

NOTICE FOR DIVESTITURE OF SHARES BY THE IRANIAN PRIVATIZATION ORGANIZATION THROUGH THE IRANIAN EXCHANGE MARKET & TENDER BID

In the execution of the 4th Economic, social & cultural Development plan of the Islamic Republic of Iran; the related regulations, Iranian Privatization Organization is considering divesting it's shares and the shares of National Iranian Oil Companies (NIOC), Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO), Iran Small Industries & Industrial Parks Organization (ISIPO), Iran Water Resources Management, Saman Gostar International Trade & Investment, Baharchin Ranjo Producing Company, Mr. Alireza Akhgary & Lar Consulting Engineers Company, through the following companies, observing other conditions stated hereunder by resorting to Stock Exchange & tender method, with the preferred shares (if any) at maximum 5 percent of the total divestible shares having been deducted:

Row	Name of the Company	Divesting Method	No. of Divestible Shares				Company's Capital (million Rials)	Base Value of each Share (Rials)	Total Base Value of the Shares (Rials)	Deposit for Participating in Tender	Company's Ownership Composition (Stockholders)	Company's type of activity
			Divestible Shares as Block	Preferred Shares	total	Total Percentage						

1	Production Management & Dam Utilization & Karkhe Plant Co.	Tender	4655	245	4900	49	10	583237	2857861300	142893065	<ul style="list-style-type: none"> • Iran Water Resources Management Co. 49% • SABA Power & Water Industries Investment Co. 50.99% • Other Stockholders 0.01% 	Utilization of Dam Hydropower Plant & related Installation Equipment for Power Generation
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2	Pumpiran Co.	Stock Exchange	3324794	174989	3499783	8.75	40000	The TSE board price on the day of supply (equal to the closing price on the day before the supply date) provided that it must not be less than RIs. 2397	251669396	<ul style="list-style-type: none"> • Iranian Privatization Organization 8.75% • Sepah Investment Co. 12% • Omid Investment Co. 5% • Other Stockholders 74.25% 	Production of Civil, Agricultural & Industrial Pumps
3	Sepahan Cement Co.	Stock Exchange	28500000	1500000	30000000	2.5	1200000	The TSE board price on the day of supply (equal to the closing price on the day before the supply date) provided that it must not be less than RIs. 3159.	2843100000	<ul style="list-style-type: none"> • Industrial Parks Organization 2.5% • Azar Investment Co. 20% • Maskan Bank Investment Co. 8% • Tadbir Investment Co. 7% 	Production of Cements

											• Other Stockholders 62.5%	
4	Shiraz Liquid Oil Co.	Tender	4758625	250454	5009079	25.68	19500	24746	123954668934	2629093500	<ul style="list-style-type: none"> • Iranian Privatization Organization 25.68% • Pooya Process Trade Services Co. 60.32% • Other Stockholders 14% 	Preparation & production of Vegetable Oil

5	Petroiran Development Co.	Tender	76000000	4000000	80000000	100	742560	13429	1074320000000	21636400000	• Iranian Oil Co. 100%	General Contractor in Oil & Gas Industries
6	Studies on Metal General Projects	Tender	46	2	48	48	20	100000	4800000 (in cash)	240000	<ul style="list-style-type: none"> • Iran Mines & Mineral Industries Development & Renovation Organization (IMIDRO) 48% • KaniKavan Co. 30% • Mohamadrez a Tavasoly Co. 20% • Other Stockholders 2% 	Research, Consultation & Study in Recognition Stages, Economic Technical Explaining for Production of Metal & Mineral Substances

7	Zarine rood Utilization of Irrigation & Drainage Networks Co.	Tender	47	2	49	49	1	3403126	16675317 4 (in cash)	8337700	<ul style="list-style-type: none"> • Iran Water Resources Management Co. 49% • Vahdat Utilization of Irrigation & Drainage Networks Co. 17% • Other Stockholders 34% 	Water Distribution in Irrigation & Drainage Networks & Farms
8	Vahdat Utilization of Irrigation & Drainage Networks Co.	Tender	47	2	49	49	1	1170330	57346170 (in cash)	2867500	<ul style="list-style-type: none"> • Iran Water Resources Management Co. 49% • Mahabad Water Affairs Credit Cooperative 20% • Zarine rood Utilization of Irrigation & Drainage Networks Co. 17% • Other Stockholders 14% 	Water Distribution in Irrigation & Drainage Networks & Farms
9	Technicon Co.	Tender	241351	-	24135 1	33.61	7180	70533	1702321008 3 (in cash)	490464500	<ul style="list-style-type: none"> • Saman Gostar International Trade & Investment Co. 99.73% 	Installation & Launching of Equipment & Metal Workforce

											<ul style="list-style-type: none"> • Other Stockholders 27% 	
10	Tehran Niroo	Tender	15877	-	15877	15.8	100	255102.1	405025604 1 (in cash)	202512800	<ul style="list-style-type: none"> • Mr. Alireza Akhgary & Lar Consulting Engineers Company 48.13% • Besat-Power-Plant 50.5% • Other Stockholders 1.37% 	The Management of Engineering, Planning & Implementation of Power Production, Transfer & Distribution
11	Production & Packaging of Meat Products (zyaran Co.)	Tender	479864	-	479864	92.28	5200	69528.04	3336400338 7 (in cash)	817280100	<ul style="list-style-type: none"> • Baharchin Ranjo Producing Company 93% • Other Stockholders 7% 	Production of Meat Products & Packaging

1. Transaction Conditions:

- 1.1. The above prices are the base shares prices. Undoubtedly, the highest proposed prices shall form the transaction price.
- 1.2. The applicants are required to submit their suggestions regarding the total shares supplied by each enterprise separately. Evidently, the related preferred shares acquired by the employees of the enterprise shall be deducted from the divestible shares of that enterprise, and the winning bid shall be decreased in

proportion to the acquired shares. The remaining shares, then, shall form the basis for the estimation of the transaction price.

- 1.3. The cash deposit for participation in the tender to acquire shares of the divestible enterprises shall be settled by the applicants to the Treasury SIBA Account No. 2170159008002 in the IPO name payable in all the branches of Bank Melli Iran (delivering of Encoded Bank Check is not possible) accompanied by its Receipt Sheet and the purchase bid in a sealed package to the Financial Affairs Department until the end of the working hours of Saturday (13, Dec. 2008), to the related IPO office, located in Room No. 402, 4th floor, No. 75, Zarafshan St., Shahrake Qods, in lieu of the receipt.
- 1.4. In order to receive the form to participate in the bids for acquiring the shares of the divestible enterprises, applicants may refer to the Divestiture and Supporting of Investment Department located at the above address until the stated date.
- 1.5. Applications received by the IPO after the stated date shall be invalid.

* Note: Transfer of the shares shall be carried out according to the mutual contract. The Agreement Model and the Power of Attorney to be drawn up at the Notary Public Offices are available at the IPO. The Purchasers are required to adhere to the provisions of these documents and as far as the IPO is concerned, the participation in the Tender means enjoying the necessary knowledge and acceptance to adhere to the contents of the same.

- 1.6. Upon the Application of the purchasers, the companies (rows 1,2 of the above table) must pay the transaction price in cash (at least 40%) and by installments within 3 years, including the interest rate of installment sales (60%) and the companies (rows 3,4 of the above table) must pay in cash (at least 35%) and by installments within 3.5 years, including the interest rate of installment sales (65%), Petroiran Development Company (row 5) must pay in cash (at least 20%) and by installments within 5 years, including the interest rate of installment sales (80%) and also the companies (rows 6 to 11 of the above table) must pay whole in cash within 10 working days.

- * Note: In Bank System Method at industry and mine sector, the interval between 2 installments is 6 months, including the interest rate of installment sales (12% annual).
- 1.7. When the transaction price is to be paid in installments, the shares certificates shall be kept by the seller as collateral, until the payment of the share price, RIs. 5 for each share is completed. Also on the strength of

Directive of Article 9 of the Executive Bylaw of Paragraph F of Article 14 of the Third Development Plan shall enjoy the concerned discounts.

2. Preferred Shares:

- a In the application of the Executive Bylaw of the enforceable "Article 16" of the Fourth Development Plan, the preferred shares at maximum 5 percent of the divestible shares mentioned above, which shall be Rls. 300.000.000 payable in 10 equal installments, excluding the interest on the installment sale, out of which the amount of Rls. 50.000.000 shall be calculated with the average price and at maximum Rls. 250.000.000 shall be sold with the market price on the divesting date, observing the rule of the ceiling of 20 times as much as the monthly salaries and premiums of each qualified individual (based upon the Salary Orders).

* Note 1: Where the nominal price is higher than the base price of the divestible shares or higher than the transaction price, the price of the preferred shares consists of the base price of the divestible shares in tender method and the last transaction symbol price in a day before divestiture of preferred shares in the Stock Exchange one.

- b Preferred shares shall be transferred to the workers, employees and managers currently working in the divestible unit.
- c Individuals qualified to purchase the preferred shares are required to submit within 20 days of the publication of the first notice, their request in this regard, along with the complete list including the details of the purchasers certified by the related enterprise and the corresponding branch of the Social Security Organization, as well as the contract sheets to the Manager of the Divestiture and Supporting of Investment Department of the IPO. Otherwise, the IPO shall alienate the said shares under the conditions of other shares of the divestible enterprise.

* Note 2: The responsibility of the confirmation of the names and amount stated in the personnel's salary order shall rest with the Executive Director and Board of Directors of the Enterprise.

- d Where there is received no application from the employees of the enterprise for purchasing the preferred share or acquiring the whole shares to the provisioned ceiling demanded by workers,

personnel and directors of the enterprise, rest of the said shares shall be added to the divestible shares under other related regulations.

Notice: Only the current workers of the company with at least one year of employment and payment of the insurance premiums are entitled to purchase the preferred shares. (Preferred shares shall be transferred to the current personnel of the direct investee companies – more than 50%- also the capital of the investee companies in proportion to the capital of the investor companies, from the place of shares of to be divested companies.)

3. Other Cases

- 3.1. The Envelopes containing bids shall be opened at 10 am on sunday (14, Dec. 2008) in the venue of the IPO and the bidders may participate in the event.
- 3.2. The IPO preserves the right to accept or reject all or any of the bids.
- 3.3. Divestiture of shares of Pumpiran enterprise will start in the Stock Market from (15, Dec. 2008) and divestiture of shares of Sepahan Cement Company will start from (16, Dec. 2008).
- 3.4. In case the winner of the bid fails to pay the cash part of the transaction price, during the 30 working days of the notification, their deposit shall be confiscated to the IPO benefit. This prompt is 30 working days for Petroiran Development Company (row5) and 10 working days for selling in cash.
- 3.5. Agents must receive unconditional 3% of the base value of advertised shares from the customer as the enterprise's deposit in tender after entering the purchase order, to warrant the purchaser's underwriting, in cash or as the bank guarantee and if it is needed to settle or present to the deposit account of Central Depository and Settlement Company.
- 3.6. The applicants undertake not to be prohibited from transactions and they must not include in the law of government personnel's intervention prohibition in the state and country transactions (ratified in 1958).
- 3.7. For further information and collection of the Letter of Introduction to visit the factories, the applicants may refer to the room no. 309 located at Divestiture and Supporting of Investment Department of IPO located at No. 75, Zarafshan St., Shahrake Qods, until Wednesday (10, Dec. 2008)

IPO Website: www.ipo.ir