

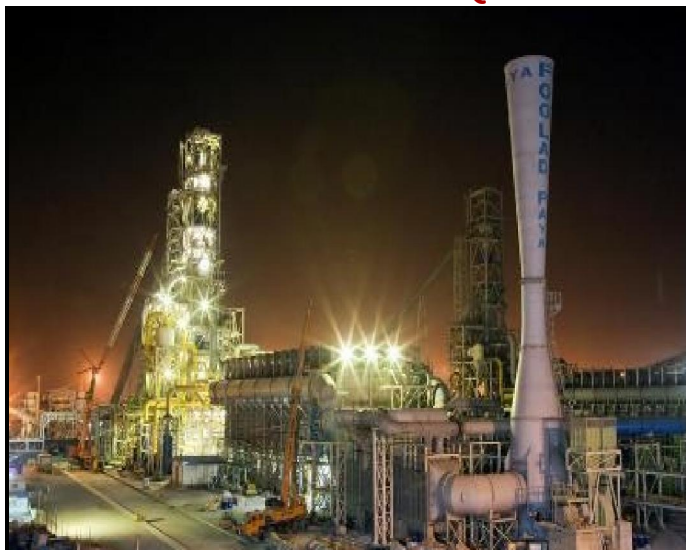


Kazeroon Petrochemical Co.
(public joint stock)



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Kazeroon Petrochemical Company (public joint stock) **(Before the operation)**



Total Value of Divestible Shares (19.78%)-Start Bid: US\$ 10,418,428 **(Exchange Rate:** 29,563 IRR)

Assessment Date: July 2015

Assessment Method: Net Assets Market Value

Divesting Method: Farabourse

Part I: General Information

According to the approval of Ministers' Board dated 1 May, 2007, Kazeroon Petrochemical Company (public joint stock) was established and was registered on 9 October, 2008 at Kazeroon Organization for Registration of Deeds and Properties.

Kazeroon heavy/ light density polyethylene project is one of the projects with the aim of creating value added, making down-stream industries, regional economic growth and job opportunities which is under constructing in the vicinity of Kazeroon. The area of the main site is about 53 hectares which is under constructing in 35 km from Kazeroon. According to conducted predictions, the project should be complete in 42 months after being effective the contract of EPCC, but the contract has not been effective till now. The contract type is EPCCF and estimated investment to complete this project is about 423 million Euros. The products of the company are low density and heavy polyethylene with production capacity of 125,000 tons and 175,000 tons annually, in order. The needed utility of this project at the time of operation, consists of electricity (195,000 MW/H, annually), water (4.6 million m³, annually), natural gas (70 million m³, annually). Total employment (direct and indirect) of Kazeroon and Nodan Petrochemical Complexes projects after the operation will be about 710 persons (490 persons in Kazeroon Petrochemical Complex and 220 persons in Nodan Petrochemical Complex).

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Part II: The Most Important Information

Parent Company: National Petrochemical Company (NPC)

Shareholders: NPC (19.78%), Iranian Investment Petrochemical Group (36.24%), Shadan Shahre Bakhtar Co. (11.94%), Others (32.04%)

Capital: US\$ 22,325,204

Chief Executive Officer: Mr. Sahebi

Establishment Date: 2007

Registration Date of the Company: 2007

Registration Place: Kazeroon

Market Value of Assets: US\$ 55,440,923

Most Important Asset: Long-term investment: US\$ 35,483,544

Market Value of Liabilities: US\$ 3,111,998

Most Important Liability: Dividend payable: US\$ 1,555,999

Location: Center office located at Kazeroon, Fars Province. The company has two offices in Tehran and Shiraz.

Field of Activity: Production of linear, low density polyethylene and heavy polyacetal

Number of Staff in 2015: 9

Main Specifications of the Company's Projects

Title		Kazeroon Petrochemical Complex	Nodan Petrochemical Complex
Name of the project		Heavy/low density linear polyethylene of Kazeroon Petrochemical Co.	Nodan polyacetal project
Project location		35 km southeast of Kazeroon to Farashband	Nodan ,Fars Province
Land's area		53 hectares, extendable to 120 hectares	8 hectares
Total needed budget	Exchange	€ 307.5 million	\$ 106.15 million
	Rials	Rls. 3,743 billion	Rls. 377.1 billion
	Conversion rate	Rls. 32,441	Rls. 24,600
	Total	Rls. 13,720 billion	Rls. 2,988 billion
Total invested till now		Rls. 131 billion	-
Products & production capacity		Linear, low density polyethylene: annually 125,000 tons Heavy polyethylene: annually 175,000 tons	Polyacetal: annually 20,000 tons
inputs		Ethylene: annually 290,000 tons Provider: Gachsaran Petrochemical Co. Butene-1: annually 24,000 tons Provider: Petrochemical Complexes	Methanol: annually 23,000 tons Provider: Asalouyeh Banzene: annually 1,568 tons Provider: Esfahan Petrochemical Co. Ethylene Oxide: annually 448,000 tons Provider: Arak Petrochemical Co.
Total employment after operation		490 (direct employment: 240, Indirect employment: 250)	220 (154 BA, 66 diploma & AA)

Part III: Financial Information

3-1) Main Items of Assets in US\$

(Exchange Rate: 29,563 IRR)

Title	Details	Book value (March 2015)	Market value (July 2015)
Assets	Long-term investment (3-1-1)	13,631,905	35,483,544
	Cash	6,663,735	6,663,735
	Royalty	0	4,735,649
	Assets in completion	3,856,172	4,228,258
	Land (3-1-2)	135,304	2,164,868
	Other assets	1,928,086	2,164,868
Total assets		26,215,201	55,440,923

3-1-1) Long-term investment

Title	Book value (March 2015)	Market value (July 2015)
Gachsaran Petrochemical Company (20.46%)	11,737,645	32,067,111
Dehdashat Petrochemical Company (5.13%)	1,691,303	3,247,302
Mamasani Petrochemical Company (0.38%)	101,478	67,652
Total investment in stocks	13,530,427	35,382,065
Long-term deposit (2 years) in Agriculture Bank of Iran	101,478	101,478
Total	13,631,905	35,483,544

3-1-2) Land:

The main part of the site (53.37 hectares) is delivered by Natural Resources Organization on 27 June, 2010. The contract to lease the land is for three years and annual rent for the land in the first three years is determined US\$ 5,417. In this regard, the amount of US\$ 16,237 is paid to the account of Ministry of Agriculture Jihad.

Some pieces of land is purchased by company which are assessed as follows:

Lands

Title	Book value (March 2015)	Market value (July 2015)
Land in area of 53.3762 hectares	0	1,516,626
Land in area of 14.889 hectares	118,391	604,370
Land in area of 4,675 m ²	10,283	15,797
Land in area of 3,200 m ²	3,789	12,989
Land of complex in area of 950 m ² *	0	3,856
Total	132,463	2,153,638

*The land of complex is purchased after the end of fiscal year in US\$ 1,488.

3-2) Main Items of Liabilities & Capital in US\$

Title	Details	Book value (March 2015)	Market value (July 2015)
Liabilities	Dividend payable	1,555,999	1,555,999
	Other accounts & notes payable (3-2-1)	1,522,173	1,522,173
	Other liabilities	33,826	33,826
Total liabilities		3,111,998	3,111,998
Profit (loss) from 21 March 2015 to 22 July 2015		0	372,087
Retained earnings(loss)		304,435	304,435
Capital		22,325,204	22,325,204
Owner's equity		23,103,203	52,701,011

3-2-1) Other accounts & notes payable: is equal to US\$ 1,150,086 which is notes payable to Dehdasht Petrochemical Co.

3-3) Main Items of Income Statement in US\$

Title	(March 2015)	(September 2014)
Personnel, administrative & general expenses	(405,913)	(473,565)
Operating profit (loss)	(405,913)	(473,565)
Net other non-operating revenues & expenses*	608,869	1,725,129
Tax	0	(33,826)
Net profit (loss)	202,956	1,217,738

*Most of these figures are revenues from funds reserved in banks.

Part IV: More Information

4-1) Requirements of Kazeroon Petrochemical Complex:

- **Electricity:** annually 195,000 MW/H which will be provided from Kazeroon Combined Cycle Power Plant.
- **Raw water:** annually 4.6 million m³ which will be provided from Nargesi dam that will be completed on 1394.
- **Natural gas:** annually 70,000,000 m³ which will be provided from Trans-Iranian Pipelines

4-2) Requirements of Nodan Petrochemical Complex:

- **Electricity:** annually 22,100 MW/H
- **Raw water:** annually 969,000 m³
- **Natural gas:** annually 10.5 million m³