments received vs statutory confidentiality duty

The Petroleum Law (as amended in March 2015) and Law on Mining (as amended in October 2014) request operating licensees respectively in the oil and gas sector and mining sector to report data and information in accordance with the EITI Standard. In addition, both laws demand reporting from the General Directorate of Taxes, Albanian Custom Administrate and the central and local public institutions collecting revenue from the sector. EITI reporting requirements for the recipient Government institutions currently conflict with their statutory duty to maintain confidentiality over the information obtained in terms of their regulatory duties. This confidentiality provisions, referred to in the laws applicable to tax and custom procedures in Albania87, allow access to the data only upon explicit consent from the Licensee. Government bodies may exchange the data under strict confidentiality terms.

Current regulatory enforcement does not address forms of reporting with regard to cash flows and contextual information. An initial version of reporting template applicable to reporting from the mining sector is approved via CMD no. 233 on 23 March 2011. Because approved before the publication of new EITI standard in 2013, the form fails to address many aspects of current reporting requirement such as publication of data on a disaggregated level and assurance process.

In order to overcome this barrier, the reporting templates included a letter granting explicit consent of the licensee:

- to the recipient public entities for reporting of information on licensees which classified as confidential under governing laws, regulations and agreements;
- to allow publication of the concerning cash flows by payments stream by licensee on a disaggregated level in the EITI report.

However due to significant delays in the reporting process from both licensees and recipient public institutions (provided in chapter 4), this procedure resulted to be not effective for the purpose of this reporting as we received signed official confirmations from less than 50 out of 134.

Coordination of inter-institutional activities under EITI initiatives

Coordination of activities amount different public institutions and regulated presents a significant challenge in terms of quality and timeliness of the cooperation.

Appointment of EITI focal points among the concerned Government institutions positively contributed to increase their awareness and coordination of EITI activities in short term, however positive effects are diminished because of frequent change of staff and focal points in the concerned institutions or due to their limited authority.

Interaction among public institutions for the EITI reporting processes was chaired by official communication of the Minister or higher authority, Deputy Minister in charge or his delegates. Based on the experience of the EITI reports for 2015 and prior reports, public entities take one or more months to officially responded to the MSG requests.

[87] Ligji Nr. 9920, datë 19 maj 2008 “Mbi proçedurat tatimore në Republikën e Shqipërisë, i ndryshuar” dhe Ligji Nr. 8449, datë 27 janar 1999 “Për Kodin Doganor në Republikën e Shqipërisë, i ndryshuar”.

Although seven years have passed since the Government adhering to implementation of EITI, concernged public institutions including the Ministry of Energy and Industry, Ministry of Finance, AKBN, Albpetrol, General Directorate of taxes, LGUs etc., have not yet established processes and infrastructure for an efficient for processing and reporting of data under the initiative. Frequent changes in the focal point requires continues efforts of the ALBEITI secretariat and the independent administrator to ensure understanding of the requirements and cooperation in the process.

Recommendation

Barriers listed above needs to be addressed through regulatory enforcement. We recommend the MSG establish complementary regulation addressing all aspects of:

Preliminary analysis for establishing materiality and payments to include in reporting;

- Timing and form of reporting by licensees
- Timing and form of reporting by recipient public entities
- Timing and form of reporting concerning the contextual information
- Level of assurance to be obtained for each reporting
- Forms to address aspects of confidentiality etc.

The regulation need also to address time required for each reporting entity and public institution to adopt to the requirements and plan the EITI reporting accordingly, to allow for an effective process.

Reporting templates and instructions shall be reviewed and updated for changes in EITI scope and requirements, regulation updates, and new facts affecting the extractive industry (i.e. new revenue streams, licensees etc.).

Selection of the reporting entities should be planned and communicated months ahead of the reconciliation work schedule. We suggest requesting all licensees (where possible) to submit electronic declarations via web or email. Reconciliation work may focus on a sample based on the scope of EITI reporting and changes in the sector.

Provided that the EITI Albania systems support this application, approved templates and instructions may be published on the ALBEITI website, where can be downloaded by the reporting entities, filled and uploaded through a dedicated portal on the website. Officially, signed forms would be submitted thereafter by mail within the deadline set or be uploaded on the same web portal.

Declarations not selected for the reconciliation process may be presented unilaterally in the report, compared to production data and total cash flows reported by the government institutions etc.

Setting a deadline for submission of declarations and reconciliation work

The annual deadline for submission of declarations should be planned ahead and be included in the reporting entities' schedule. As a result, the time required for collection of data is expected to be reduced and the accuracy of reporting would most likely be improved. The same deadline should be established for both licensees and recipient government entities.

The beginning of May of the following calendar year might be considered as the deadline for submission of declarations with the reconciliation work performed in May and June.

Glossary and abbreviations

ACA	Albanian Custom Administration
Administrator	Independent company hired to perform the reconciliation of reported payments and revenues from the licensees and the government
Aggregation	Payments are combined so that the figures show totals per revenue stream
AKBN	National Agency of Natural Resources
AKPT	National Agency for Territorial Planning
ALBEITI	The EITI secretariat in Albanian, established under the Ministry of Energy and Industry
Albpetrol	Oil company 100% owned by the Albanian Government.
ATRAKO	The Agency for Treatment of Concessions is an entity established within the Ministry of Economy of Development, Tourism, Trade and Entrepreneurship.
CMD	Council of Ministers Decision
Concessionaire	Company granted with concession
Counterparty	In the report the Government is the counterparty to the licensee and the licensee is the counterparty to the Government
Custom authorities	Albanian Custom Administration
Disaggregation	Payments are detailed per revenue stream and/ or per licensee
OSHEE	Distribution System Operator owned 100% by the Albanian Government.
EITI	Extractive Industry Transparency Initiative
EITI Albania	The EITI secretariat in Albanian, established under the Ministry of Energy and Industry
ERE	Albanian Energy Regulator
EU	European Union
EUR	Euro
GDT	General Directorate of Tax
Government	Used in this Report as a collective term comprising the General Directorate of Tax, the Ministry of Energy and industry, the Albanian Custom Administration, the National Agency of Natural Resources, the Albanian Energy Regulator, the Local Government Units, the Albania Power Corporation (KESH), and Albpetrol, when not separately disclosed.
GWh	Gigawatt per hour used for metering larger amounts of power, where 1 GWh = 1,000 MWh.
HPP	Hydropower plant
IFRS	International Financial Reporting Standards published by the International Federation of Accountants (IFAC).
INSTAT	National Institute of Statistics
IPP	Independent power plants
KESH	Albanian Power Corporation

KESH Gen	KESH Gen is a structure within KESH licensed to produce electricity
KTOE	Kilo tons of oil equivalent (toe) used to measure unit of energy defined as the amount of energy released by burning one tons of crude oil.
KV	Kilovolts
KW	Kilowatt used as a unit of electric power.
KWh	Kilowatt per hour used a measure energy
LGU	Local Government Unit
License	License awarded by MEI to perform exploration, development and production activity in the Albanian territory.
Licensee	Company that has been awarded a license interest in an exploration and / or production in the Albanian territory
M^2	Meter square
M^3	Meter cube
ME	Ministry of Environment
MEDTTE	Ministry of Economic Development, Tourism, Trade and Entrepreneurship
MEI	Ministry of Energy and Industry
MLEK	Million Albanian Lek
MSG	Multi-stakeholder working Group
MW	Megawatt used as a unit of electric power, where 1 MW = 1,000 KW
MWh	Megawatt per hour used for metering larger amounts of power, where 1 MWh = 1,000 KWh.
Nickel compositions	Nickel compositions extracted in Albania include iron-nickel and nickel-silicate.
Nm^3	Normal meter cube
Petroleum	Collective term meaning oil and gas
PPP	Public-private partnership
Reconciliation	The process of comparing reported data from licensees and the Government, and explain any discrepancies
RPS	Retail Public Supplier
SHGJSH	Albanian Geological Service
SPP	Small power plant
Tax authorities	General Directorate of Tax
TLEK	Thousand LEK
TPP	Thermal power plant
TSO	Transmission System Operator owned 100% by the Albanian Government.
TUSD	Thousand US dollar
USD	US dollar
VAT	Value added Tax
Without counterparty	Amount reported by either the Government or licensees but not by both parties
WPS	Wholesale Public Supplier

Appendix 1 – Disaggregated reconciliation from the oil and gas sector

Table 25 - Payments per company

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J82916500U	1,233,538	1,234,434	2,580	1,714	(29)	-
K43128401L	8,056,069	8,034,011	166,061	171,435	16,684	-
K72205016P	1,174,472	1,120,519	(45,500)	8,492	(39)	-
K81421014P	10,981	11,102	-	-	(121)	-
L01508012A	105,723	12,646	(57,233)	35,845	-	-
L01607016G	102,986	69,787	195	33,306	87	-
L11620009U	89,915	74,731	-	28,410	(13,226)	-
L11725004I	120,825	84,010	-	39,090	(2,274)	-
L03009401C	116,370	116,370	-	-	-	-
Total	**11,010,880**	**10,757,610**	**66,103**	**318,292**	**1,081**	**-**

Table 26 -Share of oil payments

Amounts in Lek thousands

NUIS	Sum of Payer		Sum of Recipient		Discrepancy explained		Remaining discrepancy	
	in ton	Lek'000	in ton	Lek'000	Payer	Recipient	in ton	Lek'000
K43128401L	17,924	572,994	17,676	565,066	-	-	248	7,927
K72205016P	25,285	808,304	25,285	808,305	-	-	(0)	(0)
L01607016G	2,030	64,890	2,027	64,793	-	-	3	97
L11620009U	1,911	61,105	1,911	61,105	-	-	(0)	(0)
L03009401C	3,640	116,370	3,640	116,370	-	-	-	-
Total	**50,791**	**1,623,662**	**50,540**	**1,615,639**	**-**	**-**	**251**	**8,024**

Share of oil payments in kind were valued using the average export price applied for the year 2015.

Table 27 - Royalty on internal sales

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J82916500U	186,420	186,892	472	-	(0)	186,892
K43128401L	589,414	676,792	87,378	-	-	676,792
K72205016P	27,060	27,060	-	-	-	27,060
L01607016G	614	1,229	-	(614)	-	614
L11620009U	17,162	-	-	17,162	-	17,162
L11725004I	36,468	36,468	-	-	-	36,468
Total	**857,139**	**928,440**	**87,849**	**16,548**	**(0)**	**944,988**

Table 28 - Royalty on exports

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K43128401L	3,041,168	3,041,168	-	-	-	3,041,168
K72205016P	102,000	88,109	(13,891)	-	-	88,109
L11725004I	38,316	-	-	39,090	(774)	38,316
Total	**16,672,823**	**16,150,461**	**17,560**	**532,372**	**7,550**	**3,167,593**

Table 29 - Signature bonuses

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
AKBN						
K43128401L	25,192	25,192	-	-	-	25,192
K81421014P	6,969	6,969	-	-	-	6,969
L01508012A	12,596	12,596	-	-	-	12,596
Total	**44,758**	**44,758**	**-**	**-**	**-**	**44,758**
Albpetrol						
K81421014P	32,701	-	-	32,701	-	32,701
L01508012A	-	13,226	-	-	(13,226)	-
Total	**32,701**	**13,226**	**-**	**32,701**	**(13,226)**	**32,701**

Table 30 - Tax penalties

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J82916500U	2,678	34	(2,675)	-	(31)	3
K72205016P	34,811	130	(31,978)	2,692	12	2,834
L11620009U	864	-	-	864	-	864
L11725004I	79	79	-	-	-	79
Total	**38,432**	**243**	**(34,652)**	**3,556**	**(19)**	**3,780**

Table 31 – VAT

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J82916500U	282,083	283,664	1,575	-	(6)	283,658
K72205016P	6,381	631	-	5,800	(50)	6,381
Total	**288,464**	**284,295**	**1,575**	**5,800**	**(56)**	**290,039**

Table 32 – Other payments - State

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K43128401L	2,276,078	2,104,643	-	171,435	-	2,276,078
Total	**2,276,078**	**2,104,643**	**-**	**171,435**	**-**	**2,276,078**

Table 33 – Other payments – Local Government

Amounts in Lek thousands

NUIS	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J82916500U	17,887	17,880	-	-	8	17,887
K43128401L	145,155	136,400	-	-	8,755	145,155
L11725004I	2,908	4,408	-	-	(1,500)	2,908
Total	**165,950**	**158,688**	**-**	**-**	**7,263**	**165,950**

Table 34 – List of oil companies

NUIS	Companies
K43128401L	BANKERS PETROLEUM ALBANIA LTD
K72205016P	TRANSATLANTIC ALBANIA Ltd. - Dega Shqiptare
L01607016G	Sherwood International Petroleum Ltd
L11725004I	TRANSOILGROUP
L11620009U	PHOENIX PETROLEUM GAS
J82916500U	ALBPETROL SHA
L01508012A	Petromanas Albania GmbH
K81421014P	SAN LEON DURRESI BV
K43128401L	BANKERS PETROLEUM ALBANIA LTD

Appendix 2 – Disaggregated reconciliation from the mining sector

Table 35 - Payments per company

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K11613001M	479,116	728,474	(21,450)	(267,615)	(3,193)	-
K01524006L	248,547	251,438	-	-	(2,890)	-
K04226208A	239,789	239,039	-	-	750	-
K12107002A	299,496	190,102	(111,060)	(1,665)	(1)	-
J62903125G	132,195	133,876	-	(1,681)	-	-
K61914005R	127,605	126,431	1,748	1,441	1,481	-
K32807432W	108,162	275,181	-	(167,059)	40	-
L01405006G	105,765	123,988	76	(12,595)	(5,552)	-
K77424401L	68,667	74,425	-	(5,762)	4	-
J92408001N	61,239	62,695	-	-	(1,456)	-
J98021906L	58,970	60,575	1,183	(420)	(1)	-
K77411401P	47,691	93,061	12	(45,441)	82	-
J86906408N	43,975	55,108	-	(13,156)	2,022	-
K22218005O	43,675	62,963	-	(19,288)	0	-
J96829402J	40,266	40,020	-	-	245	-
J64102248C	14,356	81,533	23,938	(39,215)	(4,023)	-
K07729901W	35,551	58,071	-	(22,449)	(71)	-
J98021907T	35,723	36,323	(400)	(1,000)	-	-
K82217010F	33,353	34,309	-	(956)	-	-
K86328401E	32,619	34,082	501	(1,200)	238	-
K06626403L	32,712	35,211	-	(2,646)	146	-
J98021904S	34,319	33,719	(1,988)	(1,387)	(1)	-
K67812601U	30,485	40,465	-	(9,996)	16	-
K41606512C	29,361	69,925	-	(40,144)	(421)	-
K41313033U	28,942	29,831	-	(890)	1	-
L26912401G	28,830	25,580	-	-	3,251	-
K92028004L	28,573	143,830	-	(116,031)	773	-
K16815202M	28,317	33,182	(110)	(4,739)	(235)	-
K12911201C	26,967	31,349	-	(4,382)	-	-
J81503013L	26,134	41,977	789	(15,054)	-	-
K87515901A	26,457	36,469	-	(10,098)	87	-
L06417401O	24,975	26,679	1,125	(638)	59	-
J62903303L	24,836	43,038	-	(18,127)	(75)	-
J71909005P	24,459	25,177	-	(1,006)	288	-
K52128506K	21,975	20,768	-	(229)	1,436	-
K97114401A	21,123	33,652	5	(12,544)	20	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J74517209B	20,748	36,184	228	(15,209)	(0)	-
J96829414J	19,828	14,601	-	(891)	6,118	-
K07729915P	16,551	16,551	-	-	-	-
L01608029T	16,472	16,456	-	-	15	-
K24207608A	16,187	17,921	54	(1,776)	97	-
K47220407H	12,544	32,113	3,661	(15,960)	53	-
L06410401C	10,538	15,833	5,279	-	(16)	-
K96417201K	15,576	15,770	-	-	(194)	-
K06626418M	15,551	24,316	-	(7,096)	(1,668)	-
K27713604T	15,455	23,047	-	(7,635)	43	-
K24725213C	15,368	29,464	-	(14,094)	(3)	-
K28310906F	15,218	14,914	(4)	300	(0)	-
L18516901B	14,991	15,424	-	(609)	176	-
K47220402N	13,874	28,469	(98)	(14,680)	(12)	-
J96829418S	13,134	10,068	-	-	3,065	-
K51523031P	10,650	11,052	756	-	354	-
K06626412K	11,331	12,428	-	(1,271)	175	-
K04226216O	11,195	16,487	-	(5,293)	0	-
K49326630V	11,060	12,218	-	-	(1,158)	-
L22323013L	10,371	2,925	-	8,330	(884)	-
J64104078V	10,161	13,638	-	(3,329)	(149)	-
K87021202E	8,951	10,560	701	(907)	-	-
J81517002U	7,514	9,670	2,127	-	(81)	-
K07729908J	6,569	19,583	3,015	(10,112)	114	-
K74815001R	9,691	9,538	(153)	-	(0)	-
J68403919H	9,458	9,647	(8)	-	(196)	-
L39413601P	9,372	8,674	-	-	698	-
K66613408P	9,175	12,941	-	(3,809)	44	-
K88812401M	9,071	12,033	-	(1,774)	(1,188)	-
K88016902A	8,986	8,427	-	(1,152)	1,712	-
L02712202J	8,231	6,247	-	-	1,984	-
K07729917I	4,558	11,119	3,340	(3,259)	38	-
K44801201C	7,817	9,509	-	(1,914)	222	-
K96419401J	7,349	22,319	-	(9,131)	(5,839)	-
K19003407J	6,694	6,484	-	-	210	-
J78716319A	5,786	7,160	-	(700)	(674)	-
L11401018K	5,714	22,692	-	(16,114)	(864)	-
K86315402Q	5,312	5,539	258	54	(24)	-
K13001013H	5,268	8,118	180	(2,670)	69	-
K48429906N	4,654	6,182	766	(766)	3	-
K91624006A	5,306	2,749	-	30	2,527	-
K92114002U	5,183	5,184	-	-	(1)	-
J96829416C	4,900	4,805	-	-	95	-
L19704601A	4,727	6,194	-	(1,527)	59	-
K64006602O	3,629	4,274	1,076	31	399	-
L32409040L	4,479	4,480	-	-	(1)	-
J64416207W	4,436	5,698	-	(1,261)	-	-
L09006601L	5,208	4,314	(834)	-	60	-
K36805204D	3,901	4,032	-	(160)	29	-
K02701009U	3,343	5,347	374	(1,630)	(94)	-
J86510257N	3,674	10,811	-	(7,137)	44	-
L07525201B	3,559	3,719	-	(167)	7	-
J72603135F	2,965	3,174	-	(164)	(209)	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
L31929015F	2,733	4,916	-	(1,877)	(305)	-
K94016202U	2,550	3,149	-	(553)	(45)	-
K14009617C	2,483	4,237	-	(1,754)	(5)	-
K81407085C	2,222	2,360	138	-	(0)	-
K81819509L	2,341	2,337	-	-	4	-
K26513465D	2,014	2,267	-	(70)	(183)	-
L21312019C	1,912	1,972	-	(60)	(60)	-
L31926012M	1,553	1,613	-	(26)	(60)	-
K82509006P	1,429	2,728	(166)	(1,460)	(5)	-
K67617205B	942	1,041	-	-	(99)	-
K26513467T	-	3,833	-	-	-	(3,833)
J88511208S	-	814	-	-	-	(814)
L16601401K	-	-	-	-	-	-
K78431302E	-	1,318	-	-	(1,318)	-
K07713216Q	-	713	-	-	-	(713)
K78628201E	-	-	-	-	-	-
	3,207,688	**4,116,941**	**(84,942)**	**(985,223)**	**(3,898)**	**(5,359)**

Table 36 - Royalty – internal sales

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903125G	2,990	2,990	-	-	-	-
J62903303L	-	-	-	-	-	-
J64102248C	1,578	8,254	-	(5,031)	(1,645)	-
J64104078V	1,726	1,726	-	-	0	-
J64416207W	688	688	-	-	-	-
J68403919H	2,735	2,735	-	-	-	-
J71909005P	2,196	2,206	-	-	(10)	-
J72603135F	382	382	-	-	-	-
J74517209B	2,891	18,328	228	(15,209)	-	-
L22323013L	2,439	44	-	2,395	0	-
J81503013L	2,825	2,825	-	-	-	-
J81517002U	288	288	-	-	-	-
J86510257N	777	3,006	-	(2,229)	(0)	-
J86906408N	5,073	5,073	-	-	-	-
J92408001N	5,020	5,020	-	-	-	-
J96829414J	5,969	10	-	-	5,959	-
J96829416C	739	660	-	-	79	-
J98021906L	8,484	733	(8,171)	(420)	-	-
J98021907T	383	383	-	-	-	-
K01524006L	146	146	-	-	-	-
K02701009U	1,283	2,328	59	(987)	-	-
K04226208A	37,888	37,888	-	-	-	-
K04226216O	2,665	3,292	-	(628)	0	-
K06626403L	1,084	1,084	-	-	-	-
K06626412K	4,207	4,207	-	-	-	-
K06626418M	-	6	-	-	(6)	-
K07713216Q	-	10	-	-	-	(10)
K07729901W	2,318	11,549	-	(9,231)	-	-
K07729908J	1,243	1,279	35	-	-	-
K07729915P	4,543	4,543	-	-	-	-
K07729917I	160	160	-	-	-	-
K11613001M	10	10	-	-	-	-
K12107002A	1,672	3,343	(4)	(1,665)	(11)	-
K12911201C	4,296	4,296	-	-	-	-
K13001013H	1,144	1,413	94	(174)	-	-
K14009617C	789	2,537	-	(1,748)	-	-
K16815202M	2,933	5,036	-	(2,024)	(79)	-
K19003407J	534	534	-	-	-	-
K22218005O	1,313	1,648	-	(335)	0	-
K24725213C	3,290	5,474	-	(2,183)	(1)	-
K27713604T	2,607	4,705	-	(2,098)	-	-
K28310906F	3,151	3,151	-	-	-	-
K32807432W	1,122	2,463	-	(1,341)	(0)	-
K36805204D	1,661	1,661	-	(0)	-	-
K41313033U	7,092	7,092	-	-	-	-
K44801201C	624	618	-	-	5	-
K47220402N	4,875	4,887	-	-	(12)	-
K47220407H	4,936	5,096	160	-	-	-
K49326630V	1,049	1,049	-	-	(0)	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K51523031P	767	767	-	-	-	-
K52128506K	1,192	1,529	-	(229)	(108)	-
K61914005R	30,718	30,718	1,441	1,441	-	-
K67617205B	374	374	-	-	-	-
K77411401P	6,866	6,886	-	-	(20)	-
K77424401L	4,459	7,324	-	(2,866)	-	-
K81407085C	-	-	-	-	-	-
K81819509L	30	30	-	-	-	-
K82217010F	8,460	8,460	-	-	-	-
K82509006P	913	2,207	(166)	(1,460)	-	-
K26513465D	450	737	-	(70)	(218)	-
K87021202E	3,735	4,693	51	(907)	-	-
K87515901A	3,095	3,095	-	-	-	-
K88016902A	3,401	4,206	-	(1,584)	779	-
K88812401M	1,118	1,118	-	-	-	-
K92114002U	2,524	2,524	-	-	-	-
K94016202U	501	804	-	(292)	(10)	-
K96417201K	4,229	4,381	-	-	(152)	-
K97114401A	4,062	7,891	-	(3,828)	(1)	-
L01405006G	9,313	5,607	(3,706)	-	-	-
L02712202J	5,454	5,454	-	-	0	-
L06410401C	1,676	2,706	1,030	-	-	-
L06417401O	4,699	5,337	-	(638)	-	-
L07525201B	2,247	2,247	-	-	(0)	-
L09006601L	137	137	-	-	-	-
L11401018K	2,947	18,368	-	(15,252)	(168)	-
L18516901B	2,217	2,217	-	-	-	-
L19704601A	1,584	1,740	-	(156)	-	-
L31929015F	1,570	1,709	-	-	(139)	-
L32409040L	1,171	1,179	-	-	(8)	-
Total	**255,723**	**311,299**	**(8,949)**	**(68,750)**	**4,235**	**(10)**

Table 37 - Royalty – external sales

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903303L	100	9	-	-	91	-
J68403919H	2,400	2,596	-	-	(196)	-
J71909005P	6,474	6,271	-	-	204	-
L22323013L	970	-	-	928	42	-
J78716319A	5,786	5,881	-	-	(94)	-
J81503013L	10,450	10,450	-	-	-	-
J86906408N	9,952	8,821	-	-	1,131	-
J96829402J	16,355	16,110	-	-	245	-
L26912401G	13,688	9,938	-	-	3,750	-
J96829414J	-	5,850	-	-	(5,850)	-
J96829416C	1,454	1,450	-	-	4	-
J98021904S	14,407	14,151	(256)	-	-	-
J98021906L	11,170	20,524	9,354	-	-	-
J98021907T	11,537	11,137	(400)	-	-	-
K04226208A	26,733	26,830	-	-	(97)	-
K06626403L	20,417	20,271	-	-	146	-
K06626412K	1,072	1,072	-	-	0	-
K06626418M	5,005	6,293	-	-	(1,288)	-
K07713216Q	-	-	-	-	-	-
K07729901W	4,215	4,286	-	-	(71)	-
K07729908J	3,860	3,747	-	-	113	-
K07729917I	2,593	2,287	-	-	306	-
K11613001M	60,718	41,203	(21,450)	-	(1,935)	-
K12107002A	30,797	30,787	-	-	10	-
K16815202M	4,748	4,562	(186)	-	-	-
K19003407J	1,821	1,612	-	-	210	-
K24207608A	3,259	3,162	-	-	97	-
K26513467T	-	-	-	-	-	-
K28310906F	1,003	999	(4)	-	-	-
J96829418S	4,218	3,975	-	-	243	-
K41313033U	2,384	2,383	-	-	1	-
K41606512C	9,386	9,225	-	-	161	-
K44801201C	555	338	-	-	217	-
K48429906N	2,201	2,207	-	-	(5)	-
K49326630V	5,870	7,027	-	-	(1,158)	-
K51523031P	5,672	5,469	-	-	203	-
K52128506K	987	1,016	-	-	(29)	-
K61914005R	16,200	14,719	-	-	1,481	-
K64006602O	1,864	1,864	-	-	-	-
K66613408P	1,700	1,671	-	-	29	-
K67812601U	7,904	7,885	-	-	18	-
K74815001R	7,203	7,050	(153)	-	-	-
K77424401L	17,533	17,533	-	-	-	-
K78431302E	-	-	-	-	-	-
K81407085C	1,060	1,136	76	-	-	-
K82217010F	4,119	4,119	-	-	-	-
K86315402Q	2,815	2,811	-	-	4	-
K86328401E	11,857	11,629	-	-	228	-
K26513465D	300	279	-	-	21	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K87515901A	2,291	2,204	-	-	87	-
K88016902A	850	645	-	-	205	-
K88812401M	1,600	2,385	-	-	(785)	-
K91624006A	4,150	1,623	-	-	2,527	-
K92028004L	10,580	9,875	-	-	705	-
K96419401J	2,386	2,599	-	-	(214)	-
K97114401A	3,723	3,727	5	-	-	-
L01405006G	34,288	38,671	3,716	-	(667)	-
L01608029T	10,954	10,954	-	-	(0)	-
L06410401C	2,443	2,459	-	-	(16)	-
L06417401O	11,538	11,542	-	-	(4)	-
L09006601L	2,554	2,554	-	-	0	-
L18516901B	6,314	6,301	-	-	13	-
L19704601A	1,850	1,791	-	-	59	-
L39413601P	9,008	8,314	-	-	693	-
Total	**479,340**	**468,276**	**(9,298)**	**928**	**837**	**-**

Table 38 – Tax on profit

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903125G	11,345	11,874	-	(529)	-	-
J62903303L	9,041	11,152	-	(1,992)	(119)	-
J64102248C	-	949	-	(648)	(301)	-
J64104078V	1,023	1,023	-	-	-	-
J64416207W	644	239	-	406	-	-
J68403919H	2,418	2,411	(8)	-	-	-
J71909005P	4,798	5,734	-	(931)	(4)	-
J72603135F	233	320	-	(81)	(87)	-
J74517209B	2,800	2,800	-	-	-	-
L22323013L	645	-	-	1,528	(883)	-
J78716319A	-	610	-	(350)	(260)	-
J81503013L	4,262	18,645	100	(14,283)	-	-
J81517002U	249	300	51	-	(51)	-
J86510257N	469	427	-	42	42	-
J86906408N	9,700	22,418	-	(12,718)	(0)	-
J88511208S	-	63	-	-	-	(63)
J92408001N	4,594	4,595	-	-	(1)	-
J96829402J	8,456	8,456	-	-	-	-
L26912401G	6,983	7,483	-	-	(500)	-
J96829414J	2,385	3,276	-	(891)	1	-
J96829416C	267	267	-	-	-	-
J98021904S	6,351	6,005	(1,732)	(1,387)	-	-
J98021906L	5,500	5,500	-	-	-	-
J98021907T	5,496	6,496	-	(1,000)	-	-
K01524006L	18,541	19,129	-	-	(588)	-
K02701009U	351	1,215	221	(644)	-	-
K04226216O	309	-	-	309	-	-
K06626403L	3,694	3,694	-	-	-	-
K06626412K	751	3,908	-	(3,157)	-	-
K06626418M	2,079	9,176	-	(7,096)	-	-
K07729901W	3,500	16,500	-	(13,000)	-	-
K07729908J	756	10,951	82	(10,112)	-	-
K07729915P	450	450	-	-	-	-
K07729917I	1,805	5,064	-	(3,259)	-	-
K11613001M	94,387	360,797	-	(266,410)	-	-
K12911201C	5,317	5,317	-	-	-	-
K13001013H	72	-	-	72	72	-
K16815202M	1,258	4,051	-	(2,793)	-	-
K19003407J	1,324	1,324	-	-	-	-
K22218005O	28,042	44,459	-	(16,417)	-	-
K24207608A	2,277	4,053	-	(1,776)	-	-
K24725213C	595	997	-	(402)	-	-
K26513467T	-	2,152	-	-	-	(2,152)
K27713604T	3,852	3,852	-	-	-	-
K28310906F	700	400	-	300	-	-
K32807432W	25,662	71,286	-	(45,623)	-	-
K36805204D	198	358	-	(160)	-	-
J96829418S	6,587	3,777	-	-	2,810	-
K41313033U	890	1,780	-	(890)	-	-
K41606512C	18,182	59,028	-	(40,178)	(668)	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K44801201C	1,825	3,739	-	(1,914)	-	-
K47220402N	5,170	19,850	-	(14,680)	-	-
K47220407H	7,435	23,754	265	(15,960)	(95)	-
K48429906N	30	1,561	766	(766)	-	-
K51523031P	2,394	3,463	1,069	-	-	-
K52128506K	5,743	4,149	-	-	1,594	-
K64006602O	644	1,720	1,076	31	(31)	-
K66613408P	3,757	7,566	-	(3,809)	-	-
K67617205B	382	382	-	-	-	-
K67812601U	8,053	18,050	-	(9,996)	-	-
K74815001R	2,170	2,170	-	-	-	-
K77411401P	14,170	25,586	-	(11,415)	-	-
K77424401L	20,141	23,037	-	(2,896)	-	-
K78431302E	-	279	-	-	(279)	-
K81819509L	350	350	-	-	-	-
K82217010F	4,413	5,370	-	(956)	-	-
K82509006P	-	-	-	-	-	-
K86315402Q	1,000	1,000	-	-	-	-
K86328401E	8,800	10,000	-	(1,200)	-	-
K26513465D	74	60	-	-	14	-
K87515901A	8,046	18,145	-	(10,098)	-	-
K88016902A	132	132	-	-	-	-
K88812401M	1,777	3,552	-	(1,774)	(0)	-
K92028004L	16,972	133,003	-	(116,031)	-	-
K94016202U	350	180	-	170	-	-
K96417201K	180	180	-	-	-	-
K96419401J	4,964	15,143	-	(10,179)	-	-
K97114401A	2,843	11,559	-	(8,716)	-	-
L01405006G	22,368	34,735	-	(12,367)	-	-
L01608029T	5,000	5,000	-	-	-	-
L06410401C	-	268	269	-	0	-
L06417401O	4,000	5,432	1,432	-	-	-
L07525201B	264	434	-	(170)	(0)	-
L09006601L	493	-	(493)	-	-	-
L11401018K	291	1,723	-	(862)	(571)	-
L18516901B	3,917	4,237	-	(319)	-	-
L19704601A	770	2,141	-	(1,371)	-	-
L31926012M	25	-	-	25	25	-
L31929015F	397	2,440	-	(1,877)	(166)	-
L32409040L	60	60	-	-	-	-
Total	**468,642**	**1,145,206**	**3,096**	**(671,202)**	**(45)**	**(2,214)**

Table 39 – Payments for social and health insurance and personal income tax

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903125G	34,962	34,962	-	-	-	-
J62903303L	6,494	6,535	-	-	(41)	-
J64102248C	7,013	9,091	-	-	(2,078)	-
J64104078V	3,780	3,781	-	-	(1)	-
J64416207W	1,477	1,477	-	-	-	-
J68403919H	747	747	-	-	-	-
J71909005P	9,449	9,456	-	(75)	68	-
J72603135F	708	708	-	-	-	-
J74517209B	3,437	3,437	-	-	(0)	-
L22323013L	5,109	1,550	-	3,479	80	-
J78716319A	-	669	-	(350)	(319)	-
J81503013L	8,597	9,287	689	-	-	-
J81517002U	6,977	9,082	2,076	-	(30)	-
J86510257N	465	464	-	1	1	-
J86906408N	14,652	13,761	-	-	891	-
J88511208S	-	751	-	-	-	(751)
J92408001N	20,485	21,940	-	-	(1,455)	-
J96829402J	15,455	15,455	-	-	-	-
L26912401G	8,159	8,159	-	-	0	-
J96829414J	5,358	5,435	-	-	(77)	-
J96829416C	1,427	1,427	-	-	(0)	-
J98021904S	10,141	10,152	-	-	(11)	-
J98021906L	20,588	20,589	-	-	(1)	-
J98021907T	17,847	17,847	-	-	-	-
K01524006L	48,362	58,646	-	-	(10,285)	-
K02701009U	1,153	1,247	94	-	(94)	-
K04226208A	157,678	157,678	-	-	-	-
K04226216O	3,153	3,653	-	(500)	-	-
K06626403L	6,185	6,195	-	-	(10)	-
K06626412K	3,230	3,230	-	-	-	-
K06626418M	8,467	8,183	-	-	284	-
K07713216Q	-	703	-	-	-	(703)
K07729901W	19,569	19,569	-	-	-	-
K07729908J	-	2,980	2,980	-	0	-
K07729915P	1,524	1,524	-	-	-	-
K07729917I	-	3,608	3,340	-	(268)	-
K11613001M	321,248	322,288	-	-	(1,040)	-
K12107002A	155,972	155,972	-	-	-	-
K12911201C	10,125	10,125	-	-	-	-
K13001013H	1,780	1,920	140	-	(3)	-
K14009617C	815	815	-	-	0	-
K16815202M	19,300	19,300	-	-	0	-
K19003407J	3,015	3,015	-	-	-	-
K22218005O	5,572	5,572	-	-	-	-
K24207608A	4,643	4,701	58	-	-	-
K24725213C	2,213	2,213	-	-	-	-
K26513467T	-	1,681	-	-	-	(1,681)
K27713604T	3,327	3,330	-	-	(4)	-
K28310906F	9,667	9,667	-	-	(0)	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K32807432W	15,746	15,755	-	-	(9)	-
K36805204D	577	577	-	-	(0)	-
J96829418S	1,578	1,566	-	-	12	-
K41313033U	15,922	15,922	-	-	-	-
K41606512C	1,753	1,666	-	34	53	-
K44801201C	4,813	4,813	-	-	-	-
K47220402N	3,829	3,732	(98)	-	(0)	-
K47220407H	24	3,263	3,237	-	(2)	-
K48429906N	2,402	2,402	-	-	(0)	-
K49326630V	4,142	4,142	-	-	(0)	-
K51523031P	1,816	1,353	(312)	-	151	-
K52128506K	9,024	9,024	-	-	0	-
K61914005R	80,688	80,688	-	-	(0)	-
K64006602O	707	690	-	-	17	-
K66613408P	2,119	2,114	-	-	4	-
K67617205B	187	286	-	-	(99)	-
K67812601U	8,071	8,073	-	-	(2)	-
K74815001R	318	318	-	-	(0)	-
K77411401P	6,037	6,048	12	-	2	-
K77424401L	24,935	24,931	-	-	4	-
K78431302E	-	1,028	-	-	(1,028)	-
K81407085C	1,162	1,224	63	-	(0)	-
K81819509L	1,010	1,010	-	-	-	-
K82217010F	13,123	13,123	-	-	-	-
K82509006P	516	521	-	-	(5)	-
K86315402Q	1,496	1,728	258	54	(28)	-
K86328401E	11,183	11,183	-	-	-	-
K26513465D	1,181	1,181	-	-	-	-
K87021202E	5,216	5,867	651	-	-	-
K87515901A	6,030	6,030	-	-	(0)	-
K88016902A	4,604	3,443	-	432	728	-
K88812401M	4,236	4,639	-	-	(403)	-
K91624006A	1,106	1,106	-	-	(0)	-
K92028004L	1,021	952	-	-	68	-
K92114002U	2,659	2,660	-	-	(1)	-
K94016202U	898	916	-	-	(18)	-
K96417201K	1,444	1,453	-	-	(10)	-
K96419401J	-	4,577	-	1,048	(5,625)	-
K97114401A	10,474	10,474	-	-	-	-
L01405006G	35,212	35,232	66	-	46	-
L01608029T	517	502	-	-	15	-
L02712202J	745	793	-	-	(48)	-
L06410401C	6,370	8,107	1,737	-	-	-
L06417401O	3,890	3,519	(307)	-	64	-
L07525201B	796	748	-	30	17	-
L09006601L	461	513	81	-	28	-
L11401018K	934	1,121	-	-	(187)	-
L18516901B	1,191	1,277	-	-	(86)	-
L19704601A	522	522	-	-	-	-
L21312019C	1,872	1,872	-	-	(1)	-
L31926012M	1,528	1,613	-	(51)	(85)	-
L31929015F	766	766	-	-	-	-
L32409040L	243	167	-	-	77	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
L39413601P	360	360	-	-	0	-
Total	**1,297,785**	**1,332,176**	**14,764**	**4,103**	**(20,741)**	**(3,135)**

Table 40 – VAT

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903125G	82,898	84,050	-	(1,152)	-	-
J62903303L	9,120	25,313	-	(16,136)	(57)	-
J64102248C	5,765	57,467	18,166	(33,536)	-	-
J64104078V	3,631	7,108	-	(3,329)	(148)	-
J64416207W	1,628	3,295	-	(1,667)	-	-
J72603135F	1,572	1,654	-	(82)	(82)	-
J74517209B	11,620	11,620	-	-	-	-
L22323013L	1,208	1,331	-	-	(123)	-
J81517002U	-	-	-	-	-	-
J86510257N	1,834	6,914	-	(5,080)	-	-
J86906408N	3,688	4,125	-	(438)	0	-
J92408001N	31,140	31,140	-	-	-	-
J96829414J	-	1	-	-	(1)	-
K01524006L	124,788	170,403	-	-	(45,615)	-
K02701009U	556	556	-	-	-	-
K04226208A	16,643	16,643	-	-	-	-
K04226216O	4,568	9,041	-	(4,473)	-	-
K06626403L	1,323	3,968	-	(2,646)	-	-
K06626418M	-	545	-	-	(545)	-
K07729901W	-	-	-	-	-	-
K07729915P	9,584	9,584	-	-	-	-
K11613001M	-	3,189	-	(1,313)	(1,876)	-
K12107002A	-	-	-	-	-	-
K12911201C	7,229	11,610	-	(4,382)	-	-
K13001013H	2,242	4,755	(54)	(2,568)	-	-
K14009617C	879	884	-	(5)	(5)	-
K16815202M	78	-	-	78	78	-
K22218005O	8,748	11,284	-	(2,536)	-	-
K24207608A	4,644	4,644	-	-	-	-
K24725213C	9,270	20,780	-	(11,509)	(2)	-
K27713604T	4,997	9,924	-	(4,919)	(7)	-
K32807432W	65,551	185,647	-	(120,094)	(2)	-
K36805204D	1,396	1,397	-	(1)	(1)	-
K41313033U	2,654	2,654	-	-	0	-
K48429906N	-	2	-	-	(2)	-
K64006602O	413	-	-	-	413	-
K77411401P	20,516	54,542	-	(34,025)	-	-
K77424401L	-	-	-	-	-	-
K86315402Q	-	-	-	-	-	-
K87021202E	-	-	-	-	-	-
K87515901A	6,370	6,370	-	-	-	-
K94016202U	801	1,249	-	(432)	(17)	-
K96417201K	9,723	9,756	-	-	(33)	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
L01405006G	1,443	1,671	-	(228)	-	-
L06410401C	50	2,292	2,242	-	-	-
L06417401O	849	849	-	-	-	-
L07525201B	252	290	-	(28)	(10)	-
L09006601L	422	-	(422)	-	-	-
L11401018K	1,480	1,480	-	-	-	-
L18516901B	902	1,192	-	(290)	-	-
L32409040L	3,005	3,035	-	-	(30)	-
Total	**465,479**	**784,255**	**19,932**	**(250,789)**	**(48,064)**	**-**

Table 41 – Tax on dividend

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J68403919H	1,157	1,157	-	-	-	-
J71909005P	750	750	-	-	-	-
J72603135F	15	15	-	-	-	-
J86906408N	900	900	-	-	-	-
J96829414J	6,116	30	-	-	6,086	-
J96829416C	1,000	1,000	-	-	0	-
J98021904S	3,411	3,411	-	-	-	-
J98021906L	13,228	13,228	-	-	-	-
J98021907T	450	450	-	-	-	-
K06626412K	1,866	11	-	1,887	(31)	-
K07729901W	5,840	5,840	-	-	-	-
K07729908J	626	626	-	-	-	-
K07729915P	450	450	-	-	-	-
K12107002A	111,056	-	(111,056)	-	-	-
K13001013H	30	30	-	-	-	-
K16815202M	-	158	-	-	(158)	-
K24207608A	1,301	1,301	-	-	(0)	-
K28310906F	697	697	-	-	-	-
K36805204D	38	38	-	-	-	-
J96829418S	750	750	-	-	-	-
K52128506K	5,028	5,040	-	-	(12)	-
K66613408P	1,600	1,590	-	-	10	-
K67812601U	6,457	6,457	-	-	-	-
K77424401L	1,600	1,600	-	-	-	-
K82217010F	3,207	3,207	-	-	-	-
K86328401E	750	1,271	521	-	-	-
K87515901A	600	600	-	-	-	-
K88812401M	339	339	-	-	-	-
L01405006G	3,101	8,072	-	-	(4,971)	-
L09006601L	1,050	1,050	-	-	-	-
L11401018K	62	-	-	-	62	-
L18516901B	150	140	-	-	10	-
Total	**173,624**	**60,206**	**(110,535)**	**1,887**	**996**	**-**

Table 42 – Tax penalties

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J62903125G	-	-	-	-	-	-
J62903303L	81	30	-	-	51	-
J64102248C	-	5,771	5,771	-	-	-
J71909005P	791	760	-	-	31	-
J72603135F	55	94	-	-	(40)	-
J74517209B	-	-	-	-	-	-
J81503013L	-	770	-	(770)	-	-
J86510257N	128	-	-	128	-	-
J86906408N	10	10	-	-	-	-
J96829416C	12	-	-	-	12	-
J98021904S	9	-	-	-	9	-
J98021907T	10	10	-	-	-	-
K01524006L	56,711	3,114	-	-	53,597	-
K04226208A	847	-	-	-	847	-
K04226216O	500	500	-	-	-	-
K06626403L	10	-	-	-	10	-
K06626412K	206	-	-	-	206	-
K06626418M	-	113	-	-	(113)	-
K07729901W	109	328	-	(218)	-	-
K07729908J	83	-	(82)	-	1	-
K11613001M	2,754	988	-	108	1,658	-
K12107002A	-	-	-	-	-	-
K13001013H	-	-	-	-	-	-
K16815202M	-	76	76	-	(76)	-
K19003407J	-	-	-	-	-	-
K24207608A	64	59	(4)	-	-	-
K27713604T	672	1,235	-	(618)	54	-
K32807432W	81	30	-	-	51	-
K36805204D	30	-	-	-	30	-
K41606512C	39	6	-	-	33	-
K47220402N	-	-	-	-	-	-
K47220407H	150	-	-	-	150	-
K48429906N	20	10	-	-	10	-
K52128506K	-	10	-	-	(10)	-
K61914005R	-	307	307	-	-	-
K77411401P	100	-	-	-	100	-
K77424401L	-	-	-	-	-	-
K78431302E	-	10	-	-	(10)	-
K81819509L	951	947	-	-	4	-
K82217010F	30	30	-	-	-	-
K86328401E	30	-	(20)	-	10	-
K26513465D	10	10	-	-	-	-
K87021202E	-	-	-	-	-	-
K87515901A	26	26	-	-	-	-
K91624006A	49	19	-	30	-	-
K96419401J	-	-	-	-	-	-
K97114401A	21	-	-	-	21	-
L01405006G	40	-	-	-	40	-
L02712202J	2,031	-	-	-	2,031	-
L09006601L	91	60	-	-	31	-

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
L11401018K	-	-	-	-	-	-
L18516901B	299	60	-	-	239	-
L21312019C	40	100	-	(60)	(60)	-
L32409040L	-	40	-	-	(40)	-
L39413601P	5	-	-	-	5	-
Total	**67,096**	**15,524**	**6,048**	**(1,400)**	**58,884**	**-**

Table 43 – List of companies in the mining sector

NUIS	Companies
J96829416C	RAL
K24207608A	"KUARCI BLACE"
K77411401P	KADURTEX Sh.p.k
K48429906N	"CERUJA" SHPK
K81819509L	TUR-ALB-KROM
L32409040L	BRAJAN 2013
L39413601P	BL - ARSI
J71909005P	XHIRETON
K06626418M	FABRIKA E PASURIMIT TE KROMIT BULQIZE
J98021904S	SHKALLA
K06626403L	KOKA
K07729901W	"ALB-CANAJ" SHPK
J98021907T	KLOSI'
K07729908J	"YLBERI"
K26513465D	KRASTA
K11613001M	Albchrome
J81503013L	GENTARI
K77424401L	EGI-K
K86328401E	KLERVIBRIS
K47220407H	Geri,s 2002
K47220402N	DRINI BULQIZE
K06626412K	GJONI
J86906408N	ALB LEAA INTERNATIONAL
L18516901B	MARA 2011
K97114401A	ARIS ALBANIA
K82217010F	ZASHA
L01405006G	BRISEL
K87515901A	GLOBAL INTERPRISE GROUP
L09006601L	ALIAJ GROUP
K96419401J	LUBIMA
K78431302E	SILBORA SH.PK.
K78628201E	NICKEL MINE
L16601401K	DURIÇI GROUP
K12107002A	BERALB
K41606512C	INFO METAL PLAST - AL
K91624006A	PLATINIUM ALB
L02712202J	Victoria Invest International
J62903303L	Prodhime Karbonike
K61914005R	ANTEA CEMENT
J62903125G	SALILLARI
K32807432W	AGBES CONSTRUKSION
J72603135F	SHPIRAGU
L11401018K	AL-GEM
J74517209B	BABASI COO
K04226216O	BABASI-2
J64102248C	SANTARA
K13001013H	MUSTAFAI
K27713604T	GEGA-G
K04226208A	FUSHE KRUJA CEMENT FACTORY
K52128506K	K. I. D - ALB
K16815202M	SELENICE BITUMI

NUIS	Companies
K87021202E	MINERAL BITUMEN
K36805204D	COMERCIR.
J86510257N	ROMES
K19003407J	KLERAJDI
L21312019C	Albanian Nickel & Chrome
K01524006L	VEGA
K81407085C	OSKEOLA
K88016902A	RA KROM - TIRANA
L01608029T	MAJA E DRENIT
K92114002U	ILLYRIA RESOURCES AND METALLURGY (IRM)
K66613408P	ALGEJ
K74815001R	MINERALB Sh.p.k
J96829418S	" BLEDI "
K07729915P	"BESJANA"
K67617205B	"LESHNICA"
K07729917I	JAHO MAT
J98021906L	HERBI
J96829414J	DIALBA
K26513467T	KURTI
L22323013L	VËLLAZËRIA MINERALS ALBANIA
K28310906F	11 HERONJTE BATER
L26912401G	PAKTI
J96829402J	ISAKU
L19704601A	MIREVA
K86315402Q	TOLLJA
K67812601U	MINIERA E KROMIT KATJEL
K49326630V	BYTYÇI
L06410401C	KEVGER
L06417401O	ÇUPI GROUP
J78716319A	VLLAZNIMI DEDA IMPORT EKSPORT
L07525201B	BLERIMI KOSTURR 2010
J68403919H	TADRI
L31929015F	MINING FERRO NIKEL
K64006602O	"JOAL-06"
K92028004L	NIKA BL
K51523031P	TMC TRANSPORT & MINING & CONSTRUCTION
K07713216Q	AFRIMI K
K24725213C	MAKARESH
K02701009U	VELLEZRIT LLUPO
K94016202U	KEGLI-DURI
K14009617C	SHPETIMI
J92408001N	A. N. K
J64416207W	PRISKA
J64104078V	FAVINA SHPK
K12911201C	VELLEZERIT HYSA
K82509006P	ARDMIR
J81517002U	DELIA GROUP
K22218005O	LIM - EM
K44801201C	MILIS BRICK SHA
K96417201K	TILI INERT
K41313033U	STONE PRODUCTION
K88812401M	IGLI - 07
J88511208S	ORUÇI

NUIS	Companies
L31926012M	ALBANIAN NICKEL GROUP

Appendix 3 – Disaggregated reconciliation from the hydro-energy sector

Table 44 - Payments per company

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	1,073,948	1,068,249	345	6,133	(88)	-
K12314001K	-	-	-	-	-	-
K22301011W	-	111	-	-	-	(111)
K71624026M	95,552	94,978	-	394	180	-
K73621202N	-	132,233	-	(44,522)	-	(87,711)
K81813003S	-	37,844	-	-	-	(37,844)
K82321008Q	12,274	15,507	2,878	-	(355)	-
K82417005V	934,390	1,186,935	-	(252,483)	(61)	-
K82418002C	183,654	183,665	-	-	(11)	-
K87920201S	36,854	161,915	31,431	(93,392)	(239)	-
K91928002U	88,753	265,017	-	(176,929)	664	-
K92118003C	-	2,050	-	-	-	(2,050)
K92402005Q	2,468	2,579	210	-	100	-
K97519201C	-	380,812	-	(257,416)	-	(123,396)
L11731504A	18,401	18,401	-	-	-	-
L12309020P	-	-	-	-	-	-
L51503039D	-	73,671	-	-	-	(73,671)
L57703201R	26,183	20,940	-	5,243	(0)	-
L57703202C	57,781	45,588	-	12,194	(0)	-
Total	**2,530,258**	**3,690,493**	**34,864**	**(800,778)**	**190**	**(324,783)**

Table 45 – Concession fee

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K81813003S	-	8,833	-	-	-	(8,833)
K82321008Q	5,758	6,103	-	-	(345)	-
K82417005V	38,855	38,899	-	-	(43)	-
K87920201S	6,621	7,783	1,162	-	-	-
K91928002U	6,132	5,555	-	-	577	-
L51503039D	-	15,629	-	-	-	(15,629)
L57703201R	5,243	-	-	5,243	-	-
L57703202C	12,194	-	-	12,194	(0)	-
Total	**74,802**	**82,802**	**1,162**	**17,437**	**189**	**(24,462)**

Table 46 – Regulatory tariffs

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K71624026M	603	603	-	-	-	-
K82321008Q	537	537	-	-	-	-
K82417005V	2,270	2,270	-	-	-	-
K87920201S	540	540	-	-	-	-
K91928002U	263	263	-	-	-	-
K92402005Q	100	-	-	-	100	-
Total	**4,312**	**4,213**	**-**	**-**	**100**	**-**

Table 47 – Tax on profit

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	202,000	202,000	-	-	-	-
K71624026M	6,820	6,622	-	-	198	-
K73621202N	-	46,987	-	(11,717)	-	(35,269)
K81813003S	-	50	-	-	-	(50)
K82321008Q	1,219	2,885	1,667	-	-	-
K82417005V	228,643	-	-	228,643	-	-
K87920201S	23,276	146,936	30,269	(93,392)	0	-
K91928002U	16,228	121,086	-	(104,858)	-	-
K97519201C	-	375,188	-	(257,416)	-	(117,772)
L51503039D	-	347	-	-	-	(347)
L57703201R	750	750	-	-	-	-
L57703202C	1,250	1,250	-	-	-	-
Total	**480,186**	**904,101**	**31,935**	**(238,740)**	**198**	**(153,438)**

Table 48 – Tax on dividend

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
K73621202N	-	320	-	-	-	(320)
K82417005V	7,341	7,380	-	(39)	-	-
Total	**7,341**	**7,699**	**-**	**(39)**	**-**	**(320)**

Table 49 – Tax penalties

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	45	345	345	-	45	-
K71624026M	387	-	-	394	(7)	-
K82417005V	7,445	1,017	-	6,422	6	-
K91928002U	3,203	-	-	3,129	74	-
K92402005Q	2,141	1,836	(305)	-	-	-
K97519201C	-	21	-	-	-	(21)
L57703201R	84	84	-	-	-	-
L57703202C	149	149	-	-	-	-
Total	**13,455**	**3,453**	**40**	**9,946**	**118**	**(21)**

Table 50 – Payments for social and health insurance and personal income tax

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	632,169	632,768	-	(555)	(45)	-
K71624026M	64,251	64,262	-	-	(11)	-
K73621202N	-	80,229	-	(32,804)	-	(47,424)
K81813003S	-	25,662	-	-	-	(25,662)
K82321008Q	-	10	-	-	(10)	-
K82417005V	379,287	1,034,571	-	(655,283)	-	-
K87920201S	3,775	3,775	-	-	-	-
K91928002U	58,482	133,664	-	(75,200)	18	-
K97519201C	-	4,000	-	-	-	(4,000)
L51503039D	-	57,695	-	-	-	(57,695)
L57703201R	18,420	18,420	-	-	-	-
L57703202C	41,839	41,839	-	-	-	-
Total	**1,198,224**	**2,096,895**	**-**	**(763,842)**	**(48)**	**(134,782)**

Table 51 – VAT

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	632,169	632,768	-	(555)	(45)	-
K71624026M	64,251	64,262	-	-	(11)	-
K73621202N	-	80,229	-	(32,804)	-	(47,424)
K81813003S	-	25,662	-	-	-	(25,662)
K82321008Q	-	10	-	-	(10)	-
K82417005V	379,287	1,034,571	-	(655,283)	-	-
K87920201S	3,775	3,775	-	-	-	-
K91928002U	58,482	133,664	-	(75,200)	18	-
K97519201C	-	4,000	-	-	-	(4,000)
L51503039D	-	57,695	-	-	-	(57,695)
L57703201R	18,420	18,420	-	-	-	-
L57703202C	41,839	41,839	-	-	-	-
Total	**1,198,224**	**2,096,895**	**-**	**(763,842)**	**(48)**	**(134,782)**

Table 52 – Other payments made to the State

Amounts in Lek thousands

Company	Sum of Payer	Sum of Recipient	Discrepancy explained		Remaining discrepancy	
			Payer	Recipient	Unidentified	Without Counterparty
J61817005F	7,420	803	-	6,688	(71)	-
K82417005V	75,684	83,895	-	(8,211)	(0)	-
Total	**83,103**	**84,698**	**-**	**(1,524)**	**(71)**	**-**

Table 53 – List of companies in the hydro-energy sector

NUIS	Companies
L51503039D	ALB-ENERGY
L11731504A	AYEN AS ENERGJI
K71624026M	BALKAN GREEN ENERGY
K92402005Q	C & S ENERGY
K82418002C	DEVOLL HYDROPOWER
L57703201R	ENERGAL
K82417005V	ENERGJI ASHTA
K91928002U	ENERGY PLUS
K82321008Q	ERDAT LURA
K12314001K	ESSEGEI-SHQIPERI
K22301011W	ESSEGEI-SHQIPERI SMOKTHINA
K97519201C	EURON Energy Group
L57703202C	EURON ENERGY
L12309020P	GENERATE RENEWABLE ENERGIES
K87920201S	GJO-SPA POWER
K73621202N	HEC-i Tervolit
J61817005F	KESH sh.a.
K81813003S	POWER-ELEKTRIK-SLABINJE
K92118003C	Shala Energy

Appendix 4 - Albpetrol's operations and governance

The State participates in the oil and gas industry through Albpetrol Sh.A., the state-owned oil company engaged in exploration, development and production of crude oil and gas.

Albpetrol Sh.a. was incorporated on 20 March 1993. Prior to its incorporation Albpetrol formed part of the government structure responsible for the entire oil and gas operations in the country. Since its incorporation, the State granted Albpetrol sh.a with the administration of all existing oilfields in Albania and some exploration blocks. Extension of Albpetrol exploration and production rights were defined in a separate agreement approved on 26 July 1993 ("The Albpetrol Agreement").

Initial Albpetrol's activities included exploration, production, refining, marketing and sales, and petroleum services. In 1999, due to restructuring process, Albpetrol was divided into the following three State-owned companies:

- Albpetrol Sh.a. ("Albpetrol") which retained exploration and production activity, and inherited administration of all oil fields and exploration blocks allocated prior to this date;
- ARMO Sh.a. which retained refining, marketing and sales of oil; and
- Servcom, which retained petroleum services.

In pursuing better utilization of resources and production efficiency, the Law allows Albpetrol to sub-grant its exploration and production rights to oil and gas companies through petroleum agreements, subject to approval by the Ministry of Energy and Industry. Albpetrol is party to the agreements when PSAs grant oil fields under its administration.

At 31 December 2014 Albpetrol held shares in PSAs with 5 companies operating in production of oil and gas (see section 2.2.5), and operated on its own wells located in Ballsh, Patos and Kucova. List of PSAs that sub-grant rights to oil operations under Albpetrol's administration is presented in Appendix 4.

Albpetrol's governance

The General Assembly ("the Assembly") is the highest governing body of Albpetrol. The Assembly appoints the Supervisory Council ("the Council") entrusted with monitoring of operating and financial activities and internal controls of the Company. The Assembly elects the administrator of the Company with e three year mandate, based in the criteria established by the Supervisory Council. In accordance with the Albpetrol's statute the administration and supervision of the Company are two separate functions, where the administrator reports to the Supervisory Council and may not be a member of the Council. Among other functions, the Council is also responsible for establishment of the administrator's remuneration.

The Supervisory council is composed of members with mixed backgrounds representing the Government of Albania. Currently, the Supervisory Council is chaired by Mr. Koli Bele, General Secretary of the Ministry of Energy and Industry.

Sale of Albpetrol's oil

Albpetrol sells the oil derived from PSAs and extracted through its own oil field operations through open public auctions[88] in accordance with law and regulation on public auctions and rules and procedures set in the Order no. 83, dated 10 October 2012, amended issued by the Minister responsible for the energy sector.

Accordingly, Albpetrol organizes open auctions to allocate annual oil contracts. Quantity of oil sold is based on the annual forecasts of oil production and share of oil to be derived from PSAs. Albpetrol delivers oil and collects contract payments based on a defined schedule during the year.

The commission administering the auction comprises 7 members including 3 representatives from the Ministry of Energy and Industry, 2 representatives form Albpetrol, 1 representative from the State's Technical and Industrial Inspectorate ("STII") and 1 representative from AKBN. The commission is primarily responsible for compiling the terms of the bid, overseeing the process and evaluation of the bids.

The auction start price is set with reference to Brent oil prices through a formula that considers quality of oil to be delivered, access to international markets etc. The price includes adjustments for the transport costs in consideration to the delivery point. The price is set by a group of experts from Albpetrol, AKBN, MEI and STII.

The table below summarizes the details of the auctions organized in 2013 and 2015.

Table 54 – Summary of Auctions organized 2013 – 2015

Auction year	Quantity in ton	Auction starting price	Winning bid	Non-winning applicants	Access to procedure
2013	200,000	Brent/1.65 $bbl. + K	Consortium between "TPD-Trading Petrol & Drilling (NUIS L21807013N)" and "Interpetrol Ltd (NUIS L52013058A)" with K = 0.12 $/bbl.	Europetrol Durres Ltd	Filed in the Ministry of Energy and Industry archive
2013	30,000	Brent/1.65 $bbl. + K equivalent to Brent x 60.61% $bbl. + K	Liona Sh.a. (NUIS L31731005C) with K = 0.1 $/bbl.	No other applicants	Filed in the Albpetrol archive
2015	100,000	Brent x 72.52% - 5.55 $/bbl. + K	TPD-Trading Petrol & Drilling (NUIS L21807013N) with K = 0.1 $/bbl.	No other applicants	http://www.albpetrol.al/njoftim-ankandi-per-shitjen-e-naftes-brut-sasia-100-000-ton/

[88] Law no. 9874, date 14 February 2998 "On public auctions" and Council of Ministers Decision no. 1719, date 17 December 2008 "Approval of public auction rules", amended.

Details of monthly quantities and values of sales to each contractor during 2015 are as follows.

Table 55 - Summary of sales of Albpetrol's oil in 2015

Months	Contractor	Quantity in tom	USD / ton	Sales value in USD
January 2015	TPD Trading Petrol & Drilling Sh.A	5,960	182.14	1,085,619
February 2015	TPD Trading Petrol & Drilling Sh.A	3,874	182.71	707,805
May 2015	TPD Trading Petrol & Drilling Sh.A	10,662	159.24	1,697,855
June 2015	TPD Trading Petrol & Drilling Sh.A	10,623	250.21	2,658,093
July 2015	TPD Trading Petrol & Drilling Sh.A	7,705	225.60	1,738,213
August 2015	TPD Trading Petrol & Drilling Sh.A	8,847	189.60	1,677,381
September 2015	TPD Trading Petrol & Drilling Sh.A	10,946	160.45	1,756,287
October 2015	TPD Trading Petrol & Drilling Sh.A	2,600	177.19	460,768
November 2015	TPD Trading Petrol & Drilling Sh.A	12,551	166.89	2,094,597
December 2015	TPD Trading Petrol & Drilling Sh.A	10,855	141.04	1,530,932
	Total	**84,623**	**185.82**	**15,407,549**

Albpetrol's key performance indicators (2011-2015)[89]

Table 56 in the following summarizes data derived from Albpetrol's annual financial statements and cash payments to the State Budget reported by Albpetrol for the EITI reconciliation reports for the years 2011, 2012, 2013, 2014 and 2014.

Albpetrol's financials show a sound profit margin. Net operating revenue during the last four years varied from 8 to 10 billion Lek. Revenue is primarily derived from sale of available oil. Albpetrol extracted oil through operating wells on its own and collected share of oil from PSAs granted for areas under Albpetrol's license agreement. Albpetrol's own production comprised 26-34% of its total available oil. Albpetrol mainly derived its oil through collecting share of oil produced through PSAs. Personnel costs comprised a key cost component. In the period from 2011 to 2014 personnel costs decrease by -19%, at a compound annual rate of -5%. In the same period number of employees decreased by -49%, at a compound annual rate of -15%.

These changes relate mainly to Albpetrol's restructuring process and sub-licensing of oil operations. Albpetrol delivered approximately 1,400 operating wells to the sublicensed oil companies. According to Albpetrol's practice, employees assigned to each well are made redundant when wells are delivered to the private oil companies operating PSAs. PSA terms require the operator to retain and compensate employees of each well transferred for a minimum period of six months. At termination of this period the operator may employee staff as needed. PSAs suggest but do not force the operators to employ staff previously working at the wells transferred. Albpetrol could not provide statistics on the number of pervious Albpetrol's staff employed from the PSA operators.

[89] The financial information is derived from the annual audited financial statements of Albpetrol for the fiscal years 2012, 2013 and 2014. These financial statements are not available for public access. Albpetrol shared this information with Deloitte for the purpose of this Report.

Table 56 – Albpetrol's key financial data

	2011	2012	2013	2014	2015
Key performance indicators					
Net operating revenue in Lek million	9,385	8,035	10,405	8,371	3,101
Profit before tax (PBT) in Lek million	3,906	1,430	1,457	1,423	1
PBT margin	41.6%	17.8%	14.0%	17.0%	0.03%
Return on Equity (PBT/Equity)	6.3%	2.4%	2.5%	2.4%	0.00%
Return on Assets (PBT/Total assets)	5.4%	2.0%	2.0%	2.0%	0.00%
Available oil in '000 ton	**176.6**	**156.9**	**144.0**	**149.6**	**98.1**
Own production	34%	29%	26%	30%	48%
PEP and ASP collected in kind	66%	71%	74%	70%	52%
Cash payments to the State Budget in Lek million	**809**	**1,892**	**1,562**	**2,07**	**548**
Royalty paid	415	978	621	829	187
Profit tax & related penalties paid	231	561	850	445	312
Dividend paid (including taxes)	163	353	91	799	49
Cash payments in % to net revenue	**9%**	**24%**	**15%**	**25%**	**9%**
Employee data					
Personnel costs in Lek million	2,558	2,232	2,197	2,064	1,568
Employee number	4,010	3,072	2,936	2,062	2,032

Source: Albpetrol

Albpetrol's expected privatization

Under Law No.10490 dated 15 December 2011, the Albanian Parliament decided to privatize Albpetrol. This law established that exploration and production rights granted to Albpetrol as primary licensee would be subject to the regular terms referred in the Petroleum Law for oil and gas economic operators and will become effective form the date of the privatization. Pursuant to this decision in April 2012 the Ministry responsible for the energy sector allocated to Albpetrol new exploration blocks in the onshore area of Delvina, Panaja, Velca, Dumre, 1, 4, 5, 6, 7 and 8 and the offshore exploration blocks of Adriatik 2, Adriatik 3, Adriatik 4, and Rodoni North[90]. Whilst, in April 2014, the Council of Ministers decided[91] to reallocate to MEI the free exploration blocks of Dumre, Panaja, 1, 4, 5, 6, 8 and C held by Albpetrol at that date.

Under Law No.10490 dated 15 December 2011, the Albanian Parliament decided to privatize Albpetrol.

Albpetrol's extension of rights and assets that will be part of the privatization are not yet established by the date of this Report.

[90] CMD no. 279 dated 12 April 2012 "On approval of the list of the petroleum operation blocks part of the Agreement between the Ministry of Energy and Industry and Albpetrol dated 26 July 1993".
[91] CMD no. 335, dated 22 April 2015 "On some changes to the CMD no. 279 dated 12 April 2012

Appendix 5 – List of Petroleum Agreements held by Albpetrol at 31 December 2015

Albpetrol signed a license agreement with AKBN for the same terms and operations included in each PSA.

Operators of the PSA	Petroleum operation	Oil and gas blocks and fields	Date of PSA
Saxon International Energy Ltd (a wholly owned subsidiary of Bankers Petroleum, now Bankers Petroleum Albania Ltd)	Development and production	On shore oilfield of • Patos-Marina	PSA approved by CMD no. 477 date 16 July 2004
STREAM OIL&GAS Limited	Development and production	Onshore oilfield of • Ballsh-Hekal, • Gorisht-Kocul, • Cakran-Mollaj and • Delvina	PSA approved by CMD no. 509, dated 8 August 2007
IEC Visoka, Inc.	Development and production	Onshore oilfield of • Visoka	PSA approved by CMD no. 90, dated 27 January 2009
Sherwood International Petroleum Ltd (In 2008 Bankers petroleum Albania Ltd acquired 100% of shares)	Development and production	Onshore oilfield of • Kucova	PSA approved by CMD no. 686 dated 19 October 2007, amended by CMD no. 948 on 17 November 2010.
Emanuelle Adriatic Energy Limited	Exploration, development and production	Offshore exploration blocks of • Adriatic 1, • Adriatic 2, and • Adriatic 3	PSA approved by CMD no. 383 dated 6 June 2012
"Phoenix Petroleum" sh.a.	Development and production	Onshore oilfields of • Amonica, • Drashovica, and • Pekisht-Murriz, and onshore gas fields of • Panaja, • Frakull, • Povelça, • Divjaka, • Ballaj-Kryevidh and • Finiq-Krane	PSA approved by CMD no. 699 dated 16 August 2013

Appendix 6– List of Petroleum Agreements held by AKBN at 31 December 2015

Operators of the PSA	Petroleum operation	Oil and gas blocks	Date of PSA
San Leon Energy B.V.	Exploration, development and production	Offshore exploration block • Durres	August 2007
Capricorn Albania Limited	Exploration, development and production	Offshore exploration block • Joni 5	September 2007
Bankers Petroleum Albania Ltd	Exploration, development and production	Onshore exploration block • F	November 2010.
Royal Dutch Shell plc & Petromanas Energy Inc.	Exploration, development and production	Onshore exploration blocks • 2 & 3	July 2009

Appendix 7 – Current licensing situation and free exploration blocks

Table below lists all exploration blocks in the onshore and offshore territory of Albania in December 2016, stating current licensing situation and free exploration blocks.

Table 57 – List of exploration blocks

No.	Location	Block	Currently operated by / Free	Administered by
1	Offshore	Block Rodoni N & S	Free	AKBN
2	Offshore	Block Adriatiku 2	Emanuelle Energy	Albpetrol
3	Offshore	Block Adriatiku 3	Emanuelle Energy	Albpetrol
4	Offshore	Block Adriatiku 4	Emanuelle Energy	Albpetrol
5	Offshore	Block Joni 5	Med Oil Plc (Until Sep' 2007 Capricorn Albania)	AKBN
6	Onshore	Block 1	Free	AKBNl
7	Onshore	Block 2	Shell Upstream Albania B.V (until Feb'2016 Petromanas & Shell)	AKBN
8	Onshore	Block 3	Shell Upstream Albania B.V (until Feb'2016 Petromanas & Shell	AKBN
9	Onshore	Block 4	**Under negotiation Shell Upstream Albania B.V.**	AKBN
10	Onshore	Block 5	Free	AKBN
11	Onshore	Block 6	Free	AKBN
12	Onshore	Block 7	Free	AKBN
13	Onshore	Block 8	Albanides Energy (since Mar'2016)	AKBN
14	Onshore	Block A	Free	AKBN
15	Onshore	Block B	Free	AKBN
16	Onshore	Block C	Free	AKBN
17	Onshore	Block D	Free	AKBN
18	Onshore	Block E	Free	AKBN
19	Onshore	Block F	Bankers Petroleum	AKBN
20	Onshore	Block Dumre	**Under negotiation Navitas Petroleum Limited**	AKBN
21	Onshore	Block Panaja	Free	AKBN
22	Onshore	Block Velca	Free	Albpetrol
23	Onshore	Block Delvina	GBC Oil (until Feb'2016 Transatlantic Albania)	Albpetrol
24	Offshore	Block Durres	San Leon Energy B.V.	AKBN

Source: MEI – www.ernergjia.gov.al

Appendix 8 – Mining licenses awarded in 2015

The following table provides a list of licenses awarded in 2015 through competitive bidding including details of the mining area.

No.	License no.	Application date	Allocation date	Tenor	Licensee	NUIS	District	Mining-filed	Commodity
34	772/1		10.02.2015	10	Naçopullo	K42704612D	Gjirokaster	Dervican	Gur gelqeror
35	793/1		09.02.2015	10	AKS	K02701010B	Berat	Guri I Bardhe, Ura vajgurore	Gur gelqeror
35	796/1		09.02.2015	10	Fushe-Kruje Cement Factory	K04226208A	Kruje	Zalle, Kruje	Argjile
36	801/1		09.02.2015	10	Geri 01	K49312439L	Skrapar	Novaj	Gelqeror Pllakor
37	847/1		03.04.2015	10	2D	K34109009D	Devoll	Floq	Gur gelqeror
39	862/2		03.04.2015	10	Stone Production	K41313033U	Skrapar	Melove	Gelqeror i mermerizuar
41	874/1		27.05.2015	10	Priska	J64416207W	Kruje	(Kraste) Hasmuçaj, Kruje	Gur gelqeror
42	875/2		21.05.2015	10	Vellezerit Llupo	K02701009U	Berat	Konezbalte	Gur gelqeror
40	877/1		21.05.2015	10	Milis Brick sh.a	K44801201C	Kruje	Derven	Argjile
41	883/1		21.05.2015	10	Dyrrakium	J61810504P	Durres	Currila	Argjile
44	897/1		09.07.2015	10	Xhulio	J74517202O	Shkoder	Karme (shtyrje afat 10 vjet)	Shiste Argjilore
150	1738	24.09.2014	08.01.2015	25	As Mineral Ltd	L21317019E	Korçe	Manez, Korçe	Traktolite
148	1739	12.06.2014	12.01.2015	25	C.G.C	L32307002J	Librazhd	Pervalle, Librazhd	Zaje Kuarci
149	1740	02.12.2014	10.02.2015	25	Il Progetto	L46618002N	Malsi e Madhe	Baks, Postribe, Malsi e madhe	Gur gelqeror
150	1741	23.09.2014	10.02.2015	25	Kapaj	K02715455C	Fier	Frakull e Vogel, Fier	Konglomerat
151	1742	10.10.2014	20.02.2015	25	Chrome Invest	L41816004P	Diber	Objekti- Ushtari, Zerqan-Diber	Krom
149	1743	07.05.2014	23.02.2015	25	Dodona	K83921804G	Vlore	Borshi , Vlore	Gur gelqeror
150	1744	23.10.2014	13.03.2015	25	Arfys	K88816601V	Tropoje	Kam 6, Tropoje	Krom
151	1745	07.10.2014	18.03.2015	25	Canameti	L46802702E	Diber	Lugu I Thelle, Diber	Krom
152	1746	02.12.2014	30.03.2015	25	Inerte Expres	K72113012U	Elbasan	Kosove, Elbasan	Travertine
150	1747	25.07.2014	02.04.2015	25	Gega - G	K27713604T	Elbasan	Mira,Elbasan	Gur gelqeror
151	1748	14.07.2014	15.04.2015	25	Bejleri Alfa	L32721401P	Fier	Patos Fshat, Fier	Rere Bituminoze

No.	License no.	Application date	Allocation date	Tenor	Licensee	NUIS	District	Mining-filed	Commodity
152	1749	06.01.2015	21.04.2015	25	Ballkan Basalt	L41504022N	Mirdite	Blinisht, Mirdite	Bazalte
153	1750	24.12.2014	23.04.2015	25	Xhulio	J74517202O	Durres	Abazaj, Durres	Gur gelqeror
151	1751	15.08.2014	23.04.2015	25	Brajan 2013	L32409040L	Lezhe	Laku Repes, Lexhe	Krom
152	1752	12.11.2014	27.04.2015	25	Afrimi-K	K07713216Q	Kukes	Arre Molle, Kukes	Fe - Ni
153	1753	27.03.2015	15.05.2015	25	B&AD Constructio n	L3656201A	Vlore	Selenice, Vlore	Zhavor Bitumino + Bitum
154	1754	25.03.2015	21.05.2015	25	Beat Generation	L42423012I	Vlore	Selenice, Vlore	Zhavor Bitumino + Bitum
152	1755	24.12.2014	21.05.2015	25	Alion	K32803014D	Berat	Perroi I Bigasit, Berat	Ranor Pllakor
153	1756	18.07.014	21.05.2015	25	Fushe-Kruje Cement Factory	K04226208A	Durres	Fushe Kruje, Durres	Gur gelqeror
154	1757	30.10.2014	21.05.2015	25	Perfundi 2010	L08028601E	Elbasan	Pishkash, Elbasan	Gur gelqeror
155	1758	21.01.2015	03.06.2015	25	Alfa Alabaster Group	L43002803L	Tirane	Kryezi, Tirane	Gips Alabaster
153	1759	18.02.2015	03.06.2015	25	Kovaçi-3	K484085501G	Vlore	Tresh, Vlore	Gur gelqeror
154	1760	29.12.2015	10.07.2015	25	Edil-Centre	J61811017V	Durres	Metallaj, Durres	Argjile
155	1761	10.03.2015	28.07.2015	25	Albanian Nickel & Chrome	L21312019C	Kukes	Kodra e Trullit, Kukes	Fe-Ni, Ni-Si
156	1762	17.06.2015	29.07.2015	25	Ernisi	K88814601L	Kukes	Myç Has, Kukes	Fe - Ni
154	1763	17.12.2014	31.07.2015	25	Albtek Energji	L41914013H	Elbasan	Bradashesh, Elbasan	Argjile
155	1764	25.06.2015	31 07 2015	2	Gener 2	K58615301M	Korçe	Shtylla, Korçe	Gur gelqeror
156	1765	25.06.2015	31.07.2015	2	Gener 2	K58615301M	Berat	Potom, Berat	Gur gelqeror
157	1766	24.10.2014	31.07.2015	25	Alfrozano	L41316030M	Kukes	Arren, Kukes	Boksid
155	1767	22.07.2015	07.08.2015	25	Gener 2	K58615301M	Berat	Polena, Berat	Gur gelqeror
156	1768	06.01.2015	21.09.2015	25	Doruz	L49303401U	Berat	Bregu I Kallmit, Berat	Ranor Pllakor
157	1769	19.02.2015	21.09.2015	25	Lamnica	K08906610L	Kukes	Perroi i Propshtit, Kukes	Krom
158	1770	07.10.2015	07.10.2015		B.F.B.-2007	K78416901D	Mat	Objekti Balgjaj,Mat	Krom
156	1771		08.10.2015		Mining Ferro Nikel	L31929015F	Tropoje	Objekti Shpati Mehalle	Krom
157	1772		15.10.2015		Lubima	K96419401J	Bulqize	Maja e Mecekut	Krom
158	1773		03.11.2015		Kuarci Bllace	K24207608A	Librazhd	Ish miniera e kromit Menik	Krom
159	1774		03.11.2015		Maxi	J61826021J	Vlore	Vranisht, Vlore	Ranor silicor
157	1775		03.11.2015		Makaresh	K24725213C	Kruje	Makaresh	Gur gelqeror
158	1776		03.11.2015		Teki	L48312301L	Bulqize	Objekti Theken	Krom
159	1777		05.11.2015		FONSANA GRIGGIO		Elbasan	Objekti" Guri i Zi", Qarku Elbasan	Ranor Pllakor

No.	License no.	Application date	Allocation date	Tenor	Licensee	NUIS	District	Mining-filed	Commodity
160	1778		09.11.2015		YLDON		Bulqize	Objekti" Fushe Lope", Qarku Diber.	Krom
158	1779		12.11.2015		DAMZI.03		Bulqize	Objekti " Fushe Lope"	Krom
159	1780		12.11.2015		GERDA - 07		Bulqize	Objekti " Zalli I Liçones", rrethi Bulqize, Diber	Krom
160	1781		12.11.2015		Benaks - 94 shpk		Korçe	Objekti" Leshnice", rrethi Pogradec, Korçe	Rere Bituminoze
161	1782		18.11.2015		LALA - 06		Korçe	Objekti " Plase", Korçe.	Hekur - Nikel
159	1783		19.11.2015		Albmerkuri		Bulqize	Objekti" Mali Lopes", rrethi Bulqize, Diber	Krom
160	1784		19.11.2015		Mining Ventures Albania		Skrapar	Objekti," Melove", rrethi Skrapar, Berat.	Gelqeror mermer.
161	1785		10.12.2015		HAJGED		Kruje	Objekti " Shkembi i Vajes", rrethi Kruje, Qarku Durres.	Gelqeror
162	1786		24.12.2015		GEO - KAN		Vlore	Objekti " Kanine", rrethi Vlore, Qarku Vlore	Gelqeror
160	1787		31.12.2015		DEVOLL HYDROPOWER		Korçe	Objekti" Moglice", Qarku Korçe,	Gelqeror
161	1788		31.12.2015		DEVOLL HYDROPOWER		Korçe	Objekti" Moglice", Qarku Korçe,	Gelqeror

Appendix 9 – Register of concessions in the hydro-energy sector in December 2015

The following register has been compiled by the Ministry of Energy and Industry and EITI Albania team based on information provided in each individual license term. The administrator has not performed any procedure to confirm the accuracy and completeness of data shown in this register.

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
1.1	Smokthina	ESSEGEI-SHQIPERI SMOKTHINA	K22301011W	ROT	2002	35	9,600
2.1	Arras	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	2,400
2.2	Funares	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	1,000
2.3	Dukagjin	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	640
2.4	Nikolice	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	500
2.5	Bulqize	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	600
2.6	Lure	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	600
2.7	Orgjost	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	800
2.8	Lekbibaj	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	1,200
2.9	Velcan	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	800
2.10	Zerqan	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	400
2.11	Borsh	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	250
2.12	Leshnice	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	250
2.13	Shoshan	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	3,000
2.14	Ujanik	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	400
2.15	Kerpice	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200
2.16	Barmash	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200
2.17	Lunik	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200
2.18	Homesh	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	150
2.19	Muhur	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	250
2.20	Rajan	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
2.21	Marjan	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200
2.22	Treske 2	ESSEGEI-SHQIPERI	K12314001K	ROT	2002	35	200
3.1	Lenie	EMIKEL	K23418201C	ROT	2003	35	400
3.2	Corovode	EMIKEL	K23418201C	ROT	2003	35	200
3.3	Tucep	EMIKEL	K23418201C	ROT	2003	35	400
4.1	Xhyre	AMAL	K08027612N	ROT	2003	35	250
5.1	Ternova	TEODORI 2003	K42301006L	BOO	2003	35	8,385
5.2	Zall Bulqiza	TEODORI 2003	K42301006L	BOO	2003	35	5,350
6.1	Bogove	WONDER POWER	K39003403C	ROT	2003	35	2,500
7.1	Gjanc	SPAHIU-GJANC	K43825004R	ROT	2003	35	3,700
8.1	Sasaj	ENERGO-SAS	K64006850W	BOO	2004	35	5,500
9.1	Stranik	HIDRO INVEST 1	K89504202H	BOO	2005	35	4,600
9.2	Zall Torre	HIDRO INVEST 1	K89504202H	BOO	2005	35	3,000
10.1	Kalivac	KALIVAC GREEN ENERGY SHPK	K72326018B	BOT	2007	35	100,000
11.1	Egnatia	REMI	K57604601T	BOT	2007	35	5,000
12.1	Tervol	HEC-i Tervolit	K73621202N	BOT	2007	35	10,000
13.1	Verbe-Selce	HYDRO POWER PLANT OF KORCA	K81830009N	BOT	2007	35	2,800
14.1	Qyteze	MUSO HC QYTEZE	K86504601R	BOT	2008	35	250
15.1	Çarshove	ERMA M.P.	K84606001N	BOT	2008	35	1,200
16.1	Labinot Mal	ANSARA KONÇENSION	K83622201L	ROT	2008	35	250
17.1	Stebleve	PURE ENERGY STEBLEVA	K87922601G	BOT	2008	35	3,400
18.1	Lapaj	GJO-SPA POWER	K87920201S	BOT	2008	35	12,600
19.1	Tuçep 2	DUKA T2	K48130531M	BOT	2008	35	1,400
20.1	Lengarica	LENGARICA & ENERGY	K83026602A	BOT	2008	35	6,200
21.1	Peshku	KOKA & ERGI ENERGY PESHK	K88027901B	BOT	2008	35	1,900
22.1	Stavec	KOKA & ERGI ENERGY STAVEC	K88027902J	BOT	2008	35	6,000
23.1	Sllabinje	POWER-ELEKTRIK-SLABINJE	K81813003S	BOT	2008	35	9,300
24.1	Kacni	KISI-BIO-ENERGY	K86907701E	BOT	2008	35	1,100
25.1	Kabash 1	ENERGJI UNIVERS	K82109507S	BOT	2008	35	5,200
25.2	Kabash 2	ENERGJI UNIVERS	K82109507S	BOT	2008	35	600
26.1	Stravaj	STRAVAJ ENERGY	L11823001A	BOT	2008	35	3,626

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
27.1	Vlushe	STUDIOPROJEKT	K62021001S	BOT	2008	35	14,200
28.1	Bistrica 3	BISTRICA 3 ENERGY	K82118005R	BOT	2008	35	1,570
28.2	Bistrica 4	BISTRICA 3 ENERGY	K82118005R	BOT	2008	35	1,335
29.1	Selishte	SELISHTE	K86921702N	BOT	2008	35	1,350
30.1	Lura 1	ERDAT LURA	K82321008Q	BOT	2008	35	4,812
30.2	Lura 2	ERDAT LURA	K82321008Q	BOT	2008	35	2,549
30.3	Lura 3	ERDAT LURA	K82321008Q	BOT	2008	35	3,632
31.1	Rapuni 1	C & S Construction Energy	K81914029T	BOT	2008	35	4,100
31.2	Rapuni 2	C & S Construction Energy	K81914029T	BOT	2008	35	4,150
32.1	Suha 2	SUHA ENERGY	K82005014R	BOT	2008	35	3,400
33.1	Strelca 1	STRELCA ENERGY	K91610007H	BOT	2008	35	1,700
33.2	Strelca 2	STRELCA ENERGY	K91610007H	BOT	2008	35	1,300
33.3	Strelca 3	STRELCA ENERGY	K91610007H	BOT	2008	35	5,300
34.1	Martanesh	ALBANIAN POWER	K81918013H	BOT	2008	35	8,800
35.1	Prelle 1	PRELL ENERGY	L17610901S	BOT	2008	35	6,600
35.2	Prelle 2	PRELL ENERGY	L17610901S	BOT	2008	35	4,100
36.1	Ashta 1	ENERGJI ASHTA	K82417005V	BOT	2008	35	57,000
36.2	Ashta 2	ENERGJI ASHTA	K82417005V	BOT	2008	35	
37.1	Holta Kabash	HEC-i KABASH POROCAN	K82403009G	BOT	2008	35	3,200
37.2	Holta Porocan	HEC-i KABASH POROCAN	K82403009G	BOT	2008	35	1,500
38.1	Bishnica 1	HEC-i BISHNICA 1,2	K82403011S	BOT	2008	35	450
38.2	Bishnica 2	HEC-i BISHNICA 1,2	K82403011S	BOT	2008	35	2,500
39.1	Orgjost i Ri	EURON Energy Group	K97519201C	BOT	2009	35	5,000
39.2	Bele 1	EURON Energy Group	K97519201C	BOT	2009	35	4,200
39.3	Bele 2	EURON Energy Group	K97519201C	BOT	2009	35	7,800
39.4	Topojan 1	EURON Energy Group	K97519201C	BOT	2009	35	2,860
39.5	Topojan 2	EURON Energy Group	K97519201C	BOT	2009	35	4,400
40.1	Klos	MALIDO-ENERGY	K98824001D	BOT	2009	35	1,519
41.1	Valbone	T P L A N I	K61521026Q	BOT	2009	35	2,300
42.1	Darsi 1	HENZ ENERGY	K91502021A	BOT	2009	35	1,974
42.2	Darsi 2	HENZ ENERGY	K91502021A	BOT	2009	35	5,844
42.3	Darsi 3	HENZ ENERGY	K91502021A	BOT	2009	35	1,084
43.1	Niçe	MP-HEC	K93826001D	BOT	2009	35	600

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
44.1	Gur Shpat 1	GUR SHPAT ENERGY	K914250170	BOT	2013	35	840
44.2	Gur Shpat 2	GUR SHPAT ENERGY	K914250170	BOT	2013	35	830
45.1	Stojan	SHOQERIA KONCESIONARE EL-ER ENERGY	K87717901Q	BOT	2009	35	1,100
46.1	Radove	M.T.C ENERGY	K91524003T	BOT	2009	35	2,000
47.1	Murdhari 1	HydroEnergy	K91527017E	BOT	2009	35	2,680
47.2	Murdhari 2	HydroEnergy	K91527017E	BOT	2009	35	1,000
48.1	Moglice	DEVOLL HYDROPOWER	K82418002C	BOT	2009	75	177,000
48.2	Kokelit	DEVOLL HYDROPOWER	K82418002C	BOT	2009	75	35,200
48.3	Banje	DEVOLL HYDROPOWER	K82418002C	BOT	2009	75	63,400
49.1	Belesova 1	KORKIS-2009	K93008001E	BOT	2009	35	150
49.2	Belesova 2	KORKIS-2009	K93008001E	BOT	2009	35	300
50.1	Progonat-Lekdush	GEOALBANIA UNO	L02212002F	BOT	2009	35	2,700
50.2	Bence e Siperme	GEOALBANIA UNO	L02212002F	BOT	2009	35	4,000
51.1	Picar 1	PESHKU-PICAR 1	K92925601M	BOT	2009	35	200
52.1	Borje	HIDROALBANIA ENERGY	K984202020	BOT	2009	35	1,200
52.2	Oreshke	HIDROALBANIA ENERGY	K984202020	BOT	2009	35	4,780
52.3	Cernaleve 1	HIDROALBANIA ENERGY	K984202020	BOT	2009	35	3,270
52.4	Cernaleve	HIDROALBANIA ENERGY	K984202020	BOT	2009	35	2,950
53.1	Lubonje	ELEKTRO LUBONJA	K94003002M	BOT	2009	35	300
54.1	Dishnice	DISHNICA ENERGJI	K94015001S	BOT	2009	35	160
55.1	Vertop	HYDRO-SALILLARI	L118100080	BOT	2009	35	1,200
56.1	Borove	DITEKO	K92108022E	BOT	2009	35	30,650
56.2	Sebisht nr.2	DITEKO	K92108022E	BOT	2009	35	
56.3	Prodan nr.4	DITEKO	K92108022E	BOT	2009	35	
56.4	Prodan nr.5	DITEKO	K92108022E	BOT	2009	35	
56.5	Ternove	DITEKO	K92108022E	BOT	2009	35	
56.6	Okshtun nr.6	DITEKO	K92108022E	BOT	2009	35	
56.7	Okshtun ekologjik	DITEKO	K92108022E	BOT	2009	35	
56.8	Lubalesh	DITEKO	K92108022E	BOT	2009	35	
56.9	Lubalesh ekologjik	DITEKO	K92108022E	BOT	2009	35	
56.10	Gjorice	DITEKO	K92108022E	BOT	2009	35	

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
57.1	Mollaj	ENERGJI-XHACI	K96917601D	BOT	2009	35	600
58.1	Shemri	ERALD ENERGJETIK	K98402201I	BOT	2009	35	800
58.2	Mgulle	ERALD ENERGJETIK	K98402201I	BOT	2009	35	280
59.1	Bence	FERAR	J71904009W	BOT	2009	35	1,735
59.2	Tepelene	FERAR	J71904009W	BOT	2009	35	3,670
60.1	Trebinja 1	HEC-i DUNICE	K91915024I	BOT	2009	35	200
60.2	Trebinja 2	HEC-i DUNICE	K91915024I	BOT	2009	35	300
60.3	Potgozhan	HEC-i DUNICE	K91915024I	BOT	2009	35	1,130
60.4	Kalivac	HEC-i DUNICE	K91915024I	BOT	2009	35	620
60.5	Dunice	HEC-i DUNICE	K91915024I	BOT	2009	35	620
61.1	Kryezi	BEKIM ENERGJITIK	K99605301O	BOT	2009	35	600
61.2	Kryezi i Eperm	BEKIM ENERGJITIK	K99605301O	BOT	2009	35	200
62.1	Faqekuq 1	HP OSTROVICA ENERGY	K99230402D	BOT	2009	35	2,500
62.2	Faqekuq 2	HP OSTROVICA ENERGY	K99230402D	BOT	2009	35	3,900
63.1	Arrez	RAJAN ENERGY	L01630010E	BOT	2009	35	300
63.2	Shendelli	RAJAN ENERGY	L01630010E	BOT	2009	35	320
63.3	Sotire	RAJAN ENERGY	L01630010E	BOT	2009	35	280
63.4	Pode	RAJAN ENERGY	L01630010E	BOT	2009	35	960
63.5	Mesare	RAJAN ENERGY	L01630010E	BOT	2009	35	120
63.6	Ura	RAJAN ENERGY	L01630010E	BOT	2009	35	280
63.7	Rajan 2	RAJAN ENERGY	L01630010E	BOT	2009	35	2,400
63.8	Radon	RAJAN ENERGY	L01630010E	BOT	2009	35	1,040
63.9	Dedove	RAJAN ENERGY	L01630010E	BOT	2009	35	740
63.10	Peshtan	RAJAN ENERGY	L01630010E	BOT	2009	35	250
63.11	Osnati	RAJAN ENERGY	L01630010E	BOT	2009	35	70
63.12	Gradisht	RAJAN ENERGY	L01630010E	BOT	2009	35	70
64.1	Meshanik	GUSMARI	K99411501E	BOT	2009	35	300
64.2	Guve	GUSMARI	K99411501E	BOT	2009	35	1,350
65.1	Cermenica 1	REJ ENERGY	K94821601Q	BOT	2009	35	880
65.2	Cermenica 2	REJ ENERGY	K94821601Q	BOT	2009	35	910
65.3	Cermenica 3	REJ ENERGY	K94821601Q	BOT	2009	35	2,100
66.1	Pobreg	ENERGY PLUS	K91928002U	BOT	2009	35	9,000
67.1	Labinot Fushe	HEC-i LABINOT FUSHE	K93603203C	BOT	2009	35	2,200
68.1	Dukagjin 1	Shala Energy	K92118003C	BOT	2009	35	127,600

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
68.2	Dukagjin 2	Shala Energy	K92118003C	BOT	2009	35	4,680
68.3	Dukagjin 3	Shala Energy	K92118003C	BOT	2009	35	
69.1	Kukur 1	KUKUR ENERGY	K92313017A	BOT	2009	35	4,090
69.2	Kukur 2	KUKUR ENERGY	K92313017A	BOT	2009	35	2,162
69.3	Kukur 3	KUKUR ENERGY	K92313017A	BOT	2009	35	2,411
69.4	Kukur 4	KUKUR ENERGY	K92313017A	BOT	2009	35	9,510
69.5	Kukur 5	KUKUR ENERGY	K92313017A	BOT	2009	35	2,184
70.1	Qafezeze	CAUSHI-ENERGY	K98217001T	BOT	2009	35	400
71.1	Dragobia	DRAGOBIA ENERGY	K92025004T	BOT	2009	35	22,760
72.1	Shkalle	ENERGY PARTNERS AL	K92129030I	BOT	2009	35	12,750
72.2	Cerruje 1	ENERGY PARTNERS AL	K92129030I	BOT	2009	35	
72.3	Cerruje 2	ENERGY PARTNERS AL	K92129030I	BOT	2009	35	
72.4	Rrupe	ENERGY PARTNERS AL	K92129030I	BOT	2009	35	
72.5	Klos	ENERGY PARTNERS AL	K92129030I	BOT	2009	35	
73.1	Dardhe 1	WEnerg sh.a	K92118019L	BOT	2009	35	4,010
73.2	Dardhe 2	WEnerg sh.a	K92118019L	BOT	2009	35	
74.1	Thane	DELIA ENERGJI	K92108014N	BOT	2009	35	1,400
74.2	Mollas	DELIA ENERGJI	K92108014N	BOT	2009	35	13,600
75.1	Caje	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	7,000
75.2	Reke	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	2,200
75.3	Livadhe	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	700
75.4	Shkinak	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	7,600
75.5	Lapaj 2	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	1,700
75.6	Bushtrica 1	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	3,900
75.7	Bushtrica 2	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	2,900
75.8	Bushtrica 3	HIDRO BUSHTRICA	L07601201A	BOT	2009	35	2,300
76.1	Koka 1	SNOW ENERGY	L06614401F	BOT	2009	35	2,500
77.1	Fterre	HYDROBORSH	K92129029E	BOT	2009	35	1,000
77.2	Fterre 1	HYDROBORSH	K92129029E	BOT	2009	35	2,000
78.1	Hurdhas 1	"KOMP ENERGJI"	K82318002A	BOT	2009	35	500
78.2	Hurdhas 2	"KOMP ENERGJI"	K82318002A	BOT	2009	35	1,000
78.3	Hurdhas 3	"KOMP ENERGJI"	K82318002A	BOT	2009	35	1,000
79.1-79.12	Ura e Prenit. Hec-et ne	Bushtrica Energy 2009	K98505601E	BOT	2009	35	29,770

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
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80.1	Sllabinja 2A	Hidropower Elektrik	K92115027K	BOT	2009	35	2,020
80.2	Sllabinja 2B	Hidropower Elektrik	K92115027K	BOT	2009	35	1,640
80.3	Sllabinja 2C	Hidropower Elektrik	K92115027K	BOT	2009	35	1,180
80.4	Sllabinja 2D	Hidropower Elektrik	K92115027K	BOT	2009	35	5,000
80.5	Sllabinja 2E	Hidropower Elektrik	K92115027K	BOT	2009	35	3,360
81.1	Gostivisht	IDRO ENERGIA PULITA	L01305510P	BOT	2009	35	1,414
81.2	Langarica 3	IDRO ENERGIA PULITA	L01305510P	BOT	2009	35	1,660
81.3	Ura e Dashit	IDRO ENERGIA PULITA	L01305510P	BOT	2009	35	866
82.1	Lena 1	GAMA ENERGY	K92224004U	BOT	2009	35	4,485
82.2	Lena 2	GAMA ENERGY	K92224004U	BOT	2009	35	
82.3	Lena 2-A	GAMA ENERGY	K92224004U	BOT	2009	35	
83.1	Nishova 1	NISHOVA-ENERGY	K99631401M	BOT	2009	35	550
83.2	Nishova 2	NISHOVA-ENERGY	K99631401M	BOT	2009	35	560
84.1	Kapariel	AE KARDHIQ	L12212015O	BOT	2009	35	1,180
84.2	Zhulat	AE KARDHIQ	L12212015O	BOT	2009	35	1,300
84.3	Kardhiq	AE KARDHIQ	L12212015O	BOT	2009	35	1,220
84.4	Rehove	AE KARDHIQ	L12212015O	BOT	2009	35	2,300
84.5	Lapidar	AE KARDHIQ	L12212015O	BOT	2009	35	2,840
84.6	Cepune	AE KARDHIQ	L12212015O	BOT	2009	35	1,820
85.1	Domaj	THACI ENERGJI	K97208901D	BOT	2009	35	200
86.1	Gomsiqe 1	HEC GOMSIQE	K92213011R	BOT	2009	35	13,300
86.2-86.5	Gomsiqe 2 , 3,4,5	HEC GOMSIQE	K92213011R	BOT	2009	35	8,250
87.1	Liqenet	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	190
87.2	Maja a Madhe	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	770
87.3	Zanore	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	950
87.4	Dragostunje	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	1,980
87.5	Frari	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	830
87.6	Hotolisht	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	940
87.7	Ura	HEC-i DRAGOSTUNJE	K92230003T	BOT	2009	35	1,260
88.1	Zerec	EKO ENERGJI-E	K93408206A	BOT	2009	35	1,000

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
89.1	Shtika 1	PERPARIMI SK sh.p.k.	K99601201L	BOT	2009	35	70
89.2	Shtika 2	PERPARIMI SK sh.p.k.	K99601201L	BOT	2009	35	250
89.3	Shtika 3	PERPARIMI SK sh.p.k.	K99601201L	BOT	2009	35	400
89.4	Shtika 4	PERPARIMI SK sh.p.k.	K99601201L	BOT	2009	35	200
90.1	Sotire 1	HYDRO ENERGY SOTIRA	K97212802C	BOT	2009	35	1,600
90.2	Sotire 2	HYDRO ENERGY SOTIRA	K97212802C	BOT	2009	35	500
91.1	Rapuni 3	C & S ENERGY	K92402005Q	BOT	2009	35	850
91.2	Rapuni 3-a	C & S ENERGY	K92402005Q	BOT	2009	35	2,640
91.3	Rapun 4	C & S ENERGY	K92402005Q	BOT	2009	35	5,510
92.1	Veleshica 1	VELESHICA ENERGY	L01423028L	BOT	2009	35	2,700
92.2	Veleshica 2	VELESHICA ENERGY	L01423028L	BOT	2009	35	900
92.3	Veleshica 3	VELESHICA ENERGY	L01423028L	BOT	2009	35	2,730
92.4	Veleshica 4	VELESHICA ENERGY	L01423028L	BOT	2009	35	2,440
92.5	Veleshica 5	VELESHICA ENERGY	L01423028L	BOT	2009	35	3,780
92.6	Veleshica 6	VELESHICA ENERGY	L01423028L	BOT	2009	35	10,800
92.7	Sllove	VELESHICA ENERGY	L01423028L	BOT	2009	35	900
92.8	Bjeshke	VELESHICA ENERGY	L01423028L	BOT	2009	35	670
93.1	Trebisht 1	SA-GLE KOMPANI	K92227019N	BOT	2009	35	650
93.2	Trebisht 2	SA-GLE KOMPANI	K92227019N	BOT	2009	35	1,000
93.3	Trebisht 2A	SA-GLE KOMPANI	K92227019N	BOT	2009	35	125
94.1	Peqin	HEC PEQINI	K82109007L	BOT	2009	35	4,100
95.1	Shutine	SHUTINA ENERGJI	L01613008A	BOT	2010	35	1,400
96.1	Spathare	LUCENTE KONCESIONARE	L07926601T	BOT	2010	35	1,038
97.1	Lenie Hec-I 1	Gjoka Konstruksion - ENERGJI	L01815004G	BOT	2010	35	210
97.2	Shales Hec-I 2	Gjoka Konstruksion - ENERGJI	L01815004G	BOT	2010	35	700
97.3	Strelce Hec-I 3	Gjoka Konstruksion - ENERGJI	L01815004G	BOT	2010	35	1,260
98.1	Menkulas Dobjot I Madh	D 6	L02103009N	BOT	2010	35	330
98.2	Arrez	D 6	L02103009N	BOT	2010	35	470
98.3	Miras	D 6	L02103009N	BOT	2010	35	240
98.4	Menkulas	D 6	L02103009N	BOT	2010	35	600
98.5	Bracen	D 6	L02103009N	BOT	2010	35	220

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
98.6	Kuc	D 6	L02103009N	BOT	2010	35	400
99.1	Topcias	HYDRO ENERGJI TRANSFORMER TOPICAS-EL	L03010201S	BOT	2010	35	1,850
100.1	Hec-i "nr.5"	HPP LUSA	L01829004H	BOT	2010	35	400
100.2	Hec-I "nr. 4"	HPP LUSA	L01829004H	BOT	2010	35	500
100.3	Hec-I "nr. 3"	HPP LUSA	L01829004H	BOT	2010	35	1,000
100.4	Hec-I "nr. 2"	HPP LUSA	L01829004H	BOT	2010	35	800
100.5	Hec-I "nr. 1"	HPP LUSA	L01829004H	BOT	2010	35	2,500
100.6	Hec-I "nr. 1/1"	HPP LUSA	L01829004H	BOT	2010	35	800
101.1	Sheba 1	ZALLI I TARIT	L11531003B	BOT	2011	35	366
101.2	Sheba 2	ZALLI I TARIT	L11531003B	BOT	2011	35	1,760
102.3	Sheba 3	ZALLI I TARIT	L11531003B	BOT	2011	35	1,400
104.4	Sheba 4	ZALLI I TARIT	L11531003B	BOT	2011	35	2,520
102.1	Germani 1	SA'GA MAT	L11814001B	BOT	2011	35	1,000
102.2	Germani 2	SA'GA MAT	L11814001B	BOT	2011	35	1,300
102.3	Germani 3	SA'GA MAT	L11814001B	BOT	2011	35	850
102.4	Germani 4	SA'GA MAT	L11814001B	BOT	2011	35	500
102.5	Germani 5	SA'GA MAT	L11814001B	BOT	2011	35	700
103.1	Qafeshul 1	HOXHA-L-ENEREGY	L12608205L	BOT	2011	35	3,500
103.2	Qafeshul 1-1	HOXHA-L-ENEREGY	L12608205L	BOT	2011	35	400
103.3	Qafeshul 2	HOXHA-L-ENEREGY	L12608205L	BOT	2011	35	820
103.4	Qafeshul 3	HOXHA-L-ENEREGY	L12608205L	BOT	2011	35	800
103.5	Qafeshul 4	HOXHA-L-ENEREGY	L12608205L	BOT	2011	35	450
104.1	Kozel	KOTE-KO SHPK	J73721013S	BOT	2011	35	280
104.2	Helmes 1	KOTE-KO SHPK	J73721013S	BOT	2011	35	800
104.3	Helmes 2	KOTE-KO SHPK	J73721013S	BOT	2011	35	500
105.1	Ostreni I Vogel	LU & CO ECO ENERGY 2011	L16411401I	BOT	2011	35	320
106.1-106.8	Orenje(jo me shume se 9)	ORENJA POWER	K92423013U	BOT	2011	35	14,240
107.1	hec-I Nr.3	QUKES POWER	L13323202J	BOT	2011	35	2,900
107.2	hec-I Nr.4	QUKES POWER	L13323202J	BOT	2011	35	2,920
107.3	hec-I Nr.5	QUKES POWER	L13323202J	BOT	2011	35	10,800
107.4	hec-I Nr.6	QUKES POWER	L13323202J	BOT	2011	35	4,920

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
107.5	hec-I Nr.7	QUKES POWER	L13323202J	BOT	2011	35	6,600
107.6	hec-I Nr.8	QUKES POWER	L13323202J	BOT	2011	35	8,600
107.7	hec-I Nr.9	QUKES POWER	L13323202J	BOT	2011	35	15,000
107.8	hec-I Nr.10	QUKES POWER	L13323202J	BOT	2011	35	4,980
107.9	hec-I Nr.11	QUKES POWER	L13323202J	BOT	2011	35	5,400
107.10	hec-I Nr.12	QUKES POWER	L13323202J	BOT	2011	35	3,360
108.1	Gojan	AYEN AS ENERGJI	L11731504A	BOT	2011	35	10,500
108.2	Gjegjan	AYEN AS ENERGJI	L11731504A	BOT	2011	35	7,900
108.3	Peshqesh	AYEN AS ENERGJI	L11731504A	BOT	2011	35	18,900
108.4	Ura e Fanit	AYEN AS ENERGJI	L11731504A	BOT	2011	35	36,400
108.5	Fangu	AYEN AS ENERGJI	L11731504A	BOT	2011	35	14,000
109.1	Suha 1	AAE SUHA	L11926010R	BOT	2011	35	24,000
110.1	Bisak	BARDHGJANA	L12018005I	BOT	2011	35	750
111.1	Ujanik 2	HP UJANIKU ENERGY	L19509401H	BOT	2011	35	1,900
112.1	Koxheraj	KOXHERRI ENERGJI	L17231401M	BOT	2011	35	600
113.1	Marash	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	2,580
113.2	Curraj I Eperm 1	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	10,500
113.3	Curraj 2	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	13,000
113.4	Curraj 3	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	17,400
113.5	Curraj 4	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	32,000
113.6	Peraj	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	7,000
113.7	Gjonpepaj	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	9,000
113.8	Lekbibaj	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	2,000
113.9	Livadhet e Medha	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	1,280
113.10	Vrana e Madhe	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	2,200
113.11	Qerec Mulaj	TELEMENIA CURRAJ	L26529002R	BOT	2011	35	610
114.1	Cekrez 1	ZALL HERR ENERGJI 2011	L21310027G	BOT	2011	35	220
114.2	Cekrez 2	ZALL HERR ENERGJI 2011	L21310027G	BOT	2011	35	330
115.1	Vajkal 2/1	Clean Energy Al	L21505008E	BOT	2011	35	1,400
115.2	Vajkal 2/2	Clean Energy Al	L21505008E	BOT	2011	35	4,200
115.3	Vajkal 3	Clean Energy Al	L21505008E	BOT	2011	35	2,400
116.1	Lingjance	REI-ENERGJI	L22818201N	BOT	2012	35	1,800
117.1	Zaje	REKA ENERGY	L27705201B	BOT	2012	35	220

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
117.2	Turaj	REKA ENERGY	L27705201B	BOT	2012	35	320
117.3	Xhaferraj	REKA ENERGY	L27705201B	BOT	2012	35	620
117.4	Kollovoz	REKA ENERGY	L27705201B	BOT	2012	35	880
117.5	Novoseje	REKA ENERGY	L27705201B	BOT	2012	35	220
117.6	Meshteken	REKA ENERGY	L27705201B	BOT	2012	35	660
118.1	Truen	TRUEN	L31617015E	BOT	2012	35	1,657
119.1	Gjuraj	HYDRO LUNIK	L21724010C	BOT	2012	35	6,400
119.2	Kostenja	HYDRO LUNIK	L21724010C	BOT	2012	35	4,100
119.3	Neshta	HYDRO LUNIK	L21724010C	BOT	2012	35	1,520
119.4	Kostenja 2	HYDRO LUNIK	L21724010C	BOT	2012	35	3,000
120.1-120.4	Fleti 1	SARAKRAFT	L21708014U	BOT	2012	35	9,100
		SARAKRAFT	L21708014U	BOT	2013	35	
	Fleti 2	SARAKRAFT	L21708014U	BOT	2014	35	
	Fleti A	SARAKRAFT	L21708014U	BOT	2015	35	
	Fleti B	SARAKRAFT	L21708014U	BOT	2016	35	
121.1	Backa 1	KROI MBRET ENERGJI	L29326401S	BOT	2012	35	1,600
121.2	Backa 2	KROI MBRET ENERGJI	L29326401S	BOT	2012	35	4,000
121.3	Backa A	KROI MBRET ENERGJI	L29326401S	BOT	2012	35	500
121.4	Backa B	KROI MBRET ENERGJI	L29326401S	BOT	2012	35	500
121.5	Backa C	KROI MBRET ENERGJI	L29326401S	BOT	2012	35	720
122.1	Lashkiza Nr. 1	HEC LASHIKIZA	L21917008H	BOT	2012	35	3,400
122.2	Nr.2	HEC LASHIKIZA	L21917008H	BOT	2012	35	680
122.3	Nr. 3	HEC LASHIKIZA	L21917008H	BOT	2012	35	130
123.1	Myhejan 1	VILDRI	L23328402B	BOT	2012	35	2,800
123.2	Myhejan 2	VILDRI	L23328402B	BOT	2012	35	820
123.3	Myhejan 3	VILDRI	L23328402B	BOT	2012	35	500
124.1	Llenga Heci 1	HEC LLENGE	L22125012H	BOT	2012	35	1,710
124.2	Heci 2	HEC LLENGE	L22125012H	BOT	2012	35	810
124.3	Heci 3	HEC LLENGE	L22125012H	BOT	2012	35	400
125.1	Stavec 1 "Gjoni"	MATI HYDROPOWER	L22212004A	BOT	2012	35	4,660
125.2	"Blishta"	MATI HYDROPOWER	L22212004A	BOT	2012	35	2,460
125.3	"Klosi"	MATI HYDROPOWER	L22212004A	BOT	2012	35	11,100
125.4	"Domi"	MATI HYDROPOWER	L22212004A	BOT	2012	35	2,240

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
125.5	"Luci"	MATI HYDROPOWER	L22212004A	BOT	2012	35	2,240
125.6	"Shoshaj"	MATI HYDROPOWER	L22212004A	BOT	2012	35	3,000
125.7	"Zenishti"	MATI HYDROPOWER	L22212004A	BOT	2012	35	3,000
125.8	"Burreli"	MATI HYDROPOWER	L22212004A	BOT	2012	35	3,000
126.1	Lefter 1	MP ENERGY	L22404005U	BOT	2012	35	550
126.2	Lefter 2A	MP ENERGY	L22404005U	BOT	2012	35	193
126.3	Lefter 2B	MP ENERGY	L22404005U	BOT	2012	35	260
126.4	Lefter 3	MP ENERGY	L22404005U	BOT	2012	35	255
127.1	Treska 3 Hec-I 1	HEC LLENGE -hec treska	L22125012H	BOT	2012	35	480
127.2	Hec-I 2	HEC LLENGE -hec treska	L22125012H	BOT	2012	35	420
127.3	Hec-I 3	HEC LLENGE -hec treska	L22125012H	BOT	2012	35	530
127.4	Hec-I 4	HEC LLENGE -hec treska	L22125012H	BOT	2012	35	3,190
128.1	Vokopola 1	VOKOPOLA ENEGJI	L31407010B	BOT	2013	35	980
128.2	Vokopola 2	VOKOPOLA ENEGJI	L31407010B	BOT	2013	35	1,974
128.3	Vokopola 3	VOKOPOLA ENEGJI	L31407010B	BOT	2013	35	1,954
129.1	Runja	MUHURR ENERGY	L37123701M	BOT	2013	35	2,000
130.1	Seta 1	HYDRO SETA	L31528016T	BOT	2013	35	3,200
130.2	Seta 2-1	HYDRO SETA	L31528016T	BOT	2013	35	5,200
130.3	Seta 2-2	HYDRO SETA	L31528016T	BOT	2014	35	
130.4	Seta 3	HYDRO SETA	L31528016T	BOT	2013	35	3,200
130.5	Seta 4	HYDRO SETA	L31528016T	BOT	2013	35	1,800
131.1	Zerec 1	EnRel Hydro	L33915001P	BOT	2013	35	1,315
131.2	Zerec 2	EnRel Hydro	L33915001P	BOT	2013	35	550
132.1-132.15	Egnatia - Shushice		NUK KA KRIJUAR AKOMA NIPT	BOT	2013	35	65,360
133.1	Guri I Kuq 1/1	L & G Energy	L31819004G	BOT	2013	35	795
133.2	Guri I Kuq 1/2	L & G Energy	L31819004G	BOT	2013	35	1,080
134.1	Osumi	GENERATE RENEWABLE ENERGIES	L12309020P	BOT	2013	35	152,200
134.1-134.8	Osumi	GENERATE RENEWABLE ENERGIES	L12309020P	BOT	2013	35	
135.1	Denas	DENAS POWER	L34102003N	BOT	2013	35	10,998
136.1	Zheja 1	CLAS-AS ENERGY	L48505301F	BOT	2013	35	250
136.2	Zheja 2	CLAS-AS ENERGY	L48505301F	BOT	2013	35	280

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
137.1	Vranisht	Begem Energji	L31818008K	BOT	2013	35	185
137.2	Stopan	Begem Energji	L31818008K	BOT	2013	35	163
137.3	Hocisht	Begem Energji	L31818008K	BOT	2013	35	296
137.4	Zicisht-Grapsh	Begem Energji	L31818008K	BOT	2013	35	340
138.1	Cangonj	HIDROCENTRALI CANGONJ	L34203001F	BOT	2013	35	300
139.1	Shpella Poshte II	Liria Energji	L34203002N	BOT	2013	35	430
139.2	Shpella Poshte III	Liria Energji	L34203002N	BOT	2013	35	1,200
140.1	Seke	SEKA HYDROPOWER	L32116020A	BOT	2013	35	11,200
141.1	Malla	GJURR REC	L36814701J	BOT	2013	35	2,370
142.1	Driza	MESOPOTAM ENERGY	L31917016A	BOT	2013	35	2,100
143.1	Qarr	Hidrocentrali QARR & KALTANJ	L37902001E	BOT	2013	35	1,000
143.2	Kaltanj	Hidrocentrali QARR & KALTANJ	L37902001E	BOT	2013	35	500
144.1	Arrez 1	Melova Arez	L39421501D	BOT	2013	35	320
144.2	Arrez 2	Melova Arez	L39421501D	BOT	2013	35	1,041
144.3	Arrez 3	Melova Arez	L39421501D	BOT	2013	35	995
144.4	Arrez 4	Melova Arez	L39421501D	BOT	2013	35	945
145.1	Nishani	F&F	L33305402C	BOT	2013	35	2,300
146.1	Gavran 1	GAVRAN ENERGY	L32012503R	BOT	2013	35	1,055
146.2	Gavran	GAVRAN ENERGY	L32012503R	BOT	2013	35	1,204
147.1	Shkopet 2	ALBANIAN HYDROPOWER 2013	L34428601L	BOT	2013	35	13,356
147.2	Shkopet 3	ALBANIAN HYDROPOWER 2013	L34428601L	BOT	2013	35	10,612
147.3	Shkopet 4	ALBANIAN HYDROPOWER 2013	L34428601L	BOT	2013	35	
148.1	Quku 1	HEC QUKU	L32009001C	BOT	2013	35	746
148.2	Quku 2	HEC QUKU	L32009001C	BOT	2013	35	1,334
149.1-149.9	Kaskada Valbones	VALBONA ENERGY ALBANIA	L38513301V	BOT	2013	35	51,040
150.1	HEC Nr.1	GIZAVESH ENERGY ALBANIA	L32124008V	BOT	2013	35	6,900
150.2	HEC Nr.2	GIZAVESH ENERGY ALBANIA	L32124008V	BOT	2013	35	10,000

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
150.3	HEC Nr.3	GIZAVESH ENERGY ALBANIA	L32124008V	BOT	2013	35	13,100
150.4	HEC Nr.4	GIZAVESH ENERGY ALBANIA	L32124008V	BOT	2013	35	7,400
150.5	HEC Nr.5	GIZAVESH ENERGY ALBANIA	L32124008V	BOT	2014	36	
151.1	Potam 1	HIDROPOTAM	L3452481G	BOT	2013	35	2,200
151.2	Potam 2	HIDROPOTAM	L3452481G	BOT	2013	35	1,250
152.1	Kasollet e Selces, dega Selce	XHENGO ENERGJI	L34616003G	BOT	2013	35	2,980
152.2	Kasollet e Selces, Dega Verbe	XHENGO ENERGJI	L34616003G	BOT	2013	35	1,480
154.1-154.8	Ballenje	BALLENJA POWER MARTANESH	L37201401C	BOT	2013	35	1,905
155.1	Shengjon 1	EDIANI	L39523001J	BOT	2013	35	651
155.2	Shengjon 2	EDIANI	L39523001J	BOT	2013	35	356
155.3	Shengjon 3	EDIANI	L39523001J	BOT	2013	35	341
156.1	Bregu i Madh HEC 1	HP ZALOSHNJA ENERGY	L32126023F	BOT	2013	35	665
156.2	Bregu i Madh HEC 2	HP ZALOSHNJA ENERGY	L32126023F	BOT	2013	35	383
157.1	Bigas 1	HP Bigas dhe Veleshnje ENERGY	L39604401K	BOT	2013	35	385
157.2	Bigas 2	HP Bigas dhe Veleshnje ENERGY	L39604401K	BOT	2013	35	300
157.3	Veleshnje	HP Bigas dhe Veleshnje ENERGY	L39604401K	BOT	2013	35	300
158.1	Iballe 1	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	850
158.2	Iballe 2	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	3,125
158.3	Sapaç 1	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	540
158.4	Sapaç 2	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	2,810
158.5	Berishe	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	7,830
158.6	Liqeni	NOVO SAPAC ENERGIE	L32402010B	BOT	2013	35	780
159.1	Prishta 1	HP "Prishta 1 & 2 ENERGY"	L39607401C	BOT	2013	35	800
159.2	Prishta 2	HP "Prishta 1 & 2 ENERGY"	L39607401C	BOT	2013	35	1,200

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
160.1	Dobrenje-Tomorrice	DAAB ENERGY GROUP	L32127008N	BOT	2013	35	800
161.1	Lisnak	M.C. INERTE LUMEZI	L32126004A	BOT	2013	35	750
161.2	Kimza	M.C. INERTE LUMEZI	L32126004A	BOT	2013	35	500
161.3	Tuçi	M.C. INERTE LUMEZI	L32126004A	BOT	2013	35	1,860
161.4	Lumzi	M.C. INERTE LUMEZI	L32126004A	BOT	2013	35	10,530
162.1	Perrollaj	FATLUM	L32125021A	BOT	2013	35	500
163.1	Drize 1	KENDREVIC ENERGY	L39610501A	BOT	2013	35	4,208
164.1	Vendresh	HP VENDRESH ENERGY	L39604402S	BOT	2013	35	230
165.1	Lajthia	LAJTHIA & KOLESIAN ENERGY	L38327202S	BOT	2013	35	532
165.2	Kolosjan	LAJTHIA & KOLESIAN ENERGY	L38327202S	BOT	2013	35	626
165.3	Domje	LAJTHIA & KOLESIAN ENERGY	L38327202S	BOT	2013	35	1,196
166.1	Bersh 1	SBM ENERGY	L38319901M	BOT	2013	35	1,520
166.2	Bersh 2	SBM ENERGY	L38319901M	BOT	2013	35	770
167.1	Zall Xhuxh 1	HEC ZALL XHUXHE	L32201037O	BOT	2013	35	600
167.2	Zall Xhuxh 2	HEC ZALL XHUXHE	L32201037O	BOT	2013	35	400
168.1	Vernik 1	HEC VERNIK	L32118018V	BOT	2013	35	650
168.2	Vernik 2	HEC VERNIK	L32118018V	BOT	2013	35	1,770
168.3	Vernik 3	HEC VERNIK	L32118018V	BOT	2013	35	6,400
168.4	Vernik 4	HEC VERNIK	L32118018V	BOT	2013	35	2,270
169.1	Shengjun	IRARBA ENERGY	L38402901A	BOT	2013	35	2,040
170.1	HEC 1/1	S.P.E. GJADER	L32120012G	BOT	2013	35	2,000
170.2	HEC 1/2	S.P.E. GJADER	L32120012G	BOT	2013	35	4,100
170.3	HEC 2	S.P.E. GJADER	L32120012G	BOT	2013	35	2,500
170.4	HEC 3	S.P.E. GJADER	L32120012G	BOT	2013	35	3,200
170.5	HEC 4	S.P.E. GJADER	L32120012G	BOT	2013	35	3,000
170.6	HEC 5	S.P.E. GJADER	L32120012G	BOT	2013	35	2,500
170.7	HEC 6	S.P.E. GJADER	L32120012G	BOT	2013	35	
170.8	HEC 7	S.P.E. GJADER	L32120012G	BOT	2013	35	4,000
171.1	(Gjuraj)Kiri 1	ACCESS ENERGY ALBANIA	L32203022A	BOT	2013	35	19,187
171.2	(Kashec)Kiri 2	ACCESS ENERGY ALBANIA	L32203022A	BOT	2013	35	6,000

No.	HPP	Concessionary company	NUIS	Type	Year granted	Concession period	Installed power (Kw)
171.3	Ragam	ACCESS ENERGY ALBANIA	L32203022A	BOT	2013	35	
171.4	Lepurushe	ACCESS ENERGY ALBANIA	L32203022A	BOT	2013	35	
172.1	Kryezi 3	OBERALD ENERGJITIK	L39610301L	BOT	2013	35	122
172.2	Kryezi 4	OBERALD ENERGJITIK	L39610301L	BOT	2013	35	311
172.3	Kryezi 5	OBERALD ENERGJITIK	L39610301L	BOT	2013	35	887
173.1	Plepi	DOMI TEC	L32301058C	BOT	2013	35	960
174.1	Skatina	SKATINE-HEC	K39809601H	BOT	2013	35	1,200
175.1	Begaj	HIDROBEGAJ	K42004001B	BOT	2014	35	24,800
176.1-176.-4	Kaskada e Hotolishtit	HEC HOTOLISHT	L51929012G	BOT	2015	35	7,755
177.1-177.4	Kacinar	SHPERDHAZA-ENERGJI	L59517003U	BOT	2015	35	4,085
178.1	Blaç	Blac Energy	L59024001B	BOT	2015	35	550
179.1	Mesmal 1	ENERGJIA VALAMARA	L54615003D	BOT	2015	35	350
179.2	Mesmal 2	ENERGJIA VALAMARA	L54615003D	BOT	2015	35	1,087
179.3	Mesmal 3	ENERGJIA VALAMARA	L54615003D	BOT	2015	35	293
179.4	Selca 2	ENERGJIA VALAMARA	L54615003D	BOT	2015	35	2,110
533							**2,132,688**

Appendix 10 – Content list providing link per each of the EITI standard clauses to the EITI report

EITI STANDARD REQUIREMENT	SECTIONS IN THE REPORT
EITI REQUIREMENT 2.1	The report discloses a description of the legal framework and fiscal regime governing the extractive industries, including: • a summary description of the fiscal regime and the level of fiscal devolution analysed in sub-sections 2.2.7, 2.3.3 and 2.4.6 along with revenue generated by each sector • an overview of the relevant laws and regulations is provided in sub-sections 2.2.5, 2.3.2 and 2.4.2 along with organization and governance of the sectors. • and information on the roles and responsibilities of the relevant government agencies applicable to the extractive sector of oil gas and mining as well as hydro-power sector provided in sub-section 2.1.2 public institutions and entities governing the sector and throughout sub-sections 2.2.5, 2.3.2 and 2.4.2 along with organization and governance of the sectors. 2.1.b The report includes facts and information on laws and regulatory acts introduced until the date of the report. Government's reforms and new facts in each sector are presented through all sections and sub-sections in chapter 2.
EITI REQUIREMENT 2.2	The report: • provides a description of the process for transferring or awarding the license as set in the applicable laws and regulatory acts for each of sectors covered throughout sub-sections 2.2.5, 2.3.2 and 2.4.2 along with description of organization and governance • discloses a comprehensive list of licenses and concessions in force during 2015 and information about the recipient(s) of new license that has been transferred or awarded during 2015, including consortium members where applicable; • provides general comments on the technical and financial criteria used and made reference to the information provided in the regulatory entities websites, however could not provide details of the actual criteria used as

EITI STANDARD REQUIREMENT	SECTIONS IN THE REPORT
	these are filed along the bids evaluation reports or negotiation procedures by the Contracting Authority and not disclosed for public access or shared with the Administrator of ALBEITI secretariat for the purpose of this report. • The Contracting authorities did not report any deviation from the applicable legal and regulatory framework governing license transfers. The administrator did not confirm whether there were cases of deviations because not enabled to perform this task. • 2.2.c The Contracting authority did not disclosed the list applicants and generally described the bid criteria in case of licenses awarded through bidding process during the accounting. Description of the bid criteria allow for a general understanding that, know-how, technical expertise and proven experiences, as well as availability of financial resources are the most important factors however do not provide details on application of a specific technology, environmental requirements, desired social and economic impact etc.
EITI REQUIREMENT 2.3	MEI maintains in its website a publicly available register for all a licenses holding an oil-field or oil exploration blocks. The EITI reports lists information on: • license-holders, • date of award and duration of the license, • allocated exploration blocks and oil fields, • commodities produced in sub-sections 2.2.5 and 2.2.6 and appendix X. MEI provides no publically available information on coordinates for the oil fields and exploration blocks, dates of applications and Tax number which would help identify entities holding similar commercial names. In addition information on licensees is not updated to show changes sales of shares and transfers of operation in the sector. Starting from 2015, MEI published allocation notices for exploration blocks in its website, allowing for public to access information on the dates of application. However, most of the PSAs were granted prior to 2015, so information on application dates cannot be reached. In addition, as noticed in sub-section 2.2.5, during 2016 MEI signed a PSA allocating block 8 to Albanides Energy. Allocation of this block was not notified in 2015 or 2016. Information transfer of shares and operations can be accessed through research of MEI official notices or news and articles freely accessed on the websites of newspapers. MEI provides in websites its maps to show extension and position of the oil exploration blocks. This map is include in sub-section 2.2.5 of the report. For the mining sector MEI maintains in its website a publicly available register for all a licenses showing: • License number, • Licensee • Mining area, • Commodities • License surface

EITI STANDARD REQUIREMENT	SECTIONS IN THE REPORT
	• Company administrator and address etc. Again, MEI provides no publically available information on coordinates for the mining areas and operating mines, dates of applications and Tax number which would help identify entities holding similar commercial names. In addition it is not clear how often is the register updated. The current disclosed register is dated February 2016. MEI provides information on the commodities, however does not provide a full list of minerals comprising the commodity and respective concentration. Where the information is already publicly available, EITI report includes references and links to facilitate access of the information.
EITI REQUIREMENT 2.4	Government policy for contract non-disclosure is commented in sub-sections 2.2.5, 2.3.2 and 2.4.2 along with description of organization and governance However, as noted in sub-section 2.2.5, during 2016 the Government published the Council of the Ministers Decision and the translated version of the PSA allocating the on-shore exploration block number 8 to Albanides Energy in the official gazette number 63/2016.
EITI REQUIREMENT 2.5	At the date of this report MEI does not maintain a register listing the all beneficial owners in accordance with EITI. As noticed in section 2.6, MEI announced that is in process of reviewing current legislation in force and development of a roadmap to full disclosure of beneficial owners. The reconciliation process for the year 2015, included a short informative session among the selected reporting licensees aiming to obtain feedback and understand readiness of the operating licensees on the disclosure of the beneficial owners.
EITI REQUIREMENT 2.6	Rules and practices governing the financial relations between the State and the SoEs in the oil and gas sector and hydro-energy sectors and the respective SOE's stake in the sector activities are described respectively in sub-sections: • 2.2.5 and appendix 6 for relations between the State and Albpetrol; and • 2.4.2 for relations between the State and KESH, OST and OSSH. No other SoEs were identified in the mining sector. Disclosure of the Government and Albpetrol's level of beneficial ownership in oil and gas projects in the Albania s provided in sub-section 2.2.1 and 2.2.2. In the hydro-energy sector the Government granted BOT concessions for the construction of medium and small HPPs. HPP and surrounding infrastructure will be transferred to the Government at the end of the concessions (see sub-sections 2.4.1 and 2.4.4).
EITI REQUIREMENT 3.1	The report discloses significant exploration activities and discovers in the sub-sections 2.2.6 and 2.3.1.
EITI REQUIREMENT 3.2	Production quantities and values by commodity and region are shown in the

EITI STANDARD REQUIREMENT	SECTIONS IN THE REPORT
	following sub-sections: 2.2.1 for oil and gas sector and 2.3.1 for the mining sector Data shown and price used for valuation are clearly sourced and alerted.
EITI REQUIREMENT 3.3	The report discloses information on exports from the extractive sector export volumes and the value of exports by commodity in the sub-sections 2.2.2 and 2.3.1. The report provides information on the destination countries and districts generating significant out for each commodity.
EITI REQUIREMENT 4.1	Chapter 3 provides information on materiality thresholds set, reporting entities and payments selected for reconciliation by the MSG, including comments on accuracy and limitation of information used for the establishing materiality, reporting entities and payments to be reported. Barriers to disclosure of full revenue received by the sectors under reporting is described in sub-section 3.4. Government's revenue for main benefit streams is summarized in sub-section 2.1.1 as well as in sub-sections 2.2.7, 2.3.3 and 2.4.6. Barriers and limitations on disclosure of total government's revenue for all benefit streams are explained in Chapter 3, section 3.4. Material payments collected by SoEs (Albpetrol and KESH) and AKBN are analysed in sub-sections 2.2.7, 2.3.3 and 2.4.7. Reconciliation of the main benefit streams paid from the selected reporting entities to the State's Budget, the SOEs and other regulators is disclosed in chapter 6.

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