

Montenegro: A2A started the procedure for the sale of its shares in EPCG

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Montenegro Prime Minister Dusko Markovic said that the Italian company A2A has initiated the procedure for the sale of its shares in power utility EPCG, adding that it is not appropriate for Montenegro to participate in this process.

PM Markovic said that the state will wait for A2A's decision in order to determine whether it will exercise its pre-emption rights for the purchase of A2A's stake in EPCG. Asked whether the state will continue the project for the construction of second unit at thermal power plant Pljevlja, he replied that the state is still negotiating with potential investors but what is undeniable is that it will not withdraw from the project.

In 2009, A2A bought 43.7 % stake in EPCG for 434 million euros, which was later reduced to 41.7 %. The Montenegro Government owns 57 % stake in national power utility and in case the Italian company decides to leave EPCG, has the option to buy 41.7 % of EPCG's shares for 250 million euros in seven installments. Earlier in May, CEO of A2A Valerio Camerano said that the company will decide on the sale of its stake in EPCG by the end of September 2017.

According to unofficial information, with the annex of the shareholders agreement, which was signed in late 2016, A2A got managerial rights in the company for another six months, possibly a part of 40 million euros worth of dividends, as well as guarantees that their share in Pljevlja coalmine will be redeemed at the price the offered, or 6.5 euros per share. This means that if it chooses put option, A2A will leave EPCG with significantly more than 250 million euros.