Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeerimispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
Banca europea per gli investimenti
Eiropas Investīciju banka
Europos investicijų bankas
Európai Beruházási Bank
Bank ta' l-Investiment Ewropew
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Európska investičná banka
Evropska investicijska banka
Euroopan investointipankki
Europeiska investeringsbanken

LIRIM MUHAREMI & CO
To the kind attention of
Mr. Lirim Muharemi
Bl. Dëshmorët e Kombit
Twin Towers Kulla 2 KT 11
Tiranë (Albania)

Luxembourg, 28 February 2014 OpsA/MA-3/MR/cr

Dear Mr Muharemi,

We refer to your latest correspondence seeking the financial support of the European Investment Bank (EIB) for the construction of the Europort Shengjin in Albania (Project).

While acknowledging the letter of the Albanian Minister of Transport and Infrastructure dated 24 December 2013 in relation to the Project, we would like to inform you that before the EIB governing bodies approve a loan the relating project and promoters undergo a very detailed evaluation and a thorough economic, technical, environmental, social and financial due diligence which includes several different stages and a local visit by an EIB delegation.

In this case, the EIB understands that the Project is still at a maturity level which cannot allow a proper technical and economic analysis which, subsequently, could eventually enable the EIB to start the procedure for approving a financing operation.

In order to make a preliminary assessment of the eligibility and the viability of the Project the EIB would need to receive the following documentation and information:

- Besides LM&Co, who will be the remaining private investors of the Project? Please provide detailed information about all the companies involved in the project (sector, country, experience with similar projects, etc) and their current financial situation, including all the latest financial statements.
- Will there be any public investment from the Republic of Albania or any other neighbouring country? Is the Ministry of Finance of the Republic of Albania willing to provide sovereign guarantee for the benefit of the financiers of the Project?
- Please indicate the current use and ownership of the land affected by the construction and by the need of materials for the reclaiming works. Please comment on the ownership transfer scheme that will have to be produced before the construction works start.
- Please provide an independent traffic forecast and market study for the Project, including analysis of the competition schemes in the Adriatic for regular Import-Export hinterland traffic and with Gioia Tauro and Piraeus Ports for the transhipment traffic. Who performed the study and when was it developed?
- Please provide a planning of the Project for its 5 years term, identifying all different phases (from detailed technical design to operation) and detailing the annual expenditure schedule (CAPEX).
- Please share with the Bank your project management and supervision organisation, including responsibilities and lines of communication between various project participants.
- Which will be the operational and economic business model in the Project? Have you already developed a detailed business model comparative analysis? Can you please provide it to the Bank?

- Please provide your revenues and costs forecasts, including tariffs policy, stream of revenues, operation costs, maintenance costs and any other relevant for the evaluation of the project.
- Please provide any economic/financial viability studies, CBA (Cost Benefit Analysis), IRR, NPV, DCF or any other cash flow analysis in which you based your decision to invest.
- Have you considered any other alternatives rather than a greenfield port in Shengjin? Have you produced a study of alternatives comparing economically the option for a greenfield port with the existing infrastructure in Vlore or Durres? Please provide such document.
- Who is responsible for the investment in the hinterland transport infrastructures (both rail and road)? Who will pay and operate these infrastructures? Which are the current capacities of these hinterland connections? Are they able to cope with the forecasted traffic for the Project? Please provide any related study.
- Has already been developed any market or viability study for the touristic cruises operations at Shengjin? Please provide that document. Additionally, has already any cruise lines operator committed with LM&Co in order to use the cruise terminal facilities at Shengjin?
- Can you please confirm all the technical characteristics of the port, especially its depth, both at berth and breakwater areas? Please provide technical drawings with the bathymetry of the port implantation area.
- Bearing in mind the minimum and maximum depths indicated for the port (respectively 22 m and 35 m), can you please detail the technical solution adopted for the quays and for the breakwater? Please provide the referred *"18 main transversal profiles (cross-sections)"* and any other technical drawings which might help to understand the technical solution.
- Please provide the estimated costs with additional studies, detailed design, supervision works, environmental monitoring and any other consultancy or advisory works and studies.
- Can you please provide a brief summary of your procurement plan for the design and construction works included or needed for the execution of the Project? This should include the list of contracts (awarded or to be awarded to 3rd parties) with estimated value, the type of tender procedure (open, restricted or other), and, if already possible, a tentative timeline. Will these procurement procedures meet the requirements of the EU Directive 2004/17/EC?
- Can you please provide a brief summary of all the procedures taken until know, and still to be undertaken in the future, concerning all the environmental procedures and authorizations? If already prepared, can you please provide a copy of the Non-Technical Summary?

Should you have any questions and doubts about the referred questions, please do not hesitate to contact the EIB.

Sincerely,
EUROPEAN INVESTMENT BANK

D. Courbin

J. Rino