

As Canada's Bankers Petroleum announces the sale of exploitation rights in Albania to the Chinese, experts are urging the government to carefully assess the new investor's potential. Canada's Banker's Petroleum has announced the sale of oil exploration and production rights to affiliates of China's Geo-Jade Petroleum for a price of \$442.34 million.

The Canadian company announced the news in a press release on Sunday, adding that the Chinese company is going to pay \$1.69 per share. The board of directors of Bankers approved the deal unanimously.

The transaction price represents a premium of 98 per cent over Bankers' closing share price on the Toronto Stock Exchange of C\$1.11 on March 18, 2016.

Bankers started to exploit the Albanian oil fields of Patos-Marinze and Kucova in 2004 and since 2014 it has been the largest foreign company in the country.

Its income fell by half in 2015 as a result of the global reduction of the price of oil, however. The value of its shares in the stock exchange also dropped in September 2015 after the Albanian tax authorities asked the company to pay \$75 million following a tax reassessment of company expenses in 2011.

Bankers was accused of making unreal expenses in order to avoid profit tax since its contract with the government allows it to recover costs before paying profit tax.

As a result, the Canadian company filed two complaints with the International Court of Arbitration, which the company later withdrew after reaching a deal with the Albanian government to resolve the issue in an amicable way.

In its press release, Bankers called Geo-Jade "one of the largest independent exploration and production companies listed on Shanghai Stock Exchange with a market capitalization larger than C\$3.6 billion".

However, Albanian experts have advised the government to carefully examine the Chinese company's potential to develop Albania's oil fields.

Pajtim Bello, a former vice-minister of energy and an expert in mineral resources, told BIRN that the government should assess the new investor.

"The government has to assess the Chinese company's financial and technological potential, to avoid any bad surprises in future. It has happened in the past that as a result of government negligence the strategic sector of the country's development has failed to provide a return and good value," he said.

Bello called oil production one of the most important sectors in Albania's development and said every acquisition and changes required political and professional caution.

source: [balkaninsight.com](http://balkaninsight.com)