

Montenegrin Parliament has approved the decision on the acceptance of the annex to shareholders agreement with Italian company A2A on further management of power utility EPCG.

Minister of Economy Dragica Sekulic said on the occasion that the annex is valid for six monthly, namely until 30 June 2017, adding that the previous agreement with A2A has expired at the end of December 2016.

She explained that the difference between the annex and the existing agreement is that the parties have shown good will for further negotiations on reducing the cost of A2A's put option, currently worth 250 million euros. According to her, both the Government and A2A believe that there is room to consider the possibility of continuing the long-term partnership, and the new annex is also constructive towards the project for the construction of second unit at thermal power plant Pljevlja.

The previous shareholders agreement was signed in August last year and expired on 1 January 2017. It envisaged the construction of second unit at coal-fired thermal power plant Pljevlja, state control over the work of the company's management, A2A's arbitration waiver, while EPCG and the state retain the right to claim for damaged in case of criminal proceedings.

The state has 57 % stake in power utility EPCG, while A2A holds 41 % stake.