

Canada-based oil company Bankers Petroleum said on September 1 it has signed a conditional offtake crude oil sales agreement in Albania with local Ionian Refining and Trading Co. .

The deal is expected to revive the local oil refining market. The activities of Ballsh and Fier refineries were halted due to their huge debts, which caused Albanian imports of oil to increase by 20% in the first seven months of the year.

Bankers Petroleum, one of the biggest foreign investors in Albania, has been operating the Patos-Marinza oilfield since 2004 and has a 100% interest in both the Kucova oilfield and Exploration Block F in the Balkan country.

Bankers said in a statement it could sell up to 65% of its crude oil production under the agreement, for which it will receive payment security in advance of crude deliveries.

The agreement will become effective after the Albanian government approves Bankers' drilling programme for Q4 2016, and in respect of amendments to lifting procedures between Bankers Petroleum and Albpetrol for the handling of Albpetrol's share of volumes from the Patos-Marinza oilfield.

In line with the agreement, deliveries will be made from October 1, 2016 until December 31, 2017.

"Pricing for crude oil sales made under the agreement is equivalent, on a full cost basis, to the pricing obtained by Bankers for its export sales, after accounting for reduced transportation and terminal fees," the company said.

IRTC will process the crude oil at the Fier and Ballsh refineries in Albania, while the balance of Bankers' production will continue to be exported.

Meanwhile Bankers and China's Geo-Jade Petroleum Corporation remain committed to completing the transaction for the sale of Bankers shares to the Chinese company, signed in March 2016.

The transaction is expected to close before September 30, after receiving regulatory approval from the Chinese State Administration of Foreign Exchange.

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