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BIRN-Albania article refutation (Reporter.al)

On February 7, 2020, BIRN-Albania Agency (Reporter.al) wrote an article titled: "*Suspicious Agreement: Visoka Oil Transferred to Serbian Owned Russian Company*" (Author: *Besar Likmeta*) has consumed a public opinion fraud, speculation and manipulation operation, distorting and misrepresenting facts, making falsified legal interpretations, aggressively and intimidatingly harming Terraoil Swiss Company's interests and image.

It is essential to note that the profession of a journalist, especially speaking of an experienced reporter of a prestigious media such as BIRN, this publication represents a grave breach of the principles of professional ethics and a grave breach of any disposition ruling contemporary journalism relations, including investigative journalism, and constitutes a clear evidence and proof that the article in question is based on falsehoods, prejudices, malice, misinformation, avoiding reasoning of rendering any service to any third party.

For the sake of clarity, we are listing the key milestones of this "operation" and Reporter.al article:

BIRN, Claim 1: In this article, BIRN alleges that the company Terraoil Swiss has transferred Visoka oilfield petroleum rights to a Russian-owned Serbian company.

Clarification 1: The legislation ruling both petroleum and commercial agreements there is no concept of "oil transfer" but oil trading and / or transfer of petroleum rights.

The claim that Terraoil Swiss has transferred the petroleum rights is a serious and unprofessional falsehood and deliberate fraud, because the hydrocarbon rights are transferred only upon all parties' consent, respectively Terraoil Swiss, Albpetrol and AKBN, with the final approval of MIE, as the highest state authority. This fact has not happened and therefore does not exist.

The contract between Terraoil Swiss and GTK-Oil is a service contract, the same as all service contracts under which petroleum companies operate in Albania and elsewhere in the world,

which means it is a subcontracting relationship between two private parties, in accordance with Albanian law and all obligations arising therefrom.

BIRN, Claim 2: The service contract (TerraOil Swiss - GTK Oil) violated national security disclosing confidential data.

Clarification 2: Reporter.al's article has speculated on a concessionary contract article, confounding the obligations between the parties (Concessionaire-State) with the disclosure of confidential commercial data.

Under the Petroleum Agreement, the Concessionaire has the full right to disclose confidential commercial data with its subcontractors without seeking the approval of Albpetrol or any other institution. (Article 23.2 of the Petroleum Agreement)

As a result, BIRN (Reporter.al) has deliberately misled and misrepresented the terms of the contract, deliberately speculating and confusing the public and severely damaging the image, credibility and interests of the company TerraOil Swiss.

BIRN, claim 3: BIRN claims that TerraOil Swiss has disclosed to the "**Serbian**" subcontractor trade data that constitute "**state secret**".

Clarification 3: This claim is not only fraud but also a reflection of deep ignorance.

Firstly, the company GTK-Oil is registered in the NBC under the applicable law and does not appear to be suspended, excluded or confiscated by any Albanian law enforcement institution.

Secondly, it is not the task of concessionary companies to verify subcontractors operating in the Albanian market under applicable laws regarding aspects that are relevant to intelligence and security institutions as long as there is no coercive measure against them.

TerraOil Swiss, has always cultivated a very rigorous relationship with Albanian law enforcement authorities, including the intelligence community, with the intention to avoid any breach in this regard.

Thirdly, the laws on state secret, its classification and the persons authorized to know or use it have not foreseen any provision to respond to the allegation in question. Otherwise, if this fact were to exist, hydrocarbon agreements and any other related aspects would have to be dealt with under this legislation. This means that all persons who would have a business relationship due to institutional or commercial responsibilities would have to be vetoed by CSID and provided with relevant security certificates, a fact which does not exist. According to this logic used by the columnist, the latter would not have been able to request any information on hydrocarbon agreements and operations without having first assured such certificate. This logic would apply to any official of ALBPETROL or AKBN, as well as to the former executives mentioned in the article, who, according to the journalist's logic, would have consumed a state crime for disclosing classified state secret documents or data.

Therefore, BIRN's claim of state secret disclosure, is a deliberate defamation combined with a profound ignorance in terms of security-related obligations, because under the applicable laws, confidential business data are not considered state secrets.

BIRN, Claim 4: BIRN's article alleges that the state-owned company Albpetrol raised "red flags", which according to BIRN constituted alarms about the alienation of the Petroleum Agreement.

This claim is an arbitrary speculation, because there is no paragraph or line in the Albanian legislation, including hydrocarbon agreements, mentioning the term and notion of "red flags".

In the correspondence between our company and Albpetrol in February-March 2019, Albpetrol first raised claims about the agreement between Terraoil Swiss and GTK-Oil. Following this, Terraoil Swiss Company provided Albpetrol with the relevant explanations, sticking to the agreement, and Albpetrol did not further dispute our explanations thereafter.

For the sake of transparency of public opinion, we would like to explain that the Agreement between Terraoil Swiss and GTK OIL entered into on 1.12.2018 and due to Subcontractor's default it was terminated on 1.06.2019. We emphasize that this Agreement unfortunately did not become effective because the subcontractor, GTK Oil, failed to convince us regarding the sustained technical performance during the two-month test period and consequently the economic and financial effects of this Agreement remained at level zero. This means that at the time of the publication of the article and the smoke erased from it the agreement had ceased to exist, which raises serious doubt on the true intentions of the article published by BIRN.

Consequently, BIRN reference, excluding the Albpetrol letter from the context, ignoring the procedure from beginning to end, is a deliberate distortion of facts, and manipulation of the public opinion.

Last but not least, Terraoil Swiss has been operating in the petroleum business for 9 years extracting crude oil from Visoka oilfield. During this period the company has invested over \$ 80 million in its operations opening new wells, revitalizing the existing ones, bringing the field into optimal operating parameters, oil tankers, environmental protection, etc. Terraoil Swiss has over 150 employees, engineers and field specialists, indirectly assisting over 200 other families in the area where it operates.

Terraoil Swiss is a public company registered in Switzerland which operates according under the Swiss laws and best standards and has recently started listing procedures at the International Stock Exchange, which require high standards of transparency, professionalism and good management.

Terraoil Swiss has participated in the competition organized by ALBPETROL for the operation of Cakran-Mollaj, Gorisht-Kocul and Amonica oilfields and has been declared the winner by the Ministry of Infrastructure and Energy. This procedure is currently in the process of being tried in the Albanian courts due to a contest by a losing third party.

Terraoil Swiss considers BIRN-Albania's (Reporter.al) article to be a fraudulent and speculative operation aimed at damaging the company's image and prestige, as well as diversifying efforts to influence abovementioned court decisions.

The operation in question implies intimidating and damaging efforts against the company Terraoil Swiss, and for this reason we are cooperating with our legal consultants and are

preparing legal action against both the BIRN branch in Tirana and the head office of this agency in Belgrade.

Pursuant to the principles of transparency and the right to defend and respond to allegations published by your media, we request that the writing be denied and claim our right to have the reaction of Terraoil Swiss published by you in the same place.

Hans-Peter Vogt

Chairman of the Board of Directors



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