

Parsian Sepehr Refining Company (Private Joint-Stock) (Before the operation)



Part I: General Information

Parsian Sepehr Refining Company as private joint-stock was established in Nov. 07, 2010 for performing Ethan utilization plan and Parsian LPG located at Fars Province with participation of National Iranian Gas Company and Energy Sepehr Company belonging to Saderat Bank of Iran and has been registered on Tehran State Organization for Registration of Deeds and Properties Company Registration General Office.

Performing activities of Parsian Sepehr Refining project was started at 2009 and according to preliminary estimations, it was supposed that up to the end of 2014, the project would put into operation that due to lack of finance, it would not be possible. In 2014-2015, Energy Sepehr Company (as 80% shareholder of the company) transferred its shares and by entrance of new shareholders, EPCC contract was drawn up with Hampa Energy Company (the primary contractor of the plan) and preparations of operational activities of the plan has been done.

Estimated investment needed for performance of the plan was \$ 1,034 million and the percentage of physical progress up to Dec. 21, 2014 was 4/38%.

Part II: Main Information

Parent Company: National Iranian Gas Company (NIGC)

Shareholder: Tadbir Energy Development Group (49/99%) - Qaed Basir Petrochemical Products Co. (29/99%)- Parsian Gas Refining Co. (20%)- Others (0/02%)

Capital: US\$ 338,261

Chairman of the Board: Mr. Mohammad Khalatbari

Establishment Date: 2010

Total Assets: US\$ 5,919,562 (Assets at the completion: US\$ 3,145,824)

Total Liabilities: US\$ 6,629,909 (Debts to Tadbir Energy Development Group: US\$ 6,088,692)

Net Profit (loss): US\$ (507,391)

Retained earnings (loss): US\$ (811,826)

Physical Progress of the Project: 4/38%

Location of the Project: Asaluyeh Zone (Bousher Province), Mohr Town (Fars Province)

Annual Production Capacity: **Methane:** 16,201 thousand tones- **Ethan:** 1,340 thousand tones- **LPG:** 1,117 thousands tones- **Natural Gasoline:** 1,915 thousands tones

Number of Staff in 2014-2015: 8 (contractual)

Part III: Financial Information

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

(Exchange Rate: 29,563 IRR)

Title	Book Value (December 2014)	Book Value (December 2013)
Assets at the completion (3-1-1)	3,145,824	3,145,824
Prepayments & outstanding capital (3-1-2)	2,469,303	2,469,303
Cash	169,130	169,130
Other assets	135,304	169,130
Total Assets	5,919,562	5,953,388

3-1-1- Assets at the Completion in US\$

Title	December 2014	December 2013
Performing and purchasing project's equipments costs	2,063,390	2,063,390
Overhead costs	778,000	778,000
Land preparation cost	236,782	236,782
Others	67,652	67,652
Total	3,145,824	3,145,824

3-1-2- Prepayments & Outstanding Capital:

The main amount is related to Hamiya-Hedco consortium for building and purchasing contract.

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

Title	Book Value (December 2014)	Book Value (December 2013)
Other accounts and notes payable (3-2-1)	6,612,996	6,122,518
Provision for employees termination benefits	16,913	10,148
Total liabilities	6,629,909	6,132,666
Retained earnings	(811,826)	(304,435)
Capital	338,261	338,261
Owner's equity	(710,347)	(179,278)

3-2-1- Other accounts and notes payable in US\$

Title	December 2014	December 2013
Tadbir Energy Development Group	6,088,692	0
Energy Sepehr Company	202,956	5,784,257
Contractors	135,304	135,304
Others	186,043	202,956
Total	6,612,996	6,122,518

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

Title	December 2014	December 2013
Administrative & General Expenses	(507,391)	(202,956)
Net profit (loss)	(507,391)	(202,956)

Part IV: Other Information

4-1-Capital Increase

According to the extraordinary general assembly minutes of meeting dated Jan. 10, 2012, the issue of capital increase from 10 billion Iran Rials to 2,000 billion Iran Rials from cash/non-cash contribution and current claims of shareholders has been approved and procedures of capital increase has been made available to the board of the company. At first, the capital increase from 10 billion Iran Rials to 300 billion Iran Rials from current claims and cash contribution of shareholders has been approved that is ongoing.

4-2-Comparison between Performance and Primary Estimations in US\$

Estimation of Total Costs of the Project	Conducted Costs	
	December 2014	December 2013
1,034,000,000	3,145,824	3,145,824

According to the approved budget, 20% of total costs of the project may be procured by shareholders and the rest of 80%, will be procured as financial facilities.

4-3- The Statues of Project Progress up to December 2014

December 2014		December 2013	
Program	Physical Progress	Program	Physical Progress
100	4/38	95/77	4/38

Significant difference between achieved physical progress with program has been raised from lack of finance, unascertained allocated facilities from Saderat bank of Iran and imposing new banking sanctions.