

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

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 enterprises, observing other conditions stated hereunder by resorting to the stock exchange and 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 (Rials)	Company's Ownership Composition & Percentage of Ownership	Company's type of activity
			Divestible Shares as Block	Preferred & Installment Shares	total	Total Percentage						
1	North Drilling Co.	Stock Exchange	521,081,000	—	521,081,000	20	2,605,405	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 Rls. 2423 (in cash & installment)		37,877,378,000	<ul style="list-style-type: none"> • National Iranian Oil Company (NIOC) 73.65 • Social Security Organization of the Armed Forces 10 • Other Stockholders 16.35 	Exploration, development & exploitation of Oil and gas reservoirs

2	Petrochemical Investment Co.	Stock Exchange	572,062,727	30,108,564	602,171,291	33.09	1,820,000	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 Rls. 578 (in cash & installment)		10,441,650,500	<ul style="list-style-type: none"> • National Petrochemical Company 33.09 • Shasta Investment Co. 38.75 • Saba Tamin Investment Co. 1.95 • Other Stockholders 26.21 	Production of different kinds of Petrochemical & Chemical materials, rubber and plastic Semi-made & ready-made products
3	Lorestan polyester Co.	Tender	14,847,030	781,422	15,628,452	49	31894.8	1,000	15,628,452,000	468,853,560	<ul style="list-style-type: none"> • Industrial Development and Renovation Organization of Iran (IDRO) 49 • Sohrab Rezaei pour 40 • Aligoudarz Apadana stone co. 9 • Other Stockholders 2 	Production of different kinds of Poly L polyester & other by-products
4	Petrochemical Commercial Co.	Tender	13,062,500	687,500	13,750,000	55	25,000	51,810	712,387,500,000	371,625,000	<ul style="list-style-type: none"> • National Petrochemical Co. 99.97 • Other Stockholders 0.03 	To perform Commercial-economic activity for domestic and foreign companies
5	Dandesh Kar Co.	Tender	1,500	—	1,500	15	10	282,242	423,363,000	12,701,000	<ul style="list-style-type: none"> • Industrial Development and Renovation Organization of Iran (IDRO) 15 • IDRO International Trading Co. 85 	Performing all designing, engineering and construction operations for car's motor power

6	Engineering and implementation of agricultural projects Co.	Tender	500	–	500	0.02	250	1	500	50	<ul style="list-style-type: none"> • Industrial Development and Renovation Organization of Iran (IDRO) 0.02 • Other Stockholders 99.98 	Designing and implementation of agricultural projects
7	Bahman Manufacturing Co.	Tender	2,971	–	2,971	0.0059	50,000	1	2,971	100	<ul style="list-style-type: none"> • Industrial Development and Renovation Organization of Iran (IDRO) 0.0059 • Sadough Religious and Cultural Foundation 52.7 • Bank Melli Iran Investment Company (BMIC) 6.1 • Other Stockholders 38.594 	Production of Refrigerator & Freezer

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 (if any) 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 outside the Forum to acquire shares of the divestible enterprises shall be settled by the applicants (only in cash) 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 two separate envelopes in a sealed package to the Financial Affairs Department until the end of the working hours of Saturday (31, Oct. 2009), 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. Applicants may receive the application form, Agreement Model and the Power of Attorney to be drawn up at the Notary Public Offices that are available at the IPO and Tehran Stock Exchange. As far as the IPO is concerned, participation in Tender means enjoying the necessary knowledge and acceptance to adhere to the contents of the same. The Purchasers are required to adhere to the provisions of these documents.
- 1.6. Individuals with cash payment will have the priority in purchasing the shares. Upon the Application of the purchasers to buy on installment, they must pay the transaction price in cash (at least 25%) and by installments within 3 years, including the interest rate of installment sales (75%) for North Drilling Company (row1)(6 six-month installments); the transaction price in cash (at least 20%) and by installments within 6 years, including the interest rate of installment sales (80%) (for the companies rows 2&3)(12 six-month installments); the transaction price in cash (at least 30%) and by installments within 3 years, including the interest rate of installment sales (70%) for Petrochemical Commercial Company(row4) (6 six-month installments); the transaction price for companies rows 5 to 7 is totally in cash.
 - * **Note:** In installment sales, the interval between 2 installments is 6 months and the interest rate of sales is equal to 50 percent (50%) of the Bank System Method at industry and mine sector (6%).

When the transaction price is to be paid in installments, the amount equivalent to the remaining installment of traded shares shall be kept by the seller as collateral, until the payment of the share price 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, purchasers shall enjoy the concerned discounts.

According to Note 4, clause 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, under similar condition, the priority of purchase is bestowed upon the Cooperative Sector.

2. Preferred and Installment Shares (if any):

By virtue of the bylaw of Note3, clause 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; Preferred and Installment sales shall be of maximum five percent (5%) of shares of firms subject to transfer to the directors, the staff and the retired individuals of the same firm:

Conditions and the way of Preferred and Installment sales of Companies rows 2 to 4 shares to the directors, staff and retired individuals of the same firm:

The directors and the staff or the officers (official or contract) of firms are subject to transfer, and also directors and staff of firms who are official in other firms and they have at least one year of experience in the related field and also their firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to have the preferred shares. The directors and the officers whom payment of the insurance premium or their superannuation payment are deducted from source of mission, aren't entitled to ceding shares. Each qualified individual and each staff member of the investee firms where more than 50 % of their investment belongs to the transferable firm can enjoy the preferred shares (if they request).

*** Note1:** Ceding shares to the directors and the staff has higher priority; if after ceding shares to them there were transferable shares of firm, on condition that the retired individuals of the same firm have not received the justice shares, they shall be entitled to the above-mentioned shares. It is not permitted to use the benefits of justice shares and preferred shares simultaneously. If eligible superannuated individuals had enjoyed the benefits of justice shares before, and they want to enjoy the benefits of preferred shares too, first they should return the received justice shares.

- a The amount of the allottable preferred shares to the qualified individuals is (maximum) tenfold of the six-month old average of the applicants' last received wages and benefits (based on the Payment Ordinance) which shall be sold at the base shares prices.
- b Preferred shares shall be transferred only by written request of the applicants. Individuals qualified to purchase the preferred shares are required to submit within 30 days of the publication of the first notice or the sending of a letter from IPO to the transferable firm to announce the notice, their request in this regard, along with the complete list including the details of the purchasers certified by the related firm 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. Where there is received no application for purchasing the preferred shares or acquiring the whole shares to the provisioned ceiling demanded, rest of the said shares shall be added to the blocked divestible shares under other related regulations.

*** Note2:** It is the managing director's and the board of directors of the transferred firm's responsibility to confirm the names and the amount of price cited in the Payment Ordinance of the personnel.

3. Other Cases:

- 3.1. The Envelopes containing bids shall be opened at 14 pm on Sunday (01, Nov. 2009) 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. 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, their deposit shall be confiscated to the IPO benefit. This prompt is 30 working days for North Drilling Company (row1) and 10 working days for companies rows 5 to 7.
- 3.4. It will be divested the shares of North Drilling Company from (31, Oct. 2009) and the shares of Petrochemical Commercial Company from (1, Nov. 2009) through the stock exchange.
- 3.5. Purchasers must receive unconditionally 3% of advertised shares' base value from the customer for enterprise's depositing in tender after purchase order to guarantee the liabilities of purchasers (in cash or bank guarantee) according to the order to settle or present to the account of Central Securities Depository (CSD) of Iran.
- 3.6. The applicants undertake not to be prohibited from 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) and 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 (28, Oct. 2009).

IPO Website: www.ipo.ir