

**EXECUTIVE SUMMARY OF
MONDE DASHTI 3300 TONS
CEMENT PLANT
PROJECT**



April 2008

EXECUTIVE SUMMARY OF MOND-E-DASHTI 3300 TONS CEMENT PLANT PROJECT

COMPANY INTRODUCTION

Mond-e- Dashti Cement Company was registered in 2003 in Bushehr, Iran with initial capital of four billion Rials.

The aim activities of the company include production and supply of different types of Portland cement, mixed and pre- fabricated concrete for different building applications like roof, walls and etc., as well as import and export and any kind of activities related to the cement production and supply.

The site selection is in accordance with Iranian governmental policy and strategy which involves developing the new high consuming industries near the sea coasts. The energy cost in Iran is much cheaper than many countries, so execution of this project would be economical, especially for export.

GEOGRAPHICAL LOCATION AND ACCESS ROADS

Mond-e-dashti cement plant site is located in Bushehr province, south of IRAN. Its distance from Khormooj - the nearest city- is 23 kilometer. Khormooj is located near Siraf highway (Bushehr – Assaluye), 85 Km to Bushehr port and about 50 Km to Delvar port in Persian Gulf.



SITE LAND

A semi flat land with the amount of 100 hectare is considered for the plant construction, through which any industrial activities within the border of 1 km of site enclosure is prevented..

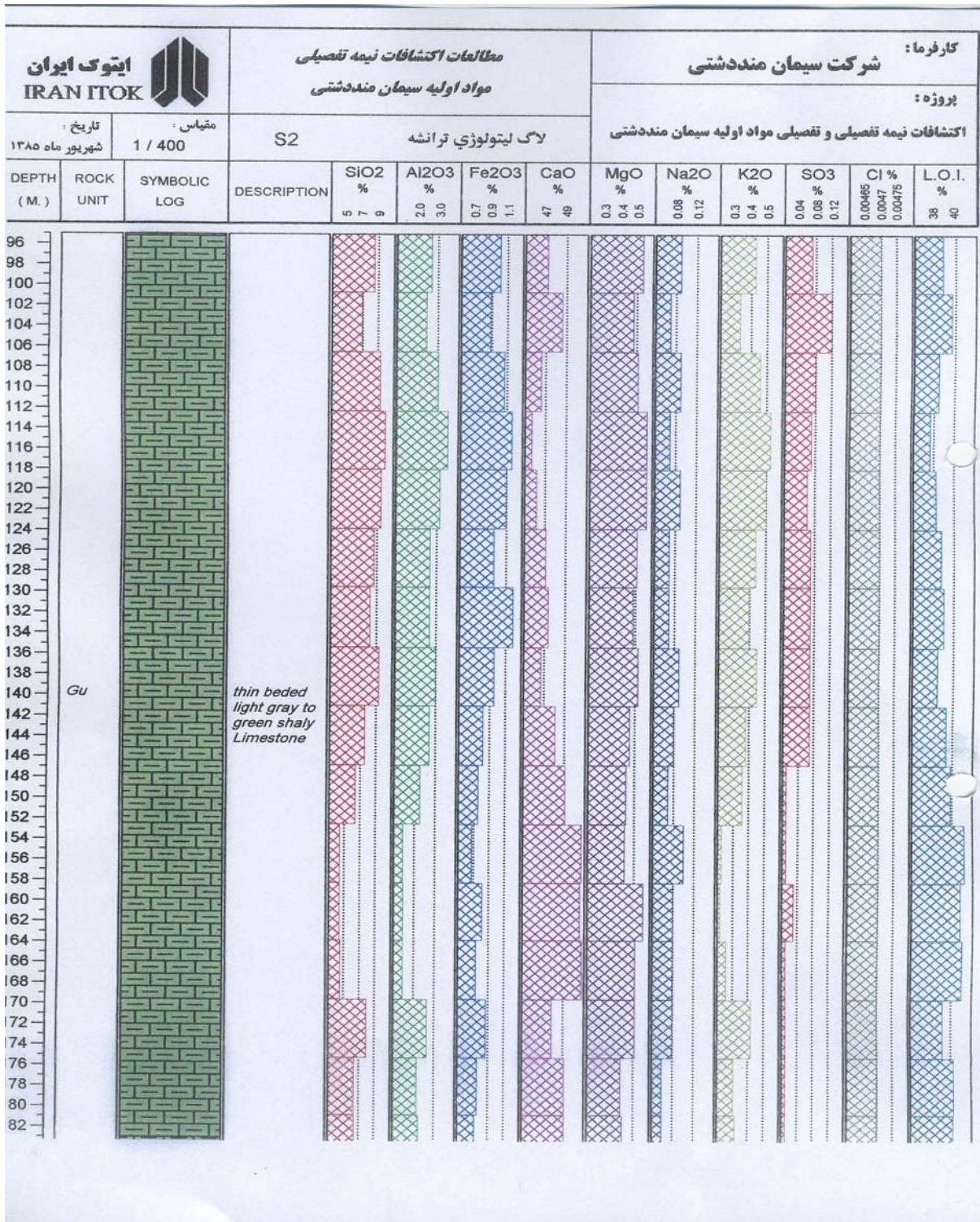


RAW MATERIALS

Raw material exploration studies have been done in two phases: first was completed by Kandokav co. after obtaining proper licensing and exploration permits, with result of the review and exploration studies showing remarkable resources having high quality grade for production of gray cement.

Second phase of raw material exploration was contracted by the Mining division of Iran Itok Company showing a quality result for production of all kinds of cement.





Geotechnical Works

Geotechnical tests in Mondedashti site have been done and the report of tests analysis has been submitted by contractor.

INFRASTRUCTURE IN PLANT SITE

Site location is about 1 kilometer away from the vicinity of an asphalt road. All necessary permits for water, energy (electrical and fuel) has already been obtained.

Access Road

An access road (approx.850 m long) has been designed extending from the khurmoj asphalt road to the entrance of the site. The construction of this road was finished. Three bridges are built and all of the subsidizes such as lighting, walkway and etc. are complete.



Water

After going through legal and official stages, permits were received for the acquisition of water in the range of 15 liters/second for industrial and domestic usage. The location was selected and was purchased in Lavar village which has good water aquifer.



A deep well with 120 meter depth has been dug and furnished to pump age equipment and especial power transmission line was furnished and completed .



A water transfer pipe line has been established from dogged well to the reservoir in the plant site where the pipes are high pressure poly ethylene type and the line long is approximately 3500 meter and its diameter 160 mm. All of the pipes and fitting were established in trenches and the installation of valves and filters are finished The installation pipe line for transferring to site was completed by the end of September 2007.



For water consumption, a concrete water Reservoir was constructed with 1200 cubic meter capacity in site plant.



Electrical Power

For construction period, a contract was signed with city of Khormooj's electrical (governmental) company for the transmission of 20Kv power transmission and the permit for 250 kilowatt power demand was obtained and executed by the contractor which is in operation now. An additional permit for electrical need during production period at 23 Megawatt has also been obtained.



Gas Fuel

Permit for the gas fuel required for the production period in the amount of 17,000. Cubic meter per hour was obtained.

Workshop ,Warehouse and Guesthouse

The tender document for the above building has been prepared and was sent to different companies and after receiving their quotations by considering the specification and price the Maadha company (subsidiary company of ITOK GROUP) has been selected as a winner and start the job about 2 months.

PRODUCTION LINE TECHNICAL SPECIFICATION

After reviewing the proposal by industrial consultant all the foreign suppliers were selected. Purchases from local manufacturers will be done after receiving drawings and technical data.

Suppliers of main department of production line are as follow:

NO	Department	Supplier
1	Crushing Plant	Hazemag
2	Raw Material Storage Plant	Schade
3	Raw Material Grinding Plant	Loesche
4	Raw Meal Silo Plant Cement Silos Plant Cooler Packing Plant	Claudius peters
5	Preheater , Kiln	L.V technology.
6	Clinker Transport	Aumund
7	Cement Mill	Loesche
8	Electro motors Drives Control system Instrument	ABB

The contract of this suppliers has been effected and engineering of above mentioned departments are going to be finalized also layout of factory in intersections of departments has been finalized.

Project incentives

- 1- 1- The policy and strategy of the government is to develop the new industries which needs more energy near the sea coast. As a economical point of view since the energy cost in Iran is much cheaper compare with many countries and the location of this project is almost close to Assaloyeh and about 17 Kilometer far from the gas line, so this project would be economical especially for export.
- 2- 2- Preferable factor for this project is that the government low does not apply any taxes for the production for 10 years.
- 3- 3- The preferable factor is that the site location of the project is closed the Assaloyeh Highway.
- 4- 4- Possibility of production of various types of cement.

PROJECT INVESTMENT

- 5- The total investment of the project is estimated about 1,400,000 million Rials.
- 6- The registered investment till now is 80,045 million Rials.

The execution of the Project as an EPC contract was given to JAAM Co. (subsidiary company of ITOK GROUP) through which feasibility study, and basic design has been carried out as follows:

- A. Plans of underground water reservoir are prepared and ready for implementation.
- B. Plan of the First phase of the security quarters, access road to the plant are prepared and second phase documents are being prepared.

SUMMARY OF THE FINANCING STATUS

Letter of credit for the amount of 25,000,000 Euro for the purchasing of plant equipment from the suppliers has been issued on 14.09.2006 by Bank Melli Iran and is open in the name of CLAUDIUS PETERS. The repayment of this loan will resume 12 month after plant production within 10 year period.

MONDE DASHTY CEMENT Co.			
Summary points of Mond-E- Dashti 3300 Tons Cement Project			Dec.2006
General Description	Comments	Unit	Others
Product Type	Gray Cement		
Annual Production Capacity	1,140,700	Ton	
Man Power	286	Person	
Project Duration	36	Month After Operating of L/C	
Plant Land Area	100	Hectare	
Water Requirement Per Year	900,000	Cubic Meter	
Electrical Requirement	116,000,000	Kilowatt/Hour Per year	
Natural Gas Consumption	100,000,000	NM ³ /Year	
Taxes	Except	10 Years Tax Exemption	
Plant Location	Khormooj, Bushehr Province	Plant to Khurmooj 23 Kilometer, Plant to Bushehr Port, 100 Kilometer Asphalt Road.	

COMMENCEMENT OF THE PROJECT

Executive works of the project was inaugurated formally on 27 august 2007 with presence of Mr. M.H. Torabi, (head of board of Monde Dashti Cement Company), other board members, Governor of Bushehr, representative of parliament as well as other company and legal members.





CONTACTS

Inquiries for further information including information on participation in development of the Project may be forwarded to the following contacts:

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