

**NOTICE FOR DIVESTITURE OF SHARES
BY THE IRANIAN PRIVATIZATION ORGANIZATION
"THROUGH THE OTC"**

In the execution of the Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and the regulations related to General Policies of Principle (44) of the Constitution, Iranian Privatization Organization is considering divesting the shares of the following firms, observing other conditions stated hereunder, with the preferential shares (in accrue case) at maximum 5 percent of the total divestible shares having been deducted:

Row	Name of the Firm	Firm's Size	No. of Divestible Shares				Capital (million Rials)	Base Value of each Share (Rials)	Total Base Value of Divestible Shares (Rials)	Deposit for Participating in Tender (Rials)	Conditions of Installment Selling		Shareholders & Percentage of their Ownership	Firm's type of activity	Divesting Date
			Divestible Shares as Block	Preferred & Installment Shares	Total	Total Percentage					Percent of cash prepayment	Payment period (year)			
1	Sadra Omid Chabahr	Average	63,285,393	3,330,810	66,616,203	100	66616.203	41	2,731,264,323	81,937,930	15	5	•Industrial Development and Renovation Organization of Iran (IDRO) 100%	Establishment of centers, workshops, offices and manufacturing & industrial plants & etc. Creating buildings, facilities, machinery & the required equipment on land, rivers and seas to design, construction, conversion, repair and recycling, renovation of different kinds of floating including commercial & etc.	2011/04/09
2	Gostaresh Rail Transportation Industries Development (RTI)	Average	85,500,000	4,500,000	90,000,000	100	90,000	1000	90,000,000,000	2,700,000,000	40	2	•Industrial Development and Renovation Organization of Iran (IDRO) 100%	General contractor for the Comprehensive Traffic Systems and urban rail transportation on the big cities & ...	2011/04/10
3	Petrochemical Commercial Company International (PCCI)	Large	28,500	1,500	30,000	100	309.93	22584304.65	677,529,139,500	20,325,874,185	20	4	•National Petrochemical Co. 100%	International trade of oil products, LPG, Urea & Chemical & petrochemical materials	2011/04/11

4	Brojen Petrochemical Company	-	19,000	1,000	20,000	20	100	2,301,590	46,031,800,000	1,380,954,000	20	3	<ul style="list-style-type: none"> •National Petrochemical Co. 20% •Iran Investment Co. 20% •Dehdasht Petrochemical Co. 20% •Mamasani Petrochemical Co. 20% •Other legal entities 20% 	Production of high density polyethylene, establishment of petrochemical complexes & the industries related to the production of chemical & petrochemical materials & related derivatives	2011/04/12
5	Mamasani Petrochemical Company	-	95,000,000	5,000,000	100,000,000	20	500,000	1883	188,300,000,000	5,649,000,000	50	2	<ul style="list-style-type: none"> •National Petrochemical Co. 20% •Iran Investment Co. 25% •Dolphin Petrochemical Co. 9.96% •Other small shareholders 45.04% 	Construction and commissioning and operation of petrochemical complexes & industrial plants to manufacture, market & export the petrochemical products	2011/04/13
6	Dehdasht Petrochemical Company	-	73,336,229	3,859,801	77,196,030	19.87	135968.054	1668	128,762,978,040	3,862,889,341	50	2	<ul style="list-style-type: none"> •National Petrochemical Co. 19.87% •Iran Investment Co. 23.16% •Shadan Shahr-e Bakhtar Co. 6.44% •Mamasani Petrochemical Co. 7.72% •Other small shareholders 42.81% 	Construction and commissioning and operation of petrochemical complexes & industrial plants to manufacture, market & export the petrochemical products	2011/04/17

1. Transaction Conditions:

- 1.1. The above prices are the base shares price. Undoubtedly, the highest proposed prices shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the whole divestible shares of each enterprise separately. Evidently, number of the allocated preferred shares by the personnel of the enterprise (if someone be eligible for it) shall be deducted from the divestible shares and the suggested price of winner of the bid in proportion to the allocated shares. The remained shares, then, shall form the basis of the transaction price.

- 1.3. Transfer of the shares will be carried out according to the mutual contract. The Agreement Model and the Power of Attorney are available at the IPO and Tehran Stock Exchange. The Purchasers are obliged to adhere to the provisions of these documents, and as far as the IPO is concerned, the purchase of the shares means enjoying the necessary knowledge and acceptance to adhere to the contents of the same.
- 1.4. It is permitted to buy in cash. In installment transactions, individuals must pay the cash part and the installments according to the information in the above table.
* Note: In installment transactions, the interval among installments is 6 months and the interest rate of sales is equal to 50 percent (50%) of the bank system interest at industry and mine sector - 6% -.
- 1.5. In installment transactions, the shares certificates equivalent the remained installment of traded shares shall be kept by the IPO as Collateral, until the payment of the shares' price is completed. At least equivalent to 50% of remaining debt of installments shall be received assurance documents.
- 1.6. The previous purchasers of installment block shares of IPO, who have not paid their installment based upon their contract, are not allowed to purchase the shares again or to attend in the tender bid till settling the previous debt.
- 1.7. Monitoring mode after divesting the shares shall be according to the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010).
- 1.8. The purchasers are obliged to replace the governmental guarantee issuant in proportion with the purchased shares and to pay the company's debt to the Mother Specialized Company and governmental and nongovernmental bank system, which is registered on pricing report or divestible firm's offices. Releasing the shares is based on disburse of all the subject matters and liabilities.
- 1.9. The purchaser is responsible for any deficit on headings of assets and debt deficit such as the fraction of certain or uncertain tax reserves, social securities insurance, personnel's service redemption and the years of services, accrued interest and fines towards the bank and financial facilities, except the adjustments applied in the evaluation report of the company's shares and IPO is not responsible for it at all. Meanwhile the purchaser and the seller adapted all the information and the contract of each headings of article of association and they don't have any claim about the deficit or excess of the numbers.
- 1.10. Prices of food and products of petrochemical companies are within the framework of the law of adjusting subsidies and the purchaser is required to follow it.
- 1.11. The purchaser of Gostaresh Rail Transportation Industries Development (RTI) shall oblige to fulfill all commitments and guarantees with the company instead of IDRO. Meanwhile he must have the contracting experience in an appropriate grade (rank).

Noticeable for the applicants of the shares of Petrochemical Commercial Company International (PCCI):

- Considering the current situation, this company is faced with bank problems and limitations and impossibility of using the facilities of foreign banks.
- Since 2005, with delivering tax securities and company's protest on them and also considering the issue at Tax Dispute Resolution Committee, the company is faced with several challenges caused by different interpretations of the parties on this issue that the company's performance is taxable or not. (Undoubtedly, the purchaser is responsible for every financial effects resulting from finalizing the ordinance.)
- The company's method on calculating the fraction and counting and paying the equity by transferring 90% of the expressed profit as the transition to the preferred shareholders' account instead of the fraction and counting 40% of the whole expressed profit has not been approved by Supreme Audit Court and it is raised on Appeals Court of the mentioned court as the company's complaint issue.
- The Exclusive Contract to purchase and take almost 75% of LPG produced by Turkmenistan in addition of other products of this country is run by the company. If the currency restrictions and effects resulting from economic sanctions will be removed, according to the company's brand, its operations will be profitable as in the past.

2. Preferred and Installment Shares (in case accrue):

By virtue of the bylaw of Note3, Article 20 of the Amendment Law of the Fourth Development and Implementation plan regarding the general policies of Article 44 of the constitution of Islamic Republic of Iran; it shall be divested maximum five percent (5%) of the preferred and installment shares of firms to the directors, staff and retired individuals of the same firm based upon the following conditions:

- a. The employed directors and staff or the envoys (official or contract personnel) of divestible firms, and also directors and staff of divestible firms who are envoys in other firms and they have at least one year of experience in the related field and also the divestible firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to receive the preferred shares. The directors and the envoys, whom payment of the insurance premium or their superannuation payment are deducted from the source of mission, are not entitled to be divested the shares to. Each qualified individuals who are employed on those investee firms where more than 50 % of their investment belongs to the divestible firm can enjoy the preferred shares.

* **Note1:** Divesting the shares to the employed directors and staff has higher priority; after divesting the shares to them, in case there were divestible shares of firm, the above-mentioned shares shall be divested to the retired individuals of the same firm. The retired individuals are not permitted to use the benefits of justice shares and preferred shares simultaneously.

- b. The amount of the allottable preferred shares to each qualified individuals is (maximum) tenfold of the six-month average of the applicants' last wages and benefits (based upon the legal ordinances) which shall be sold at the base shares price.
- c. Preferred share shall be divested only by written request of the applicants. The qualified individuals must submit within 30 days after the publication of the first notice or sending a declaration letter of the conditions of purchasing the preferred shares from IPO to the divestible firm, their request to use the preferred shares along with the complete list of applicants' qualifications which certified by the related firm, the Justice Shares Secretariat and the corresponding branch of the Social Security Organization, as well as the contract sheets to the management of the divestiture and supporting of investment department of the IPO. In case there is received no application to purchase the preferred shares or after allocation of all of the requested shares up to the determined ceiling; observing the regulations, the remained shares shall be added to the blocked divestible shares.

* **Note2:** The managing director's and the board of directors of the divestible firm are responsible for confirming the names and the amount of price cited in the Legal Ordinances of the personnel.

3. Financial or Non-financial Incentives and Discounts in the Block Controlled Shares for the companies at rows 1 to 3:

- 3.1. The purchaser of the controlled shares (the least amount of the shares to determine the majority of the board of directors' members) who increase number of the staff of the firm to the extent more than what is recorded in the divesting document during the period of installment, or resort to train and recruitment of extra workforces of other privatized firms in their units, shall enjoy the financial or non-financial incentives as mentioned in the guideline number 63/2/206295 (dated 7, Apr. 2009) and the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010), if they are qualified.
- 3.2. The qualified purchasers shall enjoy of three types of financial incentives separately: discount in the original transaction price, minimization of the benefit of sale by installment or time discount (it means reviewing on the contract time resulting from lengthening of during the repayment of the installments).

* Note: Granting the financial or non-financial incentives depends upon the presenting the written plan of the purchaser to maintain and increase the level of the current occupation and retraining the firm's staff. Also, using the financial incentives in paragraph (3-2) is possible provided that after divesting, the average annual of the firm's staff numbers increases with regard to the recorded number in the divesting document, considering the alternative people in lieu of the retired and severance compensations during the years after divesting, on condition that reducing the number of employees during the studied period does not never exceed ten percent 10%.

- 3.3. If the qualified purchasers of the controlled shares conclude the measures like the new investment, promotion of efficiency and productivity, production continuity and promotion of its level, promotion of technology and fixing the occupation level in the divestible firm shall be enjoyed the discounts of the guideline of " How to obtain commitments, insert provisions and grant discounts" by the divesting Board (dated 11, Mar. 2009).

4. Other Cases:

- 4.1. The IPO preserves the right to accept or reject all or any of the bids.
- 4.2. The purchasers will be allowed to enter the purchase order to the trading system in the case that they settle 3% of the value of transaction shares based upon the base shares price of the advertised shares (in cash or bank guarantee) to the account of Central Securities Depository (CSD) of Iran as a deposit participating in the tender to guarantee the purchasers' liabilities unconditionally.
- 4.3. In case the winner of the bid fails to pay the cash part of the transaction price and to represent the guarantee documents (in installment transactions), during the 20 working days of the notification, the winner of the transaction must not have any claim about the deposit and as soon as possible their deposit shall be confiscated to the IPO benefit (after legal deductions).
- 4.4. The applicants undertake not to be prohibited in transactions and they must not include in the Article 24 of Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and Implementation of General Policies of Principle (44) of the constitution (ratified 21, July 2008).
- 4.5. For obtaining introduction letter to visit the firm, the applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 502, until Wednesday (06, Apr. 2011). For financial information, the applicants may refer to Farabourse Iran Company, until the mentioned date.

IPO Website: www.ipo.ir