



National Iranian Drilling Co.



**Iranian Privatization Organization (IPO)**  
Marketing & SOEs Divesting Office

## **National Iranian Drilling Company (Private Joint-Stock)**



### **Part I: General Information**

National Iranian Drilling Company (NIDC), as drilling services company of oil and gas in Iran, was established in 1979 as a subsidiary company of National Iranian Oil Company (NIOC).

The company has a comprehensive and operational skilled manpower system which acts in the fields of exploration, development and drilling oil and gas wells. The company owns drilling platforms, machineries and different equipments to present drilling services. These services include drilling technical services in cementing, acidizing, piping and well completion operations, well testing equipments and well logging services, air drilling and etc.

Management fleet of drilling operations of NIDC with the application of 64 drilling units in offshore and 7 drilling units in the sea as one the major centers in the production process has been divided to 4 branches of offshore drilling operations management 1, 2 & 3 and onshore drilling operations management each of which separately is responsible for performing drilling operations of oil & gas from digging wells up to putting into operation all the times.

From operational viewpoint, this company is considered as one of the biggest subsidiary companies of NIOC. At present, NIDC by using more than 16,000 employees performs drilling operations, technical and engineering services of oil and gas wells in Iran.

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## **Part II: Main Information**

**Parent Company:** National Iranian Oil Company (NIOC)

**Shareholders:** NIOC (100%)

**Capital:** US\$ 155,836,688

**Chief Executive Officer:** Mr. Bahmani

**Establishment Date:** Dec. 22, 1979

**Total Assets:** US\$ 1,658,322,904 (Short-term trade accounts receivable: US\$ 861,955,823)

**Total Liabilities:** US\$ 1,412,035,314 (Trade and non-trade payables: US\$ 1,123,600,447)

**Net profit (loss):** US\$ (134,458,614)

**Retained earnings (loss):** US\$ (151,946,690)

**Location:** Main center of the company is located at Ahvaz City.

**Field of Activity:** Performing drilling operations to explore and exploit of oil, gas and water tanks, renting drilling units, presenting drilling technical services and performing drilling projects.

**Number of Staffs in 2015-2016:** 16,280 (permanent: 4,219- contractual: 570 – contracting: 3,688- services companies: 7,803).

## **Part III: Financial Information**

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

(Exchange Rate: 29,563 IRR)

<b>Title</b>	<b>Details</b>	<b>Book value (March 2016)</b>	<b>Book value (March 2015)</b>
Assets	Short-terms trade accounts receivables (3-1-1)	861,955,823	631,092,920
	Tangible assets (3-1-2)	333,186,754	306,667,118
	Prepayments	187,869,973	128,031,661
	Inventories	174,170,416	173,392,416
	Short-terms non-trade receivables	60,142,746	61,563,441
	Cash	34,434,936	102,594,459
	Long-terms receivables	6,291,648	6,562,257
	Other assets	270,609	270,609
<b>Total assets</b>		<b>1,658,322,904</b>	<b>1,410,174,881</b>

### **3-1-1- Short-term Trade Accounts Receivable in US\$**

<b>Title</b>	<b>2016</b>
IRR (3-1-1-1)	241,010,723
Foreign exchange (3-1-1-2)	620,945,100
<b>Total</b>	<b>861,955,823</b>

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### 3-1-1-1- IRR Trade Accounts Receivable in US\$

Title	2016	Comments
Iranian Central Oil Fields Company (ICOFC)	111,795,149	Iranian Central Oil Fields Co. account balance including: the amount of \$ 4 million inter-company account balance & \$ 108 million related to contracts that up to March 2016 has not been settled.
National Iranian South Oilfields Company (NISOC)	73,131,955	National Iranian South Oilfields Co. account balance including: the amount of \$ 73 million inter-company account balance & \$ 0.07 million related to finalized contracts that mainly are related to performance of drilling units & side services up to March 2016 the amount of \$ 27 million has been received & settled.
Iranian Offshore Oil Company (IOOC)	18,976,423	--
West Oil & Gas Production Company	9,606,603	--
Arvandan Oil & Gas Company	7,001,996	--
Others	20,498,596	--
<b>Total</b>	<b>241,010,723</b>	--

### 3-1-1-2- Foreign Exchange Trade Accounts Receivable in US\$

Title	2016
Petroleum Engineering and Development Co.(PEDEC)- Yaran project	148,767,040
Petroleum Engineering and Development Co. (PEDEC)- South Azadeghan project	138,585,394
Pars Oil and Gas Co. (POGC)- project of Phase14	83,279,775
Exploration Directorate Co.	47,221,189
Pars Oil and Gas Co. (POGC)- project of Phases17 & 18	37,377,803
Pars Oil and Gas Co. (POGC)- project of Phases 9 & 10	27,399,114
CNPC1 Co- North Azadeghan project	28,921,287
CNPC1 Co- South Azadeghan project	26,418,158
Sarvak Azar Engineering & Development Company (SAED)	18,096,946
Khazar Exploration & Production Co. (KEPCO)- Soofi 1 square	7,915,300
Others	56,963,096
<b>Total</b>	<b>620,945,100</b>

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### 3-1-2- Tangible Assets in US\$

Title	2016	2015
Miscellaneous machineries & equipments	107,702,195	94,273,247
Building	79,660,386	42,350,235
Tools & equipments of drilling, well digging	63,762,135	57,369,009
Assets at the completion	20,261,814	63,288,570
Capital prepayment	19,111,727	16,743,903
Land	16,270,338	16,270,338
Others	26,418,158	16,371,816
<b>Total</b>	<b>333,186,754</b>	<b>306,667,118</b>

\*Buildings, tools, drilling equipments, machineries & vehicles up to IRR 3,608 billion have insurance coverage against risks rising from fire, floods & earthquakes.

### 3-2-Main Items of Liabilities in US\$

Title	Details	Book value (March 2016)	Book value (March 2015)
Liabilities	Trade and non-trade payables (3-2-1)	1,123,600,447	638,534,655
	Pre-received (3-2-2)	140,276,697	252,342,455
	Provision for employees termination pension	130,737,747	105,503,501
	Long-term payables	17,420,424	19,280,858
<b>Total liabilities</b>		<b>1,412,035,314</b>	<b>1,015,661,469</b>
<b>Capital</b>		<b>155,836,688</b>	<b>155,836,688</b>
<b>Legal reserve</b>		<b>8,794,777</b>	<b>8,794,777</b>
<b>Other reserves</b>		<b>1,894,260</b>	<b>1,894,260</b>
<b>Foreign exchange reserve of assets &amp; liabilities</b>		<b>231,708,555</b>	<b>245,441,938</b>
<b>Retained earnings(loss)</b>		<b>(151,946,690)</b>	<b>(17,488,076)</b>
<b>Owner's equity</b>		<b>246,287,589</b>	<b>394,479,586</b>

### 3-2-1- Trade and non-trade Payables in US\$

Title	March 2016	March 2015
<b>Trade:</b>		
Dependent Persons	294,185,299	74,112,911
Other suppliers of goods and services	488,719,007	311,402,767
<b>Sum of short-term trade accounts payable</b>	<b>782,904,306</b>	<b>385,515,678</b>
Dependent Persons	111,186,280	89,131,685
Payable Costs	88,421,337	71,575,956
Withholding Taxes	45,225,451	33,251,023
Insurance payable	42,756,148	26,993,201
Performance Deposit of Guarantee	37,614,586	19,382,336
Others	15,492,338	12,684,775
<b>Sum of long-term trade accounts payable</b>	<b>340,696,140</b>	<b>253,018,976</b>
<b>Total</b>	<b>1,123,600,447</b>	<b>638,534,655</b>

### 3-2-2- Pre-received in US\$

Title	2016	2015
Petroleum Engineering and Development Co.(PEDEC)- Yaran & South Azadeghan projects	72,590,738	138,822,176
National Iranian South Oilfields Co. (NISOC)	39,847,106	81,250,211
Pars Oil and Gas Co. (POGC)- Phase14	10,519,907	13,225,992
Sarvak Azar Engineering & Development Company (SAED)	6,156,344	7,204,952
Arvandan Oil & Gas Co.	11,162,602	0
Others	0	11,839,123
<b>Total</b>	<b>140,276,697</b>	<b>252,342,455</b>

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

Title	March 2016	March 2015
Operational revenues (3-3-1)	875,046,511	843,689,747
Cost of operational revenues (3-3-2)	(944,998,816)	(883,469,201)
<b>Gross profit (loss)</b>	<b>(69,952,305)</b>	<b>(39,779,454)</b>
Administrative & general expenses	(65,013,700)	(59,432,399)
<b>Operating profit (loss)</b>	<b>(134,966,005)</b>	<b>(99,211,853)</b>
Net other non-operating revenues & expenses	507,391	2,469,303
<b>Net profit (loss)</b>	<b>(134,458,614)</b>	<b>(96,742,550)</b>

#### 3-3-1- Operational Revenues

##### A): Separated by type of service

Title	2016		2015	
	Number (day)	Amount (US\$)	Number (day)	Amount (US\$)
Drilling units revenues	20,822	383,655,245	21,960	431,992,694
Long-term contract revenues	5,396	331,766,059	4,025	290,937,997
Drilling technical services revenues & others	0	159,625,207	--	120,759,057
<b>Total</b>	<b>26,218</b>	<b>875,046,511</b>	<b>25,985</b>	<b>843,689,747</b>

##### B): Separated by type of Company

Title	2016		2015	
	Amount (US\$)	Percentage	Amount (US\$)	Percentage
National Iranian South Oilfields Co. (NISOC)	331,630,755	38	322,835,977	38
Petroleum Engineering and Development Co.(PEDEC)	103,270,981	12	7,915,300	1
Iranian Central Oil Fields Co.	95,389,507	11	95,964,550	11
South Pars Oil and Gas Co.	52,024,490	6	248,689,240	29
Iranian Offshore Oil Co. (IOOC)	40,760,410	5	38,189,629	5
Exploration Directorate	20,667,727	2	59,872,137	7
Other oil subsidiary & non-subsidiary companies	231,302,642	26	70,222,914	9
<b>Total</b>	<b>875,046,511</b>	<b>100</b>	<b>843,689,747</b>	<b>100</b>

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### 3-3-2- Comparison of Revenue & Cost of Operational Revenue in US\$

Title	2016			2015	
	Operational income	Cost	Net profit (loss)	Percentage of gross profit (loss) to sales	Percentage of gross profit (loss) to sales
Internal & external oil & gas operations	857,287,826	932,584,650	(75,296,824)	(9)	(6)
Others	17,758,685	12,414,166	5,344,518	30	30
<b>Total</b>	<b>875,046,511</b>	<b>944,998,816</b>	<b>(69,952,305)</b>	<b>(8)</b>	<b>(5)</b>

### Part IV: Other Information

#### 4-1- Comparing Quantitative Goals of Operation & Budget

Products/Services	Measurement Unit	Approved Budget 2016	Real Operation 2016	Increase/ (decrease)
Using drilling units	Number	77	72	(5)
Drilling measurement	Square meter	410,000	356,290	(53,710)
Numbers of drilled wells	Well	170	188	18

- **Drilling units:** 5% decrease in drilling units is resulted from lack of finances to purchase new machineries to enter into fleet drilling of the company.
- **Drilling measurement:** Decrease in drilling measurement is resulted from discontinues and repairing some of drilling machineries and not purchasing new drilling units.
- **No. of drilled wells:** The operation of the company reflects increase in the number of drilled wells that with regard to the request of applicant units, displacement has been done about new wells.