

IN THE NAME OF GOD
INTERNATIONAL COURT OF JUSTICE

CASE CONCERNING
ALLEGED VIOLATIONS OF THE 1955 TREATY OF AMITY,
ECONOMIC RELATIONS, AND CONSULAR RIGHTS
(ISLAMIC REPUBLIC OF IRAN v. UNITED STATES OF AMERICA)

ANNEXES TO THE MEMORIAL
OF THE ISLAMIC REPUBLIC OF IRAN

VOLUME V

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Annex 205

**Witness statement of Mr H. Salari, Deputy Director of International Affairs at
National Iranian Oil Company, 23 April 2019**



NIOC
International Affairs

I, Hootan Salari, the Deputy Director of International Affairs at National Iranian Oil Company (NIOC), with registered office at NIOC Central Building, Taleghani Avenue, Tehran, Iran, have held this position since 2017.

1. I, hereby, make the following statements under oath and acknowledge that I have personally and directly professional knowledge of the facts hereinafter stated and I do believe that to the best of my knowledge, such matters and facts to be true.
2. NIOC operates and manages the upstream oil and gas operations, among others,
 - i. Exploration, exploitation, development and production of oil and gas resources; and
 - ii. oil trade;
 - iii. Purchase, lease, construction, completion, development, maintenance and repair of facilities and equipment related to upstream petroleum operations.
 - iv. NIOC carries out oil trade by entering into different types of commercial contracts with Iranian and foreign companies.
3. Following the Joint Comprehensive Plan of Action (JCPOA), NIOC started negotiations and/or concluded contracts with a number of companies with a view to boosting its marketing and sale activities.
4. However, the anticipation as well as the actual re-imposition of the US sanctions as from 8 May 2018 significantly impacted Iran's export of crude oil, natural gas condensate and petroleum products,
5. After the conclusion of the JCPOA, the export of Iran's crude oil, natural gas condensate and petroleum products had been steadily increasing: in the mid of 2016, NIOC recovered its 2011- 2012 market share and, up until mid 2018, NIOC was selling all produced crude oil, natural gas condensate and petroleum products in excess of the local consumption, generating revenues to maintain and upgrade the oil and gas industry.
6. However and as a direct consequence of the re-imposition of U.S. sanctions, as of May 2018 and in anticipation thereof, these exports have decreased dramatically, including for the following reasons:
 - i. Some importers of Iranian oil have suspended and/or terminated their purchase contracts with NIOC, either without giving any justification or relying on the re-imposition of US sanctions as a ground to do so;
 - ii. NIOC has been encountering issues with obtaining payments from these foreign buyers due to the US sanctions on the banking sector, which caused the intermediary banks of the buyers refusing to process and effect the payments for fear of U.S. retaliatory measures;

Handwritten signature

- iii. Vessels/ tankers avoid carrying Iranian crude oil, natural gas condensate and/or petroleum products due to the US sanctions on Iran's oil transportation and trade: foreign ship owners refuse to transport Iranian cargo, forcing NIOC to rely only on local fleet to export, which in any case is inadequate to maintain the 2017/2018 level of exportation and in any event is facing major hurdles in repair, maintenance and bunkering. In addition, the Iranian fleet, on which Iran now exclusively relies for its oil exportation, are less and less able due to the US sanctions, to obtain the insurance coverage necessary to carry out their activities, which constitutes a major barrier to oil and petroleum products' transportation.
7. The difficulties related to the export of crude oil, natural gas condensate and petroleum-products, have not only caused and continue to cause damage to Iran's market share, but also force NIOC to incur greater additional costs while, at the same time, it can neither increase the price nor shift such additional costs to the buyers. As a consequence, Iran's revenue as well as profit margin have been sharply decreasing. The additional costs NIOC has had to incur include, among others, storage costs – due to the decrease in exports, NIOC has accumulated large oil surplus – the excess costs of the shipping, which used to be paid, since mid 2018, by the importers, as well as other associated costs and expenses which shifted to NIOC.
8. Since November 2018, certain companies from some 8 countries which were granted a significant reduction exception ("SRE") by the US authorities under the US law applicable to sanctions have been resuming their purchase of Iran oil, yet not at the same level as prior to May 2018 and under less favorable conditions: the banks of these companies refuse to transfer the payments for oil – denominated in the purchasing country's currency – to Iran. As a consequence, the Central Bank of Iran is forced to exchange these funds denominated in local currencies against commodities provided by the importing countries, which limitation on access to hard currency can put pressure on the value of national currency and may affect oil sector in various ways.
9. For the avoidance of doubt, what I stated herein is merely with a view to describing the facts on the ground as to the actual impact and consequences of both the anticipation of and the actual US withdrawal from JCPOA and re-imposition of US sanctions as of 8 May 2018 on the marketing, sale and export of crude oil, natural gas condensate and petroleum products and, therefore, it shall not prejudice nor shall it be construed in any manner as causing prejudice to the positions already taken or might be taken by NIOC and/or its subsidiaries/affiliates *vis-à-vis* their counterparts.

10. I believe that all the above are true to the best of my knowledge.

H. Salari date: 23/04/2019

Hootan Salari

Annex 206

Witness statement of Mr S. M. Hossein Hosseini, Financial Director of National Iranian Gas Company, 30 April 2019



Date: 30/04/2019

No: G8/000/13935

Witness Statement

I, Seyed Mohammad Hossein Hosseini, Financial Director of National Iranian Gas Company (NIGC), with registered office at NIGC main building- South Aban St- Karimkhan Zand Ave- Tehran- Iran,

Having occupied the following positions:

1998- 2008 the Financial Director of Iranian Gas Company of Khorasan Razavi province;

2008- 2016 Deputy Manager for Financial Affairs of Iranian Gas Company of Khorasan Razavi province;

2016-2017 Deputy Financial Director of National Iranian Gas Company;

2017 onwards Financial Director of National Iranian Gas Company;

Being responsible for the following duties:

Issuance of all invoices under the gas export contracts with Turkey and Iraq;

Issuance of all invoices under all LPG sale contracts with the foreign companies,

Testify that I have personal and direct knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true.

1. The National Iranian Gas Company ("NIGC") is a subsidiary of Iran's Ministry of Petroleum. Its functions include the refining, domestic supply and export of natural gas and LPG mainly from the South Pars Field, the transfer and distribution of gas inside the country mainly produced by the South Pars Gas Field, and the exportation of gas from the territory of Iran.
2. Between January 2016 and May 2018, the production and the exportation of gas by NIGC increased. Compared to the period of August 2014 to December 2015, the production of gas by NIGC during the 16 months – January 2016 to April 2018 – after the implementation of the JCPOA rose by 10% while its exportations of gas, also in volume, rose by 50% percent.
3. Prior to the 8 May 2018, NIGC had been exporting, through gas pipelines, 30 million cubic meters ("mcm") of gas per day to Turkey, and 25 mcm per day to Iraq. Turkey and Iraq are the main importers of Iran's gas, with Azerbaijan, to which NIGC provides gas through swap agreements. NIGC also used to export large quantities of liquefied petroleum gas (LPG) to the Asian destinations mostly.
4. Since the 8 May 2018, access to the proceeds of the exported gas by NIGC has become almost impossible.
5. Moreover, with regard to NIGC's exports of gas to Iraq, they have fallen to 10 to 15 mcm per day as the banks of the Ministry of Electricity of Iraq have refused to execute payments either in Euros or in U.S Dollars to NIGC for the gas deliveries, for fear of the US sanctions and accordingly NIGC has reduced its gas export to Iraq to avoid the accumulation of the unpaid amounts.
6. During the "first round" of US sanctions, and even after the conclusion of the JCPOA, NIGC and the Trade Bank of Iraq – Iraq's Ministry of Electricity bank in Iraq –, had agreed on the following financial scheme so that the gas deliveries could be paid in Euros rather than in dollars as provided in the gas contract: NIGC would issue invoices in Euros, the Trade Bank of Iraq would then order another bank to pay these invoices in Euros by wire transfer to the euro bank account maintained by NIGC with the Muscat Bank account with EIH bank in Germany through an LC mechanism. However, after the US announced on 8 May 2018 the re-imposition of the sanctions, Muscat Bank refused to process further payments in Euros to NIGC. It motivated this termination of services by the re-imposed U.S. sanctions.

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7. Since then, neither the Trade Bank of Iraq nor NIGC have found a bank willing to execute payments in Euros to NIGC for the delivery of gas. The Trade Bank of Iraq can now pay Iraq's gas importation from Iran in Iraqi Dinars, which is not a hard currency and as such not economically interesting for NIGC: the Iraqi Dinar is hardly tradable and is of limited use to NIGC since very few of its suppliers are Iraqi entities. As a consequence, NIGC had to reduce its exports of gas to Iraq by 50 %.
8. As for NIGC's exports of gas to Turkey, for now their volume has remained the same as prior to the 8 May 2018 announcement. However, the payment of these deliveries can only be made in Euros and on accounts opened with Turkish banks, who refuse to transfer these funds to Iranian banks.
9. As a result, the revenues generated by NIGC from the exportation of its gas to Turkey are *de facto* frozen on its bank account in Turkey, and NIGC is therefore barred from any meaningful use of these revenues.
10. In addition, as from the 8 May 2018 and the re-imposition of U.S. sanctions, the importers of liquefied petroleum gas provided by NIGC and their banks have been refusing to pay NIGC in Euros – as they used to do until then. The payments are now denominated exclusively in local currency – Yuan, Rupees –, rather than in widely transferable currency, which is financially detrimental to NIGC since these exports revenues are illiquid, for the same reason mentioned above about payments in Iraqi Dinars. Moreover, NIGC has no access to its money so paid as they should be used for the purchase of local goods only.

Seyed Mohammad Hossein Hosseini
Financial Director



Annex 207

**Witness statement of Mr H. Bovard, Managing Director of Iranian Offshore Oil
Company, 1 May 2019**

Date : 2019/05/01

Ref. No: 13180

Enc:



شرکت ملی نفت ایران
National Iranian Oil Co.

شرکت نفت فلات قاره ایران

IRANIAN OFFSHORE OIL CO.

Witness Statement

I, Hamid Bovard, the Managing Director of Iranian Offshore Oil Company ("IOOC"), testify as follows:

I have been in my current position at IOOC since 2016/08/07. I hold an MBA in Strategic Management from Islamic Azad University, Tehran Science and Research Branch.

Due to my previous positions and my current capacity, I have personal knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true.

IOOC, its HQ based in Tehran, Iran, with six operational districts in south of Iran (Bahregan, Siri Island, Lavan Island, Kharg Island, Qeshm Island and Kish Island) and several offshore oil/gas producing platforms is one of the world's largest offshore oil and gas producing companies. The company shares a significant amount of Iranian oil export, operating in Iranian side of the Persian Gulf and Oman Sea.

The re-imposition of the US sanctions against Iran has severely affected IOOC's activities. The company can no longer procure an important part of the installations, machinery, equipment, spare parts, and other materials required for its offshore operations in Persian Gulf and Oman Sea which have to be purchased from European and American sources. Furthermore, IOOC may not receive from foreign companies the licenses and technical knowledge for keeping the maximum efficient rate of recovery of Iran's oil and gas reservoirs. As a result of the said sanctions, IOOC is currently failing to achieve its pre-determined goals including the efficient exploitation of the oil and gas fields, particularly in the common fields with neighboring countries. The most significant impacts of the re-imposition of the US sanctions on IOOC are as follows:

A- Procurement Sector

- 1- Restrictions on the transfers of foreign receivables and debts arising from foreign purchase orders.
- 2- Restrictions on purchasing high-tech equipment which leads to the unattainability of procuring such equipment.
- 3- Unavailability of providing after sale services by foreign manufacturers.

Date : 2019/05/01

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- 4- Restrictions on the purchase of spare parts for machinery which do not have any local alternatives.
- 5- Unavailability in procuring primary materials for manufacturing spare parts and equipment.
- 6- Excessive delay in the process of manufacturing and delivery of the goods and equipment.
- 7- Changes in the price of purchase orders as a result of an extreme increase in the exchange rate and instability of the market.
- 8- Undue delay in payments of advance payments, and late settlement of accounts which dissuade foreign suppliers to work with Iranian individuals and companies.
- 9- Restrictions on taking part in international seminars and on the transfer of technology which hinders the manufacturing of required goods and equipment.
- 10- Restrictions on the transportation and insurance of the goods destined to or originated from Iran.

B- Production Operations Sector

- 1- IOOC possessed a large number of machinery (more than 200) including, submersible pumps, gas turbine, water injection pumps, gas compressors, etc. The production operation of the company is directly depended on those pieces of machinery. Most spare parts and repair & maintenance services for the machinery are directly or indirectly provided by western companies. Failure in access to these services due to the re-imposition of the US sanctions is significantly detrimental to the production operation of this company.
- 2- IOOC maintains more than 3000 kilometers offshore pipelines which facilitate the transfer of exploited oil and gas as well as water injection to the wells. A large part of the pipelines is unfortunately not in good shape and thus require repair or replacement. The relevant services such as sea pad and dynamic positioning (DP) are mostly offered by international companies. The necessary spare parts including clamps, smart flanges, etc. are manufactured and provided by Iranian companies only in a very limited level and scale which does not satisfy even the basic needs of IOOC

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operational activities. The re-imposition of the US sanctions, therefore, negatively affected IOOC's ability to perform the relevant repair and maintenance services for the pipelines.

- 3- Flexible pipes which can immediately stop the production flow in the event of perforation or other impairments in the pipelines are only available through importation to Iran. The re-imposition of the US sanctions, however, has created severe restrictions and hindrance on the process of importations.
- 4- The controlling cards of Siemens, Hima, ABB, Yokogawa, Bradly, and the contactors and electrical relays of ABB, as well as the breakers of LV and MV are also only available by importation to the country which has been rigorously restricted as a result of the re-imposition of the US sanctions.
- 5- The equipment for pipelines' erosion monitoring, and certain chemical materials including antifoams, Drag-Reducing Agents (DRA), triethylene Glycol with a purity of 98%, biocide, cationic polyelectrolytes, and tidal zone protection materials which are the most commonly used materials in offshore industry are only procured from abroad. The re-imposition of the US sanctions, however, harshly influences on IOOC's ability to import the materials for maintaining the ongoing operation of oil fields and the relevant projects.
- 6- The offshore companies are no longer interested in participation in the operational tenders as a result of the re-imposition of the US sanctions. Moreover, at least six below vessels have withdrawn the operational tenders for the same reason:

No.	Company	Daily Rate (Euro)	Vessel	Type of Service
1	Royal Oyster	4292	Linex	ASD Tug
2		3933	Signet Atlantic	
3		4117	Orix	
4		1700	Saria	Marine Services
5	Gulf Glory	4774	Araba Glory	ASD Tug
6		4447	Asib Glory	

- 7- The transportation of required equipment for oil platforms, wells, and drilling rigs which used to be sent to the relevant operational zone from UAE has been ceased

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because no vessel is allowed to leave the foreign ports for Iranian destinations due to the re-imposition of the US sanctions.

- 8- The prominent international classification societies including GL, DNV, and Lloyds have ceased their cooperation with IOOC as a result of the re-imposition of the US sanctions.
- 9- A decrease in the number of service and operational vessels and tugs leads to an excessive delay in the movement of rigs, barges, and mooring of oil tankers which lead to extra daily freight and charges. It also gives rise to failure in providing the equipment to satellite platforms and replacement of its personnel in due time leading to an increase in the risk of disastrous accidents, or reduction or stay in production.

C- Technical Affairs Sector

- 1- As regard to technical supports and drilling services, the domestic companies have been encountered serious difficulties concerning procurement of materials and special supplements for mud, oil-well cement, procurement of spare parts and consumable materials for directional drilling tools including MWD System, RSS, MUD Motor of western brands being of relatively good quality, and this matter has a negative effect on the efficiency of the drilling sector and the escalation of the respective costs.
- 2- Certain productive wells have or will become out of the production circuit. Considering the specific conditions of the well completion and also particular complications of reservoirs in the oil fields under the control of this company, and based on the previous experiences, revival of these wells are challenging and requires the utilization of specific essentials alongside their side services. For instance, the restoration of certain wells requires Coiled Tubing, Supporting Barge, Snubbing Unit, and also drilling Rig and the side services. However, the re-imposition of the US sanctions creates restrictions on the access of IOOC to the above-mentioned equipment and services.
- 3- Since 2013, certain items required for the reparation and completion of the wells, in two categories of well completion equipment and wellhead equipment (X- Tree) are being manufactured and procured by the local manufacturers. However, primary materials necessary for the production of goods are not fully procurable within the country, and thus, domestic manufacturers should inevitably import a portion of the primary materials



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from abroad. It is obvious that exacerbation of the sanctions in this sector (i.e. procurement and importation of the primary materials) is effective, and essentially, causes problems for the domestic manufacturer to deliver the item to its employer. Eventually, it resulted in the failure in the procurement of the goods, the waiting of digs and the interruption in the operation of the projects.

- 4- With regard to the category of imported items including pumps and downhole motor (ESP) and Tubing, to which there is no similar domestic production, the participation of the foreign manufacturers in the tenders has become very limited due to the re-imposition of the sanctions. Considering the key role of the Tubing in operations for reparation and completion of the wells, it is obvious that the impossibility of the procurement of these goods causes the complete shutdown of the drilling rigs.

D- Engineering and Construction Sector:

The most important impacts of the re-imposition of the US sanctions on the engineering and construction sector of IOOC's activities may be summarized in the rise of the full project costs for the following reasons:

- a) The increase in the exchange rate in contrast with the time of contractors' commercial offer;
- b) The difference between the official exchange rate and the rate in the open market;
- c) The costs of transfer of currency.

It should be noted that the prolongation of the projects execution time, in addition to an increase in the full cost, results in expenses stemming from the lost opportunity.

- d) The impossibility of conclusion, by the contractors, of purchase contract with foreign manufacturers of goods essential for projects, or modification of the existing contracts.
- e) The impossibility of the carriage of the manufactured goods from the countries of origin by the contractors of the EPC and similar contracts.
- f) The problems arising from the transfer of money and the payment to the foreign manufacturers in the construction projects.

Date : 2019/05/01

Ref. No: 13180

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شرکت ملی نفت ایران
National Iranian Oil Co.

شرکت نفت فلات قاره ایران

IRANIAN OFFSHORE OIL CO.

E- Other Financial Burdens:

There are some other important factors which also trigger an increase in IOOC's costs and expenses as follows:

1- The re-imposition of the US sanctions has caused an escalation of the full cost of the approved projects and plans of the company, due to the following major reasons:

- a) The unavailability of the main supplier of the goods and services required for the implementation of the projects and plans;
- b) Recourse to the Iranian and foreign middlemen, and concerns about the lack of on-time delivery of requested goods and services;
- c) Recourse to less-qualified Iranian or foreign companies and contractors, and reluctantly acquiescing to their unreasonable conditions;
- d) Prolonging the project execution time and long waiting for the project exploitation.

2- Inevitable recourse to the non-standard machinery, equipment, spare parts, goods and materials which are destructive for the installations and impose extra costs compared to the procurement of the goods and services from the main manufacturer.

3- Exacerbation of the financial burden resulting from the late and impaired execution of plans and projects.

4- Multiplicity of spare parts and equipment applicable in the installations and factories, and inevitably use of non-standard brands, and decline of the useful life, due to the inappropriate work performance by the less professional and unqualified contractor, that impose additional costs to the company, and consequently waste the financial resources.

5- The unavailability of opening letters of documentary credit as a result of the banking sanctions.

6- The failure in the achievement of the intended amount of oil and gas production due to the above-mentioned restrictions and hindrances that eventually results in deprivation of earning the income yielded from oil and gas, and, in the next financial chain, diminishing the financial resources in multiple ways.

Hamid Bovard

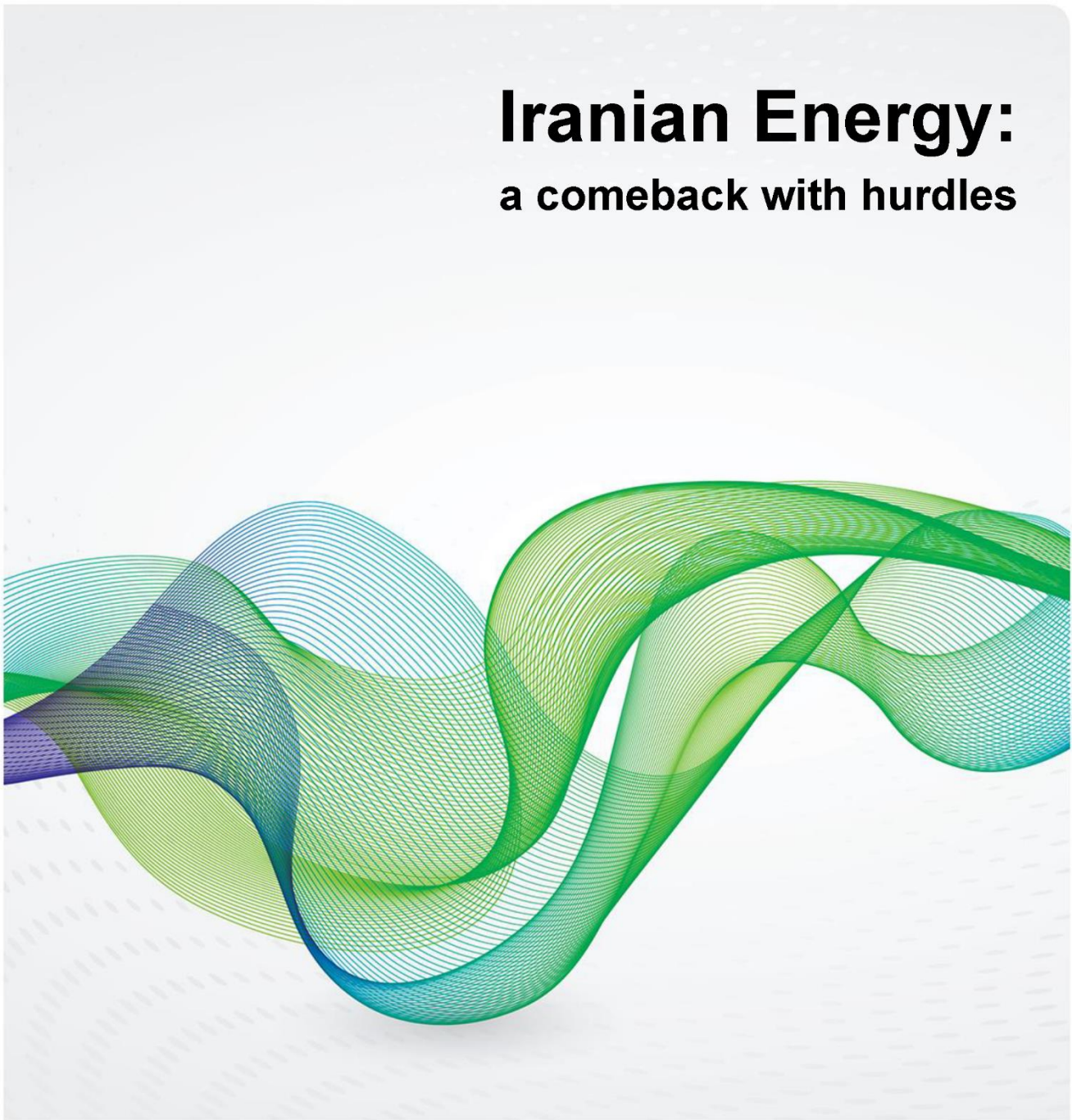
Managing Director

Annex 208

**The Oxford Institute for Energy Studies, “Iranian Energy: a comeback with hurdles”,
University of Oxford, January 2017**

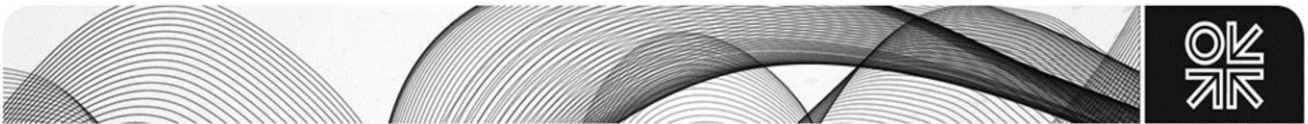
January 2017

Iranian Energy: a comeback with hurdles



OXFORD ENERGY COMMENT

David Ramin Jalilvand, Friedrich Ebert Foundation



One year ago, on 16 January 2016, the Iran nuclear deal was formally implemented. Officially known as the Joint Comprehensive Plan of Action (JCPOA), the deal was concluded in July 2015 between Iran and the 'E3+3', which comprises the European states France, Germany, and Great Britain as well as the world powers China, Russia, and the United States. In essence, the JCPOA allows for the lifting of several sanctions against Iran in exchange for limitations on, and greater international inspections of, Iran's nuclear programme.¹

In the Iranian energy sector, the JCPOA was greeted with hope and expectations of a revival. Sanctions have constrained the industry for several years; amongst other effects they have forced Western companies to leave the country and reduced oil production and exports. Indeed, implementation of the JCPOA was accompanied by the lifting of energy sector-related sanctions and has encouraged several international oil companies (IOCs) to move to Iran to explore the potential for co-operation.

Against this backdrop, it is worth examining the merits of the JCPOA for the Iranian energy sector up to this point – a year since the beginning of its implementation. It is argued in the following that the Iranian government has been trying to strike a balance between various competing power centres at home, while attempting to hedge risks at the international stage. On the ground, however, actual progress has been rather modest so far. Iran has increased its oil production to the pre-sanctions level but is still waiting to see an expansion of its productive capacity.² In the meantime, uncertainty with regard to the outlook of Iran's energy sector has increased, as the future course of US policy – incoming President Donald Trump has been an outspoken critic of the JCPOA – remains unclear.

The state of affairs: back to the pre-sanctions position

Before the implementation of the JCPOA in January 2016, a complex set of sanctions was in place against Iran, adopted by the European Union (EU), the United Nations (UN), and the United States (US). Amongst others, sanctions forced European IOCs to leave Iran, limited the international sale of Iranian oil, prevented American and European investments in the Iranian energy sector, excluded Iran from the SWIFT banking network, and effectively forced major European banks and insurance companies to stop dealing with the country.³ Iran's energy sector was hit hard by these sanctions. Oil production was reduced to 2.7 million barrels per day (mb/d) in 2013, down from 3.7 mb/d in 2011. Oil exports declined from 2.6 to 1.3 mb/d.⁴ While Iran was able to continue expanding its natural gas production, sanctions prevented access to the latest LNG technology.

In response to sanctions, Iran has introduced a number of counter policies, under the umbrella of what was partly labelled the 'resistance economy'. These have been aiming at the expansion of domestic capabilities and greater autarky from international business and trade which, in light of the sanctions, were perceived as the country's Achilles heel.⁵ In the Iranian energy sector, companies – especially those affiliated with the Islamic Revolutionary Guard Corps (IRGC), an entity subject to EU and US sanctions both before and after the JCPOA – sought to fill the gap left behind by the withdrawal of European IOCs. Although lacking energy industry experience when beginning to move into the sector in the 2010s (under then President Mahmoud Ahmadinejad), the IRGC managed to somehow keep maturing oil fields in production and the gas industry growing (although their performance continued to be rather poor by industry standards). Nevertheless, neither the IRGC nor the National Iranian Oil Company (NIOC), which is officially in charge of the industry, could make up for the loss of co-operation with Western partners. Despite some progress, Iran was unable to stop the decline of its energy industry under sanctions.

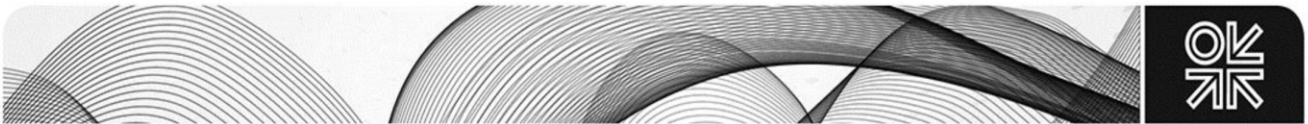
¹ Samore, Gary: *The Iran Nuclear Deal: A Definitive Guide*, Belfer Center for Science and International Affairs, Harvard University, Cambridge, MA, 2015.

² Production remains below the officially stated capacity of 4.0 mb/d. Iran's intention is to increase its production capacity to 4.7 mb/d by 2020.

³ International Crisis Group: 'Spider Web: The Making and Unmaking of Iran Sanctions', 2013.

⁴ U.S. Energy Information Administration: 'Iran Country Analysis Brief', Washington, DC, 2015.

⁵ *Guardian*: 'Deciphering the Iranian leader's call for a "resistance economy"', 19 April 2016.



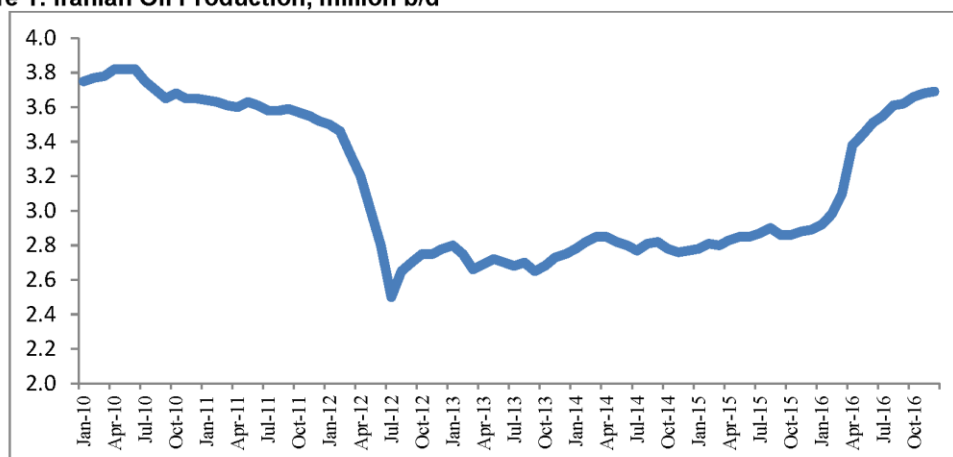
The implementation of the JCPOA in January 2016 has led, amongst other outcomes, to the lifting of several sanctions and the release of frozen assets. The EU (whose energy and finance sanctions were particularly painful for Iran) and the UN both terminated sanctions. The US government lifted nuclear nonproliferation-related secondary sanctions (targeting non-US individuals outside US jurisdiction) by issuing so-called presidential waivers; sanctions remain adopted but are not enforced. US primary sanctions, on the grounds of alleged human rights violations and the support of terrorism, however, continue to be implemented (US nationals and businesses are still prevented from engaging in the Iranian energy sector).

Many constraints on Iran's energy sector have now gone as a result of JCPOA implementation. There are no longer any restrictions on exports, investments in the energy sector are possible again, and European IOCs are allowed back into the country. Under European law, banks and insurance companies are also permitted to facilitate business and trade with Iran again. However, several contentious issues remain unresolved. These include: a 'snapback' of sanctions (if Iran is perceived as violating the nuclear deal), the extraterritorial application of US laws (in the past, US courts convicted European banks of Iran-related dealings and subjected them to fines of more than \$13 billion), as well as potential new sanctions (the US Congress has already seen several initiatives to this end⁶). But, by and large, the JCPOA has opened the door to international co-operation.

The implementation of the JCPOA has attracted the interest of IOCs from around the world. Throughout 2016, a number of companies moved to Iran, signing several memoranda of understanding (MoUs). These include, American-Dutch Schlumberger, British-Dutch Shell, Chinese CNPC, French Total, German Wintershall, Italian Saipem, Japanese Inpex, Norwegian DNO, and Russian Gazprom. Up to now, however, no contracts have been inked. The MoUs largely comprise field studies as preparatory steps. Only one consortium, comprising NIOC, Total, and CNPC, has signed a 'heads of agreement'; this represents a step forward towards contract finalization. In all cases, though, final investment decisions and legally binding contracts remain to be concluded (see Table 1). As a result, Iran is still waiting to see international investment and technology coming to the country. Effectively, the JCPOA has not yet led to an expansion of capabilities in the Iranian energy sector.

The progress Iran has seen so far is, more or less, a return to its pre-sanctions position. Sanctions-inflicted harm has been undone and oil production and exports are back in the range of pre-sanctions levels (see Figure 1).

Figure 1: Iranian Oil Production, million b/d



Source: MEES

⁶ These include, for example, the 'Iran Ballistic Missile Sanctions Act of 2016' (March 2016) and the 'Countering Iranian Threats Act of 2016' (July 2016).

Table 1: Upstream Contracts Awarded, MOUs for Study, and Heads of Agreement (2016)

Operator	Partners	Field	Date	Type
Lukoil	None	Ab Teymour / Mansouri	24-Jan	MoU for study
Total	None	South Azadegan	24-Mar	MoU for study
Wintershall	None	Four fields in western Iran	12-Apr	MoU for study
OMV	None	Zagros area	04-May	MoU for study
Zarubezhneft	None	Aban / Paydar Gharb	13-Jul	MoU for study
Persia Oil and Gas	None	North Yaran Phase 2	04-Oct	IPC*
Persia Oil and Gas	None	Koupal EOR	04-Oct	IPC
Persia Oil and Gas	None	Maran EOR	04-Oct	IPC
Tatneft	None	Dehloran	08-Oct	MoU for study
PGNiG	None	Sumar	06-Nov	MoU for study
Total (50%)	CNPC (30%), Petropars (19.5%)	South Pars Phase 11	08-Nov	Heads of Agreement
DNO	None	Changuleh	16-Nov	MoU for study
Pergas consortium	None	Shadegan / Rag-e Sefid	23-Nov	MoU for study
Schlumberger	None	Shadegan / Rag-e Sefid / Parsi	27-Nov	MoU for study
PTTEP	None	Changuleh / Balal / Dalamperi	06-Dec	MoU for study
Shell	None	South Azadegan/Yadavaran/Kish Gas	07-Dec	MoU for study
Gazprom Neft	None	Changuleh / Cheshmeh Khosh	13-Dec	MoU for study
Petronas	None	South Azadegan / Cheshmeh Khosh	22-Dec	Mou for study

Source: *Energy Aspects*⁷

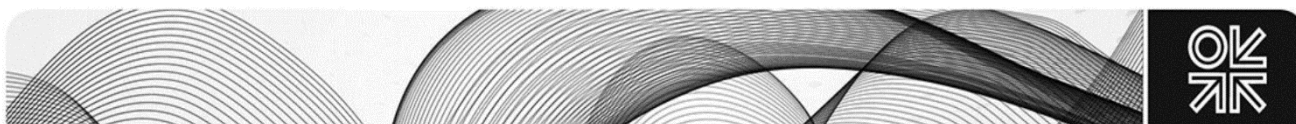
* Iran Petroleum Contract (see below)

The domestic power play: striking a balance

The take-off of Iranian energy is hampered by complex politics, as well as low oil prices and ample supply in international energy. This is the case both domestically and internationally.

The implementation of the JCPOA occurs against the backdrop of intensive political struggle inside Iran. Various factions compete over power, as well as over the future course of the country. Somewhat simplified, there are two larger groups. On the one hand, President Hassan Rohani and his rather moderate government aim at the political and economic re-integration of Iran into the international community. The administration is convinced that isolation and a confrontational stance towards international powers, which triggered sanctions during the Ahmadinejad presidency, neither protects the Islamic Republic nor lets it grasp its economic potential. In the 2013 presidential elections, Rohani won on a ticket promising both a nuclear deal as well as economic recovery. On the other hand there are more conservative actors, who are close to Supreme Leader Ayatollah Ali Khamenei and the IRGC. Arguing that international powers, in particular the US, are inherently hostile to the Islamic Republic, this group perceives international co-operation as leading to vulnerability.

⁷ *Energy Aspects: Middle East and Africa Quarterly*, December issue, 2016.



Accordingly, the 'resistance economy' ought to be expanded and international co-operation should be limited to the absolute necessary minimum.

In a sense, the struggle between the two camps is also a reflection of different benefits from sanctions and from sanctions-relief, respectively, for each side. The Rohani administration is challenged to show the Iranian people that the JCPOA is advantageous for the country. In other words, the position of the government can be expected to strengthen the more the economy grows following sanctions relief. The conservatives, and especially IRGC-affiliated entities, however, have substantially benefited from sanctions. In the absence of competition from abroad, their economic – and subsequently also political – position has improved. This group can only be expected to approve JCPOA-facilitated international economic co-operation if this does not erode its economic position.

As Iran's political system is constraining the authority of the government (there is theologically legitimized oversight of republican-style institutions), the power struggle between the two groups is essentially affecting all policy fields – especially the energy sector. Here, it is further enhanced by rivalries for control over the industry as well as by competing economic interests.

Traditionally, NIOC and its subsidiaries were in charge of running the Iranian energy industry. NIOC is controlled by the Ministry of Petroleum and thus by the government. During the Ahmadinejad presidency, however, the IRGC entered the energy sector. In 2011, President Ahmadinejad (himself a former IRGC member) even appointed Rostam Ghasemi (the head of Khatam-al Anbiya, the IRGC's business conglomerate) as petroleum minister. Courtied by the government, the IRGC sought to replace the void left behind by Western IOCs leaving the country.

By 2013, when President Rohani assumed office, the IRGC had established a strong foothold in the energy industry. Rohani replaced Ghasemi with the experienced and technocrat-minded Bijan Zanganeh, who had already served as minister of petroleum (1997–2005) and minister of energy (1988–97). But the presence of IRGC-affiliated businesses was not easily undone. While trying to tame the IRGC – efforts included the use of public pledges to act against corruption in what appeared to be a reference to the guards⁸ – the Rohani administration still had to find a *modus vivendi*. Some form of consensus, especially in order to realize a new petroleum law, the Iran Petroleum Contract (IPC), was indispensable. Through the IPC, the Rohani administration is seeking to offer more attractive terms to IOCs, which have frequently complained about the commercial unattractiveness of the existing buyback scheme. The IPC draft, however, required approval by the Parliament⁹ and therefore also by the – de facto Supreme Leader-controlled – Guardian Council. Thus, President Rohani and Petroleum Minister Zanganeh had to strike a balance. Both in terms of policy as well as business benefits, the interests of the conservative camp and the IRGC needed to be accommodated.

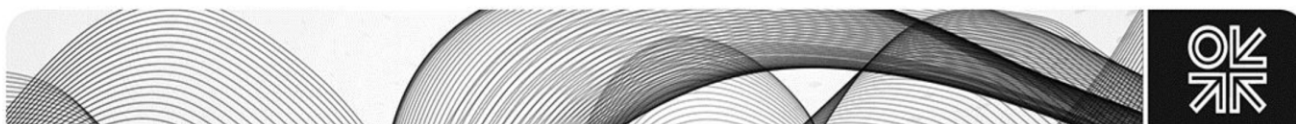
The IPC framework legislation, which found parliamentary approval in September 2016, reflects the attempt to do so. On the one hand, the IPC seeks to offer attractive terms to IOCs. In contrast to the buyback scheme, the IPC allows for the booking of reserves. Remuneration is more flexible and is possible not only in cash but also through physical barrels. On the other hand, the IPC takes into account concerns of the conservatives (as well as the strict Iranian constitution). Foreign ownership of reserves is still not allowed. In order to boost domestic capacity building, IOCs must partner with an Iranian company. This, moreover, also ensures that Iranian businesses (and their stakeholders) are directly involved in the development of Iranian oil and natural gas. As such, the IPC seeks to reconcile the somewhat conflicting 'international co-operation' and 'resistance economy' agendas.

However, beyond the IPC framework legislation, thus far no final contracts have been concluded. Senior conservatives are accusing the government of harming the 'resistance economy'.¹⁰ Tensions over the matter remain high, as each side jockey for influence. As of January 2017 it appears as if, rather than following a single comprehensive approach, the terms will be negotiated separately, case

⁸ Karami, Arash: 'Rouhani criticizes consolidation of power in government', *Al-Monitor*, 2014.

⁹ In mid-2016, there was a debate in Iran whether the IPC would actually require parliamentary approval. Eventually, the IPC was presented to the parliament.

¹⁰ E.g. Mohsen Rezaee, Secretary General of the Expediency Discernment Council, see *Mashregh News*: 'Rezaee: oil contracts are against the resistance economy and very dangerous' (in Farsi), 22 August 2016.



by case. In other words, President Rohani's attempt to strike a balance continues as the government seeks to reconcile seemingly diverging interests.

Beyond legislation, the Rohani administration is also reaching out to the conservatives in terms of business. Speaking to an audience of IRGC members, Petroleum Minister Zanganeh suggested that the IRGC's business holding, Khatam-al Anbiya, could have an 'important position' as part of the IPC. Next to detailing how the IRGC could be involved, the minister declared that more than half of the new oil contracts would be awarded to Iranian companies.¹¹

The government's outreach to the conservatives and the IRGC has already translated into action. It was not an IOC that was awarded the first oil contract after the introduction of the IPC framework legislation, but a company affiliated with the conservatives – the Persia Oil and Gas Industry Development Company (POGIDC). In October 2016, NIOC signed a deal with POGIDC on the development of four oil fields. POGIDC is a subsidiary of Setade Ejraye Farmane Emam, a business holding overseen by Supreme Leader Khamenei.

Earlier, in July 2016, the Ministry of Petroleum published a list of local companies eligible to apply for international co-operation under the IPC. Among the eight companies that received clearance from the government, three have direct links to conservatives and/or the IRGC (in addition to Khatam-al Anbiya and POGIDC, the Industrial Development and Renovation Organisation is also included).¹² By getting the conservatives on board, it appears that the Rohani administration has succeeded in paving the way for the IPC to move forward. Importantly in this context, the IPC framework legislation stipulates that the Ministry of Petroleum will need to approve the credentials of both domestic companies and IOCs willing to engage in Iran. Thereby, the government will effectively (continue to) be the gatekeeper of the Iranian energy industry. While striking a balance to accommodate the interests of the conservatives and the IRGC, the government remains in control.

International co-operation: hedging the bets

This is also the case when it comes to international co-operation. Not dissimilar from the domestic situation, the Rohani government seeks to balance multiple interests. While pondering political and economic opportunities and risks, Iran is trying to diversify its commitments.

Iran's energy industry is in dire need of investment. The blow from sanctions during recent years was preceded by, arguably, decades of under investment due to rather unattractive fiscal terms under the buyback scheme. Petroleum Minister Zanganeh has suggested that Iran's energy industry requires investments of \$100 billion and more.¹³

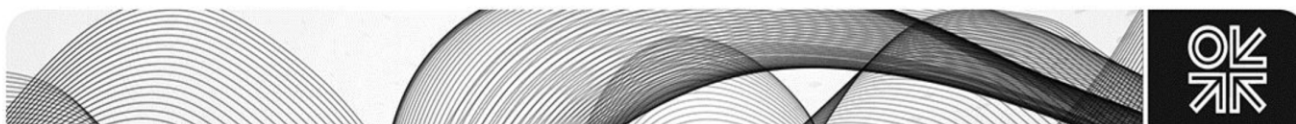
The implementation of the JCPOA in January 2016 has opened the door for international co-operation in Iran's energy sector, as discussed above. In parallel to concluding and implementing the JCPOA, Iranian officials have invited international businesses to the country. Since the JCPOA was agreed in July 2015, Tehran has been frequented by multiple high-ranking political and business delegations. From Europe (amongst others) the EU's Foreign Affairs Representative Federica Mogherini, France's Foreign and Agriculture Ministers Laurent Fabius and Stephane Le Foll, Germany's Foreign and Economy Ministers Frank-Walter Steinmeier and Sigmar Gabriel, Italy's then Prime Minister Matteo Renzi, and the UK's Foreign Secretary Philip Hammond have all visited Iran. The warming of political relations has already translated into the signing of several contracts; these include high profile deals with Airbus, Boeing, Peugeot–Citroen, Renault, and Siemens.

The Iranian energy sector has also attracted worldwide attention. Teheran has received dozens of IOCs, expressing interest and exploring opportunities. This has resulted in the signing of several preliminary agreements (see Table 1). However, unlike the situation in other branches of the economy, no contracts have yet been concluded in the Iranian energy sector. Against this backdrop,

¹¹ *Fars News*: 'Necessity of the presence of the headquarters [short version of Khatam al-Anbiya's full name in Farsi] in new oil contracts' (in Farsi), 12 December 2016.

¹² *Upstream*: 'Iran reveals locals listed for foreign partnerships', 8 July 2016.

¹³ IRNA: 'Zanganeh: \$100bn investment in upstream oil industry needed', 4 October 2016.



Iran seeks to finalize contracts with IOCs, aiming to bring investment and technology to the country. In doing so, the government seeks to realize several objectives.

Generally, Tehran's approach to international co-operation appears to be driven by the desire to diversify engagements: Iran is hedging its bets. Rather than focusing on co-operation with European IOCs, which are now allowed back to the country and offer the latest technology, Tehran is in talks with companies from both the East and the West. A list recently released by NIOC details the IOCs allowed to bid for oil and natural gas projects under the IPC in the upcoming first tender. While European IOCs (including some majors) are featured, more than half the companies are from Asia and Russia (see Table 2).

Table 2: IOCs certified to bid at Iran's upcoming oil and natural gas tender

CNOOC (China)	Lukoil (Russia)	Posco Daewoo (South Korea)
CNPC (China)	Maersk (Denmark)	PTTEP (Thailand)
CNPW (China)	Mitsubishi (Japan)	Schlumberger (Netherlands/US)
DNO (Norway)	OMV (Austria)	Shell (Netherlands/UK)
Eni (Italy)	ONGC Videsh (India)	Sinopec (China)
Gazprom (Russia)	Perenco (France/UK)	Total (France)
Inpex (Japan)	Pertamina (Indonesia)	Wintershall (Germany)
ITOCU (Japan)	PGNiG (Poland)	
Korea Gas Corporation (South Korea)	Plus Petrol (Argentina)	

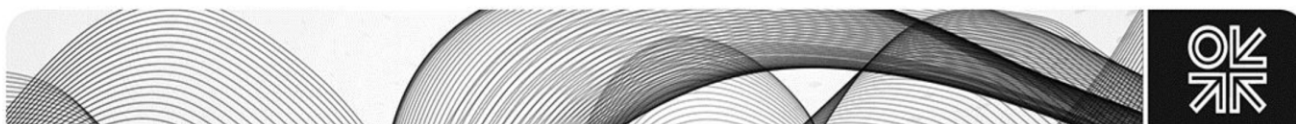
Source: NIOC¹⁴

In this way, Iran is apparently trying to establish a diversified position in light of complex international politics. Experience shows that EU sanctions inflicted harm on Iran's energy sector in the early 2010s. At the time, Chinese companies in particular, remained in Iran. Although complaints about their rather poor performance can be widely heard in Iran, Asian companies nevertheless have contributed to keeping the Iranian energy industry going. By inviting them into the energy sector (and to other branches of the economy), Iran is partly honouring these countries' loyalty during the sanctions years. During a visit to Beijing in April 2015, three months before the JCPOA was agreed, Petroleum Minister Zanganeh declared that China 'has been greatly cooperating with the Islamic Republic under conditions of sanctions and we are willing for that cooperation to continue when sanctions are removed'.¹⁵

The inclusion of China and Russia, however, is more than a mere expression of gratitude. In both cases, energy companies are state-owned or closely linked to the state. By bringing in Chinese and Russian companies, Iran is also deepening relations with the countries' governments. In a broader sense, the energy sector is thereby included in what can be described as a more fundamental deepening of Tehran's political and economic relations with Beijing and Moscow – a major trend in recent years. This helps Iran to protect itself against a one-sided dependency on Europeans in particular, and the West in general. As of today, the EU and key member states are fully endorsing the JCPOA, considering it to be a rare example of successful European diplomacy. With the Trump administration about to take over in Washington, however, the future of Iran–US relations is unknown. Even if Europe continues supporting the JCPOA there could still be consequences for EU–Iran business relations, especially in light of possibly increased extraterritorial application of US laws. There is also the possibility of new US sanctions or, in the worst case, a withdrawal of the US from the JCPOA. Should Iran and European IOCs co-operate, there would certainly be problems in the event of worsening Iran–US relations. In any such scenario, co-operation with China and Russia, which would be affected less, could somehow act as a buffer for Iran.

¹⁴ NIOC: 'List of Qualified Applicants', National Iranian Oil Company, Tehran, 2016.

¹⁵ PressTV: 'Iran, China to increase energy cooperation when sanctions removed: Zanganeh', 10 April 2015.



In short, it seems that Tehran is not only considering business variables in the narrow sense of the term, but is also including geopolitical reasoning in its calculations. As such, European IOCs are welcomed, albeit not at the expense of recently deepened ties with Asia, China, and Russia, in particular.

In terms of concrete goals, in the short term Iran is keen to achieve symbolic successes in international energy. President Rohani, who is seeking re-election in May 2017, will need to present the Iranian people with some benefits from the JCPOA. Hardliners have accused the government of surrendering nuclear rights without adequate compensation. After delivering on the promise of negotiating a nuclear deal, Rohani will now need to fulfil his second 2013 campaign promise: economic recovery. While the country is back on the path of growth, and inflation has been somewhat controlled, most Iranians are still waiting to see their personal situation improve. Lasting and comprehensive progress will certainly require more time, as the country has only just begun to recover from sanctions: symbolic achievements are of great significance if the government is to expand international business ties.

In the energy sector, to this end, Iran has quickly sought to re-establish its pre-sanctions position. By ramping up production, market shares were prioritized over revenue considerations. While Iran's government budget was suffering from low oil prices, it does not appear plausible that the defining motivation was to increase oil income in the short term. Compared with other oil producers, Iran is in a somewhat better position to endure low oil prices due to: a smaller share of oil revenue in the government budget and GDP, a positive non-oil trade balance, and (growing) economic activity outside the energy sector, as well as access to billions of (previously blocked) US dollars in international banks, as part of JCPOA implementation.¹⁶

Similar to the move back to its pre-sanctions position, Iran's OPEC policy is also of great symbolic importance. The November 2016 OPEC deal exempted Iran from production cuts and acknowledged pre-sanctions output levels as Iran's reference production. OPEC thereby implicitly confirmed Iran's claim that the lower production under sanctions was not normal or, in the Iranians' words, 'unjust'. As a result, Iran is allowed to slightly increase production while major rival Saudi Arabia, non-OPEC producer Russia, and others are cutting output. In Iran, this was celebrated as a major victory for the Iranian OPEC delegation led by Petroleum Minister Zanganeh. Media outlets even went so far as to enthusiastically celebrate the OPEC deal as an 'oil JCPOA'.¹⁷

For Iran's government, eager to show to the public that the JCPOA is advantageous for Iran, this outcome of the OPEC deal is important regardless of its economic merits. The country has successfully re-established its pre-sanctions position and was able to negotiate an exemption from OPEC, despite months of opposition to this in Riyadh. Thereby, not without grounds, Iran has demonstrated that it is back in the business of global energy.

This message is significant for Iran in order to achieve its more long-term objectives. To utilize the full potential of its energy riches, Tehran will need to attract international investment and technology. Otherwise, the Iranian energy sector will remain underdeveloped as the country holds the world's largest combined reserves of oil and natural gas (13 per cent of global total) but only accounts for some 4.7 per cent of worldwide production.¹⁸

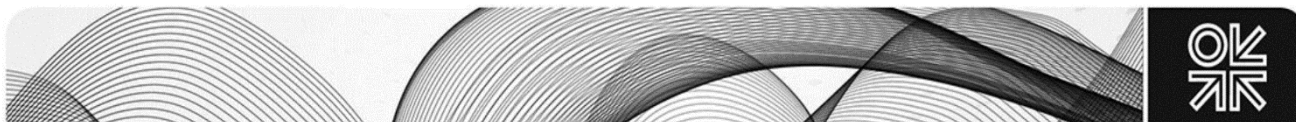
A comeback with hurdles: the way forward

The implementation of the JCPOA in January 2016 has opened the door for Iran to return to international energy markets. President Rohani is trying to seize this opportunity. At home, a new petroleum law was introduced. In parallel, the government seeks to strike a balance in an attempt to secure the support of the more conservative elements of the Islamic Republic. Internationally, Tehran

¹⁶ Jalilvand, David Ramin: '5 reasons Iran will be able to wait out low oil prices', *Al-Monitor*, 2016.

¹⁷ 'Barjame nafti' – in reference to the Iranian acronym for the JCPOA. See *Khabar Online*: 'Oil diplomacy realised oil Barjam', (in Farsi), 1 December 2016.

¹⁸ Figures for 2015, see BP: *BP Statistical Review of World Energy June 2016*, London, 2016.



is hedging its bets. Aiming at the diversification of engagements, Iran is trying to reduce potential damage in the event of new troubles in its relations with the West.

While doing so, by reaching out to IOCs, Iran's energy policy seeks to realize several objectives. International co-operation will help to maintain output at oil fields already in production. Many of Iran's oil fields are mature and require enhanced recovery techniques.¹⁹ Furthermore, Iran is keen to ramp up production at shared oil and natural gas fields. In many cases, neighbouring countries are producing at faster rates thanks to IOC support. At the same time, international co-operation should also contribute to the transfer of technology and domestic capacity building, both in upstream and downstream. These changes are accompanied by the continuation of the increased domestic use of energy. While trying to expand domestic wealth creation (in other words economic growth) as well as reducing dependence on international markets and politics, Iran will especially encourage domestic consumption of natural gas. It is hoped that once domestic consumption is reined in, Iran can also be expected to attempt to achieve the completion of LNG export terminals, with IOC support.

The comeback of Iran to international energy, however, faces hurdles: political and economic uncertainty is looming.

Domestically, the final design of the IPC remains unclear until the first contracts with IOCs are eventually signed. Only then will it become clear whether and how the Rohani government's attempt at striking a balance will succeed. In this context, the involvement of the IRGC, which appears to be a necessity for domestic political reasons, is raising concerns internationally. In order not to violate EU and US sanctions, the government will need to find some *modus operandi* which allows the IRGC to have their share in the energy sector without affecting the engagements of IOCs. In other words, the presence of IOCs and the IRGC will need to be clearly separated – while both engage in the Iranian energy sector.

Finally, incoming US President Donald Trump is casting a shadow over Iran's energy sector as part of a broader uncertainty regarding the future of Iran–US relations and the implementation of the JCPOA.²⁰ Both before and after the US presidential elections, the current President-elect Trump has expressed his disapproval of the JCPOA in strong terms. At this point, the actual course of future US policy towards Iran is unclear and it would be premature to conclude that a fundamental re-orientation will happen. Nevertheless, uncertainty has significantly increased with regard to the future of the JCPOA, with potential consequences for Europeans and others engaged in Iran's energy sector.

Navigating the complex domestic and international politics which define the framework for Iran's energy sector and the scope of possible international co-operation, the government of President Rohani can be expected to keep its current approach. Despite uncertainty over several aspects, Rohani and Petroleum Minister Zanganeh are fostering Iran's comeback to global energy. While doing so, they will continue trying to strike a balance at home, while hedging Iran's bets internationally.

In Iran, meanwhile, with upcoming presidential elections in May, it remains to be seen if Rohani is allowed to retain his office and to maintain his approach. Concluding contracts with IOCs, as proof of the JCPOA's benefits, would certainly help to this end.


¹⁹ To illustrate this point: in 2011, according to official data, Iran re-injected some 31 bcm into maturing oil fields. See OPEC: 'Annual Statistical Bulletin', Organization of the Petroleum Exporting Countries, Vienna, 2016.

²⁰ ICG: 'President Trump and the Art of the Iran Nuclear Deal', International Crisis Group, Brussels, 2016.

Annex 209

Total SA, “Iran: Total and NIOC sign contract for the development of phase 11 of the giant South Pars gas field”, 3 July 2017

Iran: Total and NIOC sign contract for the development of phase 11 of the giant South Pars gas field

 total.com/en/media/news/press-releases/iran-total-and-nioc-sign-contract-development-phase-11-giant-south-pars-gas-field

Paris, July 3, 2017 – Total and the *National Iranian Oil Company* (NIOC) have signed a contract for the development and production of phase 11 of South Pars (SP11), the world's largest gas field. The project will have a production capacity of 2 billion cubic feet per day or 400,000 barrels of oil equivalent per day including condensate. The produced gas will supply the Iranian domestic market starting in 2021.

This contract, which has a 20-year duration, is the first *Iranian Petroleum Contract* (IPC) and is based on the technical, contractual and commercial terms as per the Heads of Agreement signed on November 8, 2016. Total is the operator of the SP11 project with a 50.1% interest alongside the Chinese state-owned oil and gas company CNPC (30%), and Petropars (19.9%), a wholly owned subsidiary of NIOC.

"This is a major agreement for Total, which officially marks our return to Iran to open a new page in the history of our partnership with the country. We are proud and honored to be the first international company to sign an IPC, which offers an attractive commercial framework, following the 2015 international nuclear accord (JCPOA) and to therefore contribute to the development of relations between Europe and Iran. Total will develop the project in strict compliance with applicable national and international laws", said Patrick Pouyanné, Chairman & CEO of Total. *"This project is in line with the Group's strategy to expand its presence in the Middle East and grow its gas portfolio by adding low cost, long plateau assets."*

SP11 will be developed in two phases. The first phase, with an estimated cost of around 2 billion dollars equivalent, will consist of 30 wells and 2 wellhead platforms connected to existing onshore treatment facilities by 2 subsea pipelines. At a later stage, once required by reservoir conditions, a second phase will be launched involving the construction of offshore compression facilities, a first on the South Pars field.

Since the November 2016 HoA signature, Total has been conducting engineering studies on behalf of the consortium and initiated calls for tender in order to award the contracts required to develop the project by the end of the year.

* * * *

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Annex 210

**Total SA, “U.S. withdrawal from the JCPOA: Total’s position related to the South
Pars 11 project in Iran”, 16 May 2018**

US withdrawal from the JCPOA: Total's position related to the South Pars 11 project in Iran

 total.com/en/media/news/press-releases/us-withdrawal-jcboa-totals-position-related-south-pars-11-project-iran

2018/05/16

Press release

Paris - On 4 July 2017, Total, together with the other partner Petrochina, executed the contract related to the South Pars 11 (SP11) project, in full compliance with UN resolutions and US, EU and French legislation applicable at the time. SP11 is a gas development project dedicated to the supply of domestic gas to the domestic Iranian market and for which Total has voluntarily implemented an IRGC-free policy for all contractors participating in the project, thereby contributing to the international policy to restrain the field of influence of the IRGC.

On 8 May 2018, President Donald Trump announced the United States' decision to withdraw from the JCPOA and to reinstate the US sanctions that were in force before the JCPOA's implementation, subject to certain wind down periods.

As a consequence and as already explained before, Total will not be in a position to continue the SP11 project and will have to unwind all related operations before 4 November 2018 unless Total is granted a specific project waiver by the US authorities with the support of the French and European authorities. This project waiver should include protection of the Company from any secondary sanction as per US legislation.

Total has always been clear that it cannot afford to be exposed to any secondary sanction, which might include the loss of financing in dollars by US banks for its worldwide operations (US banks are involved in more than 90% of Total's financing operations), the loss of its US shareholders (US shareholders represent more than 30% of Total's shareholding) or the inability to continue its US operations (US assets represent more than 10 billion dollars of capital employed).

In these circumstances, Total will not take any further commitment related to the SP11 project and, in accordance with its contractual commitments vis à vis the Iranian authorities, is engaging with the French and US authorities to examine the possibility of a project waiver.

Total confirms that its actual spending to date with respect to the SP11 contract is less than 40 million euros in Group share. Furthermore, considering the various growth opportunities which have been captured by Total in recent months, Total confirms that a withdrawal from SP11 would not impact its production growth target of 5% CAGR between 2016 and 2022.

* * * * *

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Annex 211

**U.S. Department of State, “Briefing with an Iran Diplomacy Update”, Special
Briefing, 2 July 2018**

U.S. Department of State

 state.gov/r/pa/prs/ps/2018/07/283669.htm

Special Briefing

Brian Hook

Director of Policy Planning

Press Briefing Room

Washington, DC

July 2, 2018

MS NAUERT: Welcome to all of you, and thanks for coming in. I know a lot of you have an interest in what we're doing with regard to Iran and our diplomatic efforts going forward. So keeping that in mind, we asked Brian Hook, our director of policy planning, to come down and give you a few minutes' briefing on where things stand right now.

So I'll welcome Brian Hook. I'll call on you take a few questions and then we'll go on about our day, and I'll see you tomorrow at our briefing then. Brian, go right ahead.

MR HOOK: Thank you, Heather. Good morning.

QUESTION: Morning.

MR HOOK: I'd like to update you on the progress we're making to advance the President's Iran policy. It has been almost two months since President Trump announced our withdrawal from the Iran deal and a little over one month since Secretary Pompeo laid out a roadmap for achieving a better deal.

The Secretary outlined a clear and compelling vision for a better future for the Iranian people. This future can only be realized, though, if Iran meets 12 demands to become a normal country. Normal countries don't terrorize other nations, proliferate missiles, and impoverish their own people.

As Secretary Pompeo has said, this new strategy is not about changing the regime, it is about changing the behavior of the leadership in Iran to comport with what the Iranian people really want them to do. A key part of our strategy is a campaign of maximum economic and diplomatic pressure. The first part of our sanctions will snap back on August 4th^[1]. These sanctions will include targeting Iran's automotive sector, trade in gold, and other key metals. Our remaining sanctions will snap back on November 6th^[2]. These sanctions will include targeting Iran's energy sector and petroleum-related transactions and transactions with the Central Bank of Iran.

After leaving the deal, Secretary Pompeo and Secretary Mnuchin decided to create joint teams of senior officials to visit every region of the world. These teams were launched on June 4th and have already visited 13 countries in Europe and East Asia. Our diplomatic teams from State and Treasury are bringing with them a message of cooperation and coordination. Many countries around the world share our interests in countering terrorism, halting the proliferation of missiles, and promoting peace and stability in the Middle East. We want to work with these countries to build a strong global effort.

At each stop, the teams from Treasury and State explain the full snapback of our sanctions and warn governments and the private sector of the risks of continuing to do business with Iran. More than 50 international firms have already announced their intent to leave the Iranian market, particularly in the energy and financial sectors.

We have been clear with countries and companies around the world that we are bringing severe economic pressure on Iran until the regime changes its destabilizing policies. In the coming days, Treasury Under Secretary Mandelker and I will lead a delegation to the Gulf as our global diplomatic efforts continue.

As I mentioned earlier on the energy front, sanctions are set to be re-imposed on November 4th. Our focus is on getting as many countries importing Iranian crude down to zero as soon as possible. We are also working with oil market participants, including producers and consumers, to ensure market stability. Banking sanctions will also snap back on November 4th, and we will be aggressively enforcing these provisions to lock up Iran's assets overseas and deny the Iranian regime access to its hard currency.

Our sanctions do not now, nor have they ever, targeted humanitarian goods. Our sanctions pressure the Iranian regime into changing its behavior and they do not target the Iranian people. The United States does not sanction the export of food or medicine to Iran.

In addition to building a campaign of strong economic pressure, Secretary Pompeo has also made it a priority to stand with the Iranian people, who are the longest-suffering victims of the Iranian regime. The average Iranian today is struggling to afford basics like water, bread, and eggs. At the same time, the Iranian regime is squandering millions of dollars on violent misadventures abroad. These serve no purpose other than to prolong pain and suffering of men, women, and children in Iran and elsewhere in the Middle East.

Iran's economy is getting worse. Foreign direct investment is falling, and the rial hit an all-time high against the dollar last week. On June 28th, the rial was trading at 85,000 to the dollar on the unofficial market. That is twice the official exchange rate of 42,500. The initial windfall the regime received after the Iran deal never benefited the Iranian people. The Iranian economy is too distorted by corruption and the IRGC's pervasive presence in most key sectors. Rather than create an economy that works for the Iranian people, the regime refuses to meet standard international banking practices. Iran accordingly remains on the blacklist for failing to prevent money laundering and terror financing.

Supreme Leader Khamenei seems all too aware that economic reform would expose just how much his economy facilitates war, terrorism, and crime. Since the President's May 8th announcement, the United States has designated two Iranian financial networks that support terrorism. One network involved a currency exchange scheme going through the

UAE, and we worked very closely and very well with the Emirati Government to shut it down. The other network involved the Iranian central bank governor and an Iraqi bank. It is no wonder that international banks and firms refuse to enter the Iranian financial system.

The Iranian people are rightly frustrated with the regime, and they are expressing their frustration in nationwide protests and in smaller acts of defiance throughout the country. As the regime continues to crack down on these legitimate calls for reform in Tehran, Khorramshahr, and elsewhere with more repression and even greater violence, the United States stands with the Iranian people. Since withdrawing from the Iran deal, the United States has sanctioned 53 individuals and entities for human rights abuses, proliferation activities, or acts of terrorism, and we will continue to do so. We designated Sadeq Larijani, the head of the judiciary, which demonstrates that we will target those responsible for human rights abuses at the highest levels of the Iranian Government. A people with as rich a history and as deep a culture as the Iranian people deserve a government that treats them with dignity.

Lastly, I will be traveling to Europe at the end of this week for meetings with the political directors from Germany, France, and the United Kingdom, and that will continue very close consultations we've had with the Europeans. The Secretary is in regular touch with his E3 counterparts, with governments around the world to discuss the way forward on Iran, and that will continue in the coming weeks. Happy to take any questions. I think Heather's going to --

MS NAUERT: Yeah. Start with -- we'll start with AP. That's our tradition here. Go right ahead.

QUESTION: Thanks for this briefing. We heard the President Sunday warn the U.S.'s European allies of sanctions should they continue trade with Iran. I'm just wondering, was that the tenor of your discussions with the U.S.'s European allies on your recent trip to Europe, and have you heard back from any of those allies in response to the President's words yesterday?

MR HOOK: Well, we will not hesitate to take action when we see sanctionable activity, and that is consistent with our policy of economic and diplomatic isolation against Iran. We do work -- as I said, these road shows of Treasury and State officials, they've been to Europe. They haven't been to all of Europe, but they've been to part of Europe, been to Asia. Those will continue. But our teams at Treasury are in very close consultation, we're in close consultation with not just Europe but with all countries who are affected by the re-imposition of our sanctions.

MS NAUERT: Lesley from Reuters.

QUESTION: Yes. Hello, Brian.

MR HOOK: Hi, Lesley.

QUESTION: I was wondering, the President also said over the weekend that he had asked King Salman of Saudi Arabia to -- that he'd increase -- to increase oil production by 2 million barrels. Can you please give us -- have the Saudis agreed to that, number one? Number

two, what do you think the market reaction is going to be to that? Would it press down – push down prices and will it make up for the shortage coming up? And number two, is that 2 million barrels per day?

MR HOOK: Well, I'd refer you to the White House for a specific readout on the Saudi reaction to the phone call the President had with the king. Our goal – with respect to the energy sanctions, our goal is to increase pressure on the Iranian regime by reducing to zero its revenue from crude oil sales. Now, we are working to minimize disruptions to the global market, but we are confident that there is sufficient global spare oil production capacity.

MS NAUERT: Next one, Dave from AFP.

QUESTION: Thank you. Thanks, Brian.

MR HOOK: Dave.

QUESTION: India and I believe Turkey have explicitly said that they will continue to import Iranian oil. Can you be precise about the kind of consequences they will face or their corporations and banks will face if they do this?

MR HOOK: We are not looking to grant licenses or waivers, because doing so would substantially reduce pressure on Iran. And this is a campaign of imposing pressure. And so we are not looking to grant licenses or waivers broadly on the re-imposition of sanctions, because we believe pressure is critical to achieve our national security objectives.

We are prepared to work with countries that are reducing their imports on a case-by-case basis. But as with our other sanctions, we are not looking to grant waivers or licenses.

MS NAUERT: I'm sorry, I forgot your name.

QUESTION: Alicia.

MS NAUERT: Alicia Rose, go ahead.

QUESTION: Sure. Thank you so much. You – on the cutting crude oil from Iran, which countries have already agreed to cut oil imports from Iran, and what has been the reaction from countries in your discussions?

MR HOOK: Well, the – I gave a statistic earlier about the number of countries that have announced that. I can get you a specific number, or a more specific description later.

QUESTION: (Off-mike.)

MS NAUERT: Nike from VOA.

QUESTION: Thank you so much, Heather. If I may, I would like to ask about the diplomatic efforts to bring China on board after U.S. ended JCPOA. Because China is a signatory of JCPOA, and the Government of China had expressed opposition of U.S. position to withdraw from JCPOA. What do you say to the Chinese Government? And would Chinese companies that continue to do business with Iran or buy oil from Iran be subject to U.S. sanctions? Thank you.

MR HOOK: Our diplomacy has been focused around mostly consultations with Europe, France, and Germany. Those are our allies. And so we work very closely with allies. We – in Secretary Pompeo's speech that he gave about a month ago, he listed all of the countries that we want to work with. We believe that China and Russia and the other countries who are part of the Iran deal are tired of the terrorism that Iran is causing. They don't support the proliferation of missiles around the Middle East. They don't support just how – this vast proxy network of terrorism.

And so we believe that most countries around the world share our goals. If you go through the list of the 12 objectives that Secretary Pompeo outlined, those objectives were a global consensus prior to the Iran deal. And so you've seen China vote repeatedly in a number of UN Security Council resolutions, and those resolutions stated objectives that are perfectly consistent with the 12 objectives that Secretary Pompeo laid out.

And so when we sit down with countries, we are beginning from a position of broad agreement on wanting to deter Iran's destabilizing activities in the Middle East and its support for terrorism. No one supports Iran's terrorism in the world except perhaps Assad. And so we feel like we have enormous agreement with countries around the world on what we need to do to deter Iran's violence.

MS NAUERT: Michelle – Michelle --

QUESTION: You mentioned the waivers, case-by-case --

MS NAUERT: We've got to move on. Sorry. Two questions left. Michelle, go right ahead.

QUESTION: Well, it doesn't sound like there's enormous agreement in Europe as to how to go about this. And you mentioned that you're not looking to grant waivers, but does that mean that you're not ruling them out as well? And also, with Rouhani in Europe now, what do you expect will be accomplished in that? I mean, do you think that – that and the goal of moving forward with the sanctions on Europeans, is that just solidifying opposition to the way the U.S. is going about this?

MR HOOK: President Rouhani, as you've seen reported in the press, will be visiting Switzerland and Austria as part of their ongoing efforts to work with the Europeans. It is interesting that he will be traveling to Vienna. This is – this month of July is the 29th anniversary that Iranian operatives, using diplomatic cover, assassinated the head of an Iranian Kurdish dissident group and two others. And so we will be, in the near term, reminding people of Iran and the violence that they have – a lot of their attacks, assassinations, bombings, cyber attacks, kidnapping, hostage-takings, hijackings, small arms attacks, from 1979 to 2018, and we will be discussing that in every region of the world.

And so when you have somebody like Rouhani going to Europe to try to bring the Europeans, it's a very sad history of violence that Iran has committed against Europe since 1979. And it's important for Europeans to remember the kind of regime that they're dealing with.

MS NAUERT: And --

QUESTION: And you're not ruling out waivers, did you say?

MS NAUERT: Michelle, we've got to go. Final question, Nadia.

QUESTION: Thank you, Heather. As you just mentioned, a significant component of the Iran strategy is to counter its activities in the region. Have you seen any change since the withdrawal from the agreement, especially the support for the Assad regime or their activities in Yemen?

MR HOOK: Well, if you look at Iran and Syria, and Iran and Yemen, they are backing all the wrong people. And by backing them, that has contributed to enormous suffering and violence in the region. When you – we've put out a number of statements that summarize what Iran has been doing in Syria. They have been backing – these Iranian-backed forces are perpetuating the Assad regime's brutality against the Syrian people, and it's inciting instability that spills into neighboring countries. And so this is the expansionist sort of policy that Iran has been pursuing, and a lot of the money that they received under the Iran deal has been used to fund these activities that has destabilized the Middle East, especially in Syria and Yemen.

MS NAUERT: Thank you everybody, we've got to go. Thanks, Brian.

MR HOOK: Thanks.

[1] The following is on the record to Brian Hook: The first part of our sanctions will snap back on August 6. These sanctions will include targeting Iran's automotive sector, trade in gold, and other key metals. The remaining sanctions will snap back on November 4. These sanctions will include targeting Iran's energy sector and petroleum-based transactions, and transactions with the Central Bank of Iran.

[2] The following is on the record to Brian Hook: The first part of our sanctions will snap back on August 6. These sanctions will include targeting Iran's automotive sector, trade in gold, and other key metals. The remaining sanctions will snap back on November 4. These sanctions will include targeting Iran's energy sector and petroleum-based transactions, and transactions with the Central Bank of Iran.

Annex 212

**U.S. Department of State, “Senior Administration Officials Previewing Iran
Sanctions”, Special Briefing, 6 August 2018**

U.S. Department of State

Diplomacy in Action

Senior Administration Officials Previewing Iran Sanctions

Special Briefing
Via Teleconference
August 6, 2018

MODERATOR: Good morning, thank you. Good morning to everyone and thank you for joining us this morning for a call on the Iran sanctions. Just want to remind everyone that this call is on background and attribution is to a senior administration official. But I'd also like to note that the information shared on this call is embargoed until 10:30 this morning. That is an update to the information provided in the earlier advisory, so I'll just say it again: The contents of this call are embargoed until 10:30 in the morning.

The speakers joining us today are – we have five. We have [Senior Administration Official One]. We have [Senior Administration Official Two]. We have [Senior Administration Official Three]; [Senior Administration Official Four]; and [Senior Administration Official Five].

I'll now turn it over to [Senior Administration Official One], who will open our call.

SENIOR ADMINISTRATION OFFICIAL ONE: Great, thank you, [Moderator]. And thank you all for joining us today. I just have some very brief opening remarks. I just want to point out that what's happening today is part of a big coordinated campaign of pressuring Tehran that President Trump put in place from day one of his administration. We've – looking at the region from Yemen to Syria to Gaza, the Iranian regime is using the resources they had gotten from the Joint Comprehensive Plan of Action to spread human misery across the region instead of investing it in their people at home. We can have no further illusions about their intent.

And so facing this reality 90 days ago, the President took historic action to withdraw the United States from the JCPOA and put an end to the fiction that that deal would block Tehran from getting a nuclear weapon. Now, at that time we were warned by experts from the EU, even from my alma mater of the University of Pennsylvania – very sad – that the threat of unilateral sanctions from the United States would not be an effective tool. But three months out, we have a very different picture in front of us. The rial is tanking, unemployment in Iran is rising, and there are widespread protests over social issues and labor unrest.

I thought from the Secretary of State's speech at the Reagan Library one of the most telling facts that he presented was that you would get twice the salary as a fighter for Hizballah in Syria or Lebanon than you would to be a firefighter in Tehran, if you got paid at all. And we see fires burn (inaudible) city unchecked.

The next 90 days will see increased economic pressure, culminating in the reimposition of petroleum sector sanctions in November, and this will have an exponential effect on Iran's already fragile economy.

The President has been very clear none of this needs to happen. He will meet with the Iranian leadership at any time to discuss a real comprehensive deal that will contain their regional ambitions, will end their malign behavior, and deny them any path to a nuclear weapon. The Iranian people should not suffer because of their regime's hegemonic regional ambitions.

I'd just like to conclude by thanking my interagency colleagues for their strong work on this effort. It's really been a terrific example

of the administration pulling together. And I'll turn it over to you, [Senior Administration Official Two].

SENIOR ADMINISTRATION OFFICIAL TWO: Thanks very much. I think as we see the Iranian protests continue now in some number of days, we hope that the Iranian regime will think seriously about the consequences of their behavior is having on their own people. We do stand with the Iranian people, who are longing for a country of economic opportunity, transparency, fairness, and greater liberty. As Iran expends enormous resources on its foreign adventurism, its people are becoming increasingly frustrated, and we are seeing this frustration expressed in protests across the country.

We are deeply concerned about reports of Iranian regime's violence against unarmed citizens. The United States supports the Iranian people's right to peacefully protest against corruption and oppression without fear of reprisal.

And two other points. The regime's systematic mismanagement of its economy and its decision to prioritize a revolutionary agenda over the welfare of the Iranian people has put Iran into a long-term economic tailspin. Widespread government corruption and extensive intervention in the economy by the Iran Revolutionary Guard Corps make doing business in Iran a losing proposition. Foreign direct investors in Iran never know whether they are facilitating commerce or terrorism.

I'd also point out that Iran obviously had a windfall from the Iran nuclear deal. Its increased oil revenues were a consequence of the nuclear deal. Those revenues could have gone to improve the lives of the Iranian people; instead, terrorists, dictators, proxy militias, and the regime's own cronies benefitted the most.

And now, I'm happy to turn it over to [Senior Administration Official Three].

SENIOR ADMINISTRATION OFFICIAL THREE: Thank you, [Senior Administration Official Three]. So today, I want to briefly describe the actions that we're taking today. The President has issued a new Iran executive order to reimpose sanctions relating to Iran, as you know. On May 8th, the President issued a national security presidential memorandum which directed the secretaries of Treasury and State and others to take a number of actions. And today's announcement is just the next step in implementing the President's decision.

Specifically, we are reimposing sanctions on Iran that had been lifted under the JCPOA. The snapback of these sanctions, again, supports the President's decision to impose significant financial pressure on the Iranian regime, to continue to counter Iran's blatant and ongoing malign activities, and then ultimately to seek a new agreement that addresses the totality of the Iranian threat.

During the period of the JCPOA, the Iranian regime demonstrated time and time again that it had no intentions to cease its state support for terrorism, foreign proxies, and other malign activities. Iran, as has already been stated, has continued to promote ruthless regimes, destabilize the region, and abuse the human rights of its own people. As our sanctions have been exposing to fund their illicit activities and to evade sanctions, Iran has systematically exploited the global financial system, and willfully deceived countries, companies, and financial institutions around the globe.

This administration intends to fully enforce our sanctions as they come back into effect in order to impose economic pressure on the Iranian regime to stop its destabilizing activity, and ultimately chart a new path that will lead to prosperity for the Iranian people. Specifically, the new Iran EO reimposes relevant provisions of five Iran sanctions executive orders that were revoked or amended in January 16, 2016 in two phases. The first wind-down period ends at midnight tonight, at which relevant – at which point relevant sanctions will be reimposed.

At 12:01 a.m. tomorrow, August 7, 2018, sanctions will come back into full effect on the purchase or acquisition of U.S. dollar bank notes by the Government of Iran; Iran's trade in gold and precious metals; the sale or transfer to or from Iran of graphite and metals, such as aluminum and steel, coal, and software for integrating industrial processes; certain transactions related to the Iranian rial; certain transactions related to the issuance of Iranian sovereign debt; and Iran's automotive sector.

Wind-down authorizations will no longer be valid after August 6th, with respect to the importation into the United States of Iranian origin carpets and food stuffs, and transactions related to the purchase of commercial passenger aircraft will be prohibited. After the 180-day wind-down period ends on November 4, 2018, the U.S. Government will reimpose the remaining sanctions that have been – had been previously lifted under the JCPOA.

The final round of snapback sanctions, as articulated in the executive order, will include the reimposition of sanctions on Iran's oil exports and energy sector, financial institutions conducting transactions with the Central Bank of Iran, as well as sanctions related to Iran's port operators and shipping and ship-building sectors, and sanctions on the provision of insurance and financial messaging services.

Today's executive order and the snapback of sanctions on Iran, again, is part of the President's broader strategy to apply unprecedented financial pressure on the Iranian regime. We are intent on cutting off the regime's access to resources that they have systematically used to finance terror, fund weapons proliferation, and threaten peace and stability in the region. Again, our actions will continue to severely limit the ability of Iran, which, as you know, is the largest state sponsor of terror, to gain funding to continue to finance its wide range of malign behavior.

Under this administration, OFAC has issued 17 rounds of sanctions designating 145 Iran-related persons. This includes six rounds just since the President's decision in May, including actions relating to the finance of the Qods Force and Hizballah, its ballistic missile program, the Iranian aviation sector, the government's – the regime's use of front and shell companies and other deceptive means to gain access to currency for the Qods Force, including in complicity with the Central Bank of Iran. We are fully committed to rigorously enforcing our sanctions and ensuring that Iran has no path to a nuclear weapon. This economic pressure campaign is central to our efforts to gain – to ensure that they change course.

I will just also mention that in addition to the executive order we're going to be publishing a number of FAQs that will provide answers to specific technical questions.

Thank you.

MODERATOR: All right, thank you very much. We'll now go to our first question.

OPERATOR: Thank you, ladies and gentlemen. Once again, if you wish to ask a question, please press *1 at this time, and we ask that you limit yourself to one question. Our first question is from Michael Gordon with *Wall Street Journal*. Please, go ahead.

QUESTION: Right, thank you. When the previous administration imposed sanctions against Iran prior to the JCPOA, they had broad international support. In this case, the United States has withdrawn from the agreement but other – Europe and Russia and China continue to endorse it. China is a large consumer of Iranian oil and does a lot of trade with them. How do you propose to elicit China's cooperation? And if you fail to do so, aren't your sanctions going to be weaker than the ones the Obama administration imposed?

SENIOR ADMINISTRATION OFFICIAL THREE: So of course, as I'm sure [Senior Administration Official Two] will tell you, we are likewise working to build a global coalition to counter Iran's malign activity. What I can tell you very specifically is that we have made it very clear that we're going to aggressively enforce this executive order and the other authorities that we have pursuant to statute. We will work with countries around the world to do so. But make no mistake about it, we are very intent on using these authorities. We will use them aggressively. And as [Senior Administration Official Three] already mentioned, we are already seeing a very substantial impact.

SENIOR ADMINISTRATION OFFICIAL ONE: Yeah, Michael, I would just follow up on that and say if the sanctions were not

going to be effective, I don't think you would have seen the trajectory of Iran's economy over the last 90 days. I mean, it would have been the opposite if China were going to rescue them and somehow make this into a big success.

SENIOR ADMINISTRATION OFFICIAL THREE: And of course, in the last 90 days we have seen company after company after company announce that they are getting out, so there's no question that this pressure is already working.

SENIOR ADMINISTRATION OFFICIAL TWO: Yeah, this is [Senior Administration Official Two]. We – the point of our sanctions pressure, this economic pressure campaign, is to deny the regime the financial resources that it needs to finance terrorism and its nuclear missile programs and other dangerous activity around the Middle East. And we're very pleased that nearly 100 international firms have announced their intent to leave the Iranian market, particularly in the energy and the finance sectors.

We have had – State and Treasury officials have been traveling around the world to various regions to coordinate with countries. That includes China. And so far, we have visited more than 20 countries, and that work will continue for the balance of the year.

MODERATOR: Thank you. We'll go to the next question now.

OPERATOR: Thank you. Our next question comes from Susannah George with AP. Please, go ahead.

QUESTION: Hi there, thanks so much for doing this call. I want to ask specifically about this announcement from the EU that they will protect European firms from the reimposition of U.S. sanctions on Iran, specifically this blocking statute that will take effect when sanctions are reimposed at midnight. Do you expect that this could weaken U.S. sanctions? Have you responded to this in any way? Thank you.

SENIOR ADMINISTRATION OFFICIAL THREE: Look, so I think with respect to the EU blocking the statute, really what you need to look at is what companies and – the messages that companies and financial institutions are sending, which is that (a) they have I think a deep appreciation for what's going on in Iran for the fact that it's very difficult and complicated to know who you're doing business with in Iran. Are you doing business with the IRGC, the Qods Force? As we've – as has been exposed in our actions in the last 90 days, we've taken a couple of actions which expose the Central Bank of Iran's complicity in helping to fund terror. Companies and banks, including central banks, understand that very well. They are taking note and as [Senior Administration Official Two] mentioned, they are getting out. So we're not – we are – this is not something that we're particularly concerned by.

MODERATOR: All right, we'll go to the next question now.

OPERATOR: Thank you. Our next question comes from Lesley Wroughton with Reuters. Please go ahead.

QUESTION: Yes, good morning. If you bear with me, just a couple of questions. One is do you – what kind of economic impact in dollar terms do you believe these initial sanctions will have on the Iranian economy? And number two, is there a danger perhaps that the Iranians might blame the worsening conditions on foreigners rather than on the regime?

SENIOR ADMINISTRATION OFFICIAL ONE: In terms of your second question, I think of course they will blame foreigners. They've been doing this for almost 40 years now; it's their modus operandi. But I think you could see the Iranian people start to see through that, that they know that this is the regime's policies. They also know about the President's offer to meet with their leadership, and they'd like to take him up on that offer to see what the United States has to offer. So I think doing – saying we can't do something because a rogue regime will blame foreigners, I don't think is a very effective policy for us.

SENIOR ADMINISTRATION OFFICIAL THREE: Yeah and I would add – I mean, as also – as [Senior Administration Official

Two] also mentioned, look, the Iranian people have been protesting for some time. They were protesting well before the President's decision and they were very specifically protesting about the corruption in their government, the misuse of funds which have not gone to the Iranian people. It's gone to fund regional proxies, it's gone of course to fund terrorism and terrorist groups. That's what they've been protesting about for quite some time, and the extraordinary thing about these protests is that these people, the Iranian people, have – understand that when they protest in Iran, unfortunately they do so at the risk to their own lives. They're thrown in prison and all kinds of terrible things happen to them when they are thrown in prison, as our sanctions actions have likewise exposed in recent months. But they are so fed up with their government, that they have made the decision that they have to protest against the Iranian regime's ongoing economic and other policies.

SENIOR ADMINISTRATION OFFICIAL ONE: And I do think it's particularly meaningful that they're protesting against the expenditures in Syria, the expenditures in Gaza very specifically. And so that's what they're blaming.

MODERATOR: All right, we'll go on to the next question now.

OPERATOR: And our next question is from Carol Morello with *Washington Post*. Please go ahead.

QUESTION: Hi. Are you or are you not calling for the Iranian people to do something to bring about regime change in Iran?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, I'll defer to [Senior Administration Official Two], but I mean our stated policy has not been regime change, it has been to modify the Iranian regime's behavior in the ways that I outlined in my opening remarks.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Yeah, Carol, I would add to that: We have been – what we're noticing is that so many of the things that the protesters are demanding are very similar to the things that the United States and other nations in the world are demanding. And we have been consistent saying that if Iran will start behaving like a normal country, there are a number of benefits that will follow from that. But for as long as Iran continues to export revolution around the Middle East and to destabilize the region and to rob its people to fund these foreign – to fund all the Shia militias and fund Assad and to fund other dictators in the region. For as long as that's going on, I think you're going to see the Iranian people continually frustrated, and we support their claims. We think that they have valid complaints against the regime, that many of them are our complaints. And so we would like to see a change in the regime's behavior, and I think the Iranian people are looking for the same thing.

MODERATOR: Thank you. We'll go on to the next question.

OPERATOR: Thank you. And our next question is from Eli Lake with Bloomberg. Please, go ahead.

QUESTION: Hi. Thanks so much for doing this. Are you going to sanction the entire IRIB, their broadcasting arm?

SENIOR ADMINISTRATION OFFICIAL ONE: The IRIB is already sanctioned, and I have no comment beyond that.

MODERATOR: Thank you. We'll go to the next question now, please.

OPERATOR: Next question is from Meghan Gordon with S&P Global Platts. Please, go ahead.

QUESTION: Yeah, hi. Thanks for taking questions. You've said that you're not granting any broad waivers to the oil sanctions that snap back in November. Have you approved any request allowing limited trades or specific deals to continue after that point, and have you made a decision on Japan's request to continue importing Iranian oil?

SENIOR ADMINISTRATION OFFICIAL ONE: [Senior Administration Official Two], do you want to take that question?

SENIOR ADMINISTRATION OFFICIAL TWO: Well, we don't – we don't disclose private deliberations with other governments over these things. As we've said, we – our goal is to get the import of Iranian oil to zero. We are not looking to grant exemptions or waivers, but we do and are glad to discuss requests and look at requests on a case-by-case basis. But beyond that, we don't comment on it.

MODERATOR: Thank you. We'll go on to the next question.

OPERATOR: And our next question is from Andrea Mitchell with NBC, MSNBC. Please, go ahead.

QUESTION: Hi there. I'm trying to understand – to better understand the disconnect between the President's wanting to meet with Rouhani any time, any place, and these sanctions. How does that – do you think that the pressure could lead to a meeting or should lead to a meeting? What would – what would be the purpose of a meeting given all your objections to this regime and your – the comments today certainly seem to be encouraging the people of Iran to rise up against their leaders. Isn't that really what you're doing here?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, Andrea, I think – I mean, this is completely consistent with what the President has done with other meetings with what you might refer to as less friendly regimes from North Korea to Russia, which is not to give a lot of sanction – any sanctions relief in advance of a meeting to make very clear that the United States will keep the maximum pressure on these regimes until our goals are achieved. And in standing with the Iranian people, I think we're just – we're just standing up for basic human rights, human dignity, and for the economic opportunity they deserve.

MODERATOR: We'll go on to the next question.

OPERATOR: And that's from Nick Schiffrin with PBS News. Please, go ahead.

QUESTION: Hi, everyone. Thanks for taking this. [Senior Administration Official One], you said that the President will meet with the Iranian leadership at any time to discuss a comprehensive deal. Just trying to understand – trying to confirm that there are no preconditions at all for that meeting given what Secretary of State Pompeo said that – or suggested that the Iranian regime would have to make some concessions or changes before that. And either to you or to [Senior Administration Official Two] perhaps, do you believe or are you expecting the Iranian economy to collapse under the weights of these sanctions and the ones that will be – that will come back in a few months? Thanks.

SENIOR ADMINISTRATION OFFICIAL ONE: Well, I actually didn't say it. The President said that he'd meet. I just repeated what he said. And I think I would defer to [Senior Administration Official Two] on the Secretary of State's comments, but what he was saying there is he is not going to give up anything in advance of the meeting, that there are no preconditions. And so I think that's really – really the point.

QUESTION: Just a few --

SENIOR ADMINISTRATION OFFICIAL ONE: Oh, and in terms of economic collapse, I'll hand that over to [Senior Administration Official Three]. Do we expect the Iranian economy to collapse?

SENIOR ADMINISTRATION OFFICIAL THREE: Look, I mean, I'm not going to make any predictions about what's going to happen to the Iranian economy other than to say that we are very intent on using these finance – these financial sanctions to great economic leverage. And – look, again, the Iranian economy was already on a downward spiral before the President made his decision, and that's as a result of the policies that the Iranians have espoused for quite some time. But there's no question that these financial sanctions are going to continue to bring significant financial pressure against the world's largest state sponsor of

terror.

MODERATOR: All right, we'll go on to the last question now.

OPERATOR: And we'll go to Bahman Kalbasi with BBC News. Please go ahead.

QUESTION: Thank you for taking this question. Are you saying that U.S. Government will have no responsibility in the misery they will bring these sanctions on ordinary Iranians? Because you do talk about human rights and human dignity, and among these sanctions are the fact that Iran will not be getting, for instance, commercial airlines – new planes for its commercial airline. So – so far we have had thousands of the Iranians dying in airline accidents throughout the years, and this sanction will make it impossible for them to buy new ones. Is there not a responsibility here for U.S. Government to look out for the people that it says it wants to support to lessen their misery, while in reality it is actually increasing it?

SENIOR ADMINISTRATION OFFICIAL ONE: Absolutely not. I think the blame for the situation is perfectly clear. It lies with the Iranian regime that has systematically destroyed that beautiful country over the last four decades.

SENIOR ADMINISTRATION OFFICIAL TWO: Yeah this is [Senior Administration Official Two]. In terms of – I'll let [Senior Administration Official Three] speak to – a little bit more the commercial aviation. The problem is that Iran does not use its commercial aviation for commercial purposes. It uses its commercial aviation to carry people and weapons into the gray zone to help advance the goals of the Shia militias and proxies operating around the region. And so, the burden of responsibility is on Iran to use its commercial aviation for commercial aviation purposes.

SENIOR ADMINISTRATION OFFICIAL THREE: Yeah I would just echo what [Senior State Administration Two] just said. Look, what we know is that Iran systematically uses its aviation sector, including Mahan Air and a number of other airlines that we have designated to continue to further its malign activity. I mean, you see these airlines like Mahan traveling back and forth repeatedly to places like Syria to support the Assad regime and the brutal activities that it's undertaken. So really the pressure is on the regime to stop engaging in this systematic malign behavior that's destabilizing the region, that's victimizing its own people and that's posing a threat to some of our closest allies and partners.

MODERATOR: All right, well that will conclude our call this morning. I thank everyone for taking part, for the calling in and to our speakers for taking the time. Just to remind everyone that we – that this is on background to a senior administration official. The contents of the call are – will remain under embargo until 10:30 this morning, eastern time. Thank you everyone; have an enjoyable day.

BUSINESS (/BUSINESS)

Commercial and Business Affairs Office (<http://www.state.gov/e/eb/cba/index.htm>)

Key Officers of Foreign Service Posts (<http://www.state.gov/documents/organization/111812.pdf>)

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Small and Disadvantaged Business Utilization (<http://www.state.gov/s/dmr/sdbu/index.htm>)

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Annex 213

**U.S. Energy Information Administration, “OPEC Revenues Fact Sheet”, 21 August
2018**



Independent Statistics & Analysis

U.S. Energy Information
Administration

OPEC Revenues Fact Sheet

Last Updated: August 21, 2018

OPEC net oil export revenues

- The U.S. Energy Information Administration (EIA) estimates that members of the Organization of the Petroleum Exporting Countries (OPEC) earned about \$567 billion in net oil export revenues (unadjusted for inflation) in 2017.
- The 2017 net oil export revenues increased by 29% from the \$441 billion earned in 2016, mainly as a result of the increase in average annual crude oil prices during the year and the increase in OPEC net oil exports.
- Saudi Arabia accounted for the largest share of total OPEC earnings, \$167 billion in 2017, representing nearly one-third of total OPEC oil revenues.
- EIA expects that OPEC net oil export revenues will rise to about \$736 billion (unadjusted for inflation) in 2018, based on forecasts of global oil prices and OPEC production levels in EIA's August 2018 [Short-Term Energy Outlook](#) (STEO).
- On a per capita basis, OPEC net oil export earnings are expected to increase by 27%, from \$1,147 in 2017 to \$1,459 in 2018.
- The expected increase in OPEC's net export earnings is attributed to higher forecast annual crude oil prices in 2018 compared with 2017 despite expected lower output during 2018.
- EIA's August 2018 STEO forecasts that OPEC crude oil production will average 32.3 million barrels per day (b/d) in 2018, 0.3 million b/d lower than in 2017.
- For 2019, OPEC revenues are expected to be \$719 billion, as a result of lower forecast crude oil prices. Slightly lower OPEC production and exports also contribute to the decline in expected earnings.

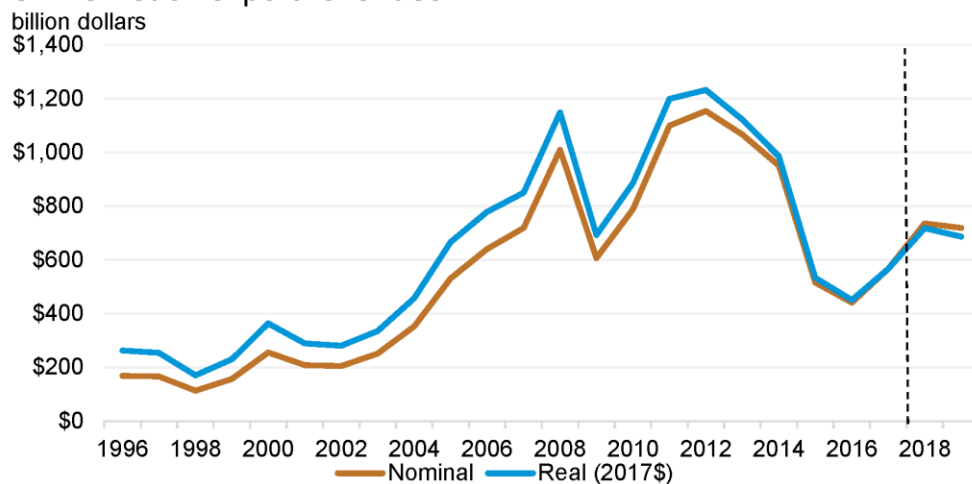
Methodology

- For each OPEC country, EIA derives net oil exports based on its oil production and consumption estimates from the August 2018 edition of the STEO.
- For countries that export several different varieties of crude oil, EIA assumes that the proportion of total net oil exports represented by each variety is equal to the proportion of the total domestic production represented by that variety. For example, if Arab Medium represents 20% of total oil production in Saudi Arabia, the estimate assumes that Arab Medium also represents 20% of total net oil exports from Saudi Arabia.

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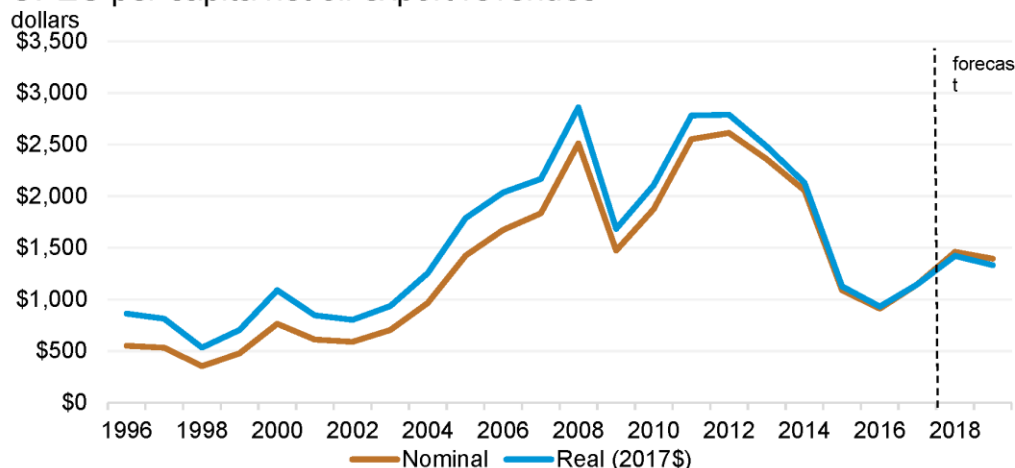
- EIA assumes that these exports are sold at prevailing spot prices. Projected revenues are estimated using EIA's forecasted oil prices from the STEO. These forecasts incorporate historical price differentials between spot prices for the different OPEC crude oil types and the benchmark crude oil prices forecasted in the STEO (Brent, West Texas Intermediate, and the average imported refiner crude oil acquisition cost).

OPEC net oil export revenues



Source: U.S. Energy Information Administration, derived from data published in the August 2018 *Short-Term Energy Outlook*.

OPEC per capita net oil export revenues



Source: U.S. Energy Information Administration, derived from data published in the August 2018 *Short-Term Energy Outlook*.

OPEC net oil export revenues

Country	Nominal (billion \$)					Real (billion 2017\$)				
	2016	2017	2018	2019	Jan-Jul 2018	2016	2017	2018	2019	Jan-Jul 2018
Algeria	\$20	\$22	--	--	\$16	\$20	\$22	--	--	\$15
Angola	\$26	\$31	--	--	\$22	\$27	\$31	--	--	\$21
Congo (Brazzaville)	\$3	\$5	--	--	\$5	\$3	\$5	--	--	\$5
Ecuador	\$4	\$5	--	--	\$3	\$4	\$5	--	--	\$3
Equatorial Guinea	\$4	\$4	--	--	\$3	\$4	\$4	--	--	\$3
Gabon	\$3	\$4	--	--	\$3	\$3	\$4	--	--	\$3
Iran	\$37	\$55	--	--	\$42	\$38	\$55	--	--	\$41
Iraq	\$53	\$69	--	--	\$54	\$54	\$69	--	--	\$52
Kuwait	\$37	\$46	--	--	\$35	\$38	\$46	--	--	\$34
Libya	\$2	\$11	--	--	\$9	\$2	\$11	--	--	\$9
Nigeria	\$25	\$34	--	--	\$27	\$26	\$34	--	--	\$26
Qatar	\$24	\$31	--	--	\$23	\$25	\$31	--	--	\$22
Saudi Arabia	\$134	\$167	--	--	\$130	\$137	\$167	--	--	\$126
United Arab Emirates	\$45	\$55	--	--	\$41	\$46	\$55	--	--	\$40
Venezuela	\$23	\$29	--	--	\$16	\$23	\$29	--	--	\$16
OPEC	\$441	\$567	\$736	\$719	\$428	\$450	\$567	\$718	\$686	\$417

View [nominal](#) or [real data](#) (1996-2019)

Note: Iranian net oil export revenues do not account for any discounts Iran may have offered its oil customers between the end of 2011 and January 2016.

Source: U.S. Energy Information Administration, derived from data published in EIA's August 2018 *Short-Term Energy Outlook*.

OPEC per capita net oil export revenues

Country	Nominal (\$)					Real (2017\$)				
	2016	2017	2018	2019	Jan-Jul 2018	2016	2017	2018	2019	Jan-Jul 2018
Algeria	\$490	\$532	--	--	\$374	\$501	\$532	--	--	\$365
Angola	\$906	\$1,024	--	--	\$714	\$926	\$1,024	--	--	\$697
Congo (Brazzaville)	\$543	\$859	--	--	\$895	\$555	\$859	--	--	\$872
Ecuador	\$236	\$283	--	--	\$203	\$241	\$283	--	--	\$198
Equatorial Guinea	\$3,017	\$3,109	--	--	\$2,106	\$3,081	\$3,109	--	--	\$2,053
Gabon	\$1,536	\$1,753	--	--	\$1,289	\$1,569	\$1,753	--	--	\$1,257
Iran	\$458	\$683	--	--	\$512	\$468	\$683	--	--	\$499
Iraq	\$1,431	\$1,815	--	--	\$1,366	\$1,462	\$1,815	--	--	\$1,332
Kuwait	\$9,350	\$11,303	--	--	\$8,432	\$9,550	\$11,303	--	--	\$8,223
Libya	\$363	\$1,701	--	--	\$1,449	\$371	\$1,701	--	--	\$1,413
Nigeria	\$136	\$179	--	--	\$135	\$139	\$179	--	--	\$132
Qatar	\$9,586	\$11,844	--	--	\$8,532	\$9,791	\$11,844	--	--	\$8,320
Saudi Arabia	\$4,167	\$5,092	--	--	\$3,875	\$4,256	\$5,092	--	--	\$3,779
United Arab Emirates	\$4,856	\$5,828	--	--	\$4,289	\$4,960	\$5,828	--	--	\$4,182
Venezuela	\$720	\$897	--	--	\$498	\$735	\$897	--	--	\$486
OPEC	\$912	\$1,147	\$1,459	\$1,396	\$847	\$931	\$1,147	\$1,423	\$1,332	\$826

View [nominal](#) or [real data](#) (1996-2019)

Note: Iranian per capita net oil export revenues do not account for any discounts Iran may have offered its oil customers between

the end of 2011 and January 2016.

Source: U.S. Energy Information Administration, derived from data published in EIA's August 2018 *Short-Term Energy Outlook*.

Annex 214

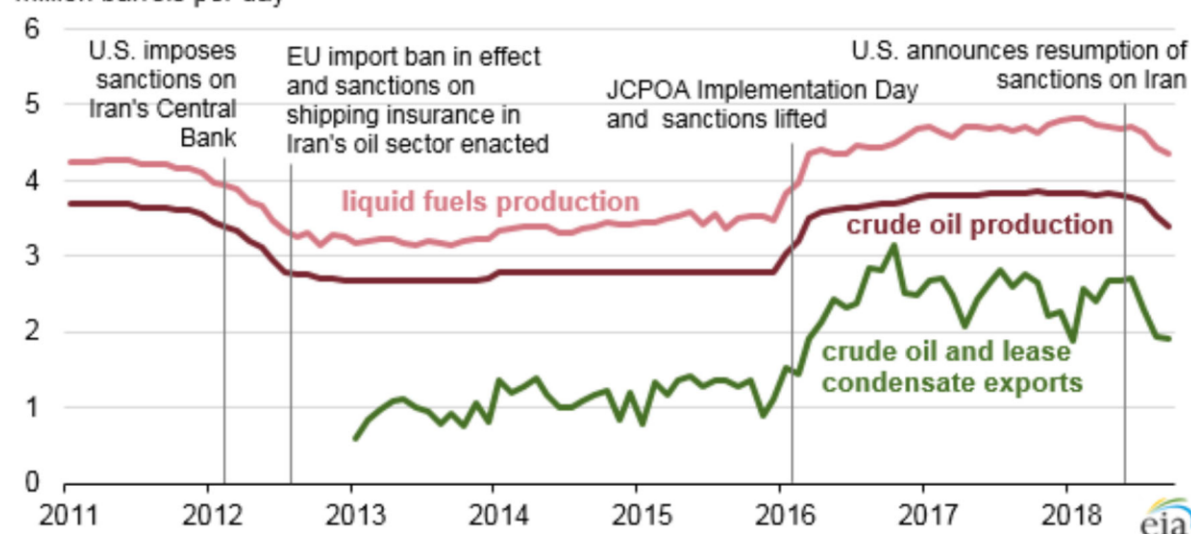
U.S. Energy Information Administration, “Iran has produced and exported less crude oil since sanctions announcement”, 23 October 2018

Today in Energy

October 23, 2018

Iran has produced and exported less crude oil since sanctions announcement

Iran liquid fuels, crude oil, and condensate production and exports (Jan 2011- Sep 2018)
million barrels per day



Source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, October 2018; ClipperData

Note: Liquid fuels production includes crude oil, lease condensate, hydrocarbon gas liquids, biofuels, and refinery processing gain.

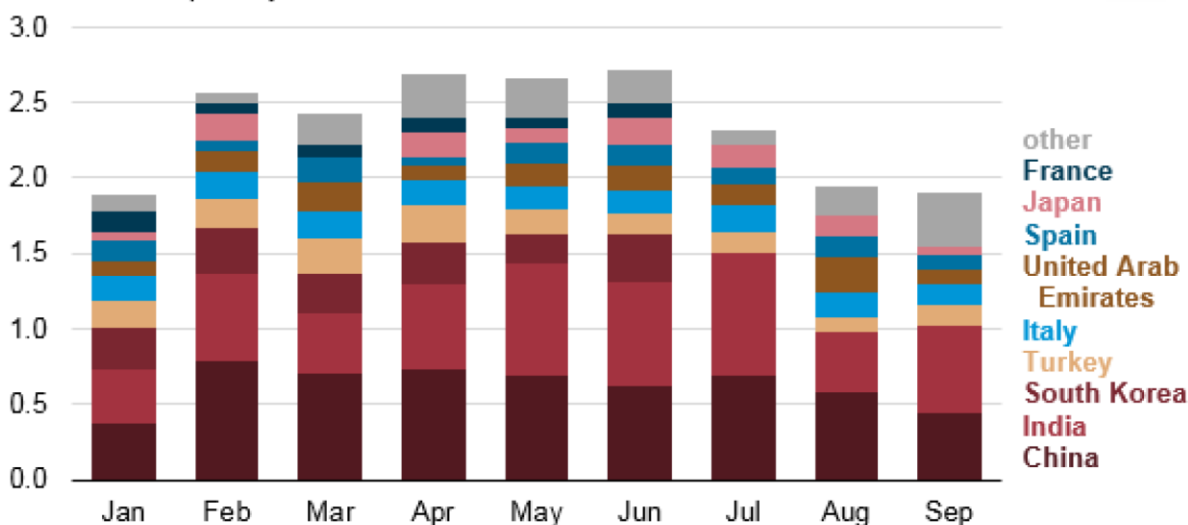
Iran's crude oil exports and production have declined since the May 2018 announcement by the United States that it would withdraw from the Joint Comprehensive Plan of Action (JCPOA) and reinstate sanctions against Iran.

The announcement included two wind-down periods to allow those doing business that involved Iran time to comply. On August 6, 2018, the first wind-down period ended and triggered the re-imposition of some sanctions. On November 4, 2018, the second wind-down period will end and trigger the re-imposition of full sanctions, including a number of measures that target Iran's energy sector.

According to data from ClipperData, Iran's exports of crude oil and condensate peaked in June at about 2.7 million barrels per day (b/d), more than 300,000 b/d higher than the average during the first four months of the year (before the May announcement of sanctions). In September, Iran's crude oil and condensate exports fell to 1.9 million b/d. Although some countries, such as France and South Korea, stopped importing crude oil and condensate from Iran in July, other countries continue to import from Iran. The United States has not imported crude oil and condensate from Iran in several decades.

Monthly Iran crude oil and lease condensate exports (2018)

million barrels per day



Source: U.S. Energy Information Administration, based on ClipperData

ClipperData indicates that China and India collectively received nearly half of Iran's crude oil and condensate exports in the first half of 2018. During this period, China's imports from Iran averaged 644,000 b/d and India's imports from Iran averaged 554,000 b/d. In September, China's imports from Iran dropped to 441,000 b/d, the second lowest level since December 2015, while India's imports from Iran were 576,000 b/d.

Whether Iran's energy exports are declining entirely because of the sanctions or for other reasons is unclear. Trade press reports indicate a willingness on India's part to at least partially comply with the sanctions, but China had continued to import from Iran even when previous sanctions were in effect.

In response to the announcement of sanctions by the United States, the European Union passed a statute to protect European companies doing business in Iran from the effects of U.S. sanctions. Despite this effort, data from ClipperData indicate that France has not imported any crude oil or condensate from Iran since June. In addition, Italy's and Spain's imports from Iran in September were 27,000 b/d and 15,000 b/d lower than their averages for the first half of the year. Some countries could continue to import Iran's crude oil and condensate until the November 4 deadline, at which point they might stop importing from Iran.

Iran's exports have fallen at a faster rate than production. Shipping operators have decreased operations with Iran, but Iran has continued to export largely through the state-run National Iranian Tanker Company (NITC) and the Islamic Republic of Iran Shipping Lines. Trade press reports indicate that as countries continue to decrease imports from Iran, some of Iran's shipping fleet is already being used as floating storage, where crude oil is placed onto ships and stored indefinitely.

Surplus crude oil production capacity in the Organization of the Petroleum Exporting Countries (OPEC) could be used to replace some of Iran's crude oil barrels that are coming off the market. Saudi Arabia's Arab Light is similar in composition to Iran Light crude oil and may provide refiners with a possible crude oil that would not require refiners to make significant alterations to their crude slates.

In addition, trade press reports indicate that Saudi Arabia is offering sales of Khuff condensate. However, the extent to which Saudi Arabia and other OPEC members offer enough volumes of crude oil and condensate to replace exports from Iran is unclear. After full sanctions are implemented in November, the total volumes of crude oil and condensate coming off the market will become more apparent in the following months.

Principal contributor: Matthew French

Annex 215

OPEC, “Monthly Oil Market Report”, 14 March 2019

Excerpts: p. 1, p. 60

OPEC

Monthly Oil Market Report

14 March 2019

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Review of global economic development

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OPEC crude oil production

According to secondary sources, **total OPEC-14 preliminary crude oil production** averaged 30.55 mb/d in February, a decrease of 221 tb/d over the previous month. Crude oil output decreased mostly in Venezuela, Saudi Arabia and Iraq, while production inched up in Libya and Angola.

Table 5 - 9: OPEC crude oil production based on secondary sources, tb/d

	2017	2018	2Q18	3Q18	4Q18	Dec 18	Jan 19	Feb 19	Feb/Jan
Algeria	1,047	1,042	1,031	1,059	1,055	1,051	1,024	1,026	2
Angola	1,634	1,505	1,493	1,470	1,497	1,484	1,435	1,457	22
Congo	252	318	324	320	320	327	317	316	0
Ecuador	530	519	519	526	517	518	517	522	5
Equatorial Guinea	133	125	127	124	116	103	112	126	14
Gabon	200	186	183	184	184	194	197	203	7
Iran, I.R.	3,813	3,553	3,818	3,603	2,982	2,724	2,731	2,743	12
Iraq	4,446	4,549	4,481	4,606	4,664	4,712	4,702	4,633	-70
Kuwait	2,708	2,746	2,707	2,797	2,774	2,800	2,723	2,709	-14
Libya	811	952	883	892	1,059	949	883	906	23
Nigeria	1,658	1,719	1,653	1,704	1,741	1,733	1,731	1,741	10
Saudi Arabia	9,954	10,311	10,114	10,422	10,749	10,586	10,172	10,087	-86
UAE	2,915	2,986	2,873	2,982	3,234	3,238	3,075	3,072	-4
Venezuela	1,911	1,354	1,406	1,272	1,191	1,172	1,150	1,008	-142
Total OPEC	32,013	31,864	31,613	31,961	32,082	31,591	30,770	30,549	-221

Notes: Totals may not add up due to independent rounding.

Source: OPEC Secretariat.

Table 5 - 10: OPEC crude oil production based on direct communication, tb/d

	2017	2018	2Q18	3Q18	4Q18	Dec 18	Jan 19	Feb 19	Feb/Jan
Algeria	1,059	1,041	1,025	1,066	1,067	1,063	1,033	1,025	-8
Angola	1,632	1,478	1,477	1,475	1,440	1,445	1,470	1,423	-47
Congo	263	327	328	329	330	323	353	367	15
Ecuador	531	517	516	524	516	520	524	533	10
Equatorial Guinea	129	120	124	118	112	111	109	101	-8
Gabon	210	194	185	192	206	209	209	..	..
Iran, I.R.	3,867	..	3,804	3,789	..	..	..	..	..
Iraq	4,469	4,410	4,360	4,460	4,460	4,465	4,575	4,545	-30
Kuwait	2,704	2,737	2,704	2,784	2,755	2,802	2,715	2,707	-8
Libya	..	..	..	..	..	..	..	..	..
Nigeria	1,536	1,605	1,526	1,611	1,671	1,797	1,646	1,731	85
Saudi Arabia	9,959	10,317	10,128	10,399	10,790	10,643	10,243	10,136	-106
UAE	2,967	3,001	2,876	2,998	3,285	3,250	3,070	3,050	-20
Venezuela	2,035	1,516	1,523	1,451	1,469	1,511	1,488	1,432	-56
Total OPEC	..	..	..	..	..	..	..	..	..

Notes: .. Not available.

Totals may not add up due to independent rounding.

Source: OPEC Secretariat.

Annex 216

International Energy Agency, “IEA statement on global oil markets”, 23 April 2019

IEA statement on global oil markets

[iea.org/newsroom/news/2019/april/iea-statement-on-global-oil-markets.html](https://www.iea.org/newsroom/news/2019/april/iea-statement-on-global-oil-markets.html)

[Home](#) » [Newsroom](#) » [News](#) » [2019](#) » [April](#)

23 April 2019



The IEA will continue to monitor the oil market closely (Photograph: Shutterstock)

The International Energy Agency is monitoring developments in global oil markets, and notes that markets are now adequately supplied, and that global spare production capacity remains at comfortable levels.

Further tightening of sanctions on Iran will have an impact on its export capacity. Iranian shipments of crude and condensates are running around 1.1 million barrels a day (mb/d) in April, 300 000 barrels a day lower than March, and 1.7 mb/d lower than May 2018.

As a result of OPEC's high compliance rate with the agreed supply cuts in the OPEC+ group, global spare production capacity has risen to 3.3 mb/d, with 2.2 mb/d held by Saudi Arabia and around 1 mb/d by the United Arab Emirates, Iraq and Kuwait.

Saudi Arabia's output in March dropped to 9.8 mb/d after it cut far more than required under the OPEC+ supply cuts. That is more than 1 mb/d below the record high of 11.1 mb/d that Saudi Arabia pumped last November.

Total oil supplies from the United States are expected to grow by 1.6 mb/d this year. Furthermore, as infrastructure bottlenecks in the United States are easing, oil exports are now more able to keep pace with production trends.

OECD oil inventories at the end of February 2019 were at 2,871 million barrels, which is above the five-year average.

The IEA notes that with global economic growth increasingly fragile, consumers and producers should take steps to avoid higher oil prices that will prove painful to all alike.

The IEA will continue to monitor the oil market closely, advise member countries, and remain engaged with major producers and consumers. As ever, the IEA stands ready to act if necessary to ensure markets remain well supplied.

Annex 217

**U.S. Energy Information Administration, “April 2019 Monthly Energy Review”, 25
April 2019**

Excerpts: p. 1, pp. 193-194

April 2019

Monthly Energy Review

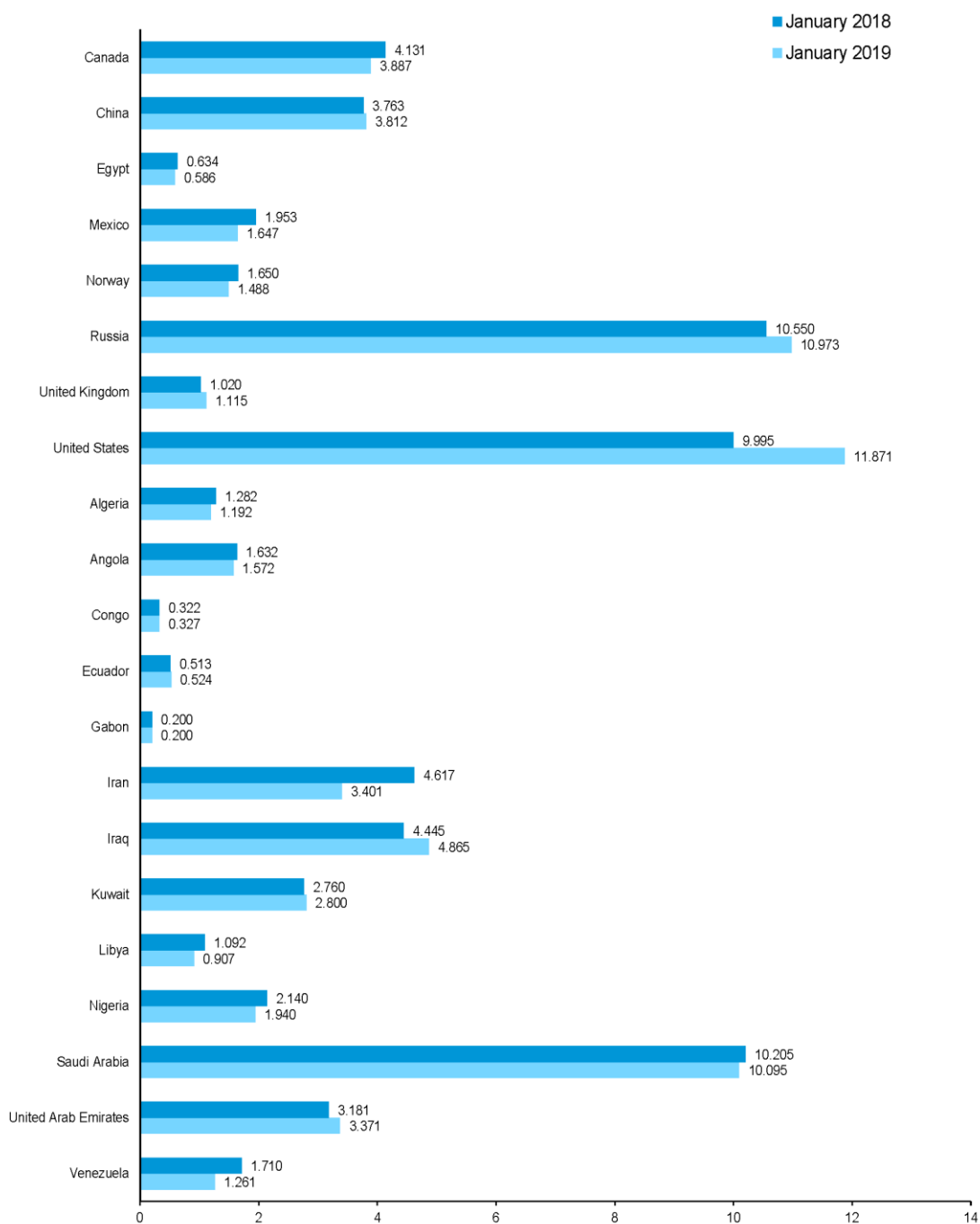


Independent Statistics & Analysis
U.S. Energy Information
Administration

www.eia.gov/mer

Figure 11.1b World Crude Oil Production by Selected Countries
(Million Barrels per Day)

Selected Non-OPEC and OPEC Countries



Note: OPEC is the Organization of the Petroleum Exporting Countries.
Web Page: <http://www.eia.gov/totalenergy/data/monthly/#international>.
Sources: Tables 11.1a and 11.1b.

Table 11.1a World Crude Oil Production: Selected OPEC Members
(Thousand Barrels per Day)

	Algeria	Angola	Congo (Brazza- ville)	Ecu- dor	Gabon	Iran	Iraq	Kuwait ^a	Libya	Nigeria	Saudi Arabia ^a	United Arab Emirates	Vene- zuela	Total OPEC ^b
1973 Average	1,097	162	35	209	150	5,861	2,018	3,020	2,175	2,054	7,596	1,533	3,366	R 29,276
1975 Average	983	165	37	161	223	5,350	2,262	2,084	1,480	1,783	7,075	1,664	2,346	R 25,612
1980 Average	1,106	150	65	204	175	1,662	2,514	1,656	1,787	2,055	9,900	1,709	2,168	R 25,151
1985 Average	1,036	231	120	281	172	2,250	1,433	1,023	1,059	1,435	3,368	1,193	1,677	R 15,358
1990 Average	1,180	475	165	285	270	3,088	2,040	1,175	1,375	1,810	6,410	2,117	2,137	R 22,527
1995 Average	1,162	646	188	392	365	3,643	560	2,057	1,390	1,993	8,231	2,233	2,750	R 25,616
1996 Average	1,227	709	201	396	368	3,686	579	2,062	1,401	2,001	8,218	2,278	2,938	R 26,079
1997 Average	1,259	714	253	388	370	3,664	1,155	2,007	1,446	2,132	8,362	2,316	3,280	R 27,399
1998 Average	1,226	735	265	375	352	3,634	2,150	2,085	1,390	2,153	8,389	2,345	3,167	R 28,351
1999 Average	1,177	745	270	373	331	3,557	2,508	1,898	1,319	2,130	7,833	2,169	2,826	R 27,237
2000 Average	1,214	746	280	395	315	3,696	2,571	2,079	1,410	2,165	8,404	2,368	3,155	R 28,965
2001 Average	1,265	742	255	412	270	3,724	2,390	1,998	1,367	2,256	8,031	2,205	3,010	R 28,106
2002 Average	1,349	896	249	393	251	3,444	2,023	1,894	1,319	2,118	7,634	2,082	2,604	R 26,469
2003 Average	1,516	903	247	411	241	3,743	1,308	2,136	1,421	2,275	8,775	2,348	2,335	R 27,865
2004 Average	1,582	1,052	235	528	239	4,001	2,011	2,376	1,515	2,329	9,101	2,478	2,557	R 30,371
2005 Average	1,692	1,239	229	532	266	4,139	1,878	2,529	1,651	2,627	9,550	2,535	2,565	R 31,795
2006 Average	1,699	1,398	242	536	237	4,028	1,996	2,535	1,736	2,440	9,152	2,636	2,511	R 31,488
2007 Average	1,708	1,724	207	511	244	3,912	2,086	2,464	1,787	2,350	8,722	2,603	2,490	R 31,153
2008 Average	1,705	1,951	233	505	248	4,050	2,375	2,586	1,803	2,165	9,261	2,821	2,510	R 32,550
2009 Average	1,585	1,877	268	486	242	4,037	2,391	2,350	1,696	2,208	8,250	2,560	2,520	R 30,791
2010 Average	1,540	1,909	340	486	246	4,080	2,399	2,300	1,710	2,408	8,900	2,570	2,410	R 31,596
2011 Average	1,540	1,756	288	500	241	4,054	2,626	2,530	485	2,474	9,458	2,849	2,500	R 31,579
2012 Average	1,532	1,787	260	504	230	3,387	2,983	2,635	1,432	2,457	9,832	2,994	2,500	R 32,822
2013 Average	1,462	1,803	239	526	220	3,113	3,054	2,650	978	2,307	9,693	2,938	2,500	R 31,754
2014 Average	1,420	1,742	233	556	220	3,239	3,368	2,642	530	2,347	9,735	3,010	2,500	R 31,803
2015 Average	1,429	1,802	238	543	213	3,293	4,045	2,784	484	2,171	10,168	3,149	2,500	R 33,070
2016 January	1,350	1,798	218	534	210	3,652	4,467	2,931	451	2,159	10,240	3,245	2,400	R 33,882
February	1,350	1,793	214	540	210	3,792	4,217	2,891	441	2,120	10,240	3,025	2,400	R 33,460
March	1,350	1,798	198	552	210	4,093	4,217	2,911	401	1,993	10,240	3,050	2,400	R 33,640
April	1,350	1,793	188	555	210	4,173	4,467	2,681	411	2,010	10,240	3,060	2,400	R 33,765
May	1,350	1,818	195	556	210	4,162	4,347	2,891	366	1,673	10,340	3,240	2,300	R 33,675
June	1,330	1,823	203	550	210	4,150	4,397	2,891	411	1,811	10,540	3,270	2,280	R 34,093
July	1,350	1,829	217	545	210	4,224	4,407	2,931	391	1,764	10,670	3,290	2,220	R 34,275
August	1,350	1,833	212	549	210	4,226	4,452	2,941	331	1,694	10,640	3,320	2,210	R 34,185
September	1,350	1,768	188	560	210	4,210	4,472	2,941	391	1,726	10,600	3,350	2,200	R 34,193
October	1,350	1,618	176	552	200	4,312	4,557	2,941	631	1,854	10,590	3,330	2,190	R 34,528
November	1,350	1,698	168	544	220	4,356	4,637	2,951	661	1,984	10,640	3,360	2,180	R 34,976
December	1,350	1,668	197	544	220	4,450	4,677	2,951	701	1,684	10,540	3,360	2,150	R 34,719
Average	1,348	1,770	198	548	211	4,151	4,444	2,905	466	1,871	10,461	3,243	2,277	R 34,119
2017 January	1,340	1,658	190	536	200	4,467	4,553	2,812	759	1,849	10,020	3,205	2,100	R 33,891
February	1,340	1,688	198	535	185	4,405	4,433	2,752	769	1,869	10,040	3,185	2,090	R 33,691
March	1,316	1,630	160	531	190	4,392	4,418	2,742	669	1,730	9,992	3,165	2,090	R 33,227
April	1,306	1,700	171	528	210	4,464	4,413	2,742	614	1,780	10,022	3,145	2,080	R 33,361
May	1,306	1,660	200	533	200	4,464	4,463	2,742	859	1,900	10,093	3,165	2,080	R 33,851
June	1,306	1,690	257	540	200	4,445	4,478	2,752	929	1,945	10,293	3,185	2,030	R 34,236
July	1,306	1,670	278	541	210	4,495	4,488	2,742	1,084	2,022	10,243	3,185	2,030	R 34,480
August	1,306	1,690	270	536	200	4,431	4,513	2,742	969	2,027	10,183	3,185	2,025	R 34,258
September	1,306	1,670	273	529	200	4,490	4,553	2,762	1,004	2,038	10,233	3,185	2,010	R 34,434
October	1,256	1,695	299	526	200	4,439	4,403	2,772	1,039	2,021	10,204	3,175	1,960	R 34,175
November	1,276	1,600	310	521	190	4,532	4,333	2,742	1,059	2,065	10,174	3,145	1,890	R 34,018
December	1,306	1,640	321	520	200	4,596	4,393	2,732	999	2,099	10,105	3,165	1,710	R 33,967
Average	1,306	1,666	244	531	199	4,469	4,454	2,753	897	1,946	10,134	3,174	2,007	R 33,967
2018 January	1,282	1,632	322	513	200	4,617	4,445	2,760	1,092	2,140	10,205	3,181	1,710	R 34,275
February	1,272	1,622	333	513	200	4,624	4,485	2,760	1,067	2,110	10,145	3,141	1,670	R 34,118
March	1,232	1,592	371	511	200	4,538	4,495	2,770	1,062	2,080	10,095	3,121	1,630	R 33,873
April	1,232	1,587	370	517	190	4,515	4,455	2,760	1,082	2,060	10,105	3,131	1,600	R 33,780
May	1,262	1,592	365	516	200	4,462	4,505	2,760	1,067	1,880	10,165	3,111	1,545	R 33,606
June	1,282	1,562	342	517	200	4,508	4,589	2,770	827	1,810	10,465	3,151	1,485	R 33,679
July	1,292	1,572	332	523	180	4,428	4,619	2,850	747	1,860	10,525	3,181	1,450	R 33,735
August	1,282	1,582	347	530	200	4,271	4,690	2,850	1,067	1,930	10,465	3,221	1,405	R 34,016
September	1,242	1,602	342	519	200	4,151	4,715	2,850	1,157	2,030	10,565	3,221	1,371	R 34,141
October	1,242	1,572	337	514	200	4,151	4,745	2,850	1,157	1,990	10,765	3,271	1,341	R 34,311
November	1,242	1,622	307	515	180	3,451	4,785	2,850	1,227	2,000	11,045	3,411	1,321	R 34,117
December	1,242	1,592	307	519	200	3,351	4,815	2,850	957	2,010	10,545	3,451	1,291	R 33,281
Average	1,259	1,594	340	517	196	4,254	4,613	2,807	1,042	1,991	10,425	3,216	1,484	R 33,909
2019 January	1,192	1,572	327	524	200	3,401	4,865	2,800	907	1,940	10,095	3,371	1,261	32,606

^a Except for the period from August 1990 through May 1991, includes about one-half of the production in the Kuwait-Saudi Arabia Neutral Zone. Kuwaiti Neutral Zone output was discontinued following Iraq's invasion of Kuwait on August 2, 1990, but was resumed in June 1991. As of July 2015 all Neutral Zone production is offline. Data for Saudi Arabia include approximately 150 thousand barrels per day from the Abu Safah field produced on behalf of Bahrain.

^b See "Organization of the Petroleum Exporting Countries (OPEC)" in Glossary. On Tables 11.1a and 11.1b, countries are classified as "OPEC" or "Non-OPEC" in all years based on their status in the most current year. For example, Equatorial Guinea joined OPEC in May 2017 and is thus included in "Total OPEC" for all

years.

R=Revised.

Notes: • Data are for crude oil and lease condensate; they exclude natural gas plant liquids. • Monthly data are often preliminary figures and may not average to the annual totals because of rounding or because updates to the preliminary monthly data are not available.

Web Page: See <http://www.eia.gov/totalenergy/data/monthly/#international> (Excel and CSV files) for all available annual and monthly data beginning in 1973.

Sources: See end of section.

Annex 218

E-mail from Honeywell (China) to Sinopec, 18 May 2018



Statement for ARUP ICSS

Liu, Hong Yang

收件人:

maosong@sei.com.cn, jinyaming@sei.com.cn

2018/05/18 10:23

抄送:

"Cheng, Wei (Ex CH01)", "Liu, Hong Liang (Ex CH03)", "Zheng, Gan", "Zhang, Yu (EX CH04)", "zhangli2@sei.com.cn"

隐藏详细信息

发件人: "Liu, Hong Yang" <Hongyang.Liu@Honeywell.com> 列表排序...

收件人: "maosong@sei.com.cn" <maosong@sei.com.cn>, "jinyaming@sei.com.cn"

<jinyaming@sei.com.cn>

抄送: "Cheng, Wei (Ex CH01)" <Wei.Cheng@honeywell.com>, "Liu, Hong Liang (Ex CH03)" <HongLiang.Liu@Honeywell.com>, "Zheng, Gan"

<Gan.Zheng@Honeywell.com>, "Zhang, Yu (EX CH04)" <yu.zhang@honeywell.com>,"zhangli2@sei.com.cn" <zhangli2@sei.com.cn>

原文: 已转发此消息。

Dear Mr. Mao,

Pls. kindly note that HON New Iran Policy has been changed and updated as below, in response to US president Trump's May 8th announcement that he is terminating the United States' participation in the Joint Comprehensive Plan of Action (the Iran nuclear deal).

1. All Iran orders/Iran business opportunity after May 8th 2018 must STOP or PEND.

2.

So, we regret to say we have to stop all activities about ARUP with you and end user.

Thanks for your kind attention, and any other question, pls. do feel free to contact us. Thanks.

Best Regards,

Liu Hong Yang

Honeywell (China) Ltd., EPC Export

A1 Building, C&W Industry Zone, No.14 Jiu Xian Qiao Road, ChaoYang District, Beijing, 100015

Cell: 13911893856

Honeywell

THE POWER OF CONNECTED

Annex 219

Letter from EEW China Marketing & Services to Sinopec, 31 May 2018



Fw: AW: AW: Important Re: SEI Abadan - EEW ref. 141221

eewbeijing

收件人:

chengjie

2018/05/31 13:26

抄送:

"landi_eew@126.com"

隐藏详细信息

发件人: "eewbeijing" <eewbeijing@126.com>

收件人: "chengjie" <chengjie@sei.com.cn>

抄送: "landi_eew@126.com" <landi_eew@126.com>

原文: 已答复此消息。

程经理,

您好! 关于此项目, 工厂回复, 根据现在的政治状况主要怕工厂做项目期间出现新的制裁。详见如下:

Considering current political situation, in case new sanctions will be remitted during project execution, under the circumstances for this specific project with high sophisticated and critical material grade involved and by considering the strict terms & conditions we'd better stop to follow it. Sorry to say but the potential risk to run into troubles with this kind of project is too high. For sure, as soon as the political situation becomes clearer for all of us, it is with our top management to decide and find a proper way to deal with it – for the whole EEW-group.

Best Regards.

2018-05-31

Hannah Wang

Director of Representative Office

EEW China Marketing & Services

Address: H805 Fortune Court, Jia 6, Shuguang Xi Road,

Chaoyang Dist. Beijing China 100028

Email: eewbeijing@126.com

Cell: +86 18600659778

Tel: +86-10-8265-7877/6338

+86-10-8444-0038

Fax: +86-10-8265-9242

Annex 220

Letter from Phocéenne to Sinopec, 7 June 2018



Fwd: 答复: 回复: ARUP: 1071-S1/O1-EP-PI-IR-5103 Alloy Steel Welded Pipe-
Commercial Clarification-Urgent

Karen

收件人:

chengjie

2018/06/07 17:32

隐藏详细信息

发件人: Karen <kzhao@genoyer.com.cn>

收件人: chengjie@sei.com.cn

FYI

发自我的 iPhone

以下是转发的邮件:

发件人: Edit Jermy <ejermy@genover.com>

日期: 2018年5月17日 GMT+8 20:00:41

收件人: "chengjie@sei.com.cn" <chengjie@sei.com.cn>, "kzhao@genoyer.com.cn" <kzhao@genoyer.com.cn>

抄送: Maryse KERGUEN <mkerguen@genoyer.com>

主题: 回复: □ 答复: 回复: ARUP: 1071-S1/O1-EP-PI-IR-5103 Alloy Steel Welded
Pipe-Commercial Clarification-Urgent□

Dear Mr Cheng

Thank you for your continuous trust

Unfortunately following the US sanctions against Iran , we are not able to continue to support
Sinopec
for ABADAN project , as the destination is Iran and also the end user is Iranian (NIOEC)
We regret but we are obliged to leave behind this project therefore please do not consider our
offers anymore

Thank you for,your understanding and cooperation

In the meantime we remain at your full disposal for any other request

Best regards

Edit Jermy
Back Office Sales & Asia area
junior sales



PHOCÉENNE

9/11 rue de Lisbonne
13742 VITROLLES

Bureau: +33 4 42 79 40 01
Mobile: + 33 6 11 54 73 22

Annex 221

E-mail from Roots Systems to Sinopec, 18 June 2018



收件人: "mazj@sei.com.cn" <mazj@sei.com.cn>,
"lejiadong@sinopec.com" <lejiadong@sinopec.com>, "hongjun@sei.com.cn"
抄送: <hongjun@sei.com.cn>, "liuxin2@sei.com.cn" <liuxin2@sei.com.cn>, Sean Swales
<sean.swales@rotolok.co.uk>, Helen Macefield <HelenM@roots-blowers.com>, Nigel
主题: RE: ARUP For Quotation-1071-S1-PM-RFQ-011-4351-A0-ROOTS S.U.N2
COMPRESSOR(C-5703)-Request on Confirmation
发件人: Graham Hook <Graham@roots-blowers.com> - 星期一 2018/06/18 19:18
归档: 此消息正在归档中被查看。

Dear Zhijiao,

**Our tender reference E18 – 13823 for NIOC Abadan Refinery, Hydrogen Plant SU
compressor C-5703**

Your e-mail dated 13th June 2018.

Subject: The supply of goods to Iran as outlined in the commercial letter from David Lee.

Regrettably we have decided that Roots Systems Ltd will withdraw our tender at this time.

We would very much wish to support Sinopec and NIOC with this project but, as you will appreciate, there is external pressures bearing down that make such a transaction difficult to execute with confidence. The last thing we would wish for is to let the project down.

Should there be a change in the political atmosphere enabling us to reverse this sentiment then we will of course be happy to manufacture and supply the compressor.

Best regards,

Graham Hook

From: Nigel Dolphin
Sent: 13 June 2018 09:46
To: Graham Hook <Graham@roots-blowers.com>
Subject: FW: ARUP For Quotation-1071-S1-PM-RFQ-011-4351-A0-ROOTS S.U.N2
COMPRESSOR(C-5703)-Request on Confirmation

From: mazj@sei.com.cn [mailto:mazj@sei.com.cn]
Sent: 13 June 2018 06:29
To: Helen Macefield <HelenM@roots-blowers.com>
Cc: lejiadong@sinopec.com; hongjun@sei.com.cn; liuxin2@sei.com.cn
Subject: ARUP For Quotation-1071-S1-PM-RFQ-011-4351-A0-ROOTS S.U.N2
COMPRESSOR(C-5703)-Request on Confirmation

Dear Sir:

Annex 222

Letter from Wuxi Compressor to Sinopec, 19 June 2018

Project No.:1071
Inquiry No.:1071-C1-PM-RFQ-009-4306-A1

MR No.: 1071-44-EP-PM-MR-4309
Quotation No.: W7AC043

Bidder's Company Name: WUXI COMPRESSOR Co.,LTD
Address: NO.199,Xiele Road, Machinery, Optical and Electronic Industrial Park,
Hongshan, New District, Wuxi, China
Contact in Charge: Mr. Wang Yongman / Mr. JiYi
Contact E-mail Box: wym@compressor-xy.com / jiyi@compressor-xy.com
Contact Available Phone: 13771065312 / 17701570817
Quotation Revision: REV.0

Subject: Confirmation instructions


Dear Mr Ma :

The U.S. sanctions on Iran is a very serious international trade issue that has involved trade between many countries, and KOBELCO will also be among them. Therefore, we are sorry to inform you that KOBELCO did not participate in Iranian business until the relevant sanctions were cancelled in the United States.

Thank you again for your understanding and support!

Bidder's Company Name: WUXI COMPRESSOR Co.,LTD

Bidder's Authorized Name (Print): WANG YONGMAN

Signature: 

Title: Vice Director of sales

Date: 2018.6.19

Annex 223

Letter from Sulzer to Sinopec, 19 June 2018

SULZER

سولزر پمپس سوزھو ھلدی ھمیت
سوزھو ۴۳۳ ۱۵
Sulzer Pumps Suzhou Ltd
433 Jianlin Rd, New District, Suzhou CHINA
215151

Date: June 19, 2018
To: Sinopec Engineering Incorporation
From: Sulzer Pumps Suzhou Ltd.
Re: Iran ARUP Project

Dear Sirs,

Thanks for your (undated) letter regarding the Iran ARUP project (subject: Request on Confirmation). Sulzer Pumps Suzhou Ltd. ("we"), as the manufacturer of VGO Feed Pumps (the "Pump Products"), are honored to supply the Pump Products through our distributor Beijing Faith Engineering & Technology Co., Ltd. ("Beijing Faith"), which we understand has submitted a bid to you for the Iran ARUP Project. As the Pump Products manufacturer, we are always dedicated to providing high-quality service and products in accordance with the relevant contracts and applicable laws.

However, we deeply regret we have to withdraw from the public bidding for Iran ARUP Project.

Valuing high our longstanding and very successful business relationship to-date, we feel obliged to explain you in more detail - and in person - our reasoning for this very difficult decision.

At the time the respective project open the public bidding, our approach to the Iran market (including the aforementioned cases) was relying on the assessment / fact to that date, that all parties participating in the IRAN deal remain committed to this deal's obligations, thus enabling us to engage into the discussed projects as foreseen.

Unfortunately and unexpectedly, the US changed their view and exited the IRAN deal; effectively threatening Non US companies with secondary sanctions if they continue with their Iran activities.

Accordingly, we are now facing a situation wherein we need to wind down such business by November 4, 2018.

As a result, and considering that the possible new project in this bidding cannot be fully executed / delivered by November 4th, we must at this point terminate our manufacturer authorization granted to Beijing Faith with respect to the ARUP Project under the Manufacture Authorization Letter dated July 26, 2017. Accordingly, we will have to discontinue the supply to Beijing Faith of the Pump Products or any other Sulzer products for the ARUP Project.

SULZER

We would like to emphasize that that such decision is for us extremely difficult and one that we are effectively 'forced' to make.

We truly count on your understanding under that status of a mutual trust & appreciation developed in the recent years.

Regards,

Sulzer Pumps Suzhou Ltd.
(Seal)

Annex 224

Letter from Howden to Sinopec, 19 June 2018



Date: [19/06/2018]
To: SINOPEC ENGINEERING INCORPORATION
Bldg.21 Anyuan, Anhui Beili Chaoyang District 10010
Beijing City
The People's Republic of China

Howden Hua Engineering Co., Ltd.
12B,F Jinyu Mansion, No. 129
Xuanwumen Xidajie, Xichang District
Beijing 100031, P. R. China
Tel: + 86 10 6641 8988
Fax: + 86 10 6641 0071
Web: www.howden.com

Re: Notice of Termination on Letter of Intent ("LOI") dated on Dec.29, 2017 for ABADAN REFINERY
UPGRADING PROJECT and on Signing of Purchase Order (Purchase Order No.:
1071-C1-PM-PQ-003-4302-A0-0) ("PO")

Dear Sir/Madam,

As a result of President Trump's announcement on May 8th, 2018 that the United States is withdrawing from the Iran nuclear deal and will re-impose primary and secondary sanctions on Iran, The U.S. Office of Foreign Assets Control ("OFAC") issued guidance indicating that General License H ("GLH"), which authorizes non-U.S. subsidiaries of U.S. companies to conduct commercial business in Iran, will be repealed and that all sanctions on Iran will be fully re-imposed. Howden Hua Engineering Co. Ltd. ("HHEL"), as an affiliate of Colfax Group, a legally registered U.S. company, is unable to fulfill any obligations nor otherwise legally responsible for any loss or damages because of the sanctions, and/or Force Majeure event and/or any subsequent civil unrest. Accordingly, entering into any contract/ Purchase Order and/or performance under contracts with/to the scope/extent shall be frustrated and thus no cause of action for breach or liability will arise as a consequence of this matter and any subsequent civil unrest.

Please allow this letter to serve as a written Notice of Termination on LOI and Termination on signing the Purchase Order cited above ("PO") on the date of [19/06/2018]. As a consequence thereof, please note that HHEL will not 1) enter into the Purchase Order as LOI mentioned or 2) generate any further performance on LOI and/or PO; and in accordance with the LOI / PO and this Notice of Termination, HHEL shall be entitled to be paid for all MATERIAL/Services delivered and/or can be delivered or utilized, notwithstanding any other provision in the Purchase Order.

We sincerely regret for any inconvenience this sudden event has caused to you due to the circumstances beyond control. We will work with you to implement the changes and appreciate your cooperation and patience during this hard time. We hope that we will have other opportunities to work with your company in the future.

Sincerely Yours,

Signature:

Name: Lin Zheng

Title: Petrochemical Oil & Gas Director/VP

Revolution Around You

Annex 225

Letter from GEA to Sinopec, 20 June 2018

میریت سہارہ حق



GEA Wiegand GmbH, Postfach 100935, D-76293 Ettlingen

To : SEI
21# Anyuan, Anhui Beili
Chaoyang District, Beijing
Post Code: 100101

Attn : Lucy Liu

Oliver Kuck

Head of APC Chemicals - Vacuum Systems

Tel: +49 7243 705 409
Fax: +49 7243 705 8 409
oliver.kuck@gea.com

20.06.2018

Project : Abadan Refinery Upgrading Project – Phase 1
Requisition No. : 1071-C1-EP-ME-IR-4203-A1
GEA Wiegand Reference No. : 53-18-09397

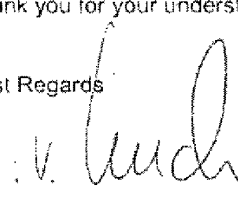
Dear Sir,

Thank you very much for your inquiry.

Unfortunately, due to the recent developments in world politics,
we are not allowed to follow this project any more.

Thank you for your understanding.

Best Regards


i.v.
Oliver Kuck

GEA Wiegand GmbH
Am Hardtwald 1, 76273 Ettlingen, Deutschland
Tel: +49 7243 705 0, www.gea.com, gea-wiegand.info@gea.com
Sitz der Gesellschaft: Ettlingen, Handelsregister: Amtsgericht Mannheim HRB 360206, USt-Id. Nr.: DE811154462
Geschäftsführung: Dr.-Ing. Christopher Braun (Vorsitzender), Günther Hölzinger
Deutsche Bank Karlsruhe (BLZ 660 700 34) 794 875, Steuer-Nr.: 105 5857 1004
IBAN: DE91 6607 0004 0079 4375 00, BIC: DEUTDE33HAN

Annex 226

E-mail from Kelvion China to Sinopec, 21 June 2018



转发: 答复: AW: Large Project Approval Application (Two-Pagers)

杨振华 收件人: 刘昕

2018/08/06 11:07

FYI

ARUP Lead Buyer(ME)

Jaward Yang

Office Tel.: 00 86 10 8487 5018

E-mail: yangzh@sei.com.cn

Address: 21# Anyuan Anhuibeili, Chaoyang District, Beijing, China. (P.C 100101)

----- 转发人 杨振华/采购部/Sei 时间 2018/08/06 11:07 -----

发件人: "Tang, Robin" <Robin.tang@kelvion.com>
 收件人: "yangzh@sei.com.cn" <yangzh@sei.com.cn>
 日期: 2018/06/21 20:07
 主题: 转发: 答复: AW: Large Project Approval Application (Two-Pagers)

Dear Mr. Yang,

We just have been informed from our CSO of KELVION GROUP, who has discussed with the other board members of Kelvion. They have considered the current Europe-America relationship and the situation of the US administration and regretfully decided that KELVION shall not pursue the Iran ARUP export business due to the current US government attitude toward Iran may affect the execution of the order and cause unexpected damages to SEI and Kelvion.

We would like to thank SEI, you, your colleagues and ARUP customer for the trust in Kelvion and we are sorry that we are not able to assist in the ARUP project.

Best Regards

Robin Tang

Kelvion China / 凯络文中国

(Formerly GEA HX Holding Group / 原GEA热交换器事业部)

Fax +86 21 6196 0777

Mobile +86 185 5012 0670

robin.tang@kelvion.com

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Floor 27, Junyao International Plaza, No. 789, Zhao Jia Bang Road, Shanghai 200032, P.R.China

中国上海市徐汇区肇嘉浜路789号均瑶国际广场27楼 邮编: 200032



保密声明

本邮件及其附件, 可能包含机密信息, 如果未经同意收到了此邮件, 请及时发邮件通知我们并删除邮件及一切附件从您的系统中删除。谢谢!

Confidentiality note

This e-mail, including any attachment, may contain confidential and privileged information. If you have received it by mistake, please notify us by reply e-mail and then delete this e-mail and any attachment from your system. Thank you!

On Jun 5, 2018, at 18:50, Cheng, Hao <Henry-Hao.Cheng@kelvion.com> wrote:

Annex 227

Letter from EagleBurgmann Dailian Co. Ltd to Sinopec, 26 June 2018

EagleBurgmann®

Telefax

公司
Company Sinopec Engineering Inco. (SEI)
收件人
Attn. Ms. Charming Yang
cc
部门
Department Purchasing dept.
主题
Subject About sanction impact related with Iran business
Telefax
页数
Pages 1-1
Ref.
日期
Date 26.06.2018

发件人
From Rebecca Ruan
部门
Department Sales
电话
Phone
Telefax
E-Mail Rebecca.ruan@eagleburgmann.com
公司
Company Burgmann Dalian Co., Ltd.

Dear Ms. Yang

Due to the upcoming Sanction implementation related with Iran business , EagleBurgmann headquarter informed EagleBurgmann China recently, that all Iran related business must be closed before Nov.,04,2018.

In this case, we have to inform SEI side that EagleBurgman China have to give up all the quotations we've done for Abadan Refinery Upgrading Project, since we don't have enough time to finish all the pending jobs before this deadline.

We're regret that this unpredictable political issue just happened and we have to follow it.

Thanks for the opportunities that you offer us and looking forward for other chance of cooperation.

Sincerely Yours ,

Rebecca Ruan

EagleBurgman Dalian Co., Ltd.

June,26th ,2018

Annex 228

**Letter from Beijing Kelitong Instrument Technology Development Co. LTD to
Sinopec, 26 July 2018**

Iran ARUP project Confirmation Letter

Sinopec Engineering Incorporation(SEI):

Due to the US sanctions, SERVOMEX can't trade with Iran, Beijing Kelitong Instrument Technology Development Co.LTD as SERVOMEX agent can't participate in the ARUP project, we are deeply sorry for not being able to participate in this project.

Can't participating the inquiry documents numbers are:

1071-S1-EP-IN-IR-7401/7402

BeijingKelitong Instrument Technology Development Co.LTD

2018 7 26

张海涛 26/7

Annex 229

F. Mohamedi, “The Oil and Gas Industry”, *The Iran Primer*, August 2015

The Oil and Gas Industry

 iranprimer.usip.org/resource/oil-and-gas-industry

Fareed Mohamedi

Lifting sanctions could revive oil and natural gas production in Iran. Foreign private and national oil companies are looking to invest in the Islamic Republic, particularly in light of changes to investment terms offered by the Iranian government. Plans for pipelines and liquid natural gas could also be revived.

The Iranian economy is heavily dependent on the lucrative oil and gas sector. The vagaries of oil markets and Iran's reliance on a single resource for most of its income have created disincentives to develop a more diversified and globally integrated economy. This weakness has made sanctions more potent. But impaired access to imports may have also boosted domestic production to some extent. Nonetheless, the oil and gas sector has been a source of periodic but persistent economic instability.

Iran's oil and gas sectors have faced key structural problems. On the demand side, subsidized prices and a population that has doubled since the 1979 revolution have created excessive demand. On the supply side, an aging oil resource base has been stymied by financial constraints, technical shortages, sanctions, and using gas to stimulate oil production.

One of the ironies of the oil-rich Gulf states' predicament – Iran's situation is typical of the region -- is that they are short on hydrocarbon resources. Moreover, as global environmental concerns mount, Gulf countries are facing pressures to curb their greenhouse gas emissions. Both factors are pushing the Gulf to explore alternative energy sources, including nuclear options.

Overview

In 1908, Iran was the first country in the Persian Gulf to discover oil. Petroleum has been the primary industry in Iran since the 1920s. Despite Tehran's attempts to diversify the economy, the oil and gas industry is still the critical engine of economic growth. Oil revenues over the past few years have accounted for around 60 percent of government revenues. But this figure dropped to 47 percent in 2015 after low oil prices forced the government to revise the state budget. Additionally, oil revenues comprised only around 10 percent of the gross domestic product. This trend has remained fairly steady over the last few decades.

The Iranian government's dependence on oil revenues has resulted in prolonged patterns of rentierism—or dependence on a single natural resource—in its political economy. Some analysts have claimed that Iran's "revenue autonomy" and access to large amounts of foreign exchange helped fund an eight-year war with Iraq and extremist groups. But historically, oil attracted external interference by foreign powers, and the sector has suffered in the last several

decades. Production was acutely affected during the revolution, especially by workers' strikes. During the Iran-Iraq War, the invasion of oil-rich Khuzestan and the port of Abadan severely impacted revenues. And Iran's disputes with Western countries led to sanctions that crippled its ability to buy badly needed equipment and new refineries from the West.

Vulnerabilities

The revolutionary government has struggled since the 1979 revolution to maintain oil production above 3.5 million barrels per day—just over one-half of production under the last shah. Iran produced 6 million barrels per day in the monarchy's final years. Production fell to a low of 1.5 million barrels per day in 1980. The long period of low oil prices between 1986 and 2000 also crippled Iranian revenues.

Iran's revenues have fluctuated due to the vagaries of the world's oil markets, periodically depressing government revenues. The government has often not been able to cut spending for political reasons and funded its deficits by borrowing from the Central Bank. Periodic bouts of lower oil prices have also led to foreign exchange shortfalls and a fall in imports, especially industrial inputs. Excessive domestic demand and disrupted industrial production has led to periods of high inflation.

Misuse of oil revenues has also caused long term-economic problems. After he was first elected in 2005, former president Mahmoud Ahmadinejad embarked on a populist spending program encouraged by higher oil prices. But his plan overcommitted the government to support social welfare, which Tehran could not afford due to sanctions and, later, the drop in oil prices in 2014. Iran had built up its foreign exchange because of higher oil prices over the past decade, but portions of the reserves were impounded by foreign countries as part of the sanctions regime.

When President Hassan Rouhani took office in 2013, he prioritized reforming the oil and gas sector. He appointed Bijan Zanganeh as his oil minister. Zanganeh, who previously held the post under reformist president Mohammad Khatami, claimed that "the problem we are facing now in the petroleum industry is not finance, but management problems." Zanganeh and Rouhani had some success reforming poor management in the oil industry. But by 2015, international sanctions still restricted the industry from reaching its full potential.



Subsidy Reform

Iran's longstanding subsidies — to support consumption of refined oil products and natural gas — became a huge burden on the Iranian budget and its balance of payments due to runaway consumption and rising imports of gasoline. Fuel subsidies cost the government \$38 billion per year, or around 20 percent of GDP.

The government began an initial phase of subsidy reform in 2010, initiating a second phase in 2014. In May 2015, subsidy cuts raised the price per liter of gasoline from 7,000 rials to 10,000 rials – about \$1.28 per gallon.

The International Monetary Fund called the subsidy reform program “unprecedented in Iran’s economic history in terms of its scale, preparations and potential implications.” The government used the higher cash earnings from raising product prices for universal cash transfers to households, direct assistance to public enterprises and budgetary support.

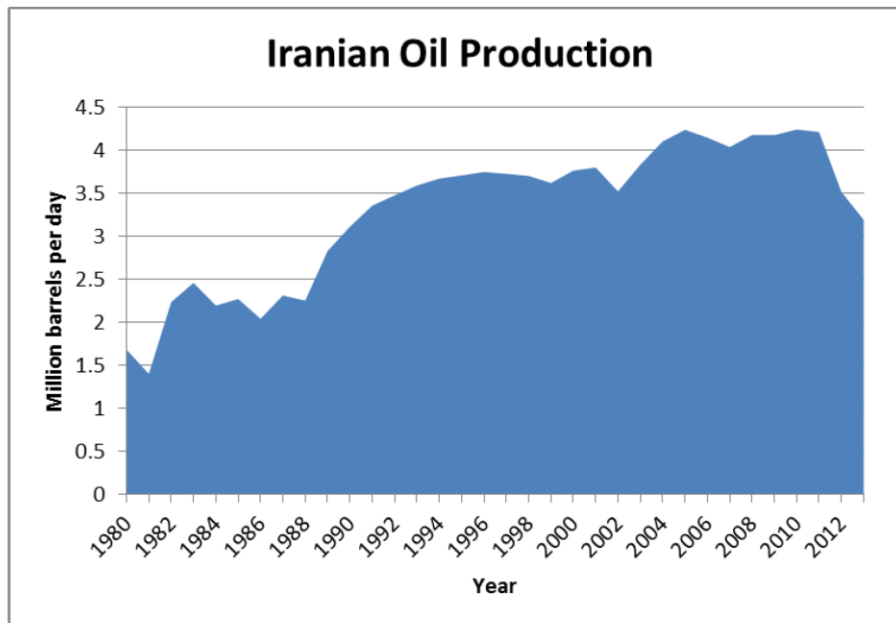
But this move coincided with new sanctions, which led to a deceleration in growth, rise in inflation and currency devaluation. It also led to a sharp fall in cash needed to fund the subsidy removal program. Other inflationary policies by the government undermined the program.

In fact, the government’s efforts did not even reduce refined product consumption. In 2005, Iran consumed 1.3 million barrels per day (bpd) of refined products, 350,000 of which were gasoline. Iran imported around 150,000 bpd of gasoline - nearly 45 percent of consumption. By 2014, demand had grown to 1.6 million bpd, a clear indication that subsidy reform had not been successful in suppressing consumption.

By 2015, Iran had undertaken major efforts to reduce its dependence on foreign imports of refined products. Iran consumed 437,000 bpd of gasoline in 2014, but imports had fallen to a mere 25,000 bpd. Increased refining capacity, even in the face of sanctions, led to near self-sufficiency.

Oil

Iran is the second largest OPEC producer and the fifth largest globally (after Russia, Saudi Arabia, the United States and China). Its oil sector is one of the oldest in the world. Production started in 1908 at the Masjid-i-Suleiman oil field. As a result, Iran has one of the world’s most mature oil sectors. About 80 percent of its reserves were discovered before 1965. Iran has already produced 75 percent of its reserves, so the likelihood of other major discoveries is low. Iran has made some important new discoveries in the past decade, such as the Yadavaran and Azadegan fields, but they have not been sufficient to alter the trend in oil reserves depletion.



Source: Energy Information Administration

Over the years, Washington has imposed escalating waves of sanctions on Tehran, many of which targeted the oil and gas industry. In 2010, it produced some 3.54 million bpd, though by early 2015 production had dropped to around 3 million bpd. In 2011 and 2012, the United States and European Union imposed the harshest round of sanctions to date. By 2014, Iran's oil exports plummeted from 2.5 million bpd to 1.4 million bpd, their lowest levels since 1986. The limited sanctions relief in the 2013 interim nuclear deal allowed Iran to modestly increase its export of condensates to China and India, but progress quickly leveled off.

Before the sanctions, the National Iranian Oil Company (NIOC) held crude production around 4 million barrels per day range for several years. This was a major achievement since most oil sectors with depletion rates of 75 percent usually witness steep declines in production. Indeed, Iran's base production is declining around 4 percent per year. The recently discovered new sources allowed Iran to hold oil production relatively steady. They could have even helped production levels to grow somewhat beyond that, if sanctions had not placed other restraints on output.

But new sources may not be able to offset natural declines beyond the short-term. As a result, Iran will have to rely heavily on proven but undeveloped reserves, which will require major new investments. Production capacity is likely to fall because of geological constraints, the lack of domestic technical capacity, financial constraints and international sanctions.

In the 1990s, Iran attempted to attract foreign companies to develop its crude oil reserves, partly because it lacked the technical and financial resources to develop them. The contract terms were called Buy-back arrangements, whereby foreign oil companies developed the field and were paid back in crude oil produced. The field under development was returned to NIOC's control after repayment was completed. These arrangements were unpopular with foreign

companies, even though several large oil and gas fields were developed. Dissatisfaction with the contract, along with the threat of renewed sanctions, led most private Western companies to leave.

The final nuclear deal in 2015 generated renewed interest in Iranian oil, in anticipation of sanctions relief. Iran's government also issued a new set of contract terms more favorable to foreign companies. Unlike Buy-back contracts, the new Iran Petroleum Contract (IPC) allows companies to participate in all three stages of an oil or gas field's lifecycle – exploration, development and production.

In a Buy-back contract, foreign companies had a fixed target and were compensated with a pre-determined amount, without the opportunity to increase output through sophisticated means over the field's lifecycle. The IPC allows for contract changes depending on the complexity of the projects. Other provisions allow foreign companies to participate for up to 25 years – compared to the five to eight years in the original Buy-backs – which increases incentives to maximize production. In 2015, European companies, including Total SA of France, ENI of Italy, Royal Dutch Shell, and British Petroleum (BP), indicated their interest in resuming oil investments in Iran.

Since the end of the 2000s, Tehran has increasingly looked East to attract national oil companies into the Iranian upstream industry. The greatest activity has been with China, which has held talks on major projects since Sinopec signed the contract for the Yadavaran field in 2007. But proceeding to actual development has been slow, even for Yadavaran. The Chinese companies reduced their activities after new U.N. sanctions were imposed. It remains to be seen whether these projects will be reactivated in the near term.

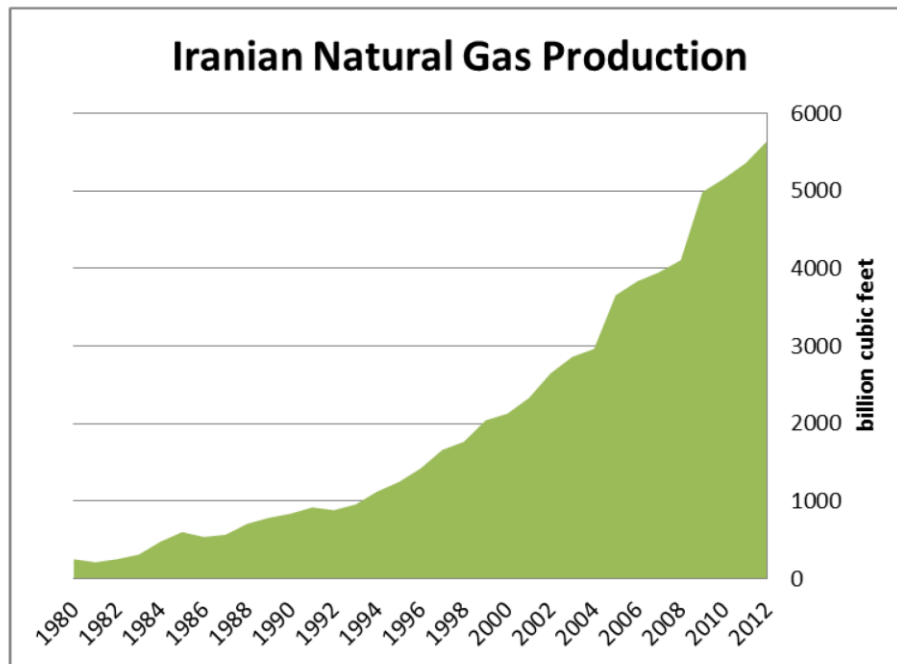
Refining capacity

Iran's refineries are operated by the National Iranian Oil Refining and Distribution Company (NIORDC). NIORDC operates 15 refineries with a combined crude distillation capacity of 2.04 million barrels per day, according to Facts Global Energy. NIORDC has capacity to produce 1.86 million bpd and has at least nine refineries. Capacity has more than doubled since the early 1990s, and considerable work has been done to upgrade the refineries.

Until recently, Iran primarily refined low-value fuel oil. It relied on imports of higher value-added refined products, such as gasoline, jet fuel and diesel, to accommodate the growing public appetite for subsidized fuels, especially gasoline. NIORDC plans to build five more refineries and three condensate splitters – with the rise in gas production, condensates have become an important source of liquids output. The project could add 2 million bpd to capacity at a cost of \$27 billion, according to the Middle East Economic Survey. After sanctions, Iranian officials hope that foreign companies invest in some of this capacity. European and Japanese companies have shown some interest in both investment and construction in the sector.

Natural gas

Iran has the second largest gas reserves in the world after the Russian Federation. For two decades, its production growth has increased by an average of 10 percent, yet Iran has only depleted five percent of its gas reserves. Iran's problem is that its ability to produce has lagged behind its domestic needs. Demand has surged because of economic and population growth. Natural gas has also been liquified and used as a substitute for gasoline and other transport fuels. As Iran's oil sector has become more mature, the government has had to use more gas for reinjection into maturing oil fields in order to maintain oil production.



Source: Energy Information Administration

Iran must continue to develop its reserves at a rapid rate to meet this demand. Iran's main asset is the giant off-shore South Pars field in the Persian Gulf, which it shares with Qatar. It is the world's largest gas field. Qatar has sped ahead with development of its field, but Iran has lagged way behind. Tehran has made some progress in developing several phases of the South Pars gas field in recent years. But achieving full potential of this giant field plus other fields will be a challenge over the near term because of technical and financial constraints.

Developing its natural gas sector also requires a heavy commitment to building the necessary infrastructure. Iran's gas production is in the south of the country, but the bulk of its demand is in the north. It has built an impressive pipeline network to transport this gas, but growing demand has increased the need to expand domestic pipelines.

Since it can barely meet domestic demand, Iran has not been able to deliver on its ambitious gas export program beyond the current pipeline exports to Turkey. Due to sanctions, Iran has not developed the necessary infrastructure to export liquefied natural gas. Regional pipeline projects to Oman and the United Arab Emirates have stalled over pricing disputes. And security

concerns have delayed a 2013 plan to build a gas pipeline to Iraq. For its own needs, Iran will continue to rely on gas imports, mainly from Turkmenistan – which are getting more expensive because of competition for this gas from China.

Industry structure and control

The Ministry of Petroleum, which has control over the National Iranian Oil Company, reports to the president with oversight from the parliament. But the dividing line between the ministry and Iran's oil company is often indistinct. The position of NIOC managing director was only established in 2000 as a separate post. But in reality, as a vestige of the past, the two institutions still share personnel and offices.

The Ministry also controls the National Iranian Gas Company, the National Iranian Petrochemical Company, and the National Iranian Oil Refining and Distribution Company. In 2006, the ministry submitted a bill to parliament proposing that NIOC manage all four companies. But the bill did not pass because Ahmadinejad's supporters did not want the ministry to create more autonomous companies.

For most of the revolution's first three decades, an "oil mafia" under the influence of former President Akbar Hashemi Rafsanjani controlled both the ministry of petroleum and the National Iranian Oil Company. Ahmadinejad initially failed to assume control over the sector after his election in 2005. Parliament rejected his first few choices for oil minister. In his second term, he was become more successful in prying control away from the oil mafia, especially after parliament approved Massoud Mir-Kazemi. He has a strong background in the Revolutionary Guards (IRGC) and the defense ministry, which reflects the power shift. He was former head of the IRGC think tank, the Center for Fundamental Studies.

Under Ahmadinejad, the Revolutionary Guards' influence grew within NIOC, as well as in the service sector. Khatam ul-Anbia, the IRGC construction arm, strengthened its role throughout the Iranian economy, including the oil and gas sector. In 2006, it won a contract to develop South Pars Phases 15-16. In 2009, it took over the Sadra Yard, a firm that has built many platforms in the Persian Gulf and the recently completed Alborz semi-submersible rig which will drill in the Caspian Sea. While the Revolutionary Guards' profile grew, it also faced financing difficulties. International sanctions have deterred banks from funding Phases 15-16 due to its link with Khatam ul-Anbia.



Starting in 2013, President Rouhani and Oil Minister Zanganeh attempted to alter some of the structural changes undertaken by Ahmadinejad. Zanganeh re-appointed oil ministry managers removed by his predecessor, and has been at least partially successful at scaling back the involvement of the IRGC. He also attempted to slow privatization of oil ministry subsidiaries, though with limited success by 2014.

Trendlines

The end of international sanctions may revive investment in the oil and gas sector in the

short term, which could lead to an increase in oil and gas output.

The sharply lower oil price could keep the Iranian economy on the defensive, since Iran balances its external accounts around \$75 per barrel.

If sanctions are lifted, higher oil output and exports may increase export earnings. Greater foreign investment in the oil and gas sector may also help boost economic growth and improve the liquidity of external accounts.

Fareed Mohamedi has been an oil and gas analyst for 35 years.

This chapter was originally published in 2010, and is updated as of August 2015.

PDF Economy_Mohamedi_Oil and Gas.pdf202.89 KB

Annex 230

**H. Tunnicliffe, “Sinopec to upgrade Iran’s Abadan refinery”, *The Chemical Engineer*,
9 July 2018**

Sinopec to upgrade Iran's Abadan refinery

 thechemicalengineer.com/news/sinopec-to-upgrade-iran-s-abadan-refinery

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The Chemical Engineer

Monday 9th July 2018

Article by Helen Tunnicliffe

SINOPEC ENGINEERING has won an engineering, procurement and construction (EPC) contract to upgrade Iran's ageing Abadan refinery.

The Abadan refinery is Iran's oldest, originally built in 1912, and partially rebuilt from the 1980s onward following extensive damage in the Iraq-Iran war. It currently has a capacity of around 400,000 bbl/d. The National Iranian Oil Engineering and Construction Company, which owns the refinery, wants to upgrade the refinery, which operates at low efficiencies, and produces large amounts of mazut, a low-grade fuel oil.

The new contract is for Phase II of the upgrade project, and Sinopec says the contract value is CNY6.858bn (US\$1.06bn). Sinopec also carried out Phase I of the upgrade.

Iran is keen to expand and improve its oil production and refining capacity since international sanctions were lifted in 2016. A number of contracts have been announced for exploration, field development and refinery building and upgrades, including with [Total](#), [CNPC](#), [Shell](#) and [Daewoo](#). Most recently, South Korea's Daelim Industrial Company signed a US\$1.9bn contract to expand the Isfahan refinery.

Managing director of National Iranian Oil Refining and Distribution Company Abbas Kazem recently told reporters that upgrading the Tehran, Bandar Abbas, Isfahan, Tabriz and Abadan refineries would require around US\$14bn of investment.


Article by [Helen Tunnicliffe](#)

Senior reporter, The Chemical Engineer

Annex 231

S. Kar-Gupta & J. Irish, “France's Total to quit Iran gas project if no sanctions waiver”, *Reuters*, 16 May 2018

France's Total to quit Iran gas project if no sanctions waiver

 [reuters.com/article/us-iran-nuclear-france-total/frances-total-to-quit-iran-gas-project-if-no-sanctions-waiver-idUSKCN11H1XK](https://www.reuters.com/article/us-iran-nuclear-france-total/frances-total-to-quit-iran-gas-project-if-no-sanctions-waiver-idUSKCN11H1XK)

PARIS (Reuters) - Total ([TOTF.PA](#)) will pull out of a multibillion-dollar gas project in Iran if it cannot secure a waiver from U.S. sanctions, the French energy company said on Wednesday.



FILE PHOTO: The logo of French oil giant Total is seen at a gas station in La Defense business and financial district in Courbevoie, near Paris, France, May 14, 2018.

REUTERS/Charles Platiau

Companies are starting to take matters into their own hands as European and some other governments struggle to save an international nuclear deal with Iran after the United States withdrew and said it would reinstate sanctions on Tehran.

Determined to keep the accord alive, European leaders need to find a way to assure companies that their investments are beyond Washington's extra-territorial reach.

They also want to persuade Tehran the 2015 deal - which lifted earlier sanctions on the Islamic Republic in exchange for it curbing its nuclear ambitions - is worth sticking to.

Total signed a contract in 2017 to develop phase 11 of Iran's South Pars field with an initial investment of \$1 billion - a contract Tehran repeatedly hailed as a symbol of the accord's success.

"Total will not continue the SP11 (South Pars 11) project and will have to unwind all related operations before 4 November 2018, unless Total is granted a specific project waiver by U.S. authorities with the support of the French and European authorities," the French oil and gas major said in a statement.

Total's announcement comes after German insurer Allianz ([ALVG.DE](#)) and Danish oil product tanker operator Maersk Tankers said they were winding down their businesses in Iran. Joe Kaeser, the CEO of Germany's Siemens ([SIEGn.DE](#)), told CNN his company would not be able to do any new business with Tehran.

Iran has said it may start enriching uranium again if it can no longer see any economic benefit to the deal.

'SUICIDE'

Total said any waiver would need to include protection from secondary sanctions that Washington might impose on companies that continue to do business with Iran.

These might include the loss of financing in dollars by U.S. banks, the loss of U.S. shareholders and the inability to continue its U.S. operations, it said.

France, Germany and Britain are leading a European effort to safeguard Europe's economic interests but have few options that pose any threat to the United States.

"It would be suicide to do any new business or funding for Iran or Iran-related companies without explicit guarantees from the U.S. government. They have us by the throat because so much business is conducted and cleared in dollars," one European investment banker said.

"The fines are in the multibillions these days so it's just not worth the risk for a small piece of business and maybe pleasing a (European) government."

An official in the French finance ministry said "precise requests" were being lodged with the U.S. authorities, including for Total, and that the company's decision was not a surprise.

A European diplomat was more blunt: "We have a situation where there is a will to impose sanctions on Europeans and a resentment towards European companies who are now being accused of supporting a terrorist state. With that in mind it's a logical decision."

Total said it had so far spent less than 40 million euros (\$47 million) on the project and withdrawing would not impact the company's production growth targets.

Iranian oil minister Bijan Zanganeh said the French firm would not pay a penalty if it pulled out of the project.

Italy's Eni ([ENI.MI](#)), which last June signed a provisional agreement with Tehran to conduct oil and gas feasibility studies, said after Washington's decision to quit the nuclear deal last week that it had no plans for new projects in Iran.

In an unintended twist, U.S. President Donald Trump's decision to threaten European companies that continue to invest in Iran may open the door to Chinese rivals.

Industry sources told Reuters this week that China's CNPC, which holds a 30 percent stake in the South Pars project, was ready to take over Total's majority stake in the project if it pulled out.

(\$1 = 0.8463 euros)

Reporting by Sudip Kar-Gupta and John Irish in Paris; Additional reporting by Stephen Jewkes in Milan Writing by Richard Lough; Editing by Mark Potter

Our Standards:[The Thomson Reuters Trust Principles](#).

Annex 232

N. Tzur, “Poland’s PGNiG plans to suspend gas project in Iran because of U.S. sanctions”, *Reuters*, 18 May 2018

CORRECTED (OFFICIAL)-Poland's PGNiG plans to suspend gas project in Iran because of U.S. sanctions

 [reuters.com/article/iran-nuclear-europe-pgnig/corrected-polands-pgnig-plans-to-suspend-gas-project-in-iran-because-of-u-s-sanctions-idUSFWN1SP0TA](https://www.reuters.com/article/iran-nuclear-europe-pgnig/corrected-polands-pgnig-plans-to-suspend-gas-project-in-iran-because-of-u-s-sanctions-idUSFWN1SP0TA)

(Corrects to say PGNiG “plans to suspend” instead of “suspends” in line with the intentions of the deputy chief executive)

KRAKOW, Poland, May 18 (Reuters) - Poland’s dominant gas firm PGNiG plans to suspend a gas project in Iran because of the risk from U.S. sanctions, the company’s deputy chief executive said.


“There is not much we can do about the contract in Iran. Any moment the sanctions will be put in place and nobody wants to take a risk,” Maciej Wozniak of the state-run PGNiG told Reuters.

“We can take risks when we are drilling and looking for hydrocarbons, but we will not take risks playing politics,” he said, adding the project consisted of providing technical expertise in gas extraction in Iran. (Reporting by Wojciech Zurawski Writing by Marcin Goettig; Editing by Adrian Croft)

Annex 233

**G. De Clercq, “Engie says to end engineering contracts in Iran by November”,
Reuters, 18 May 2018**

Engie says to end engineering contracts in Iran by November

 [reuters.com/article/us-engie-iran/engie-says-to-end-engineering-contracts-in-iran-by-november-idUSKCN11J22K](https://www.reuters.com/article/us-engie-iran/engie-says-to-end-engineering-contracts-in-iran-by-november-idUSKCN11J22K)

PARIS (Reuters) - French gas and power group Engie (ENGIE.PA) said on Friday it would end its engineering contracts in Iran by November.

President Donald Trump's withdrawal of the United States from the nuclear accord with Iran and his order that sanctions be reimposed on Tehran have led several European companies to announce their exit from the country, including French oil major Total (TOTF.PA) earlier this week.

Engie CEO Isabelle Kocher said at a shareholders' meeting that the utility has no infrastructures in Iran but has engineering teams working there for clients.

"We have 180 days to end these contracts, which takes us to November. It will be done," she said.

Reporting by Geert De Clercq; Editing by Adrian Croft

Annex 234

**V. Soldatkin, “Lukoil puts Iran plans on hold due to threat of U.S. sanctions”, *Reuters*,
29 May 2018**

Lukoil puts Iran plans on hold due to threat of U.S. sanctions

 [reuters.com/article/us-russia-lukoil-iran/lukoil-puts-iran-plans-on-hold-due-to-threat-of-u-s-sanctions-idUSKCN1IU1M7](https://www.reuters.com/article/us-russia-lukoil-iran/lukoil-puts-iran-plans-on-hold-due-to-threat-of-u-s-sanctions-idUSKCN1IU1M7)

MOSCOW (Reuters) - Lukoil, Russia's second biggest oil producer, said on Tuesday it had decided not to go ahead with plans to develop projects in Iran at the moment due to the threat of U.S. sanctions, a company official said.

The United States plans to impose new sanctions on Iran after pulling out of a 2015 agreement between Iran and major world powers to limit Tehran's nuclear ambitions.

"Considering the latest developments, I guess, it's too early to say what our plans (about Iran) will be. For the moment, basically, we have everything on hold," the official told a conference call which followed publication of Lukoil's first-quarter results on Monday.

Lukoil said on Monday its first-quarter net profit rose to 109.1 billion rubles (\$1.8 billion), up 75 percent on the previous year with the help of rising oil prices.

The official said that company's focus remained on its domestic business. "We don't plant to do anything material on the international M&A side," he said.

Lukoil has been in talks with Iran over development of Abe Timur and Mansuri oilfields.

Reporting by Vladimir Soldatkin. Editing by Jane Merriman

Annex 235

H. Choi, “South Korea's Daelim industrial says \$2.08 billion order from Iran cancelled”, *Reuters*, 1 June 2018

South Korea's Daelim industrial says \$2.08 billion order from Iran canceled

 [reuters.com/article/us-daelim-ind-iran/south-koreas-daelim-industrial-says-2-08-billion-order-from-iran-canceled-idUSKCN1IX44G](https://www.reuters.com/article/us-daelim-ind-iran/south-koreas-daelim-industrial-says-2-08-billion-order-from-iran-canceled-idUSKCN1IX44G)

SEOUL (Reuters) - South Korea's Daelim Industrial said on Friday that a contract worth 2.23 trillion won (\$2.08 billion) for a refinery project in Iran was canceled.

The order was canceled as the Esfahan Refinery Upgrading Project failed to procure financing because of economic sanctions imposed on Iran, Daelim said in a regulatory filing.

Reporting by Haejin Choi; Editing by Vyas Mohan

Annex 236

“European refiners winding down purchases of Iranian oil”, *Reuters*, 6 June 2018

European refiners winding down purchases of Iranian oil

 reuters.com/article/us-iran-oil-europe/european-refiners-winding-down-purchases-of-iranian-oil-idUSKCN1J21F0

LONDON (Reuters) - European refiners are winding down oil purchases from Iran, closing the door on a fifth of the OPEC member's crude exports after the United States imposed sanctions on Tehran, company and trading sources said.



FILE PHOTO: Fuel nozzles are seen at a petrol station in Madrid, Spain, May 29, 2018.
REUTERS/Sergio Perez/File Photo

Although European governments have not followed Washington by creating new sanctions, banks, insurers and shippers are gradually severing ties with Iran under pressure from the U.S. restrictions, making trade with Tehran complicated and risky.

U.S. President Donald Trump on May 4 announced his decision to quit a landmark 2015 nuclear deal between Iran and world powers and reimposed sanctions on Tehran. The sanctions on Iran's petroleum sector will take effect after a 180-day "wind-down period" ending on Nov. 4.

"We cannot defy the United States," said a senior source at Italy's Saras, which operates the 300,000-barrels-per-day (bpd) Sarroch refinery in Sardinia.

Saras is determining how best to halt its purchasing of Iranian oil within the permitted 180 days, the source said, adding: "It is not clear yet what the U.S. administration can do but in practice we can get into trouble."

A drop in crude trading between Iran and Europe could complicate efforts by the European signatories of the nuclear deal - France, Germany and Britain - to salvage the agreement.

Refiners including France's Total, Italy's Eni and Saras, Spain's Repsol and Cepsa as well as Greece's Hellenic Petroleum are preparing to halt purchases of Iranian oil once sanctions bite, the sources said.

These refiners account for most of Europe's purchases of Iranian crude, which represent around a fifth of the country's oil exports.

Iran's crude sales to foreign buyers averaged around 2.5 million bpd in recent months, according to data collected by Reuters and EU statistics office Eurostat. The bulk of the exports go to Asia.

(For a graphic on 'Iranian crude exports' click reut.rs/2Jw4ehD)

The companies, most of which have long-term contracts with Iran's national oil company, will continue to purchase cargoes until the sanctions take effect, the sources said.

Total, Europe's largest refiner, does not intend to request a waiver to continue crude oil trading with Iran after Nov. 4, according to people with direct knowledge of the matter. That effectively means it will be unable to keep purchasing crude.

Eni said it had an oil supply contract outstanding for the purchase of 2 million barrels per month, expiring at the end of the year.

Repsol and Hellenic Petroleum declined to comment.

"Our trading activity (remains) business as usual ... We continue to strictly conform with European Union and international laws and regulations," a Cepsa spokesman said.

Iranian crude can be substituted by Russian Ural grades, whose prices have risen following the U.S. announcement, as well as crude from Saudi Arabia, trading sources said.

(For a graphic on 'Iran's crude oil trade' click reut.rs/2Lq7Jnh)

WAIVER

Some of the refiners, including Cepsa, are considering whether to request a waiver from U.S. authorities to continue buying beyond the November deadline in order to complete their term agreements.

"With a longer-term contract in place, we're hoping to get a six-month waiver," an industry source close to Cepsa said. "From November, we don't know if any cuts will have to be partial or total."

Crude trade between Iran and Europe has risen sharply since the lifting of tough sanctions on Tehran in 2015.

But banks, shipping firms and insurance companies are now distancing themselves from the Islamic republic, leaving Europe's refiners few options but to stop oil purchases.

"It's a matter of finding a tanker and an insurer that will cover it. It's definitely not easy right now," a source at Repsol said.

Hellenic had to stop imports because the Swiss bank that it used was no longer processing payments to Iran, an industry source familiar with the situation said.

Asian buyers are also expected to reduce their purchases. India's Reliance Industries Ltd, owner of the world's biggest refining complex, plans to halt oil imports from Iran, two sources familiar with the matter said last week.

Additional reporting by Ahmad Ghaddar in London, Stephen Jewkes in Milan and Angeliki Koutantou in Athens; Editing by Dale Hudson

Our Standards: [The Thomson Reuters Trust Principles.](#)

Annex 237

T. Di Christopher & S. Sedgwick, “U.S. sanctions mean no big oil company can risk doing business with Iran, Total CEO says”, *CNBC*, 20 June 2018

US sanctions mean no big oil company can risk doing business with Iran, Total CEO says

 [cnbc.com/2018/06/20/no-big-oil-company-can-risk-doing-business-with-iran-total-ceo-says.html](https://www.cnbc.com/2018/06/20/no-big-oil-company-can-risk-doing-business-with-iran-total-ceo-says.html)

Tom DiChristopher | Steve Sedgwick

June 20, 2018

French energy giant Total has yet to permanently pull out of Iran following the renewal of U.S. sanctions, but CEO Patrick Pouyanne on Wednesday sounded a pessimistic note about his company's prospects in the country.

Total positioned itself to develop a portion of the world's largest natural gas field after the 2015 Iran nuclear deal lifted punishing sanctions on the Iranian economy. However, the company is now preparing to abandon the Persian Gulf project unless the U.S. government issues the company a sanctions waiver.

That would protect Total from so-called secondary sanctions, which the United States can use to punish foreign companies that engage in prohibited activity with Iran. Washington gave firms 90 to 180 days to wind down their business in the country after President Donald Trump withdrew the United States from the nuclear deal last month.

"There's not a single international company like Total who can work in any country with secondary sanctions. I don't have the right. It's just the reality of the world," Pouyanne told CNBC at an OPEC seminar in Vienna.

Pouyanne acknowledged that his position probably does not sit well with Europe's leaders. The European Union has attempted to salvage the nuclear deal by passing measures aimed at protecting the bloc's firms that have business dealings in Iran.

But Pouyanne told CNBC he must be pragmatic and face reality.

"The reality is that the capital of the world today is in the hands of the U.S.," he said. "Is it right that in this world the U.S. [is] using that ... to impose some rules for other countries? That's a debate."

Secondary sanctions are particularly perilous for multinationals like Total. Engaging in sanctioned activity with Iran could prompt the American government to cut Total off from the massive U.S. financial system and force the firm to wind down its operations in the States.

"The U.S. could decide that I could not have access to any U.S. financing," Pouyanne said. "It's impossible, let me be clear, to run an international company like Total without having access to U.S. financing or to U.S. shareholding."

Total says U.S. banks are involved in about 90 percent of the company's financing operations, while American investors account for more than 30 percent of its shareholding. The company has more than \$10 billion deployed in U.S. operations.

By comparison, Total spent less than 40 million euros, or roughly \$46 million, on its project developing the massive South Pars natural gas field in Iranian waters.

Annex 238

“U.S. Toughens Stance on Future Iran Oil Exports”, *The Wall Street Journal*, 26 June 2018

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<https://www.wsj.com/articles/u-s-signals-zero-tolerance-on-future-iran-oil-exports-1530028859>

WORLD

U.S. Toughens Stance on Future Iran Oil Exports

Senior official says any country that imports Iranian oil after November risks sanctions



A gas flare on an Iranian oil-production platform in Soroush oil fields in the Persian Gulf. PHOTO: RAHEB HOMAVANDI/REUTERS

By Ian Talley

Updated June 26, 2018 7:24 p.m. ET

WASHINGTON—The U.S. threatened to slap sanctions on countries that don't cut oil imports from Iran to "zero" by Nov. 4, part of the Trump administration's push to further isolate Tehran both politically and economically, a senior U.S. State Department official said.

Buyers of Iranian crude had expected the U.S. would allow them time to reduce their oil imports over a much longer period, by issuing sanctions waivers for nations that made significant efforts to cut their purchases. That expectation was partly based on previous comments from top Trump officials, as well as the Obama administration's earlier effort to wean the world off Iranian oil over several years.

But the senior State Department official said on Tuesday that President Donald Trump’s administration doesn’t plan to issue any waivers and would instead be asking other Middle Eastern crude exporters over the coming days to ensure oil supply to global markets.

The tactic is likely to further escalate geopolitical tensions between the U.S. and other nations as the Trump administration pits itself against its allies and other major economies over its nearly unilateral policy toward Iran and a host of challenges on trade.

Oil prices immediately jumped on the news, with West Texas Intermediate crude for August delivery ending 3.6% higher at \$70.53 a barrel on the New York Mercantile Exchange. That marked the highest level since May, when the White House said it would pull out of the 2015 Iran nuclear accord—which the U.S. and other major countries reached with Tehran to curb its nuclear development—and would reimpose crushing sanctions on one of the world’s largest oil suppliers.

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“We will certainly be requesting that their oil imports go to zero without question by Nov. 4th,” the official said of other countries’ purchases of Iranian oil.

While the administration won’t rule out issuing sanctions waivers in the future, the official said, its predisposition is: “No, we’re not going to do waivers.”

“We view this as one of our top national-security priorities,” the official said.

The move is likely designed to spur greater global compliance with U.S. sanctions. Most major importers of Iranian crude have balked at Washington’s new economic offensive against Tehran.

Two weeks ago, Andrew Peek, deputy assistant secretary of State for Iran and Iraq, said the U.S. was prepared to issue waivers if countries made major reductions in Iran oil imports. “It needs to be significant but will probably vary from country to country,” he said then.

Top administration officials from the State and Treasury departments have jetted around the world in recent days to persuade other countries to cut use of Iranian crude and warn them that any companies, banks or traders that handle Iranian oil face U.S. penalties, including the risk of being frozen out of U.S. markets. The senior State Department official said allies in Europe and Asia already had been warned, and trips to China, India and Turkey were in the works.

Governments are being cautioned that Secretary of State Mike Pompeo and the White House “aren’t kidding about this,” the official said. China and India, two of the largest buyers of Iranian crude, “will be subject to the same sanctions that everybody else is if they engage in those sectors of the economy.”

The Trump administration, in pulling out of the nuclear accord and reimposing economywide sanctions on Iran that hit not just the oil sector, but also the banking, shipping, trade and insurance markets, said it wants to force Tehran to radically overhaul its nuclear and military posture in the region.



A crew member working in the engine room of the oil tanker 'Devon' in March as it prepared to sail to to pick up crude oil in Iran for export. PHOTO: ALI MOHAMMADI/BLOOMBERG NEWS

Banks’ reluctance to deal with Iran is already taking its toll on Tehran’s oil exports. Exports have fallen to an average of 2.2 million barrels a day this month, compared with 2.7 million barrels a day in May, according to data from London-based consulting firm Vortexa. Earlier this month, Indian Oil Corp. , the country’s largest refiner, said it was considering cutting Iran crude imports after a decision by government-run State Bank of India to stop dealing with Tehran.

European refiners, which buy around a third of Iran’s oil exports, are also dropping out. Italy’s Saras is considering no longer buying Iranian oil because its banks don’t want to finance such trades even before the Nov. 4 deadline, according to company officials. The company said last week it had made no final decision. European refiners say they have already started buying more oil from Saudi Arabia, Russia and Iraq to make up for upcoming reductions in Iranian oil.

Meanwhile, economic woes have triggered a new round of protests in Iran, posing a challenge to President Hassan Rouhani’s government as it struggles to tackle persistent double-digit inflation and unemployment. Economic concerns in the country have been aggravated by the Trump administration’s exit from the 2015 nuclear accord.

Mr. Pompeo warned last month that Tehran would face “the strongest sanctions in history” if it didn’t yield to U.S. demands that it temper its nuclear and regional ambitions. He also suggested the Iranian public could take matters into its own hands.

The administration’s more aggressive stance on sanctions could bolster its leverage over Tehran, but it also complicates the White House’s other diplomatic and political priorities.

The move puts particular pressure on major trans-Atlantic allies that import hefty amounts of crude from Iran at a time when Mr. Trump is ratcheting up tensions with European nations over trade and seeking their support for his North Korea pressure campaign and other foreign-policy goals.

European officials said in recent weeks they expected oil imports would have to start gradually falling after the November deadline, giving them time to explore how to keep Iran in the nuclear deal and prevent it from resuming its nuclear activities.

Tuesday’s announcement could deflate those hopes. “This is really unhelpful and part of an escalation plan. We strongly disagree with this plan,” a senior European diplomat said.

Many in Europe had been hoping the administration might continue the Obama-era practice of giving sanction waivers for 20% reductions in imports.

Another senior European official cautioned that the U.S. policy may turn out to be more bark than bite, particularly as Washington will likely struggle to persuade other countries to accede to their demands on such a sensitive issue as energy imports. “They will not succeed,” the person said.

Separately, European officials have said they would try to maintain banking channels to ensure continued trade and investment, including energy imports, though many analysts question whether they will be able to do so.

In Asia, the U.S. is relying on China to help it keep pressure on North Korea by cutting the financial and economic ties vital to Pyongyang. Some analysts say China’s government will likely keep importing Iranian crude, banking on Washington’s desire for its cooperation on North Korea.

And as the administration’s Iran policy risks pushing up oil prices as the U.S. heads into elections this year, the White House could face its own domestic political backlash.

The more aggressive policy could push oil prices past \$85 a barrel by the third quarter of the year, said Frank Verrastro, a top energy expert at the Center for Strategic and International Studies in Washington.

While oil from other suppliers can fit the refining specifications set for Iranian crude

and Russia and other major producers have signaled they will increase output, other production squeezes could exacerbate the upward price pressure sanctions are putting on markets.

Mr. Verrastro said the International Energy Agency was too optimistic in its recent estimate that the world has around 3.5 million barrels a day of spare production capacity that could offset Iran's 2.4 million in daily exports. That assumes nearly all of the spare capacity currently offline in Saudi Arabia and other major exporters could come back online and run smoothly, he said, noting that hurricanes, labor strikes, technical problems and political turmoil often tighten the spigot on global oil supplies.

"I would guess they reassess in November, when prices are rising heading into the election season," Mr. Verrastro said.

—Benoit Faucon in London, Laurence Norman in Brussels, Michael R. Gordon in Washington and Aresu Egbali in Tehran contributed to this article.

Write to Ian Talley at ian.talley@wsj.com


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Annex 239

R. Valdmanis, “Indonesia's Pertamina says Iran oil field deal frozen over U.S. sanctions”, *Reuters*, 26 June 2018

Indonesia's Pertamina says Iran oil field deal frozen over US sanctions

 [reuters.com/article/gas-conference-pertamina/indonesias-pertamina-says-iran-oil-field-deal-frozen-over-us-sanctions-idUSL8N1TS5UJ](https://www.reuters.com/article/gas-conference-pertamina/indonesias-pertamina-says-iran-oil-field-deal-frozen-over-us-sanctions-idUSL8N1TS5UJ)

WASHINGTON, June 26 (Reuters) - Indonesia's government decided last month to freeze Pertamina's deal to operate the Mansouri oil field in Iran because it wanted to preserve the country's "good relationship" with the United States, Pertamina's Acting Chief Executive Nicke Widyawati said on Tuesday.

"We have a good relationship with the United States, and so, it is on hold," Widyawati told Reuters, adding that the decision came after consultations between Indonesia's presidency, energy and mines ministry, and Pertamina.

Widyawati made the comments at an event on the sidelines of a global natural gas conference in Washington. She would not say whether the Mansouri project was likely to be revived in the future.

The U.S. State Department on Tuesday said it was pushing allies to cut their crude imports from Iran to zero as part of renewed sanctions it is imposing after President Donald Trump abandoned a deal reached in late 2015 that limited Tehran's nuclear ambitions.

Indonesia, a former OPEC member, is becoming a growing energy trading partner with the United States, with a 20-year liquefied natural gas supply deal with U.S. exporter Cheniere Energy that begins this year.

Widyawati said some portion of early deliveries from that deal would likely be resold by Pertamina's trading operation, since Indonesia's own gas production will likely meet domestic demand until at least 2020.

"Yes, some of it will be resold," she said.

She said, however, Indonesian gas demand would rise sharply in the coming years due to new petrochemicals facilities and a gas-fired power plant coming on line. (Reporting by Richard Valdmanis; Editing by David Gregorio)

Our Standards: [The Thomson Reuters Trust Principles.](#)

Annex 240

“U.S. pushes allies to halt Iran oil imports, waivers unlikely”, *Reuters*, 27 June 2018

U.S. pushes allies to halt Iran oil imports, waivers unlikely

 [reuters.com/article/us-usa-iran/u-s-pushes-allies-to-halt-iran-oil-imports-waivers-unlikely-idUSKBN1JM26Q](https://www.reuters.com/article/us-usa-iran/u-s-pushes-allies-to-halt-iran-oil-imports-waivers-unlikely-idUSKBN1JM26Q)

WASHINGTON (Reuters) - The United States has told countries to cut all imports of Iranian oil from November and is unlikely to offer any exemptions, a senior State Department official said on Tuesday as the Trump administration ramps up pressure on allies to cut off funding to Iran.

U.S. President Donald Trump in May said his administration was withdrawing from the “defective” nuclear deal agreed between Iran and six world powers in July 2015, aimed at curbing Tehran’s nuclear capabilities in exchange for the lifting of some sanctions, and ordered the reimposition of U.S. sanctions against Tehran that were suspended under the accord.

“Yes, we are asking them to go to zero,” the official said when asked if the United States was pushing allies, including China and India, to cut oil imports to zero by November.

“We’re going to isolate streams of Iranian funding and looking to highlight the totality of Iran’s malign behavior across the region,” the official, speaking on condition of anonymity, told reporters.

The official said a U.S. delegation was headed to the Middle East next week to urge Gulf producers to ensure global oil supplies as Iran is cut out of the market starting on Nov. 4 when U.S. sanctions are reimposed.

Officials have yet to hold talks with China and India, among the largest importers of Iran’s oil, as well as Turkey and Iraq.

Benchmark U.S. oil futures rose more than \$2 on Tuesday, topping \$70 a barrel for the first time since May 25 as the threat that the United States would push buyers to limit Iranian oil imports added to concerns about tightening supplies.

Asked if any waivers were expected to be granted in the process, the official said the position of the administration was that no exemptions would be permitted. He added: “I would be hesitant to say zero waivers ever.”

Senior State Department and Treasury officials are pressing allies in Europe, Asia and the Middle East to adhere to the sanctions, which are aimed at pressuring Iran to negotiate a follow-up agreement to halt its nuclear programs.

Iran has met with Chinese oil buyers to ask them to maintain imports of its oil, although it failed to secure guarantees from China, sources familiar with the matter told Reuters in May.

“We will be engaging in the next segment coming up in a week or so with our Middle Eastern partners to ensure the global supply of oil is not adversely affected by these sanctions,” the official said.

China, the world's top crude oil buyer, imported around 655,000 barrels a day on average from Iran in the first quarter of this year, according to official Chinese customs data, equivalent to more than a quarter of Iran's total exports.

Oil analysts said there are concerns that OPEC producers will not be able to fully supply the market after Iranian oil is cut from the market.

"There is real concern on whether the 'OPEC Plus' will have enough spare capacity to balance potential drops in oil production from Venezuela and Iran," said Abhishek Kumar, Senior Energy Analyst at Interfax Energy's Global Gas Analytics in London.

European powers have vowed to keep the 2015 deal alive without the United States by trying to keep Iran's oil and investment flowing, but have acknowledged that U.S. sanctions would make it difficult to give Tehran guarantees.

"For the vast majority of countries they are willing to adhere and support our approach to this because they also view" Iran's behavior as a threat, the official added.

Iranian President Hassan Rouhani on Tuesday promised Iranians the government would be able to handle the economic pressure of new U.S. sanctions amid reports of a second day of demonstrations in protest at financial hardship and a weakening rial.

Fars news agency reported that parts of Tehran's Grand Bazaar were on strike for a second straight day. Reuters was not immediately able to confirm the report.

Washington has sought to emphasize that the protests are part of rising economic discontent in Iran hoping it will force the government to negotiate a new nuclear deal to avoid sanctions.

"There is a level of frustration that people have with regard to the regime activity and behavior, the enrichment of the military and clerical elite and the squeezing out of the life of the economy," the senior State Department official said.

"Iranians are tired of this situation," the official added.

Reporting by Lesley Wroughton and Doina Chiacu; Editing by James Dalglish

Annex 241

**“India’s HPCL cancels Iran oil shipment after insurer excludes coverage”, *Reuters*,
26 July 2018**

Exclusive: India's HPCL cancels Iran oil shipment after insurer excludes coverage: sources

 [reuters.com/article/us-india-iran-oil-exclusive/exclusive-indias-hpcl-cancels-iran-oil-shipment-after-insurer-excludes-coverage-sources-idUSKBN1KG1BO](https://www.reuters.com/article/us-india-iran-oil-exclusive/exclusive-indias-hpcl-cancels-iran-oil-shipment-after-insurer-excludes-coverage-sources-idUSKBN1KG1BO)

NEW DELHI (Reuters) - India's Hindustan Petroleum Corp (HPCL) canceled the purchase of an Iranian oil cargo earlier this month after its insurance company refused to provide coverage for the crude because of U.S. sanctions, three sources with knowledge of the matter said.

HPCL, India's third-biggest state-owned refiner, renewed its installation insurance, which protects against any accidents at its refinery or storage sites, in early July. However, the new policy would not protect against any incidents involving Iranian oil processed or stored at its refineries, the sources said.

The refiner had planned to load 1 million barrels of Iranian crude onto the Suezmax tanker Ankaleshwar in early July but canceled the purchase after it was unable to sell it on to another buyer, said the sources who declined to be identified because of the sensitivity of the matter.

India is the second-biggest buyer of Iranian crude after China and without insurance coverage to protect their plants, the country's refineries may have to cut off their imports earlier than anticipated.

The United States said in May it plans to re-impose some sanctions against Iran starting in August, with full sanctions in place by November, after withdrawing from a 2015 accord with Iran limiting its nuclear program.

"HPCL faced problems in lifting cargo from Iran because its annual insurance policy was renewed in July after the U.S. pulled out of the nuclear deal in May," said one of the sources, adding the company will not be able to lift any Iranian oil.

HPCL's Iranian imports account for only 20,000 barrels per day (bpd) of its full demand of 316,000 bpd but other Indian refiners that take larger volumes are likely to face the same problem if their annual policy is up for renewal before November.

HPCL did not respond to requests from Reuters for a comment.

Companies have until Nov. 4 to fully wind down activities with Iran or risk exclusion from the U.S. financial system. However, banks, shipping firms and insurance companies are already cutting ties with Iran and without financing or insurance coverage refiners will have to halt their purchases.

Iran had hoped to sell more than 500,000 bpd of oil to India during the current fiscal year that started in April, Oil Minister Bijan Zanganeh said in February.

However, the insurance issues may mean a reduction in imports even as India is intent on continuing dealings with Iran.

“The problem in procuring Iranian barrels appears to be happening much before the Nov. 4 deadline,” said Senthil Kumaran, a senior analyst at consultants FGE. “Most of the reinsurance market is based in the U.S. so without the blessing of the U.S., Iranian oil buyers will find it almost impossible to take and process Iranian cargoes.”

Indian insurers rely on state-run General Insurance Corp for reinsurance, which depends on western re-insurers to hedge its risk. General Insurance did not reply to a request for comment.

Reporting by Nidhi Verma; Editing by Christian Schmollinger

Our Standards:[The Thomson Reuters Trust Principles.](#)

Annex 242

**J. Lee & I. Garcia Perez, “Buyers of Iranian Oil Get Waivers: Sanctions Wrap”,
Bloomberg, 6 August 2018**

Buyers of Iranian Oil to Get Waivers: Sanctions Wrap

By Julian Lee and Irene Garcia Perez

markets

Days before the deadline, the Trump administration is offering sanctions waivers to buyers of Iranian oil

August 6, 2018, 6:00 AM GMT+2 Updated on November 2, 2018, 6:21 PM GMT+1

Days before the deadline, the Trump administration is offering sanctions waivers to buyers of Iranian oil

By and

,

August 6, 2018, 6:00 AM GMT+2



Photographer: Ali Mohammadi/Bloomberg

Photographer: Ali Mohammadi/Bloomberg

With fewer than three days to go until U.S. sanctions hit Iran's oil exports, Donald Trump's administration is offering waivers to eight buyers of the Persian Gulf state's barrels – effectively allowing them to continue some form of purchases.

The critical question now is scale. How much crude and condensates will keep flowing from the Middle East country? The eight nations include Japan, India, Turkey and South Korea, according to a U.S. official. Secretary of State [Michael Pompeo announces](#) said details about the waivers will be provided on Monday.

Combined exports of crude and condensates, a light form of oil extracted from gas fields, have already [dropped by around 40 percent](#) since April, the last month before the resumption of [curbs was announced](#). Meanwhile Saudi Arabia, Iran's rival across the Persian Gulf, is ramping up shipments to its customers.

The threat of sanctions already had an impact on Iran's oil business. The Islamic Republic [lost key buyers](#) and is having to [rely more](#) on its own fleet of tankers to carry oil to its customers, according to ship-tracking data compiled by Bloomberg.

Iranian Crude Outflows

Destination of exports by share



Source: Bloomberg tanker tracking and JODI
Average export data January–June 2018.

Bloomberg

Bloomberg tanker tracking and JODI

A summary of the main Iranian oil importers' reactions and positions is set out below. This story was first published in mid August, and again on Oct. 18. Observed flows and exports are for combined crude and condensate from tanker tracking data compiled by Bloomberg, and are recorded on the date at which the vessel left the loading terminal. To calculate what that equates to as a share of each country's overall purchases, import data from the Riyadh-based Joint Organisations Data Initiative were used.

China

- **Observed flow (Oct.):** 742,000 b/d
- **Observed flow (Jan.–June):** 675,000 b/d
- **Share of observed Iranian exports (Oct.):** 44%
- **Share of observed Iranian exports (Jan.–June):** 26%
- **Share of Chinese imports (Jan.–June):** 7%
- **What government has said:** Late last month, China's government told at least two of its state oil companies to [avoid purchasing Iranian oil](#), according to people with knowledge of the matter. The freeze on imports by China National Petroleum Corp. and Sinopec is temporary and purchases may resume depending on the outcome of negotiations with the U.S. The sanctions presented China with an opportunity to take the lead in a project to develop Iran's biggest [gas deposit](#) after France's Total SA had to halt its operations there. CNPC is now expected to take the lead on the \$5 billion project to develop the South Pars field.
- **What companies have said and done:** Sinopec reportedly [halved loadings](#) of Iranian crude in September, after senior U.S. officials visited the company in Beijing and demanded "steep cutbacks."

India

- **Observed flow (Oct.):** 355,000 b/d
- **Observed flow (Jan.–June):** 592,000 b/d
- **Share of observed Iranian exports (Oct.):** 21%
- **Share of observed Iranian exports (Jan.–June):** 23%
- **Share of Indian imports (Jan.–Apr.):** 13%
- **What government has said:** The country will get some form of waiver, according to the U.S. official. It was in talks in September with the European Union for an [alternative system](#) to make payments to Iran.
- **What companies have said and done:** India's oil importers [were planning to buy](#) as much as 9 million barrels, or about 300,000 barrels a day, of Iranian crude in November, having earlier suggested that they wouldn't purchase any. Saudi Aramco is to supply around 4 million barrels of [additional crude](#) to Indian customers for this month.

South Korea

- **Observed flow (Oct.):** 0 b/d
- **Observed flow (Jan.–June):** 285,000 b/d

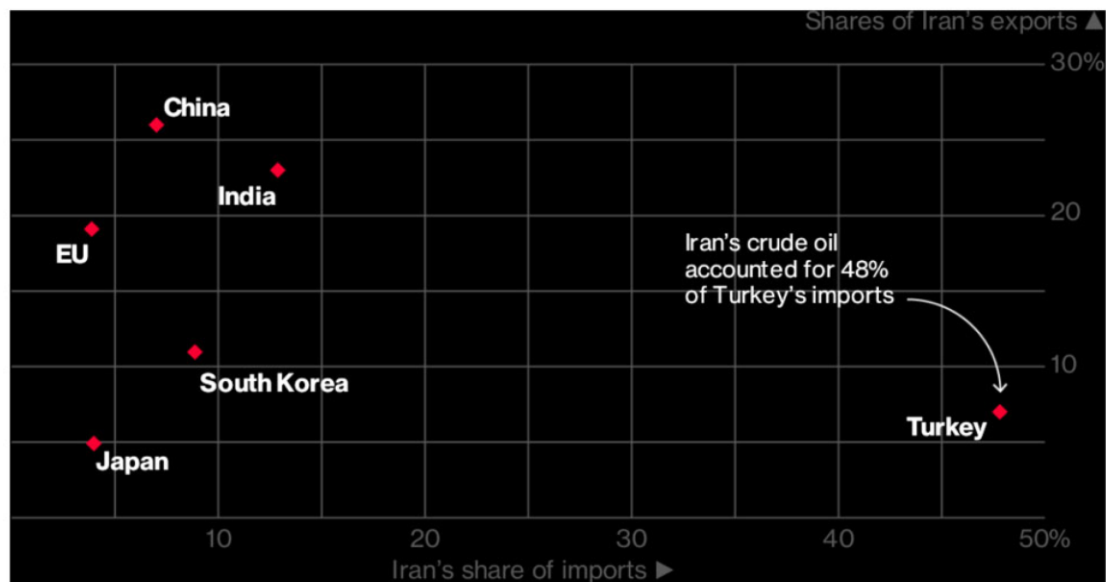
- **Share of observed Iranian exports (Oct.):** 0%
- **Share of observed Iranian exports (Jan.-June):** 11%
- **Share of South Korean imports (Jan.-June):** 9%
- **What government has said:** South Korean Foreign Minister Kang Kyung-wha had asked Pompeo for [“maximum flexibility” in granting a waiver](#) from sanctions to minimize damage to South Korean companies.
- **What companies have said and done:** Refiners haven't bought any crude or condensate from Iran [since June](#), with the last cargo arriving in the country in July. They turned to other suppliers of condensate to make up for lost flows from Iran, sometimes involving transport over much greater distances. SK Innovation Co., the Asian country's top processor, bought a [cargo of Russian Sabetta](#) condensate for November arrival in Incheon. [Refiners are also substituting condensate from Iran](#) with a processed fuel known as naphtha from elsewhere.

Japan

- **Observed flow (Oct.):** 0 b/d
- **Observed flow (Jan.-June):** 125,000 b/d
- **Share of observed Iranian exports (Oct.):** 0%
- **Share of observed Iranian exports (Jan.-June):** 5%
- **Share of Japanese imports (Jan.-June):** 4%
- **What government has said:** Like India and South Korea, it appears Japan will get a waiver of some sort from the measures. Japan's Finance Minister Taro Aso in June [asked the U.S.](#) to give more clarity and reassurance to Japanese firms. Talks have continued and Japanese government officials agreed with their U.S. counterparts to [continue discussions](#) after a 3rd round of meetings was held on Sept. 10 in Washington.
- **What companies have said and done:** Japan's crude imports from Iran fell 32 percent year on year to around 706,000 kiloliters, or approximately 143,000 barrels a day, in August according to data from the Ministry of Finance. Tanker tracking also shows a plunge. No ships were seen departing Iran for Japan in October.

Exports Under Threat

Iran's key oil trading relationships



Source: Bloomberg tanker tracking and JODI

Bloomberg

Bloomberg tanker tracking and JODI

United Arab Emirates

- **Observed flow (Sept.):** 129,000 b/d
- **Observed flow (Jan.-June):** 127,000 b/d
- **Share of observed Iranian exports (Oct.):** 8%
- **Share of observed Iranian exports (Jan.-June):** 5%
- **What government has said:** The U.A.E. is [committed to abiding by the sanctions](#) and will look for condensate supplies from countries other than Iran, Energy Minister Suhail Al Mazrouei said in early October. Dubai, the U.A.E.'s trade hub, does business with Iranian merchants and purchases condensate for its refineries. There were signs of [flows from other countries](#) rising in July at Iran's expense. The Port of Fujairah was asked by U.A.E. customs department to [require Certificate of Origin documentation](#) with an official stamp from all tankers bringing oil to the terminal and its storage tanks.
- **What companies have said and done:** Dubai-based Emirates National Oil Co. is trying alternatives to cargoes from the Islamic Republic, according to traders with knowledge of the matter. However, the Suezmax Falcon Pride continued to shuttle between Iran's Assaluyeh condensate terminal and Dubai's Jebel Ali port in October.

European Union

- **Observed flow (Oct.):** 97,000 b/d
- **Observed flow (Jan.-June):** 483,000 b/d
- **Share of observed Iranian exports (Oct.):** 6%
- **Share of observed Iranian exports (Jan.-June):** 19%
- **Share of EU imports (Jan.-June):** 4%
- **What public authorities have said:** EU foreign-policy chief Federica Mogherini said back in July that the bloc was determined to preserve the Iran nuclear deal and considers that the consequences of abandoning it [could be "catastrophic."](#) A month earlier, she stressed the most important challenge was to [find solutions](#) on banking and finance to support "legitimate trade and investment." In July, the U.S. [rejected French, British and German](#) requests to grant waivers or exemptions to companies seeking to do business in Iran. Mogherini announced in September that the EU, China and Russia backed a [mechanism to allow "legitimate" business](#) to continue with Iran. "In practical terms this will mean that EU member states will set up a legal entity to facilitate legitimate financial transactions with Iran, and this will allow European companies to continue trade with Iran," she said after meeting with representatives of the other signatories: the U.K., France, Germany, Russia, China plus Iran. This will be "in accordance with European Union law, and could be opened to other partners in the world," she added. The mechanism will be provided with a [banking license](#) "as soon as possible," German newspaper Handelsblatt reported. However, legal sanctions experts and oil traders said the creation of a special purpose vehicle and payments channel would still [leave traders buying or selling Iranian crude vulnerable](#) to punitive actions by the U.S. Treasury Department.
- **What companies have said and done:** The lack of clarity on the scale of the reductions sought by the Trump administration left some customers continuing to buy Iranian crude while others cut back. France's Total SA failed to secure a waiver from the U.S. to exempt Phase 11 of the South Pars gas field in Iran from sanctions, and notified Iran it will [withdraw from the project](#). "Within the U.S. legal framework, we can't work in Iran," Total CEO Patrick Pouyanne [said in July](#).

Italy

- **Observed flow (Oct.):** 65,000 b/d
- **Observed flow (Jan.-June):** 168,000 b/d
- **Share of observed Iranian exports (Oct.):** 4%
- **Share of observed Iranian exports (Jan.-June):** 7%
- **Share of Italian imports (Jan.-June):** 14%
- **What companies have said:** Iran has been an [important supplier to Saras SpA](#), but the refiner [isn't concerned](#) about sourcing crude due to flexibility of operations, according to CEO Dario Scaffardi. The company is awaiting guidance from Italian and European authorities. Suezmax tanker Kriti Spirit discharged a cargo of Iranian crude at Saras's Sarroch refinery in late October.
- **Eni SpA** said in May that the company has no material exposure to Iran and will not be affected by the sanctions. Tankers hauling Iranian crude continued to discharge at ports near to the company's Italian refineries in October, with the Suezmax Delta Med calling at Milazzo and Genoa and the Marathi discharging at Taranto and Genoa.

Spain

- **Observed flow (Oct.):** 0 b/d
- **Observed flow (Jan.-June):** 119,000 b/d
- **Share of observed Iranian exports (Oct.):** 0%
- **Share of observed Iranian exports (Jan.-June):** 5%
- **Share of Spanish imports (Jan.-June):** 9%
- **Compania Espanola de Petroleos SAU**, or Cepesa, said in an IPO prospectus that it took the "final shipment" of Iranian crude in September. The Suezmax tanker Monte Udala loaded a cargo of around 1 million barrels of Iranian crude on Sept. 29, which it delivered to Cepesa's Huelva refinery about three weeks later, according to tanker tracking data compiled by Bloomberg.
- **Repsol SA** took the first spot cargo of crude from Iran's West Karoun oil region in June, 500,000 barrels of Pars crude. The last observed delivery of Iranian crude to a Repsol refinery was from the Suezmax tanker Ottoman Nobility, which discharged at Cartagena in late August, according to tanker tracking data compiled by Bloomberg.

France

- **Observed flow (Oct.):** 0 b/d
- **Observed flow (Jan.-June):** 94,000 b/d
- **Share of observed Iranian exports (Oct.):** 0%
- **Share of observed Iranian exports (Jan.-June):** 4%
- **Share of French imports (Jan.-June):** 9%
- **Total SA** [stopped buying](#) Iranian crude in July, Pouyanne said at the Oil & Money conference in London. That was the same month a tanker was last observed delivering Iranian crude to France.

Greece

- **Observed flow (Oct.):** 32,000 b/d
- **Observed flow (Jan.-June):** 66,000 b/d
- **Share of observed Iranian exports (Oct.):** 2%
- **Share of observed Iranian exports (Jan.-June):** 3%
- **Share of Greek imports (Jan.-June):** 14%
- **Hellenic Petroleum SA** said in May it [was assessing its position](#) and commercial arrangements following the U.S. decision. The refiner said it will "comply with the applicable international regulatory framework," and that it didn't expect any significant effect on its operations. The last tanker carrying Iranian crude discharged at the company's Pachi, Megara terminal in June.
- **Motor Oil (Hellas) Corinth Refineries SA** has continued to receive Iranian crude at its Agioi Theodoroi terminal near Corinth at a rate of around one Suezmax tanker per month, or approximately 33,000 barrels a day. The most recent tanker, the Kriti Diamond, discharged at the end of October, according to tanker tracking data compiled by Bloomberg.

Turkey

- **Observed flow (Oct.):** 129,000 b/d
- **Observed flow (Jan.-June):** 182,000 b/d

Buyers of Iranian Oil to Get Waivers: Sanctions Wrap

- **Share of observed Iranian exports (Oct.):** 8%
- **Share of observed Iranian exports (Jan.-June):** 7%
- **Share of Turkish imports (Jan.-June):** 48%
- **What government has said and done:** The country's biggest refiner, Tupras Turkiye Petrol Rafinerileri AS, is expected to get a waiver from the U.S., allowing it to continue to buy crude oil from Iran, according to two people familiar with the matter. In pure volume terms, Turkey is more reliant on Iranian oil than any other country, according to data compiled by Bloomberg.

Annex 243

“Exclusive: UK’s Quercus pulls plug on \$570 million Iran solar plant as sanctions bite”, *Reuters*, 14 August 2018

Exclusive: UK's Quercus pulls plug on \$570 million Iran solar plant...

Lefteris Karagiannopoulos

OSLO (Reuters) - British renewable energy investor Quercus said it will halt the construction of a 500 million euro (\$570 million) solar power plant in Iran due to recently imposed U.S. sanctions on Tehran.



FILE PHOTO: Solar panels to produce renewable energy in Gardanne, France, June 25, 2018. REUTERS/Jean-Paul Pelissier/File Photo

The solar plant in Iran would have been the first renewable energy investment outside Europe by Quercus and the world's sixth largest, with a 600 megawatt (MW) capacity.

Iran has been trying to increase the share of renewable-produced electricity in its energy mix, partly due to air pollution and to meet international commitments, hoping to have about 5 gigawatt in renewables installed by 2022.

In June, before the U.S.-imposed sanctions, more than 250 companies had signed agreements to add and sell power from about 4 gigawatt of new renewables in the country, which has only 602 MW installed, Iranian energy ministry data showed.

Washington reimposed sanctions last week after pulling out of a 2015 international deal aimed at curbing Iran's nuclear program in return for an easing of economic sanctions.

U.S. president Donald Trump has also threatened to penalize companies that continue to operate in Iran, which led banks and many companies around the world to scale back their dealings with Tehran.

"Following the U.S. sanctions on Iran, we have decided to cease all activities in the country, including our 600 MW project. We will continue to monitor the situation closely," Quercus chief executive Diego Biasi said in an email on Tuesday.

The firm will continue to monitor the situation closely, said Biasi, who declined to comment further.

Last year Quercus said it would set up a project company and sell shares via a private placement after attracting interest from private and institutional investors, including sovereign wealth funds.

Construction was expected to take three years, with each 100 MW standalone lot becoming operational and connecting to the grid every six months.

SANCTIONS BITE

Independently-owned Quercus has a portfolio of around 28 renewable energy plants and 235 MW of installed capacity.

The firm, founded by Biasi and Simone Borla in 2010, controls five investment funds and has a network of “highly regarded external partners,” it says on its website.

The 600 MW plant it aimed to construct in Iran would be the firm’s largest investment. Quercus declined to comment on the details of its decision to cease the plan and on any financial losses that could result from it.

Fearing the consequences of the U.S. embargo, a string of European companies have recently announced they would scale back their business in Iran.

On Tuesday, German engineering group Bilfinger, said it did not plan to sign any new business in the country, while automotive supplier Duerr on Aug. 11 said it had halted activities in Iran.



FILE PHOTO: A general view shows solar panels to produce renewable energy in Gardanne, France, June 25, 2018. REUTERS/Jean-Paul Pelissier/File Photo

Another project, planned by Norway's Saga Energy, which said last October it aimed to build 2 GW of new solar energy capacity in Iran and to start construction by the end of 2018, has also stalled.

Saga Energy's chief of operations Rune Haaland told Reuters it was still working on getting the funding, which is more complicated since recent developments, and although it aimed to push on with its plans, construction could be delayed.

Editing by Terje Solsvik and Alexander Smith

Annex 244

**“Iran’s Oil Market Realities: How India, Others Are Preparing for U.S. Sanctions”,
The Times of India, 16 August 2018**

Printed from

THE TIMES OF INDIA

Iran's oil market realities: How India, others are preparing for US sanctions

Bloomberg | Aug 16, 2018, 01:18 PM IST



NEW DELHI: In November, US sanctions on Iran are due to enter into force that could drive down the Persian Gulf nation's exports and upend the global oil market. There are already signs that it will be harder for the country to export, as some international insurers stop covering shipments.

The US measures require buyers to cut purchases or run the risk of their banks being excluded from the American financial system. If they do scale back, then there's a risk of spiraling crude prices.

President Donald Trump's national security adviser, John Bolton, says waivers from sanctions on buying Iranian oil will be "few and far between". The US says it will persuade countries which currently buy Iranian oil to

cut imports by as much as 1 million barrels a day when the sanctions take effect in early November. While this would be a significant reduction in Iran's crude sales, it is far less severe than the Trump administration's previously stated aim of halting all sales of Iranian crude.

Meanwhile, Iran's Foreign Minister Mohammad Javad Zarif says European countries, which are party to the Iran nuclear deal, have held talks separately with other countries to lobby them to continue buying Iranian oil. But the looming threat of sanctions has already started to have an impact on Iran's oil business. The Islamic republic's crude outflows have fallen and it is having to rely more on its own fleet of tankers to carry oil to its customers, according to ship-tracking data compiled by Bloomberg. Iran has responded by lowering the sales price for its light crude for delivery in September to the cheapest level in 14 years.

A summary of the main Iranian oil importers' reactions and positions is set out below. Observed flows and exports are from tanker tracking data compiled by Bloomberg. To calculate what that equates to as a share of each country's overall purchases, import data from the Riyadh-based Joint Organisations Data Initiative were used.

INDIA

Observed flows (January-June): 597,000 barrels per day (bpd)

Share of observed exports (January-June): 23 per cent

Share of imports (November-April): 11 per cent

What government has said: The country is currently said to be mulling a 50 per cent cut in its oil imports from the Islamic republic to secure a waiver from the US to continue buying crude from the Islamic Republic. But in the first two weeks of August observed Iranian crude shipments to India fell by 95 per cent, compared to the same period in July, according to ship-tracking data compiled by Bloomberg.

What companies have said: Indian Oil Corp. Chairman Sanjiv Singh said in July that Saudi Arabia alone can cover most of the world's supply shortfall if Iran's oil exports dry up. "We have Plan B, Plan C, Plan D. We are fully prepared," he said. IOC and Bharat Petroleum Corp. kept buying Iranian crude in July and have contracted oil from the Persian Gulf country for August deliveries. Hindustan Petroleum Corp., the third biggest state refiner, is unlikely to buy any more Iranian oil until India gets a waiver from the US, since its new insurance cover for its refineries would be invalidated by processing Iranian oil, according to

a person familiar with the matter.

Mangalore Refinery and Petrochemicals Ltd. said in its annual report that it's looking at alternative sources like Australia, West Africa and South America to supplement any reduction from the Persian Gulf nation, which supplied a quarter of its oil needs. Shipping data compiled by Bloomberg show Reliance Industries Ltd., India's largest petrochemical firm, cut Iranian oil imports in June, although month-on-month flows are prone to big swings.

CHINA

Observed flows (January-June): 675,000 bpd

Share of observed exports (January-June): 26 per cent

Share of imports (December-May): 7 per cent

What government has said: While Beijing has agreed to not ramp up purchases from Iran, China has rejected a US request to cut them, according to two officials familiar with negotiations. China will continue to cooperate with Iran without violating international obligations, foreign ministry spokeswoman Hua Chunying said back in June. In July, China continued to pay for Iranian crude imports in yuan.

The sanctions have also presented China with an opportunity to take the lead in a project to develop Iran's biggest gas deposit after France's Total SA had to halt its operations there. State-owned China National Petroleum Corp. is now expected to take the lead on the \$5 billion project to develop the South Pars Gas field.

What companies have said: Nothing.

SOUTH KOREA

Observed flows (January-June): 286,000 bpd

Share of observed exports (January-June): 11 per cent

Share of imports (December-May): 10 per cent

What government has said: South Korea is waiting for an official response from the US on whether its refiners can continue importing Iranian crude and condensate during the 180-day wind-down period, an official from the nation's energy ministry said in early July. The country already put some imports on hold in June.

What companies have said: Refiners are substituting condensate from Iran with a processed fuel known as naphtha from elsewhere. SK Innovation Co., the Asian country's top processor, Hanwha Total Petrochemical Co. and Hyundai Oilbank Co. all rushed to procure supply for July and August from other suppliers. Refiners didn't buy supplies for July and will only decide whether to buy Iran's South Pars condensate for the rest of the third quarter after negotiations between their government and the US administration.

JAPAN

Observed flows (January-June): 125,000 bpd

Share of observed exports (January-June): 5 per cent

Share of imports (December-May): 4 per cent

What government has said: Since the US pulled out of the Iran nuclear deal, Japan has sought a waiver from the US measures. Japan's Finance Minister Taro Aso in June asked the US to give more clarity and reassurance to Japanese firms. Talks will continue, Japan's foreign ministry said in early August.

What companies have said: Japan's refining industry wants the government to "tenaciously hold talks" with the US to get a waiver on America's renewed sanctions on Iran, Takashi Tsukioka, chairman of refiner Idemitsu and of the Petroleum Association of Japan, said last month. The executive sees it as "unreasonable" for Japan to be impacted in the same way as countries that have boosted Iranian oil imports. Japanese shipping companies and major banks, such as MUFG Bank and Mizuho Bank, have told oil distributors they may soon halt transactions with Iran.

Refiners were told that the banks won't handle transactions for Iran-related deals that were signed on or after May 8, and that those signed before that period will be dealt with "on case-by-case basis". Idemitsu declined to comment on what the company will do in response. Fuji Oil is considering halting crude imports from Iran earlier than it expected. The firm hasn't determined a deadline yet and is still processing oil supplied under long-term contract. Cosmo Energy said it will likely halt Iranian crude imports after taking July-loading cargoes—if Japan doesn't receive waiver, according to people with knowledge of the matter.

UNITED ARAB EMIRATES

Observed flows (January-June): 127,000 bpd

Share of observed exports (January-June): 5 per cent

What government has said: Not much. The U.A.E. has limited diplomatic relations with Iran, and withdrew its ambassador in Tehran in 2016. Abu Dhabi's crown prince, the country's de facto ruler, is a close US ally and supports efforts to curb Iran's influence in the region. Dubai, the U.A.E.'s trade hub, does business with Iranian merchants and purchases condensate for its refineries. There were signs of flows from other countries rising in July at Iran's expense.

What companies have said: Dubai-based Emirates National Oil Co. is trying alternatives to cargoes from the Islamic Republic, according to traders with knowledge of the matter.

EUROPEAN UNION

Observed flows (January-June): 516,000 bpd

Share of observed exports (January-June): 20 per cent

Share of imports (December-May): 5 per cent

What public authorities have said: The bloc is determined to preserve the Iran nuclear deal and considers that the consequences of abandoning it could be "catastrophic," according to the EU foreign-policy chief Federica Mogherini. In June, she stressed that the most important challenge was to find solutions on banking and finance to support "legitimate trade and investment." In July, the US rejected French, British and German demands to grant waivers or exemptions to companies seeking to do business in Iran.

What companies have said: The lack of clarity on the scale of the reductions sought by the Trump administration has left several customers continuing to buy Iranian crude, although some showed less interest in resuming business with Iran. Austria's OMV AG has suspended investment projects in Iran, but still has made no decision on imports, CEO Rainer Seele said in an interview with Tass news agency. Swiss lender Banque de Commerce et de Placements SA told customers that it would stop financing Iranian oil cargoes by June 30, Reuters reported. Vitol Group's chairman, Ian Taylor, said in May it will be near impossible to avoid the sanctions.

Annex 245

**“L’Iran annonce officiellement que Total a quitté le projet South Pars”, *L’Usine
Nouvelle*, 20 August 2018**

L'Iran annonce officiellement que Total a quitté le projet South Pars

 usinenouvelle.com/article/l-iran-annonce-que-total-a-quitte-le-projet-south-pars.N731559

August 20, 2018



C'est désormais officiel : le groupe français Total a bien quitté l'Iran, confirme ce 20 août le ministre du Pétrole. "Total s'est officiellement retiré du contrat pour le développement de la phase 11 du projet South Pars (...) Le processus de remplacement par une autre société est en cours", selon les propos du ministre rapportés par la télévision. Sollicité par Reuters à Paris, Total n'a pas répondu dans l'immédiat à une demande de commentaire.

Un groupe chinois en embuscade

L'agence de presse iranienne Irna a rapporté le 11 août que la compagnie nationale chinoise CNPC avait repris la part de Total dans le gisement gazier mais un responsable de la compagnie pétrolière nationale iranienne (NIOC) a rapidement démenti ces propos.

Le contrat signé en 2017 en vue du développement de la phase 11 de South Pars attribuait à Total une part de 50,1% dans ce qui apparaît comme le plus grand gisement gazier au monde, avec un investissement initial d'un milliard de dollars.

Avec Reuters (Parisa Hafezi, avec Sudip Kar-Gupta à Paris, Juliette Rouillon pour le service français, édité par Marc Angrand)

Annex 246

J. Park and H. Yang, “South Korea's Hyundai E&C cancels \$521 million petrochemicals deal, cites Iran financing failure”, *Reuters*, 29 October 2018



COMMODITIES OCTOBER 29, 2018 / 8:59 AM / 5 MONTHS AGO

South Korea's Hyundai E&C cancels \$521 million petrochemicals deal, cites Iran financing failure

1 MIN READ



SEOUL (Reuters) - South Korea's Hyundai Engineering & Construction said on Monday that it scrapped a 595 billion won (\$521 million) deal to build a petrochemicals complex in Iran, saying the Iranian customer's ability to fund it had been hit by the prospect of U.S. economic sanctions against Tehran.

In a regulatory filing, Hyundai E&C said the consortium it led for the project's construction canceled the contract on Sunday.

"The contract was canceled because financing is not complete, which was a prerequisite for the validity of the contract, as external factors worsened such as economic sanctions against Iran," Hyundai E&C said in its filing.

From Nov. 4, the United States will re-impose sanctions against Iranian crude oil exports as part of President Donald Trump's efforts to force Tehran to accede to a more restrictive deal on limiting its nuclear and missile programs.

Reporting by Ju-min Park and Heekyong Yang; Editing by Kenneth Maxwell

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<https://www.reuters.com/article/us-hyundaic-c-iran/south-koreas-hyundai-ec-cancels-521-million-petrochemicals-deal-cites-i...>

Annex 247

B. Scheid, “Questions remain over UAE imports of Iranian condensate amid US sanctions”, *S&P Global*, 15 November 2018

OIL — 15 Nov 2018 | 20:05 UTC — Washington

Questions remain over UAE imports of Iranian condensate amid US sanctions

Author **Brian Scheid** 

Editor **Derek Sands** 

Commodity **Oil**

Washington — There was some surprise among analysts when the UAE did not receive a waiver from the US State Department last week from reimposed sanctions on Iranian crude, but sources said this week that they likely never requested one.

As a US ally and supporter of the US taking a tougher stance on Iran, sources said that the UAE never considered a waiver since they were among the biggest advocates of a reimposition of sanctions, behind only Saudi Arabia and Israel, sources said.

A State Department official told S&P Global Platts this week on condition of

<https://www.spglobal.com/platts/en/market-insights/latest-news/oil/111518-questions-remain-over-uae-imports-of-iranian-condensate-amid-us-sanctions>

anonymity that the administration's goal remained to get to "zero oil purchases from Iran as quickly as possible" and restated the goal of "maximum economic pressure" on Iran. The official declined to comment on the UAE specifically, but said that a future waiver may be possible.

"We will continue working with countries that are reducing their imports on a case-by-case basis," the official said. "We continue to work with partners, friends, and allies across the world in a global effort."

The UAE is a significant consumer of Iran's South Pars condensate, importing about 152,000 b/d in October, up from about 107,000 b/d in September, according to cFlow, S&P Global Platts trade-flow software.

The Emirates National Oil, which operates the 140,000 b/d Jebel Ali Refinery is the UAE's primary importer of Iranian condensate.

There are expectations that the UAE will stop importing Iranian condensate entirely this month. The country reduced, but did not stop, importing Iranian condensate when sanctions on Iran were previously in place during the Obama administration.

The UAE may begin importing condensate from new markets, including Australia, Equatorial Guinea and the Eagle Ford in the US, sources said.

US sanctions on Iranian crude exports went back into effect Monday, but the US has given temporary waivers to China, India and Turkey -- Iran's top buyers -- as well as Japan, South Korea, Italy, Greece and Taiwan. S&P Global Platts Analytics forecasts Iran crude exports to fall to about 1 million b/d by May 3, when these waivers are set to expire, a decline of about 1.7 million b/d in about a year.

-- Brian Scheid, brian.scheid@spglobal.com

-- Edited by Derek Sands, newsdesk@spglobal.com

Annex 248

**D. Hudson, “Despite sanctions, Iran’s oil exports rise in early 2019: sources”, *Reuters*,
19 February 2019**

Despite sanctions, Iran's oil exports rise in early 2019: sources

 [reuters.com/article/us-iran-oil-exports/despite-sanctions-irans-oil-exports-rise-in-early-2019-sources-idUSKCN1Q818X](https://www.reuters.com/article/us-iran-oil-exports/despite-sanctions-irans-oil-exports-rise-in-early-2019-sources-idUSKCN1Q818X)

LONDON (Reuters) - Iran's exports of crude oil were higher than expected in January and are at least holding steady this month, according to tanker data and industry sources, as some customers have increased purchases due to waivers from U.S. sanctions.

Shipments are averaging 1.25 million barrels per day (bpd) in February, Refinitiv Eikon data showed and a source at a company that tracks Iranian exports said. They were between 1.1 and 1.3 million bpd in January, higher than first thought.

A high rate of Iranian shipments would weigh on oil prices and work against a global push to cut supply in 2019 led by the Organization of the Petroleum Exporting Countries. OPEC member Iran negotiated an exemption from the production-cutting pact.

"We think people are taking more ahead of the deadline," said the industry source who tracks Iranian exports, referring to the scheduled end of U.S. sanctions waivers in May.

Increased exports from the Islamic Republic might prompt renewed U.S. efforts to clamp down on flows. However, this would run the risk of driving up oil prices as Washington is also seeking to curtail exports from another foe, Venezuela.

Iran's exports have become more opaque since U.S. sanctions on the country's oil sector took effect in November. While most agree they have dropped steeply, views on flows can differ by as much as several hundred thousand barrels per day - enough to affect prices.

The February shipments are up from January's 1.1 million bpd, according to Refinitiv. The industry source estimated January exports at 1.3 million bpd, close to February's level.

In any case, the January figures are higher than initial estimates. Some had predicted Iranian crude exports would stay below 1 million bpd last month, a similar rate to that in December.

A source at a second company that tracks Iranian exports said shipments in the first 10 days of February were above 1.1 million bpd and on a rising trend - higher than the source expected.

Washington gave waivers to eight buyers - including China, India, Japan and South Korea, which were all purchasing Iranian crude in February, according to Refinitiv.

The rise in shipments raises the prospect of less generous waivers, should Washington renew such exemptions when those in place expire. The U.S. special representative for Iran said last month there would be a much deeper reduction in Iranian exports.

Shipments have dropped steeply from at least 2.5 million bpd in April 2018, the month before U.S. President Donald Trump withdrew the United States from a 2015 nuclear deal with Iran and reimposed sanctions.

Tehran has vowed to keep exporting oil despite U.S. efforts to reduce its shipments to zero.

Editing by Dale Hudson

Annex 249

**F. Tan, “U.S. says Iran has lost \$10 billion in oil revenue due to sanctions”, *Reuters*,
13 March 2019**

U.S. says Iran has lost \$10 billion in oil revenue due to sanctions

 [reuters.com/article/us-ceraweek-energy-iran-idUSKBN1QU21X](https://www.reuters.com/article/us-ceraweek-energy-iran-idUSKBN1QU21X)

HOUSTON (Reuters) - Iran has lost \$10 billion in revenue since U.S. sanctions in November have removed about 1.5 million barrels per day (bpd) of Iranian crude from global markets, a U.S. State Department official said on Wednesday.

Brian Hook, the State Department's special representative on Iran, said in remarks at the CERAWeek energy conference that due to a global oil surplus - in part due to record U.S. production - the United States is accelerating its plan of bringing Iranian crude exports to zero.

U.S. sanctions on Iran and Venezuela, two of the largest oil producers in the Organization of the Petroleum Exporting Countries, and production cuts by OPEC and Russia have boosted global oil prices to near four-month highs.

Iran reached an agreement with world powers in 2015 over its nuclear program which led to the lifting of sanctions in 2016 but U.S. President Donald Trump pulled out of the deal in May last year and reimposed restrictions in November.

Trump "has made it very clear that we need to have a campaign of maximum economic pressure" on Iran, Hook said, "but he also doesn't want to shock oil markets, he wants to ensure a stable and well-supplied oil market. That policy has not changed."

The global oil market is looking for signs that Washington may extend sanctions waivers for Iran's key customers in early May. The United States surprised the market in November last year by allowing eight countries to keep importing Iranian oil - in part causing Brent crude futures, the international benchmark, to fall to near \$50 a barrel in late December after surpassing \$86 a barrel in October.

The U.S. Energy Information Administration (EIA) has projected that world supply will exceed demand in 2019 by 440,000 bpd, Hook said.

"When you have a better supplied oil market it enables us to accelerate our path to zero. But we also know that there are a lot of variables that go into a well-supplied and stable oil market," said Hook, a senior policy adviser to U.S. Secretary of State Mike Pompeo.

Washington sanctioned Venezuelan oil exports in January in an effort to oust President Nicolas Maduro and a massive power outage since last week halted crude exports from its primary port, essentially crippling the South American country's principal industry.

"We are aware that our diplomatic and economic pressure, the timing and the pace of that affects Venezuela's oil industry," Hook said.

He said the United States is monitoring global supplies for impact from sanctions. "I've met a few times with (Saudi Energy Minister) Khalid al-Falih over the last year when we knew we were

taking a lot of oil, we wanted to ensure that we're doing this in a responsible way," he said.

Falih said on Sunday that OPEC's production-curbing agreement likely would last until at least June. OPEC and its allies agreed late in 2018 to cut output by 1.2 million bpd.

Reporting by Florence Tan; Editing by Marguerita Choy and David Gregorio

Annex 250

“Sources: Iran's Oil Exports Hit 2019 Low in April”, *Reuters*, 16 April 2019



MIDDLE EAST

Sources: Iran's Oil Exports Hit 2019 Low in April

April 16, 2019 11:03 AM [Reuters](#)



FILE - A picture shows export oil pipelines at an oil facility in Iran's Kharg Island, on the shore of the Persian Gulf, Feb. 23, 2016.

LONDON — Iran's crude oil exports have dropped in April to their lowest daily level this year, tanker data showed and industry sources said, suggesting buyers are curbing purchases before Washington clamps down further on Iranian shipments as expected next month.

The United States reimposed sanctions on Iran in November after pulling out of a 2015 nuclear accord between Tehran and six world powers. Those sanctions have already more than halved Iranian oil exports, the country's main source of revenue.

<https://www.voanews.com/a/iran-oil-exports/4878139.html>

Shipments are averaging below 1 million barrels per day (bpd) so far this month, according to Refinitiv Eikon data and two other companies that track such exports and declined to be identified. That's lower than at least 1.1 million bpd as estimated for March.

The latest drop deepens supply losses resulting from an OPEC-led global agreement to cut oil production and U.S. sanctions on another OPEC member, Venezuela. Supported by those moves, oil prices have risen 30% this year to \$71 a barrel.

"Collapsing Venezuelan oil output and sanctioned Iranian exports have put a big question mark over supply," Norbert Ruecker of Swiss bank Julius Baer said.

While exports could rise later in the month, the drop so far suggests Washington is making progress towards its goal of curtailing shipments to below 1 million bpd from May.

The United States, seeking to avoid an increase in oil prices, granted sanctions waivers to China, India, Greece, Italy, Taiwan, Japan, Turkey and South Korea that allowed them to keep buying some Iranian crude. Those exemptions expire in May and analysts expect a new round to be less generous.

The U.S. government is considering more sanctions against Iran and has the ability not to give waivers at all, a senior Trump administration official said this month.

"We think there are very high chances that China and India and perhaps Turkey will receive (fresh) waivers, but with further cuts," said Sara Vakhshouri of energy consultant SVB Energy International.

There is no definitive figure on how much oil Iran exported in March. Shipments have become more opaque since sanctions returned, and Iran no longer reports its production figures to the Organization of the Petroleum Exporting Countries.

One of the two companies that tracks shipments estimated Iran exported 1.1 million bpd of crude last month, while the other company put the number at 1.3 million bpd. Kpler, another company that tracks Iranian exports, estimated March shipments of crude and condensate at 1.29 million bpd.

Still, there is general agreement that crude shipments have dropped from at least 2.5 million bpd in April 2018, the month before U.S. President Donald Trump withdrew the United States from the nuclear deal with Iran.

<https://www.voanews.com/a/iran-oil-exports/4878139.html>

Tehran has vowed to keep exporting oil despite U.S. efforts to reduce its shipments eventually to zero.

Reuters

<https://www.voanews.com/a/iran-oil-exports/4878139.html>

Annex 251

J. Rogin, “No more waivers: The United States will try to force Iranian oil exports to zero”, *Washington Post*, 21 April 2019

No more waivers: The United States will try to force Iranian oil exports to zero

 [washingtonpost.com/opinions/2019/04/21/no-more-waivers-united-states-will-try-force-iranian-oil-exports-zero](https://www.washingtonpost.com/opinions/2019/04/21/no-more-waivers-united-states-will-try-force-iranian-oil-exports-zero)

By [Josh Rogin](#)
Columnist

April 21

About one year after the United States decided to leave the Iran nuclear deal, the State Department is set to announce that all countries will have to completely end their imports of Iranian oil or be subject to U.S. sanctions. This is an escalation of the Trump administration's "maximum pressure" campaign, which seeks to force Tehran to end its illicit behavior around the world.

On Monday morning, Secretary of State Mike Pompeo will announce to the media that, as of May 2, the State Department will no longer grant sanctions waivers to any country that is currently importing Iranian crude or condensate, two State Department officials told me. Last November, the State Department issued 180-day waivers to eight countries to give them more time to find alternative sources of oil. Now, their time is running out.

The decision to end waivers has implications for world oil markets, which have been eagerly anticipating President Trump's decision on whether to extend waivers. The officials said market disruption should be minimal for two reasons: supply is now greater than demand and Pompeo is also set to announce offsets through commitments from other suppliers such as Saudi Arabia and the United Arab Emirates. Trump spoke about the issue Thursday with the UAE's Crown Prince Mohammed bin Zayed al-Nahyan.

The decision to stop the waivers — called significant reduction exceptions, or SREs — has also become political in Washington, with hawkish officials and lawmakers publicly advocating their discontinuation. Pompeo last week accused lawmakers of "grandstanding" on the issue. Officials said Pompeo always intended to end the waivers when market conditions allowed.

"The policy of zero Iranian imports originated with Secretary Pompeo," a senior State Department official said. "He has executed this policy in tight coordination with the president every step of the way. Because the conditions to not grant any more SREs have now been met, we can now announce zero imports."

Officials also pointed to recent comments by U.S. special representative for Iran Brian Hook, who said earlier this month that waivers were appropriate last year due to concern over oil prices that was publicly expressed by Trump.

This year, he said, is different. "Because [in] 2019 we forecast more supply than demand, there are better market conditions for us to accelerate our path to zero," said Hook. "We are not looking to grant any waivers or exceptions to our sanctions regime."

Three of the eight countries that received U.S. waivers last November have already reduced their Iranian oil imports to zero: Greece, Italy and Taiwan. The other countries that will now have to cut off Iranian oil imports or be subject to U.S. sanctions are China, India, Turkey, Japan and South Korea.

China and India are currently the largest importers of Iranian oil. If they don't go along with Trump's demands, that could cause tensions in both bilateral relationships and spill over into other issues, like trade. South Korea and Japan are relatively less dependent on Iranian oil and have already been treading lightly. A Turkish official has said the country is "expecting" another waiver, but it isn't getting one.

Trump has said he wants the Iranian regime to come back to the negotiating table and strike a better deal than the one President Barack Obama signed. The Iranian regime has said it has no intention of doing that. Either way, the administration's ramping up of its "maximum pressure" campaign is meant to starve the regime of the cash it needs to perpetrate its malign activities around the world.

"The goal of the policy is to drive up the costs of Iran's malign behavior and more strongly address the broad range of threats to peace and security their regime presents," the State Department official said.

Although the U.S. government's internal data tracking Iranian oil exports is not public, reports from private analysts note that Iranian oil exports rose in early 2019, perhaps as countries stocked up ahead of the cutoff, and then fell in March as countries likely sought to wean themselves off Iranian oil.

Public estimates put the approximate amount of Iranian oil exports in March at about 1 million barrels per day, down from about 2.5 million barrels per day in April 2018, the month before Trump announced that the United States was withdrawing from the Iran nuclear deal.

There are some signs the pressure is having an effect. Iran has been unable to deliver oil to Syria since January due to international enforcement of the sanctions, the Wall Street Journal reported last month, which has increased pressure on the regime of Bashar al-Assad. In March, Pompeo pointed to Hezbollah's reported cash shortages as additional evidence that Iran's coffers were being squeezed, with positive results for regional security.

The use of sanctions threats to pressure adversaries and allies alike is not without risk. European allies have been working with Tehran to devise methods to circumvent U.S. sanctions as part of their effort to save the Iran deal. But for now, the United States is still big and strong enough economically that companies and governments have little choice but to comply.

It's unlikely the Iranian regime will ever sit down with the Trump administration to negotiate a better deal or fundamentally change its behavior. Starting next month, though, it will at least have less oil money to spread terrorism and mischief around the Middle East and the world.

Josh Rogin

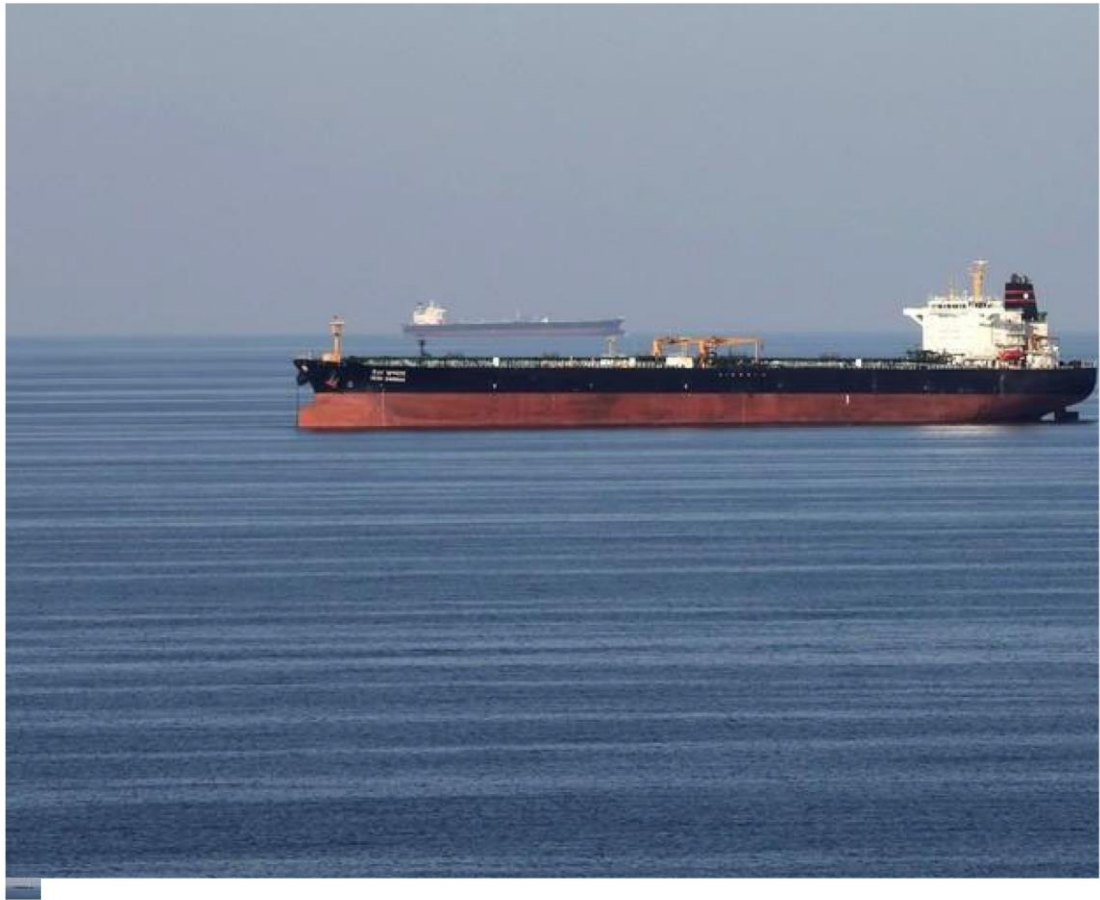
Annex 252

**D. Zhdannikov, “Iran's oil exports to slide in May, but not to zero: sources”, *Reuters*,
3 May 2019**

Iran's oil exports to slide in May, but not to zero: sources

Dmitry Zhdannikov

LONDON (Reuters) - Iranian oil exports will slide in May as the United States tightens the screws on Tehran's main source of income, industry sources said, deepening global supply losses caused by U.S. sanctions on Venezuela and OPEC-led cuts.



FILE PHOTO: Oil tankers pass through the Strait of Hormuz, December 21, 2018. REUTERS/Hamad I Mohammed/File Photo

The United States reimposed sanctions on Iran in November after pulling out of a 2015 nuclear accord between Tehran and six world powers. Those sanctions have already more than halved Iranian oil exports to 1 million barrels per day (bpd) or less.

Washington, aiming to cut Iran's sales to zero, said all sanctions waivers for those

<https://www.reuters.com/article/us-oil-iran-exports/irans-oil-exports-to-slide-in-may-but-not-to-zero-sources-idUSKCN1S911W>



FILE PHOTO: The logo of the Organization of the Petroleum Exporting Countries (OPEC) is seen inside their headquarters in Vienna, Austria December 7, 2018. REUTERS/Leonhard Foeger/File Photo

“The uncertainty band around the decline reflects residual uncertainty about the exact number of Iranian tankers that have been operating under the radar,” Kayrros said in a report.

The oil industry has for some years used tanker-tracking to work out actual supplies in the absence of timely official information. While easier than in the past due to satellite information, tanker tracking is still both art and science.

Tankers loading Iranian crude sometimes switch off their AIS signal, an automatic tracking system used on ships, only to switch it back on at a later stage of their journey, according to oil industry source, making it harder to see actual volumes.

Still, there is general agreement that crude shipments have dropped from at least 2.5 million bpd in April 2018, the month before President Donald Trump withdrew the United States from the nuclear deal with Iran.

Editing by Alexander Smith

<https://www.reuters.com/article/us-oil-iran-exports/irans-oil-exports-to-slide-in-may-but-not-to-zero-sources-idUSKCN1S911W>

importing Iranian oil would end this week. Iran says this will not happen, although its officials are bracing for a drop in supplies.

One Iranian official familiar with oil policy said exports could drop to 700,000 bpd and as low as 500,000 bpd from May onwards. An OPEC source said Iranian exports would likely continue at about 400,000 to 600,000 bpd.

Iran would likely be able to maintain some shipments for debt repayment to China and India, and into storage in China, and smuggle a limited extra amount as it did under previous sanctions, analyst Sara Vakhshouri said.

“It’s important to note that zero oil sales in May doesn’t mean that there will not be oil deliveries to China or India in the month,” she said.

“In total, Iran could export between 200,000 to 550,000 of oil. of which not all is sold oil.”

Analysts at Energy Aspects expect a drop in Iranian shipments to around 600,000 bpd from May onwards.

Iranian exports have become more opaque since U.S. sanctions returned in November. Tehran no longer reports its production figures to the Organization of the Petroleum Exporting Countries and there is no definitive information on exports.

Some of Iran’s oil exports are already under the radar, making it harder to assess the actual volume.

The OPEC member exported between 1.02 million bpd and 1.30 million bpd of crude and condensate in April, Refinitiv Eikon and Kpler, a company that tracks oil flows, estimate.

OPEC HEADACHE

The dearth of information is a headache for other OPEC members and allies, which meet to set oil supply policy in June. OPEC canceled an April meeting, partly due to this uncertainty.

Saudi Aramco, expected to be the main source of any extra oil to replace Iranian volumes, has been asking around in the market for estimates of Iranian exports, industry sources said.

Iranian oil officials have welcomed this opacity. Tehran insists it will keep selling oil and is examining new ways of doing so, Iranian oil minister, Bijan Zanganeh, was quoted as saying on Wednesday.

Kayrros, a company that tracks oil flows, put Iranian crude exports in March at 1.40 million to 1.65 million bpd.

Annex 253

**Witness statement by Mr M. Asaadi Samani, Secretary of the Association of Iranian
Airlines (AIA), 18 August 2018**

شماره : ۹۷/۳۶۱۵
تاریخ : ۸/۱۸/۱۳۹۸
پیوست:



Witness Statement

I, Maghsoud Asaadi Samani, the Secretary of Association of Iranian Airlines ("Association"), testify as follows:

- 1- I have been the Secretary of Association since 2014. I hold a B.S.degree in Insurance from college of Insurance Tehran. I was employed by the Association in 2014.
- 2- The Association is a non-governmental organization which consists of 15 Iranian airlines as its members. The main task of the Association is negotiation with the government, parliament, and other official authorities for securing the syndicate interests of the Iranian airlines and rendering expert opinion in several aspects of aviation industry. Further purposes of the Association are, inter alia, providing solutions for alleviating the burdens and problems imposed on the Iranian airlines due to the sanctions, enhancement of the services rendered by the airlines and organizing the cooperation between them. Given my previous positions and my current capacity, I have personal knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true.
- 3- The U.S. withdrawal from the JCPOA on 8 May 2018 and re-imposition of sanctions on 6 August 2018 are having the following harmful effects on Iranian airlines and civil aviation. The Aircraft operations, engineering and maintenance, commercial and financial activities and providing foreign airport services to the the airlines would be rigorously affected.
- 4- Following the JCPOA, Iranian airlines were hopeful that their ageing fleet would be renewed by purchasing more than 320 new commercial aircraft based on the contracts and MOUs with major aircraft manufacturers including Airbus, Boeing, ATR, etc.

شماره :

تاریخ :

پیوست :



- 5- However, the Statement of Licensing Policy for activities related to the export or re-export to Iran of commercial passenger aircraft and related parts and services (JCPOA SLP) was revoked immediately by OFAC as of 8 May 2018. This revocation will have destructive impacts on the several aspects of Iranian airlines' operations, especially on the safety of their flights.
- 6- Based on our experience of the sanctions imposed on Iranian airlines before JCPOA, the most important harmful impacts of the re-imposition of the U.S. sanctions are as follows:

- Operation Section

- a) Inaccessibility to the Lufthansa System's services in the procurement of LIDO (Lufthansa Integrated Dispatch Operation) which is necessary for air navigation.
- b) Blockage in receiving and updating the Flight Management System Database which is extremely crucial for all aircraft navigation all around the world.
- c) The impossibility of fuelling particularly in foreign destinations which leads to the reduction in passenger and cargo capacity for the fleet and give rise to extra landing and take-off for fuelling in secondary airports.
- d) In addition, more cost will be incurred by the airlines due to the necessity of the de-icing process in winter.
- e) Implementation of the Regulation on Air Operations by Iran Civil Aviation Organisation concerning flight duty period and an increase in flight hours due to extra landing and take-off will result in major problems for Iranian airlines.
- f) Restriction or impossibility of using the simulators made by major companies and consequently harming preliminary and periodical pilot training necessary for issuance and renewing of the flight licenses.
- g) Non-receiving necessary data for updating flight books and relevant checklists such as QRH, FCOM, etc. from the aircraft manufacturer which has a direct impact on Safety of flight.
- h) Restriction on using the critical applications for assessment of the aircraft's flying function such as SPS, FAS, PEP, AB. Which is necessary for every commercial flight all around the world.

شماره :

تاریخ :

پیوست :



- i) Extreme limitation in access to airworthiness data and flight operation data which put passengers in danger.
- j) Aircraft is a package of systems and integrated technologies which will remain operative when all associated services and linked matters provided. Therefore, failure to access each of the above-mentioned items makes the aircraft inoperative.

- Commercial and Financial Sections

- a) Sharp reduction in ticket sales and foreign tourism.
- b) Extreme difficulties in access to the relevant services and requirements in cargo air transportation including but not limited to Cargo Spot GSA, Cargo Account Settlement Systems (CASS), correspondent banking services, inspections reservation system, communication software, and acceptance of cargos under the Iranian airway bill prefix.
- c) Closing Iranian airlines' bank account in foreign banks and refusing to render any banking services to them.
- d) Extreme difficulties in payment of expenses through banking system, selling tickets and transferring the yielded income to Iran.

- Airport Services Section

- a) Restriction on securing certain technical parts and aircraft auxiliary equipment including air conditioner, air starter, de-icing sprayer machines, container/pallet loader, truck, grand power, transporter and push truck.
- b) Restriction on or impossibility of providing aircraft de-icing fluid.

- Engineering and Repairing Sections

- a) Restrictions on purchasing aircraft spare parts from or repairing them by the main sources.
- b) Inaccessibility of the aircraft's technical and expertise documents and publications.
- c) Impossibility in purchasing aircraft engine, landing gear, auxiliary power unit, and propeller for aircraft.
- d) Restriction on updating the aircraft systems in order to make them compatible with the Airworthiness Directives. Continuing airworthiness of aircraft and its operation are completely dependent on the mandatory modifications (Airworthiness Directives) and well performance of required maintenance and inspections.

شماره :

تاریخ :

پیوست :



- e) Exacerbation of customs restrictions on shipping the aircraft's spare-parts and materials from other countries.
- f) No access to essential training for new aircraft.
- 7- Due to the U.S. sanctions it is even impossible for Iranian airlines to lease an aircraft from foreign companies which is a real impediment on the operation and expansion of the airline's flight destinations.
- 8- Considering the international logic of aviation industry, safety enhancement is subject to countries' close cooperation. Such cooperation has been extremely limited for Iranian airlines due to the re-imposition of the U.S. sanctions. If the international community fails to prevent the U.S. from giving full effect to its sanctions, the lives of Iranian passengers and crew and other customers of Iranian airlines will be placed in danger.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

Name: Maghsoud Asaadi Samani

Signed:

Samani



Dated:

8/18/2018

Annex 254

**Witness statement of Mr A. Abedzade, President of the Civil Aviation Organization of
Iran, 24 April 2019**



Witness Statement on the Effects of the Sanctions Imposed on Iran's Aviation Industry

April 24, 2019

1. I am Ali Abedzade, a graduate of aircraft engineering and an M.S holder in engineering management from the University of the Philippines. I have started my professional career at the Civil Aviation Organization of Iran since 1980 and have experience of working in various fields like aircraft maintenance, technical supervision at Aseman Airlines, and held positions like the Managing Director of Aseman Airlines and the Vice President of Meraj Airlines. I am currently working as the Vice Minister of Roads and Urban Development and President of Civil Aviation Organization of Iran.
2. I hereby declare that the Civil Aviation Organization as the government representative to exercise sovereignty in Iran's air transport industry assumes the following major responsibilities:
 - 2-1. Policymaking, planning and shaping technical, economic, commercial and international policies of the State air transport
 - 2-2. Developing flight standards, overseeing airline companies in terms of airworthiness verification and compliance with safety issues and standards, issuing licenses, developing and making the associated regulations
 - 2-3. Verifying the types of aircraft authorized to engage in air transport in Iran
 - 2-4. Preparing and developing security directives in compliance with the associated international and domestic regulations and standards in addition to overseeing their enforcement
 - 2-5. Policymaking and planning for educating and training skilled aviation personnel for all aviation institutes
 - 2-6. Holding membership and communicating with the International Civil Aviation Organization (ICAO) and other global affiliated organizations in compliance with the related regulations
 - 2-7. Investigating the aviation incidents and accidents and imposing the necessary penalties in accordance with the related regulations



3. Given my previous responsibilities and experience, and available information at hand, I declare that following the Joint Comprehensive Plan of Action (JCPOA), an opportunity presented itself through which global air service suppliers could establish an easier connection with Iran's aviation industry. Consequently, Iranian airline companies and airports gained an opportunity to have a direct connection with aircraft and spare parts manufacturers, and with those of airport equipment. Moreover, access to information related to aviation industry was gained more easily to facilitate aeronautical issues, which in turn resulted in purchasing the aircraft required by Iranian airline companies and some equipment needed at airports in Iran.
4. I also declare that the re-imposition of the U.S. sanctions have directly affected Iran's aviation industry in different forms, which are as follows:
 - 4-1. The connection between Iranian airline companies and airports with major suppliers of aircraft together with their spare parts and repairers has been broken in the international arena. Similarly, even some restrictions regarding the Iranian airlines' access to processes leading to providing the flight safety have been imposed. One of the factors causing such disconnection is the cut of financial ties, which has created more restrictions. For example, following the contracts already signed, the deposits paid by Iranian parties were blocked by foreign manufacturing companies due to the re-imposition of sanctions, causing Iranian companies to incur heavy losses. Annexed to this Witness Statement is the Rolls Royce's letter dated August 6, 2018, to Iran Aseman Airlines with reference number R-R/JCPOA/IAA/180806 regarding the notification on blocking the deposits already paid.
 - 4-2. Iranian airlines companies have been barred or restricted from access to services and parts including the updated books and related checklists of aircraft manufactures as well as the technical and specialized documents, necessary for the safety and airworthiness of the aircraft of their fleets; a situation that led the Civil Aviation Organization of Iran to request the grounding of a growing number of these aircraft, impeding the capacity of Iranian airlines to meet the need for air transportation services, not only for international flights but also for domestic flights.

- 4-3. Imposing restrictions on purchasing aircraft engine, landing gear, APU and propeller, spare parts, and or repairing them by major companies has crippled the operational activities of the fleet. Also, access to technical services and information necessary to operate aircraft and maintain their airworthiness has been terminated.
- 4-4. Restrictions on access to simulator by large companies has damaged both the pilot courses and the initial training for issuing and renewing their licenses.
- 4-5. The negative growth in cargo capacity by 14% and passenger numbers by 17% has been brought about by different factors such as refusal of refueling at foreign destinations, forcing extra landings and a rise in flight hours, as well as the need for carrying fuel on return flights, all of which have caused the number of passengers and or cargo to drop considerably.
- 4-6. The number of flights, in particular the ones at level-2 and level-3 airports in Iran, has decreased. Evidence to this is the 14 percent fall in the number of landings and takeoffs at domestic airports during the eleven-month period i.e. March 2018- February 2019, compared to the similar period: March 2017 to February 2018.
- 4-7. Following the JCPOA, Iranian airlines began to purchase aircraft from large aircraft manufacturing companies to renew their fleet, but the signed contracts were canceled by foreign companies once the U.S. re-imposed the sanctions, causing Iranian airlines to suffer heavy losses.
- 4-8. Restrictions on sales and barter systems, such as lack of access to IATA clearing house for financial bartering of Iranian airline companies with foreign airline companies which are members of IATA.
- 4-9. Problems connected with using reservation systems, including the restrictions created by SITA company for Mahan and Meraj airline companies.
- 4-10. Problems connected with access to services and requirements for cargo air transport, including DHL's ending cooperation with Iran.
- 4-11. Problems connected with paying Iran's membership fee to the International Civil Aviation Organization due to the imposed banking restrictions following the re-imposition of sanctions, which, in turn has weakened Iran's position in the mentioned organization.

- 4-12. Withdrawal of foreign airliners from the Iranian air passenger market including major international airlines companies, such as KLM, Air France, British Airways, Air Astana, Germania and Alitalia limits the offer for Iranian population wishing to travel abroad or for foreigners wishing to come to Iran, and also restricted the offer in terms of point to point flights, as Iranian airlines are not in capacity to take over all the flight routes previously operated by foreign airliners. Annexed to this Witness Statement is the table providing some statistical data relevant to the list of foreign companies which have reduced or stopped their flight operations in Iran.⁶
 - 4-13. Restrictions imposed on financial transactions of Iranian companies and or blocking their bank accounts.
 - 4-14. By May 8, 2018, Iran's air passenger transportation had been experiencing a growth of 10 % per year, while after the decision of the United States to re-impose the sanctions, statistics now show a decrease of 13 %.
 - 4-15. More delays, lower operational capability and reliability of Iranian airlines have caused a sharp decline in Iranian passengers' satisfaction level.
5. In light of the spirit of the Chicago convention, in particular, the articles stated in the introduction and articles 4 and 44, all the contracting states are obliged to respect all nations' right to access safe, regular, efficient and economical air transport and refrain from imposing any restriction on nations' access to air transport which would lead to immediate and irreparable consequences. However, the re-imposition of U.S sanctions has deprived Iranian people of such equal and inalienable rights, which is itself a blatant violation of the Chicago Convention.
 6. In our capacity as the Iranian civil aviation authority, we do all we can to maintain the safety of the air transportation taking place within the Iranian airspace or with the aircraft listed on the Iranian aviation registry. However, due to the re-imposition of the U.S. sanctions, maintaining the safety has become very difficult, very complicated and very expensive for our administration and for Iranian airlines companies. For instance, when we receive an airworthiness directive from an aircraft manufacturer



regarding a specific type of aircraft, and we find that Iranian airlines do not have access to the parts, tools or services necessary to ensure its implementation on their fleet, the Civil Aviation Organization of Iran has to initiate a very expensive process in order to determine the issue that was to be addressed by this directive and then design and engineer an alternative means for Iranian airline companies to address the issue, so that we may certify the airworthiness. And in some cases, we only receive information about the issuance of new airworthiness directives being issued from aircraft manufacturers to modify a certain type of aircraft but cannot get access to the service bulletins and the modification kits and therefore cannot even implement the requested modifications. In such case, the Civil Aviation Organization of Iran is sometimes left with no option but to limit the scope of operations of the relevant type of aircraft.

7. Considering the above-mentioned issues, the U.S. sanctions are directly impeding the Civil Aviation Organization of Iran to guarantee and ensure the safety of the lives of passengers, crews and other customers of Iranian airlines. Finally, it should be borne in mind that the issues stated above are simply the initial impacts of the U.S. measures and their full effect has yet to become clear. Therefore, we will provide a more comprehensive report in due course.

Ali Abedzadeh
Vice Minister of Roads and Urban Development and
President of Civil Aviation Organization of Islamic Republic of Iran



Iran Aseman Airlines

ref: R-R/JCPOA/IAA/180806

Mehrabad International Airport
PO Box No. 13145-1476
Tehran
Islamic Republic of Iran
For The attention of Mr. Gorji

Impact of US withdrawal from Joint Comprehensive Plan of Action.

6th August 2018

Dear Mr. Gorji,

As you are aware, on 20 July 2015, the UN Security Council passed resolution 2231 endorsing the Joint Comprehensive Plan of Action ("JCPOA"). Subsequently, the JCPOA came into force in the US and the EU on 18 October 2015. However, on the 8th of May 2018, the United States announced its withdrawal from the JCPOA and simultaneously instructed a ninety (90) day "wind-down" period for all commercial aviation activity with this period ending on August 6th, 2018.

Since the May 8th announcement, Rolls-Royce has been investigating what this policy change means for us and assessing how it will impact our business relationship with Iran Aseman Airlines. Unfortunately, we have concluded that our ability to support Iran Aseman's operation of its Tay-powered Fokker aircraft will be directly impacted. In short, with effect from 6 August 2018, we will cease to transact any business with Iran Aseman Airlines and will not provide any ongoing technical support. It remains the responsibility of Iran Aseman Airlines to ensure that it operates and maintains its Fokker aircraft and its TAY engines in accordance with all applicable requirements.

Since I am fully aware of your recent requests (i) to purchase spare parts in support of your TAY powered Fokker aircraft and (ii) that Rolls-Royce should refund the remaining amount of GBP180,000.00 that it received in respect of previous activity under Contract G2578 (the "Deposit"), I want to take a moment to specifically address those two points.

- (i) purchase of spare parts: The "wind-down" period regulations prevent us from contracting any new business and the delivery of spare parts for Iran Aseman Airlines' TAY powered Fokker aircraft would be subject to this restriction. We therefore cannot proceed to accept or deliver any spare parts orders.
- (ii) Deposit: our intent was to pay Iran Aseman an amount equal to the Deposit prior to Aug 6th 2018; however, we have established that we have no means of doing so as we no longer have a bank that will carry out a funds transfer nor can we exchange the value for any alternative goods, such as spare parts, as this would be construed as new business and therefore in violation of the "wind-down" period regulations. Therefore, to the extent we are legally permitted to do so, we will continue to hold the Deposit.



Rolls-Royce

Despite the impact of the US government's withdrawal from the JCPOA on Rolls-Royce's and Iran Aseman's relationship, we hope that when the opportunity presents itself again and if the applicable legal framework permits it, you will consider Rolls-Royce for your aircraft power requirements.

Thank you for your understanding.

Sincerely,

A handwritten signature in black ink, appearing to be 'JP Kelly'.

John P. Kelly
Senior Vice President | Customers – Middle East & Africa
john.kelly@rolls-royce.com

Rolls-Royce plc Registered Office: 62 Buckingham Gate, London, SW1E6AT.
Company Number: 01975872. Registered in England.



Islamic Republic of Iran
Civil Aviation Organization

List of foreign companies which have reduced or stopped their flight operations in Iran				
	Company	The number of Flights per Week: Summer	The Date of Stopping or Reduction of Flight Operations	Further Details
1	KLM	3	September 24, 2018	
2	Air France	3	September 24, 2018	
3	British Airways	5	September 24, 2018	
4	Air Astana	3	October 1, 2018	Stopped operations on August 4, 2018
5	Germania	3	February, 2019	
6	Alitalia	7	December 31, 2018	

Annex 255

**Witness statement of Mr M. Mahini, Director General of Legal Department of Iran
Air, 30 April 2019**

OUR REF. 10401/HKH
YOUR REF.
DATE 2019/04/30



Witness Statement

I, Majid Mahini, acting as Director General of Legal Department of IranAir, the Airline of the Islamic Republic of Iran, with registered office at Mehrabad Airport, Tehran, Iran, having occupied the aforesaid position since May 2016 and managing the legal and contractual affairs of IranAir, testify that I have personal and direct knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true:

1. IranAir as a flag carrier is the 1st airline of Iran in terms of fleet and operates both domestic and international routes. About 22 to 25 percent of its flights take place to and from foreign destinations, with flights to most important cities in Europe, the Middle East and the Indian subcontinent.
2. IranAir has a fleet of around 53 aircraft, but, due to the maintenance and airworthiness issues resulting notably from the US sanctions, only 20 are presently in operation, 19 in passenger configuration and 1 in cargo configuration.
3. IranAir has a payroll of around 22,000 persons, 10,000 as actual employees and 12,000 as retired employees.
4. After the implementation of the JCPOA, IranAir could manage to negotiate sale and purchase agreements with the main international aircraft manufacturers. During this period IranAir signed:
 - i. 2 contractual documents with Airbus for the purchase of 100 new aircraft (the OFAC issued 2 specific licences in relation to this transaction);
 - ii. 4 contractual documents with Boeing for the purchase of 80 new aircraft (the OFAC issued 1 specific license in relation to this transaction); and
 - iii. 2 contractual documents with ATR, for the purchase of 20 aircraft with an option for 20 more (the OFAC issued 2 specific licenses in relation to this transaction, including one issued in July 2018, to allow for the delivery before August 6th, 2018 of 5 of the purchased aircraft).

Save for the 20 additional ATR aircraft, all these agreements were firm sale and purchase agreements.

5. The objective of the acquisition program was twofold for IranAir:

IRAN AIR H.Q. MEHRABAD AIRPORT TEHRAN - IRAN

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- i. To resume the flight routes that had been suspended due to lack of available aircraft and increase the frequency of the flights to each existing destination; and
 - ii. To expand the network served by IranAir, according to IranAir's then business model.
6. The acquisition program also induced a necessity for IranAir to increase the capacity of its Maintenance Department in order to meet with the expected requirements of the future fleet. IranAir invested to this end, to increase its staff dedicated to maintenance services and acquire the additional infrastructures and resources to sustain a fleet of more than 250 aircraft. Actually, the agreements executed with Airbus for the purchase of the new aircraft included cooperation with IranAir to increase the capacity of its Maintenance Department. IranAir also established business relationships with:
 - i. Major international maintenance operators, such as Lufthansa Technik or MTU which operate an engine shop, both for maintenance services in their facilities, as well as increasing IranAir's own capacities;
 - ii. Major parts and components suppliers, such as Panasonic, for equipment needed for maintenance purposes;
 - iii. And training suppliers, such as vendors of aircraft simulators, to ensure the training of its pilots on the new aircraft that were to be delivered to IranAir.
7. All these investments represented a program of Approximately 16 Billion Euros for different types of airplanes including Airbus, Boeing and ATR.
8. As a result of the re-imposition of the US sanctions, all the developments and investments made after the implementation of the JCPOA came to an abrupt halt. All the licenses issued by the OFAC in relation to the purchases of IranAir after the JCPOA, were revoked by this U.S. administration and secondary sanctions were re-imposed or later introduced. The suppliers who were either U.S. or U.S.-controlled companies or which products included more than 10 % of U.S. contents – Airbus or Boeing – terminated or suspended their agreements with IranAir immediately after the 8 May 2018. For the other suppliers and based on the re-imposition of secondary sanctions, such as Rolls Royce, termination or suspension of the agreements took place, at the latest on 4th of November 2018, when IranAir and IranAir's aircraft were listed on the OFAC's SDN List.

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9. Consequences were dire for the acquisition program of IranAir:

- i. IranAir has only received 3 new Airbus aircraft and 13 new ATR aircraft out of the 200 aircraft for which firm purchases had been concluded. After the 8 May 2018, all the licenses issued by the OFAC for the delivery of the aircraft purchased by IranAir before that date, and notably those not yet delivered, were terminated. And although ATR and Airbus have informed IranAir that they were trying to obtain new licenses from the OFAC in order to deliver the remaining aircraft, no information has been provided as to a positive return from this US administration;
- ii. As a result of revocation of OFAC licenses issued with regard to such agreements, provision of support services and spare parts by Airbus and ATR to the aircraft delivered under valid OFAC licenses has been suspended;
- iii. Representatives of foreign manufacturers, some of which had been present in Iran for more 30 years, left after the 8 May 2018;
- iv. None of the suppliers of IranAir, such as Honeywell, Raytheon, THALES, Zodiac Aerospace and main engine manufacturers that had been applying for licenses from the OFAC before the 8 May 2018, received an answer;
- v. And even suppliers or vendors that have indicated to IranAir that they had applied to OFAC for specific licenses justified to safety issues, have received no answers from this U.S. administration:

10. But the re-imposition of the US sanctions after the 8 May 2018 also had adverse consequences on the operations of IranAir:

- i. IranAir can no longer receive operational information regarding the aircraft of its fleets from the manufacturers which has been already delivered under a valid OFAC license
- ii. IranAir has had issues to obtain refueling in some of its main destinations abroad as well as maintenance services

These issues resulted in additional costs for IranAir's operations (for instance, for carrying additional fuel to be able to fly the return flight, without any refueling, or for carrying technicians to perform usual maintenance check abroad), restriction on possible destinations for IranAir and additional constraints on the safety of IranAir's flights (for instance, when an aircraft is grounded for a technical reason abroad and spare parts, maintenance equipment and technicians have to be flown from Iran).

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11. In addition, even with its foreign counterparts that have accepted to pursue their relationships, IranAir is experiencing serious difficulties because of problems related to payments given the restriction on the Iranian banking system.
12. As a result of the above-mentioned consequences, not only IranAir has not been able to implement its development plan, but the operation of its existing fleet is becoming more expensive and complicated, with less aircraft in serviceable conditions and less sources for parts and maintenance services.

28 April 2019

Majid Mahini

Director General, Legal

IranAir, the Airline of the Islamic Republic of Iran



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Annex 256

**ICAO, “Continuity of the US trade embargo on the civil aviation of the Islamic Republic of Iran and the safety deficiencies arising out of it”, Information Paper,
15 March 2006**



INFORMATION PAPER

**DIRECTORS GENERAL OF CIVIL AVIATION CONFERENCE
ON A GLOBAL STRATEGY FOR AVIATION SAFETY**

Montréal, 20 to 22 March 2006

Theme 2: Improving aviation safety

Topic 2.3: Unified strategy to resolve Safety-related deficiencies

**CONTINUITY OF THE UNITED STATES TRADE EMBARGO ON
THE CIVIL AVIATION OF THE ISLAMIC REPUBLIC OF IRAN AND
THE SAFETY DEFICIENCIES ARISING OUT OF IT**

(Presented by the Islamic Republic of Iran)

SUMMARY

This paper presents the historical background of the imposed embargo on (sanctions against) the Islamic Republic of Iran (I.R. of Iran) Civil Aviation before the ICAO. It provides the proceedings of the issue in Economic Commission (EC) of the Assembly 35, a few Hearings before the U.S. Senate Foreign Relations Committee as reasoning for the foundation of ICAO, some of the minutes of the founding body of ICAO in the United States, and the applicable provisions of Chicago Convention to this issue. The paper further demonstrates the applicable Iranian Sanctions Regulations and highlights the paramount importance of ICAO for the safety of civil aviation. They are followed by an update concerning the measures, which the Assembly 35 took, based on A35-WP/297, "Adverse Effects of U.S. Trade Embargo on Civil Aviation Activities of the I.R. of Iran", and then the views and proposals of EC expressed in A35-WP/311 are represented. Furthermore, the paper gives an account of the independent technical report on civil aviation of the I.R. of Iran.

The findings of the audit report July 17, 2005-TC4/3.33-13 as "The Report on Safety: The Effects of Economic Sanctions on the I.R. of Iran Civil Aviation", May 9, 2005, is briefly presented. In the light of discussions, the paper concludes that the spare parts and services essential to civil aviation safety have been denied, and such a denial is an obvious non-conformity to the letter and spirit of the Chicago Convention, which is actually used as an instrument for foreign policy.

Action by the Conference is in paragraph 5.

REFERENCES

Doc7300/8

A35-WP/297

A35-WP/311-EC/48

ICAO Mission Report on the audit of the Civil Aviation and Air Carriers of the I.R. of Iran, July 17, 2005, TC4/3.33-13

1. INTRODUCTION

1.1 HISTORICAL BACKGROUND OF THE ISSUE BEFORE THE ICAO

1.2 In Assembly 35, the I.R. of Iran provided the Assembly with A35- WP/297, “Adverse Effects of the U.S. Trade Embargo on Civil Aviation Activities of the I.R. of Iran.” The working paper demonstrated that the United States imposed trade embargo on the I.R. of Iran civil aviation, is contrary to the aims and objectives of Article 44 of the Chicago Convention for which the United States of America is not only a party but is also a founder. Moreover, the paper stressed that the civil aviation safety of the Contracting States, which are subject to embargo, has been and will be at stake.

1.3 The I.R. of Iran’s paper drew the attention of the Assembly 35 to the imposed embargo and requested the Assembly to consider the issue thoroughly, and then take any necessary measures in order that the ground is prepared for the lifting of embargo.

1.4 The draft report, A35-WP/311, EC/48 issued by ICAO on October 4, 2004, includes the arguments and the consideration of the EC, under Agenda Item 27:30, addressed the U.S. embargo, as may affect aviation safety, is a complex, delicate and sensitive issue and the EC could not resolve it. It was therefore decided that the views expressed to be brought to the attention of the President of the Council to follow up the issue through his “good offices”.

1.5 According to the report, para. 27:32, the I.R. of Iran’s requests and views were discussed and a number of delegations stated their support for the positions taken by Cuba and Iran, and for actions proposed in their papers. In their view, the trade embargo was considered to have an adverse safety and security impact on the participation of these States in international air transport. It also affected their ability to fulfill their safety obligations under the Chicago Convention. While the issue was one with political origins, it was considered by the sponsors of the two papers [Cuba and Iran] to be essentially a safety and technical issue and, therefore, one within the ambit of ICAO as a multilateral technical agency....

1.6 In response to the positions taken, ICAO assisted to identify technical experts to assess independently the charges of the I.R. of Iran that the U.S. embargo was adversely affecting the safety of its civil aviation.

1.7 Following the assessment of ICAO, a report was issued on May 9, 2005 stating that, in fact, the U.S. embargo on the I.R. of Iran had endangered the safety of civil aviation in Iran, and it is contrary to the provisions and objectives of the Chicago Convention. Among other recommendations, ICAO recommended, “the United States should recommit to the Chicago Convention.” (See the Report of the fact-finding mission to the I.R. of Iran on 17 July 2005-TC4/3.33-13).

2. DISCUSSION

2.1 The Applicable Provisions of the Chicago Convention to This Issue

2.1.1 The United States was one of the principal architects of the Chicago Convention. Secretary of State Dean Acheson, Assistant Secretary of State Adolph Berle and L. Welch Pogue, Chairman of the Civil Aeronautics Board, were among the United States leaders in support of this Treaty. Under this Treaty, the International Civil Aviation Organization (ICAO) was created to carry out the aims and objectives of the Chicago Convention.

2.1.2 Said Chairman Pogue at Hearings before the U.S. Senate Foreign Relations Committee in

1945, “In order to secure the establishment of minimum safety requirements in international operations, international cooperation is essential. The world organization established by the proposed treaty, which is before you, is an attempt to provide that international cooperation so absolutely essential to safety” (Convention on International Civil Aviation [Hearings before the Committee on Foreign Relations, 79th Cong. 183, (1945)], [Statement of Chairman L. Welch Pogue]).

2.1.3 In the Preamble to the Chicago Convention, it is recited, “...the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;”

2.1.4 The United States, the United Kingdom and Canada proposed the Conference for the Member States make certain undertakings that “Each member state rejects the use of civil air transport as an instrument of national policy in international relations ... [and that] each member state shall carry out in good faith the undertakings which it has freely accepted in this Convention” (Proceedings of the International Civil Aviation Conference, VOL. 1, Document 358 418 [U.S. Gov’t Printing Office, ed., 1948]).

2.1.5 The joint proposal of the United States, the United Kingdom and Canada was incorporated in substance in Article 4 of the Chicago Convention, ratified by the United States on August 9, 1946, by Iran on April 19, 1950, and by virtually every other nation of the world.

2.1.6 Furthermore, Article 4 states, “Each contracting State agrees not to use civil aviation for any purpose inconsistent with the aims of this Convention.”

2.1.7 Part II of the Chicago Convention established this body, the International Civil Aviation Organization to carry out the “aims and objectives” of the Chicago Convention, as set forth in Article 44 which encompasses in brief, inter alia, the respect to the rights of Contracting States, avoidance of discrimination, promotion of safety and development of all aspects of International civil aeronautics.

3. The Applicable Iranian Sanctions Regulations Imposed by the United States

2.2.1 The United States has imposed comprehensive sanctions against the I.R. of Iran by the issued Executive Orders dated March 15, 1995, and May 6, 1995. As it was recited, “these sanctions were (and continue to be) imposed by the United States for foreign policy reasons”. As indicated above, it is a mere nonconformity to the Chicago Convention and has proved to be detrimental to the I.R. of Iran civil aviation safety.

2.2.2 The United States Iranian Sanctions Regulation reads, in brief, that the United States manufacturers or firms cannot sell and export aircraft, engines and spare parts, CNS equipment etc... to Iranian air carriers, companies or government agencies, whether the equipment is new or used. Nor can firms in Europe, the Middle East and other countries worldwide re-sell (re-export) most U.S.-origin equipment to Iranian air carriers. Firms (including airlines in Europe), which provide maintenance for Iranian air carriers cannot provide such maintenance if it involves the installation or replacement of U.S.-origin parts.

2.2.3 The United States has promulgated a colorable exception for “aircraft safety”, which has not in fact been honored, to permit equipment, engines, parts and support to be sold to Iranian air carriers and aviation related entities in the interest of civil aviation safety. However, the Aircraft Safety Provision has not been effectively implemented to promote and ensure the safety of civil aviation in the I.R. of Iran.

2.2.4 The Aircraft Safety Provision provides that “[s]pecific licenses may be issued on a case-by-case basis for the exportation of goods, services, and technology to insure the safety of civil aviation and safe operation of U.S.-origin commercial passenger aircraft” 31 C.F.R. § 560.528 (2005).

2.2.5 This construction would enable U.S.-origin aircraft parts and components to be exported to Iran direct or via third party, not only for Boeing aircraft, but also for non-U.S. assembled aircraft.

2.2.6 The narrow construction of the Office of Foreign Assets Control (OFAC) is that the phrase “the safety of civil aviation” qualifies “the safe operation of U.S.-origin commercial passenger aircraft” with the result that OFAC will “consider” licenses for the exportation of U.S.-origin aircraft parts and components for use in U.S. made aircraft.

4. **THE REPORT ON SAFETY: THE EFFECTS OF EMBARGO ON (SANCTIONS AGAINST) THE ISLAMIC REPUBLIC OF IRAN CIVIL AVIATION, MAY 9, 2005**

3.1 In fulfilling its obligations under the Chicago Convention, ICAO sent a fact-finding mission to the I.R. of Iran from April 9-14, 2005 to review and audit, inter alia, the effects of the U.S. economic sanctions against the civil aviation safety.

3.2 In sum, the independent experts found that the U.S. embargo placed on the I.R. of Iran has adversely affected the safety of civil aviation. Some of the findings of the report dated May 9, 2005 are as follows:

- a) The United States denied export licenses to the Boeing Company to permit Boeing to modify struts on the five Boeing 747 cargo aircraft being operated by SAHA Airlines, an Iranian airline. The ICAO[independent experts] report stated that the airline “will have to put them back into operation even without the struts modification, which will be detrimental to the safety of flights in Iran and other countries to where these aircraft fly or that they over fly”(ICAO Report Overview, p. 1).
- b) The radars for terminal approach in Tehran and Shiraz, the two largest airports in Iran, need space parts for continued safe operation. The principal radars are Raytheon ASR/SSR, a U.S.-origin product. “The present condition of the radars represents a substantial threat for the operations of these two largest airports in the country” inasmuch as only one channel out of two is currently working and the U.S. sanctions prevent the acquisition of the parts necessary to repair the radars (ibid.).

Not only are the flights of Iranian airlines [air carriers] at risk because of the U.S. sanctions, but also numerous other international airlines... [such as] Air France, Alitalia, Austrian Airlines, British Mediterranean Airways (BeeMed), Emirates, Lufthansa, Malaysia[n] Airlines, Royal Dutch Airlines, Qatar Airways [and so]...as well.

- c) As the ICAO [independent experts] report shows, these safety concerns are not theoretical. ICAO found that these economic sanctions have resulted in reduced safety of flights. “In April 2005, a B-707 operated by SAHA Airlines had a technical failure (broken landing gear during landing), with the consequence that a child died and several people were injured. In view of the restrictions on the maintenance of the aircraft... it is likely that similar unfortunate events will occur” (Ibid.).
- d) Because of the sanctions, some U.S. equipment and parts manufacturers do not provide technical

support and publications, including Service Bulletins and Modification Kits, and other instructions such as the cockpit door modification in Boeing aircraft.

- e) The use of simulators operated by an American company outside the United States was barred to Iranian pilots by the economic sanctions with the result that “all Falcon 20 training and proficiency checks for Iranian pilots [and navigation facilities] were suspended.”
- f) The Civil Aviation Organization of Iran needs avionic equipment for their Falcon 20 aircraft, which are used to calibrate landing systems. This required equipment is of American origin and cannot be obtained because of the sanctions. These landing systems are being used by twenty-three foreign airlines as well as Iranian airlines (ibid., p. 11).

In its report, ICAO [the independent experts] stated, “[a]ny continuation of severe sanctions must be construed to be very detrimental to aviation safety, and immediate action must be taken to avoid a regrettable occurrence. Whatever the justification of economic sanctions is there must be safeguards to protect the minimum level of safety” (ibid., p. 7).

3.3 ICAO is engaged to take the lead to remove any sanctions as they are applied to aircraft equipment, spare parts, CNS equipment and technical reports. Aviation safety, as it affects human life and human rights, stands above political differences. The civil aviation safety is and should be the bedrock principle of the Chicago Convention carved into Articles 4 and 44.

4. CONCLUSION

4.1 The Iran Sanctions, to the extent they bar the acquisition of parts and support essential for civil aviation safety, does not conform with both the letter and spirit of the Chicago Convention to which the U.S. is not only a member, but also one of its principal architects.

4.2 The civil aviation worldwide and ICAO have been and will be commendably obsessive about civil aviation safety. Nevertheless, the Chicago Convention does exist to prescribe a policy of safety... in civil aviation. However, the U.S. sanctions have a destructive effect on the civil aviation safety, Chicago Convention and ICAO; thus, must be lifted. Furthermore, civil aviation by definition is international and must not be subject to embargo and/or sanctions.

4.3 The Political differences between the parties to the Chicago Convention must not be used as an instrument for foreign policy. This is the commitment, which the United States was able to successfully exact from Member States. The I.R. of Iran requests the United States to honor this commitment.

4.4 The Conference is invited to:

- a) note that the imposed trade embargo by the United States of America on the I.R. of Iran, which, as per the findings of ICAO mission, is detrimental to the safety of civil aviation and does originate safety deficiencies.
- b) note that further follow-up measures subsequent to the fact-finding mission to the I.R. of Iran, and report of the findings to the United States Administration for the lifting of embargo by the good offices of the President of the Council have not yet been replied; although, the findings, for the sake of safety, justify an immediate reply.

- c) note that the issue in hand is within the ambit of the Chicago Convention; thus, it must be dealt in the ICAO as a technical UN agency.
- d) note that the U.S. Iranian Sanctions is an obvious non-conformity to the letter and spirit of the Chicago Convention and disrespect to human life, which is endangered by this policy. These sanctions undoubtedly undermine the mandate that the Member States have delegated to ICAO to ensure the safety of civil aviation worldwide.

— END —

Annex 257

**“Zagros Airlines places a commitment for 28 new Airbus aircraft”, Airbus,
22 June 2017**

Zagros Airlines places a commitment for 28 new Airbus aircraft

Zagros Airlines, one of the leading domestic airlines in Iran, has signed a memorandum of understanding with Airbus for the acquisition of 28 new aircraft, covering 20 A320neo and 8 A330neo aircraft.

The commitment was signed at the 52nd Le Bourget Paris airshow by Seyed Abdolreza Mousavi, Zagros Airlines CEO and Fabrice Brégier, Airbus COO and President Commercial Aircraft.

To date Zagros Airlines is the largest domestic single-aisle Airbus operator in Iran with 11 A320ceo Family aircraft.

"We are delighted to have been able to reach an agreement with Airbus for these new aircraft. We have been a loyal operator of the A320 Family and the performance, operational and cost efficiencies of Airbus aircraft was the selling point for us to order these aircraft", said Seyed Abdolreza Mousavi. "This represents a practical step for Zagros Airlines' fleet renewal as well as expanding our operations both domestically and internationally."

"We thank Zagros Airlines for their trust in our most efficient single and twin-aisle product families. They will allow Zagros to modernise and expand its fleet with minimum change benefiting from our fleet commonality which is unique to Airbus," said Fabrice Brégier.

The MoU is contingent upon all necessary approvals, including those from the Office of Foreign Assets Control (OFAC). Airbus will continue to act in full compliance with the Joint Comprehensive Plan Of Action (JCPOA) and associated rules.

As the world's leading aircraft manufacturer, Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus has design and manufacturing facilities in France, Germany, the UK, and Spain, and subsidiaries in the US, China, India, Japan and in the Middle East. In addition, Airbus provides the highest standard of customer support and training through an expanding international network.

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Annex 258

“Iran Airtour commits to 45 A320neo aircraft”, Airbus, 22 June 2017

Iran Airtour commits to 45 A320neo aircraft

Tehran based Iran Airtour Airlines, has become Airbus' newest customer for the A320neo Family after signing a memorandum of understanding (MoU) for 45 aircraft at the Paris Air Show.

Celebrating 45 years since establishment, the carrier now has been added to Airbus' list of new customers. Operating scheduled services to domestic and international markets, Iran Airtour will benefit from the new aircraft to modernise its fleet and expand its operations to domestic and international markets.

"The A320neo Family with its unique features enabling operational efficiency and reliability will contribute to our growth and expansion strategy," said Majid Shekari, Chairman of Iran Airtour Airlines. "Our success as a domestic and regional airline will be reinforced by this investment in the world's leading single-aisle aircraft".

"This commitment for 45 A320neo Family aircraft demonstrates the confidence airlines have in our successful market leading single-aisle for its operational efficiency and unrivaled passenger comfort," said Fabrice Brégier, Airbus COO and President Commercial Aircraft. "We are delighted to add Iran Airtour as a new Airbus customer and we look forward to our long-term partnership".

The MoU is contingent upon all necessary approvals, including those from the Office of Foreign Assets Control (OFAC). Airbus will continue to act in full compliance with the Joint Comprehensive Plan Of Action (JCPOA) and associated rules.

The A320 Family is the world's best-selling single aisle product line. To date, the Family has won over 13,000 orders and more than 7,600 aircraft have been delivered to some 400 customers and operators worldwide. With one aircraft in four sizes (A318, A319, A320 and A321), the A320 Family seats from 100 to 240 passengers. The Family features the widest cabin in the single aisle market with 18" wide seats in Economy as standard.

Your Contact

Mustafa Al-Ausaje

Head of Communications Airbus Africa &
Middle East

+971 55 603 7704

Justin Dubon

Head of Global News

+33 5 61 93 31 99

Annex 259

**Letter from Civil Aviation Organization of Iran to ICAO, 11 November 2018
(enclosing official statement dated 27 October 2018)**



Date: 2018/11/11

Number: 48065

Dr. Olumuyiwa Benard Aliu
President
ICAO Council

Email: president@icao.int

Subject: Official Statement of the Civil Aviation Organization of the I.R of Iran

Dear Dr. Aliu,

The Civil Aviation Organization of the Islamic Republic of Iran presents its best compliments to the International Civil Aviation Organization Council.

This letter entails the Official Statement of the Civil Aviation Organization of the Islamic Republic of Iran for your consideration. The Statement deals with the sanctions currently imposed against Iranian nation by the US unilaterally. These unjustified sanctions are in blatant and complete contradiction to the principles and spirit of the Chicago Convention, leading to highly adverse consequences for the international civil aviation and air transport.

While I would like to remind you of the main goals and objectives of the Civil Aviation Organization, being development of safe, regular and affordable air transport for all peoples in the world, preparing the ground for cooperation between various air carriers in terms of air transport, as well as cooperating with ICAO and other international organizations; I would like to request that you kindly pay special heed to all the articles of the Convention cited in the Statement and lend your kind support to full implementation of the Convention.

Considering the current circumstances, I would like to kindly request that the matter be raised in the upcoming meeting of the Council and the Statement be deposited with ICAO.

Sincerely yours,

Ali Abedzadeh
Vice Minister of Roads and Urban
Development and President of
Civil Aviation Organization

, Mehrabad Airport, Tehran, The Islamic Republic Of Iran

Fax: 0098-21-66025405

Tel: 0098-21-66078700-9

<http://www.cao.ir>

email: office@cao.ir



OFFICIAL STATEMENT

OF THE CIVIL AVIATION ORGANISATION OF THE ISLAMIC REPUBLIC OF IRAN ON UNILATERAL SANCTIONS IMPOSED BY THE UNITED STATES OF AMERICA AGAINST THE CIVIL AVIATION

October 27, 2018

Air transport has performed a substantial role in bringing the world's peoples closer together, in distributing resources and opportunities fairly around the world, and in developing a spirit of peace and friendship instead of dispute and hostility among nations.

International cooperation is essential for the continued regular international transport, and so much so that the minimum amount of competition and political confrontation is observed in this area. However, the United States in recent decades has unfortunately abused the enhancements achieved in aviation technology and industry to cause limitation and conflict instead of expanding global interactions.

Having a deep understanding of the fact that any kind of restriction imposed on nations concerning regular, safe and efficient communications would contradict the aims and purposes of international air transport, and appreciating the negative effects that would sooner or later become obtrusive in all countries of the world, including the countries in default; in an atmosphere of international hardships and disagreement leading to World War II, the representatives of nations established a solid foundation for international cooperation in the field of civil aviation in the form of the International Civil Aviation Convention, in various Articles of which, the importance of cooperation between the nations and avoiding misuse of aviation industry has been underlined.

The Preamble to the convention states:

WHEREAS the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and



peoples of the world, yet its abuse can become a threat to the general security; and

WHEREAS it is desirable to avoid friction and to promote that cooperation between nations and peoples upon which the peace of the world depends;

THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;

Article 4 of the Convention, dealing with misuse of civil aviation, states:

Each contracting State agrees not to use civil aviation for any purpose inconsistent with the aims of this Convention.

And Article 44 of the Convention, is as follows:

The aims and objectives of the Organization are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:

- (a) Insure the safe and orderly growth of international civil aviation throughout the world;*
- (b) Encourage the arts of aircraft design and operation for peaceful purposes;*
- (c) Encourage the development of airways, airports, and air navigation facilities for international civil aviation;*
- (d) Meet the needs of the peoples of the world for safe, regular, efficient and economical air transport;*
- (e) Prevent economic waste caused by unreasonable competition;*
- (f) Insure that the rights of contracting States are fully respected and that every contracting State has a fair opportunity to operate international airlines;*
- (g) Avoid discrimination between contracting States;*
- (h) Promote safety of flight in international air navigation;*
- (i) Promote generally the development of all aspects of international civil aeronautics.*



Regarding the text and spirit of the Articles of the Convention which were just mentioned, and with respect to the fact that any limitation of the Signatories to the Convention in terms of their equitable access to aviation-related hardware, support, services and markets is contrary to the rudimentary objectives of the Chicago Convention, which include provision of safe, efficient, regular and economical opportunities, creation and development of friendship and mutual understanding between nations and peoples of the world is severely undermined, and the misuse of the aviation industry for purposes other than those stipulated in the Convention can turn into a serious threat to global security,

Accordingly, with the aim of correcting a detrimental approach adopted by certain Contracting States and especially pursued in recent years with the purpose of misusing the aviation industry, aircraft design and manufacturing technologies and capabilities, and the aviation equipment needed for international air transport, as a device for exerting influence in areas other than civil aviation, being a huge challenge to the equitable and efficient development of global air transport,

The Civil Aviation Organisation of the Islamic Republic of Iran, while officially declares that the restrictions imposed by the United States on the civil aviation industry of the Islamic Republic of Iran, is in a flagrant contradiction to the provisions of the Convention and the spirit thereof, would like to underscore the fact that such restrictions will jeopardize the ultimate goals of the Convention, will block the access of peoples and nations of the world to safe, economical, efficient and regular air transport, and will have serious and immediate effects on the rights of the Contracting States of the Chicago Convention;

Therefore, the Islamic republic of Iran would like to call on all the Contracting States to recognize the US sanctions against civil aviation of the Islamic Republic of Iran as illegitimate and:

1 - spare no effort to develop international civil aviation cooperation with other countries, and in particular with the Islamic Republic of Iran, as a committed Contracting State, stand in the way of any kind of restrictions that may be imposed on Iranian carriers, and express their appropriate and effective opposition to unilateral measures that are contradictory to the objectives of the Convention, in the hope that this will prevent the diversion of the goals that we have been striving for through formation of the global civil aviation industry.

2 - through more effective participation in decision-making processes in the global forums, in particular the global civil aviation ones, develop and employ new approaches to dealing with unilateral restrictive measures that conflict with the objectives of the ICAO, and also put an end to appointments from restricting Contracting States to decision-making posts.

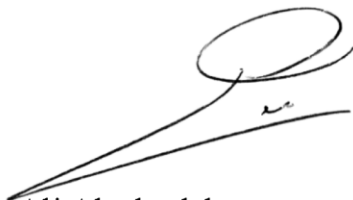
The Iranian Civil Aviation Organization requests the ICAO Council to:

Remind all the Contracting states of the objectives and values behind the formation of International Civil Aviation Organisation, in particular the provisions of the Preamble of its Convention, Article 4 and Article 44,

And highlight the right of all peoples and nations of the world to have access to safe, regular, efficient and economical air transport,

And recognize the immediate and irreversible consequences of any kind of restriction imposed on the access of peoples and nations of the world to air transport,

And call on the Contracting States to remain committed to the provisions of the Convention and its aim of expanding international air transport with a view to promoting friendship and mutual understanding between the peoples and nations of the world.



Ali Abedzadeh

Vice Minister of Roads and Urban Development and

President of Civil Aviation Organization of Islamic Republic of IRAN

Annex 260

Letter from Dunlop to Kish Air, 22 May 2018

بسمه تعالی

شماره: ۹۸/۴۴۰۷

تاریخ: ۱۳۹۸/۰۱/۲۵


پیوست: ۱ برگه دربر



مرکز محترم امور حقوقی بین المللی ریاست جمهوری

سلام علیکم

احتراماً، بازگشت به نامه شماره ۶۹۶۹ مورخه ۱۳۹۷/۱۲/۲۱ تصویر گزارش شرکت هواپیمائی کیش در خصوص عدم همکاری شرکت دانلوپ انگلستان با شرکت مذکور به دلیل مسائل ناشی از تحریم به پیوست جهت بهره برداری ارسال می گردد.

سامانی
شیرانجمن شرکتهای هواپیمایی


THE LETTERHEAD OF ASSOCIATION OF IRANIAN AIRLINES

NO. 98/4407

DATE: 25-01-1398 [14 April 2019]

Attachment: 1 page

Centre for International Legal Affairs, Presidential Office

Greeting,

Referring to the letter No. 6969 dated 21/12/1397 [12 March 2019], enclosed please kindly find, for making any use thereof, a copy of a report from Kish Air's concerning the refusal of DUNLOP Company (UK) from cooperation due to the issues arising from the [US] sanctions.

Samani

Secretary of Association of Iranian Airlines

[SEAL AND SIGNATURE]

تاریخ: ۹۷/۱۲/۵

شماره: ۲۵۴/۸۹۳

پیوست:

کد پستی: ۶۱۹۹۷ - ۱۳۹۳۸ شناسه ملی: ۱۰۸۶۱۵۲۴۹۷۳



kishairlines

شرکت هواپیمایی کیش

(سهامی خاص)

دبیر محترم انجمن شرکت های هواپیمایی ایران

با سلام و احترام

بازگشت به نامه شماره ۹۷/۴۲۱۵ مورخ ۹۷/۱۱/۶ بدینوسیله به استحضار می رساند تاکنون شرکت دانلوب انگلستان دستور خرید صادره از سوی کیش ایر را بابت نامین ۱۰۰ حلقه تایر MAIN و ۱۰۰ حلقه تایر NOSE بد علت اعمال تحریم های ایالات متحده آمریکا کنسل نموده است.

سیدرضا نصر فرد جهرمی

نائب رئیس هیات مدیره و مدیر عامل



آدرس: دفتر تهران - شهری اکباتان - مقابل استادیوم راه آهن - ساختمان کیش ایر - پلاک ۷۷

تلفن: ۵۰-۲۴۶۲۹۹۲۸ فاکس: ۲۳۶۳۵۶۵۹ تلکس: ۲۲۶۱۲۲ صندوق پستی: ۱۳۹۵۵/۳۸۹

THE LETTERHEAD OF KISH AIR

DATE: 5/12/1397 [24 February 2019]

NO. 206/8931

Secretary of Association of Iranian Airlines

Greeting,

Reference is made to the letter No. 97/4215 dated 6/11/97 [26 January 2019], it is hereby declared that hitherto DUNLOP Company (UK) has cancelled the purchase order issued by Kish Air for the supply of 100 MAIN [aircraft] tyres and 100 NOSE [aircraft] tyres due to the United States sanctions.

Saiedreza Nasr Fard Jahromi

Deputy-Chair of the Board and Managing Director

[SEAL AND SIGNATURE]



22nd May 2018

Mr M-A Khazaie
Technical Procurement Manager
Kish Airlines

Mr A Soltanzali
Purchasing Supervisor
Kish Airlines

BY E-MAIL ONLY

Dear Sirs,

Iranian Sanctions

My name is Adrian Thompson, I am a board director of Dunlop Aircraft Tyres Limited (Dunlop) and Managing Director of Dunlop's Aftermarket Services organisation.

I wanted to follow up on your recent communications with our Regional Sales Manager David Jones to outline Dunlop's position regarding the sanctions that are being implemented on Iran by the United States of America (USA).

Dunlop is owned by an investor from the USA and has, at this time, been advised that shipments cannot be made to Iran at present.

Dunlop is however working with our USA owner and legal counsel to determine whether shipments of existing and future orders with your company are possible.

Dunlop wishes to broaden and strengthen its relationship with your company and will continue to work towards this desired outcome but at all times in compliance with laws and regulations relating to export controls.

I will work with David Jones to ensure that you are updated with any change in status and I hope that we are able to commence supply in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Adrian Thompson', written over a light blue horizontal line.

Adrian Thompson
Managing Director Global Aftermarket Services

Registered Office: 40 Fort Parkway, Erdington, Birmingham, B24 9HL, England
Telephone: +44 (0)121 354 8630 Fax: +44 (0)121 277 7150
enquiries@dunlopatt.co.uk, www.dunlopaircrafttyres.co.uk
Registered in England No. 3226333

Annex 261

Letter from a non-U.S. company to Iran Air, 22 May 2018

Redacted

[REDACTED]

From: [REDACTED]
Sent: 2018/05/22 12:40 ب.ظ
To: 'Grgund1(ZS)'
Cc: shahematollahi@iranair.com; supply-tra@iranair.com
Subject: AW: C/33094-ZS
Attachments: Image001.gif; Image002.png; Image003.png; Image005.png; Image006.png;
Image008.png; Image009.png; Image011.png

Dear Shahnematoollahi,

Many thanks for your new inquiry.

Since 8th May 2018 we are no longer able to offer or sell you any item due to the American exit from the nuclear deal with Iran.

At the moment we have a time frame of 2 month to send you all items which have been ordered before 8th May 2018.

That means all orders which have not been delivered till 31st July 2018 have to be canceled due to the above mentioned reason.

We really regret this circumstances and the inconveniences this will cause you but we are forced to act this way, otherwise we will be listed on the black list.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] <supply-ground1@iranair.com>

Gesendet: Dienstag, 22. Mai 2018 09:17

Cc: shahematollahi@iranair.com; supply-tra@iranair.com
Betreff: C/33094-ZS

[REDACTED]

Annex 262

Email from a non-U.S. aircraft engine parts supplier to Iran Air, 31 May 2018

Redacted

Amir Houshang Abdi

From: Faramarz Rohani <f.rohani@iranair.com>
Sent: Saturday, November 24, 3:02 2018 PM
To: taghipour@iranair.com; 'Amir Houshang Abdi' x
Subject: FW: [REDACTED] support suspended until further notice

Dear Mr. Taghipour/ Mr. Abdi,

Please find the below email for your kind attention.

Best Regards,
Faramarz Rohani

Director, Powerplant Engineering

From: [REDACTED]
Sent: Thursday, May 31, 2018 7:02 PM
To: Kamran Bayati; a-shokouhi; Mr.Behnam; 'taghipour'; 'Faramarz Rohani'
Cc: [REDACTED]
Subject: [REDACTED] support suspended until further notice

Dear Iran Air team,

[REDACTED] has been supporting you as a supplier under the scope of an export License provided by the US OFAC to [REDACTED]. The OFAC revoked this license with immediate effect, and a temporary license has been granted but unfortunately cannot be used to export anything to Iran Air (the wind-down period until August 6th): it only allows discussion / payment.

Because of this situation out of our control, [REDACTED] must suspend all exportations, including but not limited to technical clarifications, engine health monitoring and spare parts.

The payment process of some spare parts that were available since the end of 2017 should now be stopped because [REDACTED] cannot deliver those parts anymore.

Our legal and export control teams are working together with all our partners to seek solutions for what happens next. We will revert back to you soon to inform you on this.

Annex 263

Email from a non-U.S. aircraft tyres supplier to Iran Air, 6 June 2018

Redacted

BAYATI Kamran

From: [REDACTED]
Date: Wednesday, June 06, 2018 2:23 AM
To: "Kamran Bayati" <k.bayati@iranair.com>
Cc: [REDACTED]

Subject: RE: ORDER 22 [REDACTED]

Dear Mr Bayati.

I very sorry to advise that we have been notified by our U.S. Owners, and Lawyers, that we currently cannot supply further Tyres to Iran Air.

However, the situation is being monitored closely, and as soon as further details are released from the U.S Government, we hope we may be in a position to re-instate the supply of both New & Retreaded Aircraft Tyres to Iran Air.

Due to the above, we are currently unable to supply the 20 [REDACTED] Main Tyres [REDACTED] against P.O. 22 [REDACTED] below.

I am very sorry to have to give the above news, as we have enjoyed many years of working with Iran Air, and building good Business Relationships, and Friendships. Lets hope it is not too long before we are once again allowed to work with Iran Air ?

Thanks & Best Regards

From: Kamran Bayati [mailto:k.bayati@iranair.com]
Sent: 15 May 2018 07:04
To: [REDACTED]
Cc: [REDACTED]
Subject: ORDER 22 [REDACTED]

Dear Sir,

Your/ref: 8195

We Would like to place order no. PO-22 [REDACTED] for below item(s):

1) Qty: 20 /EA PN: [REDACTED] Desc: TIRE SIZE [REDACTED] [REDACTED] Cond:
FN LT: STOCK [REDACTED]

Delivery dates and certificates should be as per your quotation.
Kindly confirm P.O. by return message and advise us delivery date.

Best regards

Majid Behnam

Senior Purchasing Manager

11/21/2018

Annex 264

Letter from a non-U.S. aircraft part supplier to Iran Air, 25 June 2018

Redacted

BAYATI Kamran

(۹۲) بند

From: [REDACTED]
 Date: Monday, June 25, 2018 12:01 PM
 To: "AOGDesk-SAM" <aogdesk@iranair.com>
 Cc: [REDACTED]
 "Mr.Bayati" <k.bayati@iranair.com>
 Subject: AW: Po-[REDACTED]-Sam(Qty:2/ea Pn:ZAW623-01) 1013367163 IRA

Dear Mosayablou,

Unfortunately, we had to cancel this particular order, because the [REDACTED] headquarter is located in the U.S. Due to our OFAC license revocation we are not allowed to export any items anymore, where US entities are involved.

祝万事如意 | с дружеским приветом | Best Regards | Mit freundlichen Grüßen | با احترام | Cordialement |
 Saludos | よろしくお願ひします | مع أطيب التحيات

T: [REDACTED]
 F: [REDACTED]
 E: [REDACTED]

Von: AOGDesk-SAM [mailto:aogdesk@iranair.com]
 Gesendet: Samstag, 23. Juni 2018 10:14
 An: [REDACTED]
 Cc: [REDACTED]
 <k.bayati@iranair.com>
 Betreff: Fw: Po-[REDACTED]-Sam(Qty:2/ea Pn:ZAW623-01)

AOG

Dear Mirko,

Because of AOG situation it is highly appreciated if you check and advise latest status of this Po with thanks.

We Remain
 Best Regards
 Mosayablou

11/20/2018

Annex 265

Letter from a U.S. company to Iran Air, 10 July 2018

Redacted

IRAN AIR PJSC
IRAN AIR BUILDING, MEHRABAD AIRPORT
TEHRAN, IRAN

10 July 2018

Dear Sirs,

General Terms Agreement No. [REDACTED], as amended from time to time (the "Agreement") – Notice of termination

1. We write in connection with the Agreement. Terms used but not otherwise defined in this letter shall have the meaning given thereto in the Agreement.
2. Article 9 (Conditionality of Agreement) provides that the obligations of the Parties under the Agreement are conditional upon the Seller being able to obtain and maintain, throughout the term of the Agreement, any and all licenses, permits authorizations and consents (of any nature whatsoever) which it may deem necessary in order to transact or continue to transact with Airline in the manner envisaged in the Agreement. Article 9 further provides that if the Seller considers, at any time, that the preceding condition has not been satisfied, it may (without incurring any liability towards the Airline) terminate the Agreement with immediate effect by giving notice in writing to the Airline.
3. On May 8, 2018, President Trump announced that the United States will cease participation in the Joint Comprehensive Plan of Action and begin re-imposing the US nuclear-related sanctions against Iran that were lifted on Implementation Day in January 2016. Consistent with the President's guidance, the Office of Foreign Assets Control (OFAC) announced that all specific licenses issued under the Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services (SLP) would be revoked. Persons engaging in activities pursuant to these specific licenses were instructed by OFAC to take the steps necessary to wind down those activities by August 6, 2018.
4. On May 23, 2018, [REDACTED] received correspondence from OFAC revoking License No. [REDACTED], which was issued to [REDACTED] under the SLP and allowed [REDACTED] and other licensees to engage in all transactions necessary to export or reexport to certain Iranian airlines specified engines and hardware (spare and replacement parts and components), tooling, technology, software, and services for the airlines' [REDACTED] and [REDACTED] engine powered fleet of aircraft exclusively for commercial passenger aviation end use. License No. [REDACTED] was replaced by License No. [REDACTED] which authorizes [REDACTED] and other licensees to wind down activities that were previously authorized pursuant to License No. [REDACTED]. However, License No. [REDACTED] clearly stipulates that it does not allow [REDACTED] to export or reexport any goods, technology, or software to Iranian airlines as previously authorized by License No. [REDACTED].
5. On May 25, 2018, [REDACTED] informed [REDACTED] that OFAC also revoked License Nos. [REDACTED] and [REDACTED] which allowed for the transfer of aircraft and associated technical data and services to Iran Air. Per [REDACTED] communication, although the licenses have been replaced with wind down licenses, the new authorizations do not allow the exportation or re-exportation to Iran of any goods, technology or software previously authorized for export pursuant to License Nos. [REDACTED] and [REDACTED]. This includes exports and reexports that [REDACTED] previously could have made directly to Iran Air under License Nos. [REDACTED] and [REDACTED] as a supplier to [REDACTED].
6. Considering the restrictions outlined in License No. [REDACTED] and the instructions provided by [REDACTED] no longer has an OFAC authorization that would allow it to deliver goods, software, or

technology to the Airline. Although wind down licenses will remain in place until August 6, 2018, these authorizations are not sufficient to allow [REDACTED] to transact or continue to transact with the Airline in the manner envisaged in the Agreement.

7. Accordingly, by this letter, we are exercising our right to terminate the Agreement (and all associated Letter Agreements) with immediate effect as specifically contemplated in Article 9 of the Agreement.

We look forward to receiving an acknowledgement of receipt of this notice.

Yours faithfully,

[REDACTED]

Date: 12 June 2018

[REDACTED]

Date: JUNE 13, 2018

We acknowledge receipt of this letter.

Signed by:

Name:

For and on behalf of:


Date:

Annex 266

Letter from a non-U.S. service provider to Iran Air, 17 July 2018

Redacted

(شماره ۱۷)



IRAN AIR

For the attention of Hamidreza Khoroti

Iran Air HQ Mehrabad Airport
Teheran
Iran

17 July 2018

Send by email (hkhoroti@iranair.com) and courier.

Subject: IATA SGHA termination notice

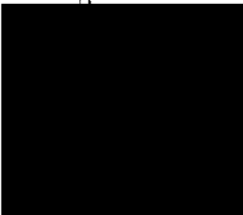
Dear Sir,

According to the contractual provisions of the IATA Standard Ground Handling Agreement entered into by our respective companies on 1st of March 2011 ("SGHA"), we hereby give you a notice of our intention to terminate it.

We wish to assure you that this is not a decision that we have taken lightly. Our companies have always had a good commercial relationship and we have greatly valued your business. However, as you know, we are a US owned company and following the US administration's decision to withdraw from the Joint Comprehensive Plan of Action, we have no alternative but to comply with the National Security Presidential Memorandum issued on 8 May 2018 and wind down our activities with Iran Air as a failure to do so will expose us to potential penalties.

We take this opportunity to thank you for the trust that you have placed in us over the years and we wish you all the best for the future.

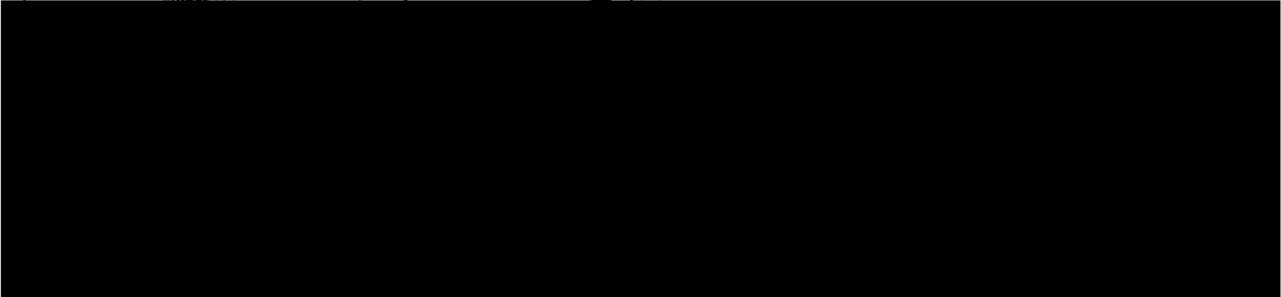
Please feel free to contact us with any question you may have regarding this letter.



Copy: Iran Air

Attn: Mr. Nazemi


33, Avenue des Champs Elysées - 75008 Paris



Annex 267

Letter from a non-U.S. oil company to Iran Air, 18 July 2018

Redacted




18th July, 2018

Dear Mr Nazemi,

As you are aware, on May 8, 2018, President Trump announced the withdrawal of the U.S from the Iran nuclear deal (the Joint Comprehensive Plan of Action or JCPOA), starting a countdown on the re-imposition of certain Iranian sanction waived by the U.S in January 2016.


In conjunction with this announcement, the President issued a National Security Presidential Memorandum (NSPM) directing the Secretary of Treasury to prepare immediately for the re-imposition of all the U.S sanctions lifted or waived in connection with the JCPOA to be accomplished as expeditiously as possible and in no case later than 180 days from the NSPM. Departments of State and Treasury have established 90-day and 180-day wind-down periods for certain transaction involving Iran.

Additionally, no later than November 5, 2018, all persons or entities that have been removed from the Specially Designated Nationals and Blocked Persons Lists (SDN Listed) and listed as "non-SDNs" due to the meeting of the definition of Government of Iran or Iranian financial institution will be re-designated as SDNs.

One of  priority business principles is to respect all applicable local and international laws and norms. This principle covers the compliance with all applicable export control and international economic sanctions laws and regulations.

Consequently, the aviation fuel supply agreement was concluded with you ("Agreement") in strict compliance with those regulations and in particular pursuant to the U.S sanctions relief provided for in the JCPOA

Therefore, to avoid exposure to penalties, sanctions or enforcements actions under US law, we must wind-down operations and settle all payments arising out of the aviation fuel supply agreement by October 30, 2018 midnight or an earlier date if decided otherwise by the U.S government.



Accordingly, please be kindly informed that we must apply pre-payment conditions as from September 1, 2018 and terminate the Agreement and deliveries of aviation fuel by October 30, 2018 midnight. In order to continue deliveries and supplies, we kindly request you to acknowledge the receipt and acceptance of terms and conditions contained herein by signing this letter and return it by mail to my attention, [REDACTED] (advanced by email to [REDACTED]).

Yours faithfully,

[REDACTED]

Accepted and acknowledged by :

Iran Air

Name:

Title:

Date:

Annex 268

Email from a non-U.S. aviation service provider to Iran Air, 24 July 2018

Redacted

Amir Houshang Abdi

From: [REDACTED]
Sent: Tuesday, July 24, 1:18 2018 PM
To: Hesam Seyedin; m.beyrami@iranair.com ✕
Cc: [REDACTED]
Subject: RE: AGS UPGRADE
Attachments: image013.jpg; image014.png; image015.jpg; image016.jpg; image017.jpg; image018.jpg
Importance: High

Dear Hesam, Dear Mostafa

I hope this mail finds you well

We are waiting an official position from [REDACTED] as we are not able to work anymore with IRAN because of US sanctions.

Unfortunately, The AGS upgrade was link to our selection and contract for the WEFA products on the new [REDACTED] fleet and your order of the new [REDACTED] aircraft was cancelled.

We will come back to you as soon as possible

With my very best regards

Annex 269

Letter from a non-U.S. equipment supplier to Iran Air, 30 August 2018

Redacted

[REDACTED]

Mr. Shahnematollahi
General Supply Manager of Iranair
Iranair
Mehrabad airport
Tehran/Iran

[REDACTED]
Germany

Tel. [REDACTED]

Fax [REDACTED]

E-Mail [REDACTED]

Web [REDACTED]

Oppenau, August 30th, 2018

Subject: - your email dated on April 7th, 2018 regarding the towing tractor
- your email dated on August 1st, 2018 regarding spare parts

Dear Mr. Shahnematollahi,

I would like to thank you for your trust in company [REDACTED] and for the long business partnership.

We as [REDACTED] were very pleased in 2016 that the sanction were finally released and we hoped to re-setup our business relation with your esteemed company in order to support you with our equipment, as well as spare parts. We started with the first baggage tractors [REDACTED] and pushback tractors [REDACTED] directly after the sanctions and those products are now in operation since 2017 in addition to the existing baggage tractors which have been delivered in 2007 together with our transporters [REDACTED] supplied by company [REDACTED] from Germany.

Due to the new US sanction against the Islamic Republic of Iran from August 1st, 2018 we are threatened by the so-called secondary sanctions in case we do further business with any Iranian company!

That means we face the risk to be listed at the US sanction list, which affects us in the way that we cannot do business any more with any American company, supplier or customer. This mainly affects us especially in regard to e.g. drivetrain components like automatic gearboxes, engine components and electronic parts.

Regarding your payment for the pushback tractor [REDACTED] we have had many meetings with our banks to make sure if there is any possibility to transfer your payment back. Unfortunately, none of our banks is willing to transfer the payment back because of the risk of further US sanctions.

Therefore, we see no other possibility as to store your payment until the sanctions are released. We furthermore ensure you that we will manufacture a new tractor [REDACTED] based on the current specification for the stored amount even in case the product price has increased due to inflation.

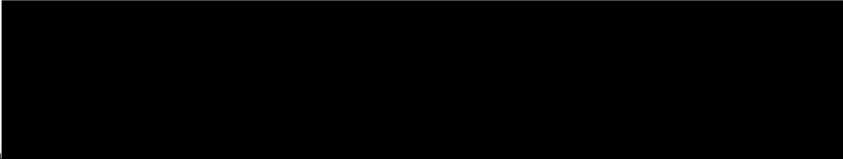
[REDACTED]



Seite 2

I hope you can understand our difficult situation and would be grateful to keep you as a highly appreciated customer.

Sincerely yours,



Managing Director

Annex 270

Letter from IATA to Iran Air, 14 September 2018



Alexandre de Juniac
President of IATA

14 September 2018

Dr. Farzanah Sharafbafi
Chief Executive Officer
Iran Air
Iran Air Headquarters
Mehrabad Airport
P.O. Box 13185-775
Tehran
Islamic Republic of Iran

Dear Dr. Sharafbafi,

Thank you for your letter of 15 July.

I sincerely regret that, despite IATA's earlier intention to re-establish a BSP in Iran, we have now determined that recent developments will make it impossible for us to do so -- at least until the geopolitical situation improves.

As you know, on 7 August of this year, having withdrawn unilaterally from the Joint Comprehensive Plan of Action ("JCPOA"), the United States re-imposed "secondary sanctions" targeting non-U.S. persons engaged in commercial activities with Iran. As a result, even though IATA is a Canadian corporation, certain of our activities -- in particular, any financial services IATA had intended to offer Member airlines headquartered in Iran -- are effectively prohibited because of the many global restrictions that U.S. has imposed on financial transactions with Iranian persons.

Moreover, as of 4 November the U.S. will re-impose full sanctions on financial transactions with Iran. Given IATA's presence and activities in the U.S. and with U.S. financial institutions around the globe, we have determined that U.S. restrictions will have a direct impact on IATA's financial operations. This means that IATA will be effectively foreclosed from engaging in settlement or other financial activities in Iran until the sanctions are lifted.

In short, the re-imposed U.S. sanctions will make it impossible for IATA to offer any financial settlement services to Iranian entities, either in or outside of Iran, for travel agent, interline, or other transactions.

/2

International Air Transport Association

800 Place Victoria, B.P. 118
Montréal, Québec
Canada H4Z 1M1
Tel: +1 514 874 0900
Fax: +1 514 874 2657
atdg@iata.org

Routin de l'Aéroport 33, P.O. Box 419
1215 Geneva 15 Airport
Switzerland
Tel: +41 (0) 22 710 2000
Fax: +41 (0) 22 710 2680
iata@iata.org

Annex 271

Letter from a French bank to Iran Air, 17 September 2018

Redacted

(٢٨)iv

[REDACTED] le 17 septembre 2018

IRAN AIR
63 avenue des Champs Elysées
75008 Paris

A l'attention de Mr Nazemi

RAR n°: 1 A 0 70 287 73 17 6

Monsieur,

Je vous informe que, dans le cadre de notre politique de gestion des risques, [REDACTED]
[REDACTED] a décidé de procéder à la clôture de votre compte ouvert dans nos livres sous le
numéro [REDACTED] et ce, à compter du 19 novembre 2018.

~~Cette clôture est effectuée selon les modalités prévues à l'article L312-1-1 (V) du code
monétaire et financier.~~

Je vous remercie de bien vouloir nous indiquer dans les meilleurs délais les coordonnées de la
banque vers laquelle vous souhaitez faire transférer vos éventuels avoirs détenus dans nos
livres.

Je vous prie, Monsieur, d'avoir l'assurance de ma considération la meilleure.

Annex 272

Email from a fuel supplier to Iran Air, 5 November 2018

Redacted

IranAir:

Erzählweise:

moelninia@iranair.com
+ Font Size

**Fuel
Stop
HAM**

From: Mohammed heydari <heydari.mohammed@iranair.com>
Subject: Fuel Stop HAM
To: Narges Moeliniia <moeliniia@iranair.com>
External images are not displayed. Display images below

Tuesday, December 04, 2018 04:48 PM

----- Weitergeleitete Nachricht -----

Betreff: Fuel Stop HAM

Datum: Mon, 5 Nov 2018 12:17:52 +0100

Von:

An: iranain@t-online.de

Kopie (CC)

Good day, if not known yet: Due to the imposed sanctions against Iran, our supplier [REDACTED] will not carry out any further fuel deliveries at Hamburg Airport. Please plan in future with it. I'm sorry, unfortunately our hands are tied, but we hope for a speedy resumption of cooperation. Sincerely, / Kind regards [REDACTED]

Guten Tag,

falls noch nicht bekannt:

Aufgrund der auferlegten Sanktionen gegenüber dem Iran, wird unser Supplier [REDACTED] keine weiteren Treibstoff Lieferungen am Hamburg Airport durchführen. Bitte planen Sie es zukünftig mit ein.

Es tut mir leid, uns sind leider die Hände gebunden, hoffe trotzdem auf baldige wieder Aufnahme der Zusammenarbeit.

Mit freundlichen Grüßen / Kind Regards

Annex 273

Letter from Airbus to Zagros Airlines, 11 November 2018

Annex 274

Email from Boeing to Zagros Airlines, 20 November 2018

Behzad Seifan

From: Washke (US), David A <david.a.washke@boeing.com>
Sent: Tuesday, November 20, 2018 2:08 AM
To: Behzad Seifan
Cc: Wilks (US), Matthew W; Richesin (US), Craig S; Hickman (US), Jeffrey J; Daley (US), Michael W; Daghestani, Fakhre A; Salloum (US), Dana I; 'Gholamreza Yadollahi'; 'Jafar Babaei'; Riverman (US), Tracey L
Subject: RE: Maintenance Data

Hello, Mr. Seifan.

As referenced below, the export license that Boeing had been using to provide conditional support to Iranian airlines expired in June 2017 and has not been renewed by the United States Government. This means that, unfortunately, Boeing cannot respond to your request because at the present time we are not authorized to provide any technical support or technology exports to Iran.

Regards,

David Washke
Airline Support Engineering
Customer Support
Boeing Commercial Airplanes
Phone: 562.797.1787 | Fax: 562.797.1287
Mobile: 562.243.3052 | david.a.washke@boeing.com

From: Behzad Seifan [<mailto:Seifan.Behzad@zagrosairlines.com>]
Sent: Saturday, November 17, 2018 11:22 PM
To: Washke (US), David A <david.a.washke@boeing.com>; Wilks (US), Matthew W <matthew.w.wilks@boeing.com>; Richesin (US), Craig S <craig.s.richesin@boeing.com>; Hickman (US), Jeffrey J <jeffrey.j.hickman@boeing.com>; Daley (US), Michael W <michael.w.daley@boeing.com>; Daghestani, Fakhre A <Fakhre.A.Daghestani@boeing.com>; Salloum (US), Dana I <Dana.I.Salloum@boeing.com>
Cc: 'Gholamreza Yadollahi' <Yadollahi.Gholamreza@zagrosairlines.com>; 'Jafar Babaei' <Babaei.Jafar@zagrosairlines.com>
Subject: RE: Maintenance Data

Dear Sir

As you see in attached according to the recent "International Court of Justice" also spare parts, equipment and associated services (including warranty, maintenance, repair services and inspections) necessary for the safety of civil aviation are excluded from U.S sanctions. I should emphasis that AD's ,mandatory SB's, Maintenance data's and Operation publications are directly related to safety of civil aviation.

Please help us and do whatever you can because this is an Humanitarian action absolutely and I'm sure that you believe it too.

Thanks

Best Regards



Annex 275

Letter from Airbus to Zagros Airlines, 13 December 2018

AIRBUS Customer Services	Engineering FMGC	Dossier Reference: 80554288
		Creation date dossier: 13-DEC-2018
Requestor: ZAGROS AIRLINES MSN: 00999 P/N: S/N: Visible by:	A/C Type: A320 ATA: 22-83 Topic: Sub-topic: Reference: Aircraft FC: Aircraft FH:	

Messages :

Airbus Reference : 80554288/003 Requestor Reference :
Title : FMGC
Submitted date : 13-DEC-2018 14:02 UTC+1 DST
Final Answer : N
Urgency :
Requested Answer : Planned Answer :

Message :

Dear customer,

We regret to inform you that due to export control sanctions and embargoes regulations, we are not in position to provide you with the requested information. For any clarification on this restrictions, please contact your Airbus focal point.

Best regards,
Marc DELHAYE
SB Design Manager
Airbus Upgrade Services

Message reference: 80554288/003	<small>© AIRBUS S.A.S 2018. All rights reserved. Confidential and proprietary document. This document and all information contained herein is the sole property of AIRBUS S.A.S. No intellectual property rights are granted by the delivery of this document or the disclosure of its content. This document shall not be reproduced or disclosed to a third party without the express written consent of AIRBUS S.A.S. This document and its content shall not be used for any purpose other than that for which it is supplied.</small>	Page 1/1
Export date: 13-DEC-2018		

Annex 276

Set of letters from a non-U.S. airline company to Iran Air, 31 January 2019

Redacted



17



31/01/2019

Ms. Farzaneh Sharafbafi
CEO
Iran Air

Dear Ms. Sharafbafi,

On behalf of [REDACTED] I would like to take this opportunity to greet you with regards.

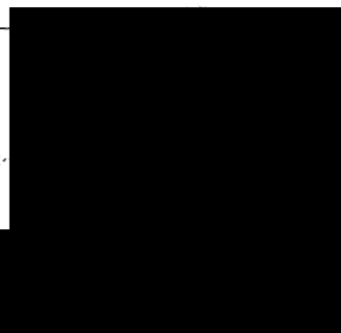
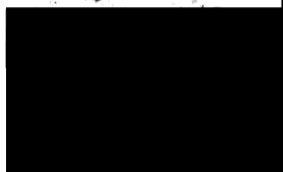
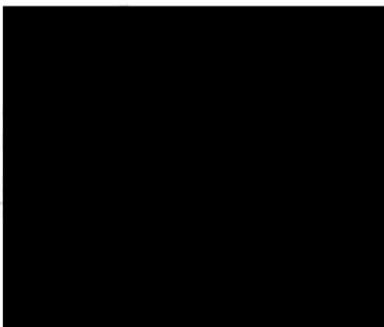
As you are aware, with its two-stage withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"), as of August 07, 2018 and November 05, 2018 the U.S. had re-imposed all the limitations it had previously suspended upon implementation of the JCPOA in January 2016.

Following the withdrawal from the JCPOA, those limitations were fully re-imposed—in the form of secondary sanctions—in two stages, one completed on August 07, 2018, and the second completed on November 05, 2018, which also affected our partnership on Special Prorate Agreement ("SPA").

In light of the above and considering the recent developments, [REDACTED] hereby provides you with written notice of termination of the Special Prorate Agreement, which as set forth in article 3 herein. After 30 days upon the sending date of this notice, the SPA between [REDACTED] and Iran Air will be terminated in line with abovementioned clause (which termination shall include a termination of any, and all rights, authorities, obligations and liabilities of the parties arising out of or under the SPA).

We thank you for your understanding.

Yours sincerely,



AV



[Redacted]
[Redacted]
[Redacted]
31/01/2019

Ms. Farzaneh Sharafbafi
CEO
Iran Air

Dear Ms. Sharafbafi,

On behalf of [Redacted] I would like to take this opportunity to greet you with regards.

As you are aware, with its two-stage withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"), as of August 07, 2018 and November 05, 2018 the U.S. had re-imposed all the limitations it had previously suspended upon implementation of the JCPOA in January 2016.

Following the withdrawal from the JCPOA, those limitations were fully re-imposed—in the form of secondary sanctions—in two stages, one completed on August 07, 2018, and the second completed on November 05, 2018, which also affected our partnership on Codeshare Agreement.

In light of the above and considering the recent developments, [Redacted] hereby provides you with written notice of termination of the Codeshare Agreement, which as set forth in article 24 therein. After 60 days upon the receipt of this notice, the Codeshare Agreement between [Redacted] and Iran Air will be terminated in line with abovementioned clause (which termination shall include a termination of any, and all rights, authorities, obligations and liabilities of the parties arising out of or under the Codeshare Agreement).

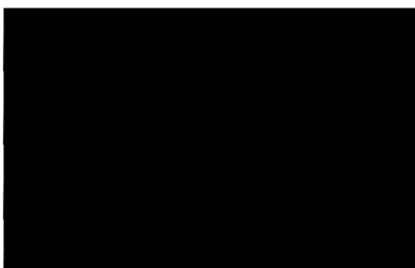
We thank you for your understanding.

Yours sincerely,

[Redacted]
[Redacted]
[Redacted]

[Redacted]

[Redacted]



^^



31/01/2019

Ms. Farzaneh Sharafbafi
CEO
Iran Air

Dear Ms. Sharafbafi,

On behalf of [REDACTED] I would like to take this opportunity to greet you with regards.

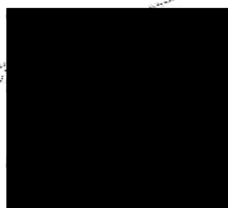
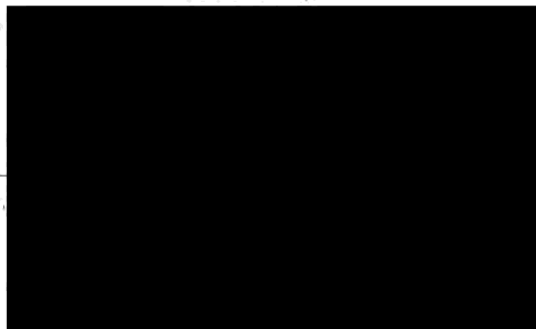
As you are aware, with its two-stage withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"), as of August 07, 2018 and November 05, 2018 the U.S. had re-imposed all the limitations it had previously suspended upon implementation of the JCPOA in January 2016.

Following the withdrawal from the JCPOA, those limitations were fully re-imposed -in the form of secondary sanctions- in two stages, one completed on August 07, 2018, and the second completed on November 05, 2018, which also affected our partnership on ZED-Interline Staff Travel Agreement.

In light of the above and considering the recent developments, [REDACTED] hereby provides you with written notice of termination of the ZED-Interline Staff Travel Agreement, which as set forth in article B.4.a.i "Terms and Termination" therein. After 30 days upon the receipt of this notice, the ZED-Interline Staff Travel Agreement between [REDACTED] and Iran Air will be terminated in line with abovementioned clause (which termination shall include a termination of any and all rights, authorities, obligations and liabilities of the parties arising out of or under the ZED-Interline Staff Travel Agreement).

We thank you for your understanding.

Yours sincerely,



A9



31/01/2019

Ms. Farzaneh Sharafbafi
CEO
Iran Air

Dear Ms. Sharafbafi,

On behalf of [REDACTED] I would like to take this opportunity to greet you with regards.

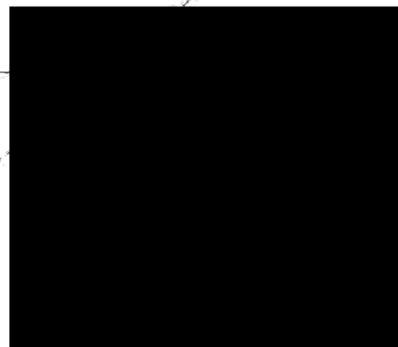
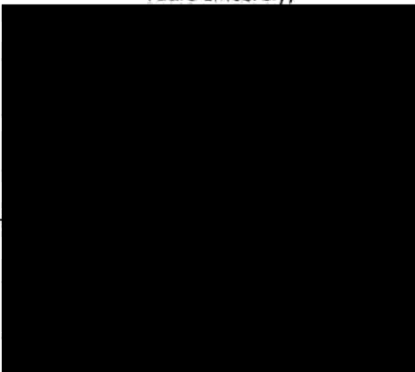
As you are aware, with its two-stage withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"), as of August 07, 2018 and November 05, 2018 the U.S. had re-imposed all the limitations it had previously suspended upon implementation of the JCPOA in January 2016.

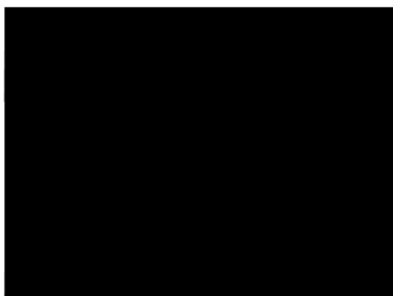
Following the withdrawal from the JCPOA, those limitations were fully re-imposed—in the form of secondary sanctions—in two stages, one completed on August 07, 2018, and the second completed on November 05, 2018, which also affected our partnership on FIM/Involuntary Reroute Agreement (FIM).

In light of the above and considering the recent developments, [REDACTED] hereby provides you with written notice of termination of the FIM/Involuntary Reroute Agreement (FIM), which as set forth in Article 6 therein. After 30 days upon the sending date of this notice, the FIM between [REDACTED] and Iran Air will be terminated in line with abovementioned clause (which termination shall include a termination of any and, all rights, authorities, obligations and liabilities of the parties arising out of or under the FIM).

We thank you for your understanding.

Yours sincerely,





31/01/2019

Ms. Farzaneh Sharafbafi
CEO
Iran Air

Dear Ms. Sharafbafi,

On behalf of [REDACTED], I would like to take this opportunity to greet you with regards.

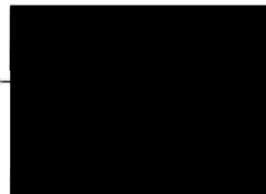
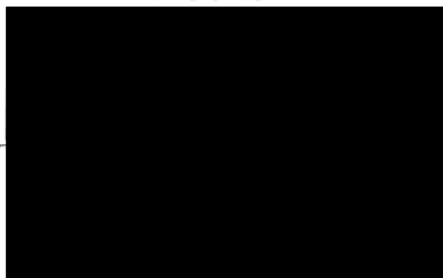
As you are aware, with its two-stage withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"), as of August 07, 2018 and November 05, 2018 the U.S. had re-imposed all the limitations it had previously suspended upon implementation of the JCPOA in January 2016.

Following the withdrawal from the JCPOA, those limitations were fully re-imposed—in the form of secondary sanctions—in two stages, one completed on August 07, 2018, and the second completed on November 05, 2018, which also affected our partnership on Direct Billing Agreement.

In light of the above and considering the recent developments, [REDACTED] hereby provides you with written notice of termination of the Direct Billing Agreement, which as set forth in article 5 therein. After 30 days upon the receipt of this notice, the Direct Billing Agreement between [REDACTED] and Iran Air will be terminated in line with abovementioned clause (which termination shall include a termination of any, and all rights, authorities, obligations and liabilities of the parties arising out of or under the Direct Billing Agreement).

We thank you for your understanding.

Yours sincerely,



Annex 277

Email from Honeywell to Kish Air, 9 April 2019

بسمه تعالی

شماره: ۹۸/۴۴۲۰
تاریخ: ۱۳۹۸/۰۲/۰۲
پیوست: ۱ برگه دار

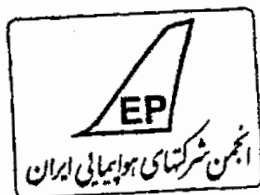


مرکز محترم امور حقوقی بین المللی ریاست جمهوری

سلام علیکم

احتراماً، پیرو نامه شماره ۹۷/۴۰۷۵ مورخه ۱۳۹۷/۱۰/۰۴ تصویر گزارش شرکت هواپیمایی کیش در خصوص عدم همکاری شرکت Honeywell در مورد SB Over Wing Heater Blanket ناوگان (Safety Issue) با شرکت مذکور به دلیل مسائل ناشی از تحریم به پیوست جهت بهره برداری ارسال می گردد.

سامانی
دبیر انجمن شرکت های هواپیمایی



تهران بزرگراه شهید ستاری ترمیده به خیابان پیامبر کوچه شاملو شماره ۹۰ طبقه چهارم شرقی واحد ۸
تلفن: ۴۴۰۴۲۴۱۷ - ۴۴۰۲۲۵۴۶ تلفکس: ۴۴۰۱۴۴۴۰ ایمیل: info@aira.ir وبسایت: www.aira.ir

THE LETTERHEAD OF ASSOCIATION OF IRANIAN AIRLINES

NO. 98/4420

DATE: 02/02/1398 [22 April 2019]

Attachment: 2 pages

Centre for International Legal Affairs, Presidential Office

Greeting,

Following the letter No. 97/4075 dated 04/10/1397 [25 December 2018], enclosed please kindly find, for making any use thereof, a copy of an email [sic] to Kish Air concerning Honeywell's refusal from cooperation with regard to SB Over Wing Heater Blanket for MD fleet (Safety Issue) due to the issues arising from the [US] sanctions.

Samani

Secretary of Association of Iranian Airlines

[SEAL AND SIGNATURE]

Fwd: Response to Honeywell Reference Case # : 00813597

From: Rezahashempour (rezahashp@yahoo.com)

To: jarni.maryam@yahoo.com

Date: Wednesday, April 10, 2019, 9:41 AM GMT+4:30

Sent from my iPhone

Begin forwarded message:

From: hamed sh <h.shokouhi@gmail.com>

Date: April 9, 2019 at 20:35:11 GMT+4:30

To: Gholam Reza Hashempour <rezahashp@yahoo.com>

Subject: Fwd: Response to Honeywell Reference Case # : 00813597

Hi Hamed,

Thank you for contacting Honeywell.

Please note this query/request will not be proceeded further as Honeywell does not pursue, enter into or participate in business or financial activities, directly or indirectly in any way, with any Iran legal entity or with any business located in Iran, due to commercial and other business reasons.

Thanks & Regards

Honeywell Customer Engagement Center

Phone - U.S. Toll Free (877) 841-2840; International (480) 353-3020

E-Mail - dl-corphoneywell@honeywell.com

Website - www.Honeywell.com

ref: 00D1alMwL_5001Pqd1TU:ref

----- Forwarded message -----

From: hamed sh <h.shokouhi@gmail.com>

Date: Tue, Apr 9, 2019 at 3:27 PM

Subject: Re: Response to Honeywell Reference Case # : 00813597

To: Honeywell Customer Engagement Center <dl-corphoneywell.com@honeywell.com>

Dear Sir/Madam,

Thank you for the prompt reply. I should inform you recently MRO found some fault in the overwing heater blanket system but because they do not have related SBs consequently fault cannot be rectified hence would you please forward me the following honey well mandatory SBs

SB-109XXXX-30-39

SB-109XXXX-30-41

SB-109XXXX-30-42

As you know IAW ICAO regulation, the subjected issue is a safety concern so thank you in advance for cooperation on this safety issue subject.

Best Regards,

Hamed Shokouhi
CAMO Manager
Kish Airlines
Phone: +98 764 4444071-2
Cell: +98 912 2156542
E-mail: Hamed.Shokouhi@kishair.aero

Best Regards,

Hamed Shokouhi
CAMO Manager
Kish Airlines
Phone: +98 764 4444071-2
Cell: +98 912 2156542
E-mail: H.shokouhi@kishairline.com

Annex 278

“Iranian airline finalizes deal to purchase 60 Boeing planes”, *AP*, 10 June 2017

Iranian airline finalizes deal to purchase 60 Boeing planes

 [nypost.com /2017/06/10/iranian-airline-finalizes-deal-to-purchase-60-boeing-planes/](https://nypost.com/2017/06/10/iranian-airline-finalizes-deal-to-purchase-60-boeing-planes/)

By Associated Press

[Modal Trigger](#)

TEHRAN, Iran — Iran's official IRNA news agency is reporting that the country's Aseman Airlines has finalized a [deal to purchase 60 planes](#) from the American company Boeing.

The Saturday report said that the planes will be delivered in two batches and the first batch will consist of 30 737 passenger planes to be delivered in 2019.

This is the second deal between the Chicago-based Boeing and an Iranian airliner since a landmark nuclear agreement between Iran and world powers went into practice in 2016.

In December Iran Air, the country's flag carrier, finalized a \$16.6 billion deal with Boeing to purchase 80 passenger planes.

In September, Washington granted permission to Boeing and its European competitor Airbus to sell billions of dollars worth of aircraft to Iran.

Annex 279

“Iran Aseman Airlines crash: Years of sanctions have left passengers with one of oldest air fleets in the world”, *The Independent*, 18 February 2018

Independent News Email

[independent.co.uk/news/world/middle-east/iran-aviation-crash-aseman-airlines-oldest-fleet-boeing-727-a8216221.html](https://www.independent.co.uk/news/world/middle-east/iran-aviation-crash-aseman-airlines-oldest-fleet-boeing-727-a8216221.html)

February 18, 2018

[News](#) › [World](#) › [Middle East](#)

Iran Aseman Airlines crash: Years of sanctions have left passengers with one of oldest air fleets in the world

Until the new planes arrive – possibly never, if President Trump decides to ban their export – engineers are having to make do with cannibalising grounded aircraft for parts

Click to follow

The Independent Online



Boeing 727: the only carrier still flying these three-engined jets is Aseman Airlines (Mehrad Watson)

Sixty-six people have died in a second aviation tragedy in a week. After the loss of a Russian airline near Moscow, fatalities from plane crashes so far this year far exceed those in 2017, which was the safest year in aviation history.

Aseman Airlines' flight EP3704, the daily departure from Tehran, took off as normal shortly after 8am to fly to Yasouj, 344 miles south. The aircraft involved, an ATR72, was 24 years old – which made it a relatively young part of the airline's fleet. The average age is more than a quarter of a century, making it one of the oldest fleets in the world.

There is nothing inherently unsafe about old aircraft. Right now British Airways and Virgin Atlantic are flying Boeing 747s which are over 20 years old; a BA Jumbo jet is en route today to Delhi at the venerable age of 27. But these aircraft are meticulously maintained by well-resourced airlines.

It is far too early to know what caused the loss of EP3704, but the calamity draws attention to aviation in a country starved of the equipment and expertise which makes flying in the West so safe.

Two years ago, when sanctions against Tehran were eased, Iran's airlines ordered hundreds of new planes. Aseman Airlines, whose aircraft was lost today, has 30 Boeing 737MAX jets on order. But until the planes arrive – possibly never, if President Trump decides to ban their export – the airlines' engineers are having to make do with cannibalising grounded aircraft for parts.

Production of the Boeing 727 ended in 1984, over a third of a century ago. The three-engined jet is still flying scheduled passengers services in only one country: Iran. And the carrier: Aseman Airlines.

New, safer aircraft cannot arrive soon enough.

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Annex 280

“Iran Airport Traffic Expands 8 Percent”, *Financial Tribune*, 7 April 2018

Iran Airport Traffic Expands 8 Percent

 financialtribune.com/articles/economy-business-and-markets/84225/iran-airport-traffic-expands-8-percent

April 7, 2018

Economy, Business And Markets

April 07, 2018 19:48

On the domestic front, 371,000 takeoffs and landings were registered as more than 44.28 million passengers and 325,000 tons of goods were transported domestically.

I

ran Airports Company registered 455,613 takeoffs and landings in the last Iranian year (ended March 20, 2018), which registers an 8% rise compared with the year before, the Ministry of Roads and Urban Development's news service reported citing IAC data.

Close to 57 million passengers and 552,341 tons of cargo were transported during the year, indicating a 7% and 9% year-on-year growth respectively.

As for passenger transportation, Tehran's Mehrabad International Airport was the busiest Iranian airport during the year with 143,440 takeoffs and landings and the transportation of 17.45 million passengers.

Coming next is Mashhad International Airport that handled about 74,000 takeoffs and landings, and moved more than 10.50 million passengers.

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Annex 281

**T. Hephher, “Factbox – Iran’s \$38 billion airplane purchases under nuclear deal”,
Reuters, 8 May 2018**

FACTBOX-Iran's \$38 billion airplane purchases under nuclear deal

 uk.reuters.com/article/iran-nuclear-aircraft-deals/factbox-irans-38-billion-airplane-purchases-under-nuclear-deal-idUKL8N1SE75Z

May 8 (Reuters) - Aircraft deals with Iran worth some \$38 billion at catalogue prices are among Western business transactions in the balance as President Donald Trump prepares to announce a decision on whether to keep the United States inside the Iran nuclear deal.

Here is a breakdown of principal deals negotiated since most international sanctions were lifted under the 2015 deal between Tehran and major powers, which reopened trade in exchange for restrictions on Iran's nuclear activities.

All orders depend on U.S. export licences because both U.S. and European aircraft contain more than 10 percent U.S. parts.

Prices shown are at catalogue prices. Airlines typically win discounts of 50 percent or more for bulk orders.

PURCHASE CONTRACTS

Supplier	Buyer	Units	Model	Seats	(mln \$)
Airbus	IranAir	6	A320	150	
					606
	IranAir	32	A320neo	150	
					3,232
	IranAir	8	A321	185	
					946
	IranAir	8	A330-200	246	
Total Airbus*					1,908
	IranAir	28	A330-900	310	
					8,299
	IranAir	16	A350-1000	369	
					5,864
Total Airbus*		98			20,856
Boeing**	IranAir	50	737 MAX 8	162	
					5,620
	IranAir	15	777-300ER	396	
					5,207
Total Boeing	IranAir	15	777-9	406	
					6,132
		80			16,959
ATR Turboprop					-
	IranAir	20		70	

Total ATR	20	72-600	520
			520
Total firm orders	198		38,334

*Airbus order excludes 1 new A321 and 1 new A330 originally sold to another airline. These became available for Iran after the original buyer did not take delivery, according to industry sources. While Airbus booked 98 new orders, IranAir has therefore ordered a total of 100 Airbus jets.

**Boeing announced the signature of a contract in Dec 2016, but has not yet placed the deal in its official order book

PROVISIONAL DEALS

Supplier	Buyer	Units	Model	Seats	(mln \$)
Airbus					
	Iran Airtour	45	A320neo	150	4,545
	Zagros	20	A320neo	150	2,020
	Zagros	8	A330neo	310	2,371
	Total Airbus	73			8,936
Boeing					
	Iran Aseman	30	737 MAX	162	3,372
Total Boeing		30			3,372
Total provisional orders					12,308
				103	

DELIVERIES

Airbus	1	A320
	1	A321
	1	A330
Total Airbus	3	
ATR**	8	72-600
Boeing	0	

(**ATR is 50/50-owned by Airbus and Leonardo)

(Reporting by Tim Hether, Editing by William Maclean)

Annex 282

D. Lawder, “U.S. Treasury's Mnuchin: Revoking Boeing, Airbus licenses to sell jets to Iran”, *Reuters*, 8 May 2018

U.S. Treasury's Mnuchin: Revoking Boeing, Airbus licenses to sell jets to Iran

 [reuters.com/article/us-iran-nuclear-boeing/u-s-treasurys-mnuchin-revoking-boeing-airbus-licenses-to-sell-jets-to-iran-idUSKBN1I92Q6](https://www.reuters.com/article/us-iran-nuclear-boeing/u-s-treasurys-mnuchin-revoking-boeing-airbus-licenses-to-sell-jets-to-iran-idUSKBN1I92Q6)

WASHINGTON (Reuters) - Licenses for Boeing Co and Airbus to sell passenger jets to Iran will be revoked, U.S. Treasury Secretary Steven Mnuchin said on Tuesday after President Donald Trump pulled the United States out of the 2015 Iran nuclear agreement.

Trump said he would reimpose U.S. economic sanctions on Iran, which were lifted under the agreement he had harshly criticized.

The pact, worked out by the United States, five other world powers and Iran, lifted sanctions in exchange for Tehran limiting its nuclear program. It was designed to prevent Iran from obtaining a nuclear bomb.

IranAir had ordered 200 passenger aircraft - 100 from Airbus SE, 80 from Boeing and 20 from Franco-Italian turboprop maker ATR. All the deals are dependent on U.S. licenses because of the heavy use of American parts in commercial planes.

Boeing agreed in December 2016 to sell 80 aircraft, worth \$17 billion at list prices, to IranAir under an agreement between Tehran and major world powers to reopen trade in exchange for curbs on Iran's nuclear activities.

The U.S. Treasury Department, which controls licensing of exports, said the United States would no longer allow the export of commercial passenger aircraft, parts and services to Iran after a 90-day period.

"The Boeing and (Airbus) licenses will be revoked," Mnuchin told reporters at the Treasury. "Under the original deal, there were waivers for commercial aircraft, parts and services and the existing licenses will be revoked."

European planemaker Airbus said on Tuesday before the Mnuchin news conference that it would study Trump's decision, adding that it would take some time.

Following the 90-day period ending Aug. 6, the Treasury also said it would revoke a license that allowed U.S. companies to negotiate business deals with Iran. The Boeing license had been valid until September 2020, a person involved in the deal said.

"As we have throughout this process, we'll continue to follow the U.S. government's lead," Boeing spokesman Gordon Johndroe said before Mnuchin's comments.

Mnuchin said it may be possible for some companies over the next three months to seek waivers from the sanctions or new licenses to do business with Iran, but he did not identify which companies.

“That’s something we’ll consider on a case-by-case basis, but as an overview, I would say that the purpose is to broadly enforce the sanctions,” he said, adding the administration’s objective was to deny Iran access to the U.S. financial system.

Boeing Chief Executive Dennis Muilenburg said last month the airplane manufacturer had no Iranian deliveries scheduled this year. He said Boeing’s 777 production plan “is not dependent on the Iranian orders.” Muilenburg is set to address the Economic Club of Washington on Wednesday.

The IranAir order included 15 Boeing 777-300ER long-range jets. Industry sources said Boeing had been tentatively due to send Iran three 777s this year but had reshuffled deliveries with other buyers.

Shares of Boeing closed down \$2.06, or 0.6 percent, at \$338.37 on the New York Stock Exchange after Trump’s announcement.

Reporting by David Lawder, David Shepardson and Mike Stone in Washington and Tim Hepher in Paris; Writing by Chris Sanders and David Lawder; Editing by Jonathan Oatis and Peter Cooney

Our Standards:[The Thomson Reuters Trust Principles.](#)

Annex 283

**C. Charpentreau, “Boeing confirms passing \$20B Iran deal”, *AeroTime News*,
7 June 2018**

Boeing confirms passing \$20B Iran deal

 aerotime.aero/clement.charpentreau/21390-boeing-confirms-passing-20b-iran-deal

June 7, 2018

[Aerotime.aero](https://aerotime.aero)

AEROTIME
AVIATION NEWS



CLÉMENT
CHARPENTREAU
on 7th June 2018

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Boeing confirmed the manufacturer would comply with US sanctions and will not fulfill the orders placed by Iran Air and Aseman Airlines. The two Iranian carriers hold an order of more than 110 aircraft for an estimated total of about \$20 billion.

As it was previously declared soon after Trump's decision to withdraw from the Iran deal, a spokesperson from Boeing confirmed the news to AFP. "We have not delivered any aircraft to Iran, and given we no longer have a license to sell to Iran at this time, we will not be delivering any aircraft," the spokesman said. Despite contracts being among the biggest signed by a foreign airline, Boeing never recorded these orders in its backlog unlike rival Airbus, the spokesperson insisted.

After a preliminary agreement with Iran in 2015, the U.S. Treasury Department delivered specific licenses to both Boeing and Airbus in September 2016, allowing to sell commercial planes to Iran. Soon after, Iran airlines started ordering planes to renew their aging fleets. Indeed, several aircraft of Iran Air fleet are on the EU blacklist due to safety concerns, and those still allowed are regularly inspected when they land at European airports.

On December 11, 2016, Boeing agreed to sell 80 aircraft to Iran. This included 50 B737 and 30 B777. The delivery was to be made in the next 10 years, with the first planes landing in Iran in 2018.

The total contract of about \$16.6 billion was expected to secure up to 100,000 jobs in the United States according to the New York Times. The U.S. based manufacturer also

1/2

secured a \$3 billion contract with Iranian company Aseman Airlines for thirty Boeing 737 MAXs that were to be delivered between 2022 and 2024.

Airbus will now have to give an answer as to whether or not it will follow Boeing and comply. The European manufacturer uses U.S.-made parts for its planes and even owns an assembly line for the American market in Mobile, Alabama. Thus, it could face sanctions from Washington.

On December 22, 2016, Airbus received a firm order from Iran Air for 100 aircraft: 46 A320, 38 A330 and 16 A350XWB. Two A330-200s and an A321 were already delivered in 2017. The total catalogue price was estimated at \$10 billion maximum. Another order was placed on June 22, 2017, by Zagros Airlines for 28 aircraft including 20 A320neos and 8 A330neos. As for helicopters, Iran was in the process of acquiring 45 civilian models from Airbus for emergency medical use.

Iran will be forced to find other plane suppliers as the Transport Minister of the Islamic Republic, Abbas Akhoundi, estimated that 400 new planes will be needed in the next ten years, a huge market now closed to Western manufacturers. Russian Sukhoi could benefit from this opportunity: the manufacturer announced being in the process of modifying its Superjet-100, dropping the number of U.S.-made parts down to 10%. That way, it would not need approval from the U.S. Treasury in order to sell its planes to Iran.

Annex 284

**A. Feitz, “ATR passe entre les gouttes de l’embargo iranien”, *Les Echos*,
6 August 2018**

ATR passe entre les gouttes de l'embargo iranien

 lesechos.fr/06/08/2018/LesEchos/22753-046-ECH_atr-passe-entre-les-gouttes-de-l-embargo-iranien.htm



ENTREPRISE & MARCHES

La livraison de 5 avions à hélices intervient à la veille de la mise en oeuvre des sanctions américaines dans la République islamique.

Ils sont arrivés. Après avoir annoncé samedi qu'elle s'apprêtait à recevoir 5 avions ATR, la compagnie aérienne Iran Air a publié dimanche matin des photos des appareils sur le tarmac de l'aéroport Mehrabad de Téhéran, et de la cérémonie d'accueil des 5 avions à hélices ATR72.

Selon l'agence officielle de presse iranienne, Irna, la directrice générale d'Iran Air, Farzaneh Sharafbafi, avait même fait le déplacement pour assister à leur décollage du sol français, samedi soir.

Pour l'avionneur basé à Toulouse, détenu à parité par Airbus et l'italien Leonardo, c'est une - relativement - bonne nouvelle. Car cette livraison intervient in extremis, à la veille de la mise en oeuvre des premières sanctions américaines en Iran : les entreprises de plusieurs secteurs, dont l'aéronautique, doivent cesser toute activité avec la République islamique à compter du lundi 6 août (lire nos informations page 4).

Or, la livraison de ces appareils, inclus dans une commande ancienne, était suspendue à une autorisation de l'administration américaine, qui doit approuver l'exportation des avions contenant plus de 10 % de composants fabriqués aux Etats-Unis. Finalisée début 2017, cette commande portait sur 20 appareils, mais ATR n'en avait livré que 8 lorsque l'accord sur le nucléaire iranien a été dénoncé par Donald Trump, début mai.

Commandes record

Mi-juillet, le président exécutif d'ATR, Christian Scherer, déclarait être optimiste sur la livraison des derniers appareils. « *Sinon, nous sommes confiants sur les possibilités de les remplacer ailleurs* », avait-il indiqué. Le 31 juillet, le ministre de l'Economie et des Finances, Bruno Le Maire, avait, lui aussi, indiqué avoir « *bon espoir* » de voir le dossier se débloquer avant le 6 août, évoquant toutefois la livraison de huit avions - et non pas cinq. Un peu plus tôt dans le mois, il avait été question de « *6 à 8* » avions susceptibles d'être prêts d'ici à l'échéance. Personne n'était disponible dimanche chez ATR pour commenter l'information du jour.

Le constructeur d'avion à hélices, qui a réalisé un chiffre d'affaires de 1,8 milliard de dollars en 2017 (1,6 milliard d'euros), avait alerté début juillet sur le « *grave préjudice* » que les sanctions risquaient de lui faire subir. Au prix catalogue, la commande de 20 appareils représentait 1,1 milliard de dollars.

L'avionneur avait engrangé l'an dernier un record de commandes, ayant signé globalement pour la vente de 113 de ses avions à 70 sièges (ATR72) ou à 50 sièges (ATR42). Il mise cette année sur 80 nouvelles commandes et fonde de grands espoirs sur l'ouverture du marché chinois à compter de 2019. Il devra en tout cas, pour l'heure, faire une croix sur l'option signée par Iran Air début 2017, qui portait sur 20 ATR72 supplémentaires.

Annex 285

“Tehran Slams Ankara for Refusing to Refuel Iranian Aircraft”, *Iran Front Page News*, 3 November 2018

Tehran Slams Ankara for Refusing to Refuel Iranian Aircraft

By IFP Editorial Staff - November 3, 2018 - 14:29



Iran's Civil Aviation Organisation has expressed its protest at a Turkish company's unilateral decision to refrain from providing fuel for Iranian passenger planes at Istanbul's Ataturk International Airport.

Maqsoud Asadi Samani, an official with the organisation, says there is a good relationship between the governments of Iran and Turkey, and Ankara has stated that it does not abide by US sanctions against Iran.

However, he said, a Turkish company which supplies Iranian planes with fuel has unfortunately stated in an e-mail, without providing any explanation, that it will not be able to deliver fuel to Iranian airline companies as of November.

Asadi Samani stressed that for sure this will create problems for Iranian airlines, and in the meantime it is not in the interest

<https://ifpnews.com/exclusive/tehran-slams-ankara-for-refusing-to-refuel-iranian-aircraft/>

of the two countries' ties.

"We expect the problem be resolved through the ongoing efforts. We certainly expect that, given the added value of the establishment of flights between the two countries, the problem that the Turkish fueling company has created will be resolved as soon as possible."

Certainly, the decision of the Turkish company is against the agreements between Tehran and Ankara. The Islamic Republic hopes the Turkish government would solve this problem, he added.

According to the bilateral agreement between Iran and Turkey, there are 200 flights per day between the two countries of which 100 are carried out by Iranian companies and 100 by Turkish ones.

[Fars News Agency](#) quoted Samani as saying that the number slightly increases or decreases in some weeks with respect to the travel season, but 2.5 million Iranians travel to Turkey annually.

Earlier, some foreign media had reported that the refraining of the Turkish company is a result of US sanctions against Iran.

This comes as the US Secretary of State Mike Pompeo said on Friday that Washington has agreed to temporarily allow eight countries to continue buying Iranian oil after it reimposes crippling sanctions on Tehran on November 5. Turkey is one of these eight countries.

Reuters reported on Friday that some Iranian airliners were refused fuel in Turkey's Istanbul airports and had to cancel at least one flight, while other carriers had to cut the number of passengers on board in order to fly on less fuel.

However, some informed sources in the airline industry believe that with the official launch of the new Istanbul airport in Turkey, most companies are preparing to move to this new and major airport within the next three months and leave the Ataturk airport.

Turkey's Petrol Ofisi, a subsidiary of Vitol Investment Partnership Ltd., is also one of the companies that will prepare itself for this relocation. Sources say the company is providing services and fuel to an Iranian airline that has a high debt to it and has also received warnings in this regard. Therefore, this is not apparently related to US anti-Iran sanctions.

Iran's Mahan Air, ATA, Qeshm, Iran Air, Taban, Zagros, Meraj, Caspian, Iran Air Tour, and Aseman Airlines all operate flights between Tehran and Istanbul.

IFP Editorial Staff

<https://ifpnews.com/ifp-editorial-staff/>

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Annex 286

E. Batmanghelidj, “For Iranian Passengers, Old Planes and Few Parts Make Air Travel 5.5 More Times Deadly”, *Bourse & Bazaar*, 5 December 2018

For Iranian Passengers, Old Planes and Few Parts Make Air Travel 5.5 More Times Deadly

Esfandiyar Batmanghelidj

In November, Kim Hjelmgaard of *USA Today* reported on the [misery and danger](#) faced by Iran's air travelers as US sanctions return. Hjelmgaard's interviewed with former airline pilot Houshang Shahbazi who heroically "saved the lives of more than 100 passengers and crew in 2012 when he successfully landed a 747 commercial airplane with a disabled wheel carriage." His report also included data on aviation safety in Iran compiled by Bourse & Bazaar. A closer look at that data is presented here.

To measure the risks posed to air travelers in Iran, it is possible to look to deaths per passenger journey. This is considered the "most accurate measure" for the [mortality risks](#) posed by flying as it accounts for the difference between long and short haul flights, which operate different types of aircraft.

Passenger journeys are tabulated by the International Civil Aviation Organization, and accessible via the World Bank's [data portal](#). Air accidents and fatalities in Iran [are recorded](#) by the Air Safety Network, an industry database. For the purposes of this analysis, we will compare global fatalities with passengers fatalities from accidents involving Iranian-registered commercial aircraft within Iran.

The period examined is 1997 to 2017, a 20 year period which includes the most recent available data. This is also the period which covers the intensification of international sanctions on Iran, beginning with the Iran Libya Sanctions Act signed into law by the Clinton administration in 1997. The International Civil Aviation Organization (ICAO), a United Nations body, has long [gathered evidence](#) which suggests that US sanctions contribute to the poor safety record of Iran's aviation industry. A 2010 ICAO [Universal Safety Audit](#) found that "Iranian carriers are unable at present to fulfill most requisite ICAO aviation safety and maintenance standards and recommended practices (SARPs)... because they were denied access to updated aircraft and aircraft spare parts and post-sale services around the world."

Looking to the data on risk of death, Iran's 20 year average is 1.89 deaths per 1 million passenger journeys. The same figure for the rest of the world is 0.34 deaths. By this measure, flying in Iran is on average 5.5 times more deadly than flying in the rest of the world, in aggregate. Notably, this does not include 2018 figures, a year where Iran has had 66 fatalities.

When depicted in a chart, the ratios help illustrate the frequency with which Iran experiences serious air accidents. There have been accidents in 18 of the last 20 years, with an average of 2 accidents per year.

Ratio of Fatalities to Passenger Journeys

(Civil aviation, per 1 million journeys)

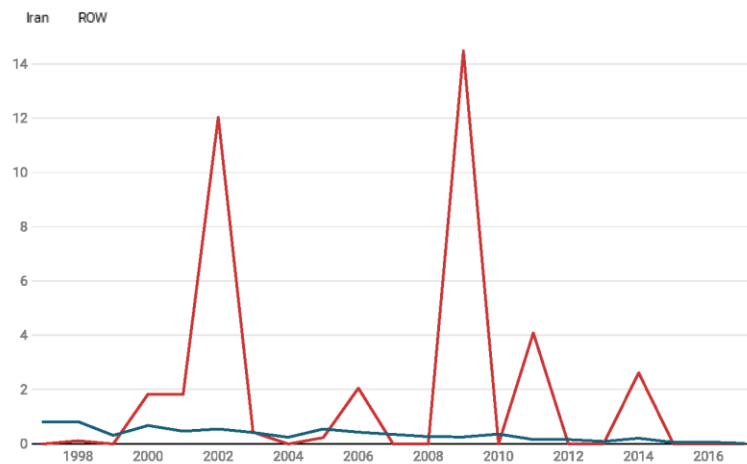


Chart: Bourse & Bazaar • Source: Air Safety Network, ICAO • [Get the data](#) • Created with Datawrapper

Accidents do not always lead to fatalities. Fatalities are recorded in 9 of the last 20 years. But deaths can quickly mount when accidents occur at higher than normal levels. In 2009, Iran tragically experienced 7 aviation accidents, resulting in 189 deaths.

Statistically speaking, air travel in Iran is still safe. This is in large part due to the efforts of Iranian pilots and maintenance crews to keep aircraft operable despite limited resources. But even if the overall risk of an accident remains statistically low, the risk still far exceeds expected levels. Over the last 20 years, Iran has witnessed 41 accidents, accounting for 6 percent of the global total. But the country accounts for just 0.6 percent of passenger journeys made worldwide in the same period. By this measure, the frequency of accidents in Iran is 10 times higher than the global norm.

To help put the risk of death in context, one [French study](#) found that the rate of fatalities for motorcyclists in France is 1.26 deaths per million journeys. By this jarring measure, a journey on a commercial flight in Iran is more dangerous than a journey on a motorcycle. Iranian passengers put up with these risks because they must—it is the only way to visit family, conduct business, or travel for pleasure. But the situation remains unacceptable.

As Shabazi poignantly told Hjelmgaard, "Everybody knows the risks Iranians face in the air... and everybody's scared."

Photo Credit: IRNA

Annex 287

**P. Hafezi, “Iran urges EU to press Washington on Airbus deliveries: ISNA”, *Reuters*,
17 December 2018**

Iran urges EU to press Washington on Airbus deliveries: ISNA

 [reuters.com/article/us-iran-airbus/iran-urges-eu-to-press-washington-on-airbus-deliveries-isna-idUSKBN1OG19X](https://www.reuters.com/article/us-iran-airbus/iran-urges-eu-to-press-washington-on-airbus-deliveries-isna-idUSKBN1OG19X)

The logo of Airbus is seen at the Airbus A330 final assembly line at Airbus headquarters in Colomiers, near Toulouse, France, November 26, 2018. REUTERS/Regis Duvignau

DUBAI (Reuters) - Iran called on the European Union on Monday to press U.S. authorities to allow delivery of Airbus passenger aircraft purchased by Tehran, Iran's student news agency ISNA reported. To upgrade its aging fleet, Iran Air ordered 200 passenger aircraft - 100 from Airbus, 80 from Boeing and 20 from Franco-Italian turboprop maker ATR - after a 2015 nuclear deal was reached between Iran and six major powers. But the U.S. Treasury revoked licenses for Boeing Co and France's Airbus to sell commercial planes to Iran Air after President Donald Trump pulled the United States out of the agreement in May and reimposed sanctions.

"Our main concern is being able to serve our passengers better ... We hope that the EU can get the OFAC (Office of Foreign Assets Control) licenses for delivery of purchased Airbus planes," IranAir Chief Executive Farzaneh Sharafbafi was quoted by ISNA as saying.

Although Airbus is based in France, it must have the approval of the U.S. Treasury's Office of Foreign Assets Control to sell planes to Iran because at least 10 percent of the components of the aircraft are U.S.-made.

"As OFAC licenses were issued for ATR planes ... the licenses for Airbus planes can be pursued by (the EU)," she said. "IranAir can never be stopped."

Under a special agreement after U.S. licenses were revoked but before new sanctions came in force on Nov. 5, ATR delivered 13 of the 20 turboprop aircraft sought by IranAir while the remainder remain on order.

Other signatories of the nuclear deal and the EU have remained committed to the pact and have been trying to salvage it.

Airbus, which delivered three aircraft before the licenses were withdrawn, continues to show the order as active on its books.

Boeing never officially added Iran's order to its list of sold jets and has said it will not pursue the deal.

Writing by Parisa Hafezi; editing by Jason Neely

Our Standards: The Thomson Reuters Trust Principles.

Annex 288

“Europeans refusing fuel to Iranian aircraft”, *presstv.com*, 18 December 2018

Europeans refusing fuel to Iranian aircraft: Official

[presstv.com/Detail/2018/12/18/583295/Iran-aviation-airlines-EU-Airbus-Boeing-fuel](https://www.presstv.com/Detail/2018/12/18/583295/Iran-aviation-airlines-EU-Airbus-Boeing-fuel)



An Iran Air Airbus is refueling at Imam Khomeini International Airport in March 2016.

Iran's airspace remains open to all international flights, including US airliners, but most European countries refuse fuel to Iranian planes, an official says.

"Iran's sky is open to all countries, except Israel," head of the Iranian Civil Aviation Organization (CAO) Ali Abedzadeh said.

Currently, American airplanes are also passing through the Iranian sky and Iran has not imposed restrictions on any country, the official said. Likewise, no country has put any restrictions on the passage of Iranian planes.

However, "unfortunately, most European countries are refusing to supply fuel to Iranian aircraft and this creates problems for us, for which we have plans to overcome," Abedzadeh said.

Fuel service providers in Europe and some other countries are citing new US sanctions in refusing to refuel Iranian aircraft.

"US goal is to cut off foreign flights of Iranian airlines," Abedzadeh said.

Iran is already angry with the EU over its failure to stop European companies from leaving the Islamic Republic.

For months, the Europeans have been working on a virtual clearing house to process Iran-

1/3

related transactions independent of the US.

The three main countries behind the initiative - Germany, France and the UK - say they have set up a special purpose vehicle (SPV) to facilitate non-dollar trade with Iran.

However, they appear to be passing the buck on who should take the responsibility for the system and house it.

Last month, Iran's nuclear chief Ali Akbar Salehi said he had warned the Europeans that Iranian patience was wearing thin.

Salehi said while the European Union's efforts were encouraging, "we have not yet seen any tangible results."

Iran is disappointed with a mass exodus of major European companies which began even before the sanctions kicked in after President Donald Trump announced pulling the US out of the nuclear deal in May.

On Monday, national flag carrier Iran Air Chief Executive Farzaneh Sharafbafi called on the European Union to press US authorities to allow delivery of Airbus passenger aircraft purchased by Tehran.

European commercial aircraft manufacturer Airbus signed a contract to sell 100 passenger aircraft to Iran Air after a 2015 nuclear deal was reached with the Islamic Republic.

The US revoked licenses for Airbus as well as Boeing which had signed the delivery of 80 planes to Iran Air after Trump withdrew from the nuclear deal.

"We hope that the EU can get the OFAC (Office of Foreign Assets Control) licenses for delivery of purchased Airbus planes," Sharafbafi said.

The official urged the EU to press US authorities, "as OFAC licenses were issued for ATR planes" built by the Franco-Italian turboprop maker which had signed to deliver 20 planes to Iran Air.

ATR delivered 13 aircraft, some of which came after OFAC had withdrawn the licenses, with the rest remaining on order.

Airbus delivered only three aircraft before the licenses were withdrawn. The Europeans say they have to get American permits for their deliveries because 10 percent of the components of the aircraft are US-made.

On Wednesday, a top official said Iran needs some 500 planes and would likely back buying the Sukhoi Superjet 100 if Russia was willing to sell them to its airlines.

Russian officials have been reported as saying Sukhoi is working on reducing the number of US parts in the hopes of winning an Iranian order for up to 100 aircraft.

"If the Iranian airlines want to use this aircraft (Superjet 100) and the seller is willing to sell it to Iran, the Civil Aviation Organization is ready to issue its final comment on this aircraft," Abedzadeh said.

Annex 289

S. Shahrabi, “Plane Crash in Iran: Failed Navigation System Was to Blame”, *Aircraft Rescue & Fire Fighting Working Group*, 14 January 2019

Plane Crash in Iran: Failed Navigation System was to Blame - ARFFWG | ARFF Working Group

ADACEL

By [SHIMA SHAHRABI](#)

At about 8:30 on the morning of Monday, January 14, people near the Fath Airport in Karaj near Tehran heard a terrifying sound that shook the windows of their homes and businesses. An Iranian Army Air Force Boeing 707 cargo plane had overrun the runway and burst into flames after crashing into a residential villa. "It was lucky that the villa was empty, otherwise the casualties would have been higher," one eyewitness told



IranWire.

According to Iranian media, of the 16 on board, only one person miraculously survived. The others, 14 men and one woman, lost their lives in the incident. According to an army spokesperson, the plane was carrying frozen lamb from Bishkek, the capital of the Central Asian republic of Kyrgyzstan, to be distributed among the needy. "The lamb carcasses were thrown out of the plane's wreckage, creating a weird scene," the eyewitness said. "The burned lamb carcasses were mixed with human bodies and pieces of the plane." According to him, the crowd around the airport grew so big that the rescue workers had to push back onlookers in order to do their jobs.

According to Fars News Agency, the plane was scheduled to land at the nearby Payam International Airport, but landed at Fath Airport by mistake. However, the Army's Public Relations office claimed that the plane had been forced to make an emergency landing at Fath Airport.

Payam Airport is located 35 kilometers from Tehran and is used for cargo transport, serving Iran's information and communications technology industry. The airport is operated by Payam Aviation Services Co. and belongs to Iran's Ministry of Information and Communications Technology. It is also used as a training site for pilots.

"Landing by mistake is not out of the question," one airline pilot told IranWire. "Fath and Payam airports are on the same path and are very close to each other. It is highly likely that the pilot landed at Fath Airport by mistake. The runway at Fath is short for a Boeing 707 and that is why the plane overran the runway and hit a residential area."

Failure of Navigation System

According to the pilot, a failure in the navigation system of the plane is the likely reason for the ensuing disaster. "All over the world, when two airports are close to each other, there is a system that warns the pilot to prevent an error, but we do not have this

system and this makes it possible to land mistakenly,” he told IranWire.

An aviation expert told the Iranian Students’ News Agency (ISNA) that this was not the first time that the proximity of the two airports has led to a pilot making an error. In November, he said, a veteran pilot flying a passenger airliner from Mashhad to Payam Airport mistook Fath Airport for Payam Airport and descended toward the runway. At the last moment, he realized his error and ascended again. This error could have cost the 150 passengers and crew their lives.

The airline pilot we spoke to agreed with the aviation expert’s view of events. “Even though something like this had happened before, the pilot was not warned that there was another runway close to Payam Airport,” he said.

The BBC **reported** that the plane was a 14 Boeing 707 refueling tanker that had been built to order from the Iranian Air Force prior the 1979 Islamic Revolution [Persian link]. Its first flight took place on February 19, 1976, in Seattle in the United States. Two months later it was delivered to the Iranian Air Force with the registration number 5-8312. During the eight-year Iran-Iraq war in the 1980s, the plane served as a refueling tanker for Iranian Phantom F-4 and F-14 fighter jets.

In 2003, the plane was converted from a refueling tanker to a passenger airliner and supplied to Saha Airlines, a domestic carrier. In 2009 it was taken out of service after an accident at Ahvaz airport. After temporary repairs, it was transferred to Tehran. Between 2014 and 2016 it underwent fundamental repairs and was transferred to the army. According to reports, the plane had been used to transfer technical personnel for the air force and deliver food to Syria.

“Iran is one of the last countries to fly the 707, which was produced between 1957 and 1979,” **reported** the New York Times. “Many airplanes in the country are old: United States sanctions prevent the military and civilian carriers in Iran from buying new airplanes, and make it very difficult to obtain parts for those they already have.”

<https://iranwire.com/en/features/5775>

Annex 290

M. Kraft, “Boeing 737 MAX 8 stuck in Iran since December 14, a real headache for Norwegian”, *Airlive*, 29 January 2019

Boeing 737 MAX 8 stuck in Iran since December 14, a real headache for Norwegian

 airlive.net/boeing-737-max-8-stuck-in-iran-since-december-14-a-real-headache-for-norwegian

Melanie Kraft with AIRLIVE contributors

January 29, 2019

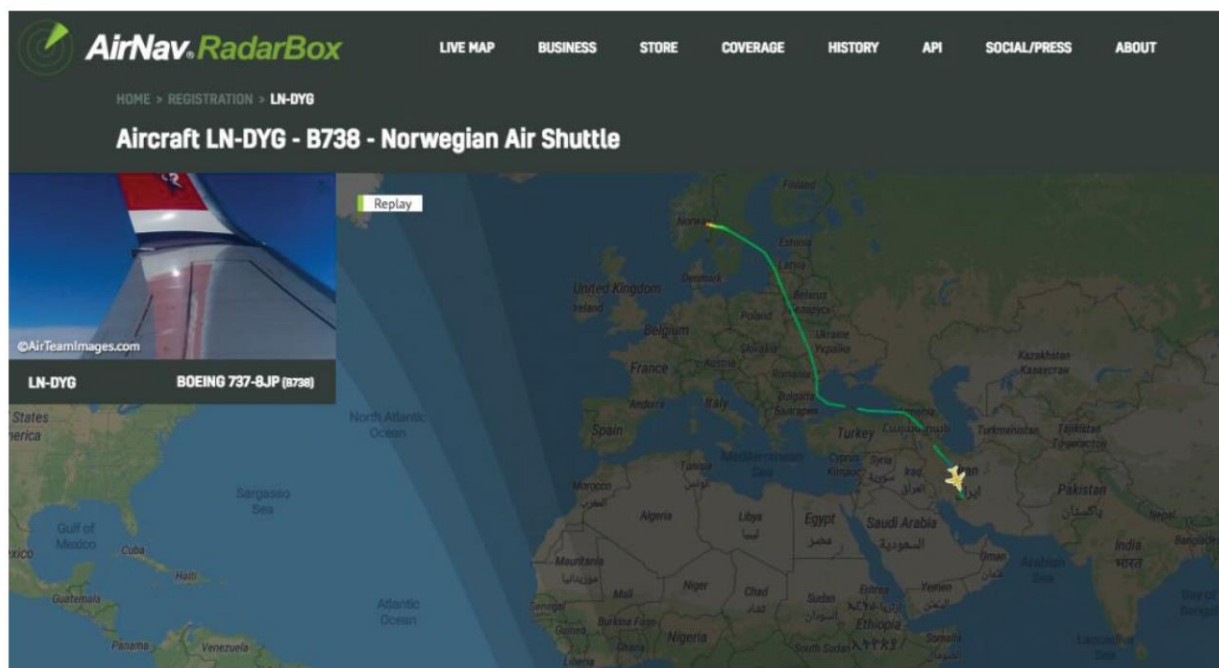
On December 14, a Norwegian 737 MAX 8 flying from Dubai to Oslo suffered an engine problem and was forced to perform an emergency descent from 32,000 feet to land in Iran.

The aircraft (reg. LN-BKE) had to circle to burn fuel and shut down one of the engines prior landing at Shiraz International Airport, Iran.

UPDATE Thursday 22 February 2019: After a new engine was flown to Iran, the Boeing 737 MAX 8 is flying to Scandinavia.

This was the first time that a Norwegian aircraft has ever landed in the country as the airline doesn't have any regular services or contacts in the country.

Norwegian got the stranded passengers to Oslo after sending a replacement aircraft.



Headache for passengers

The passengers have now officially entered Iran, and no longer are allowed to enter the US under the visa waiver program. This means if any of them are flying onwards from Oslo to New York (which many are) they have to go to a US embassy and ask for permission. They might have to do it for the rest of their lives.

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Headache for Norwegian

Norwegian sent a crew of engineers and maintenance personnel to Iran but it looks like the plane was not able to be fixed and is going to need a new engine.

But due to various sanctions on Iran, importing spare parts for existing Airbus and Boeing aircraft in Iran is forbidden.

Special arrangements will have to be made between Iranian and US authorities.

A spokesperson for Norwegian said: "Unfortunately, the paperwork necessary to service the plane has taken longer than usual, partly due to fact that we have had to familiarize ourselves with Iranian regulations."

Annex 291

**Nima Alipour, “Obstruction Against Iranian Aircraft; From Europe to Persian Gulf”,
Iranian Students’ News Agency (ISNA), 23 April 2019**

سه‌شنبه / ۳ اردیبهشت ۱۳۹۸ / ۱۰:۵۶ | دسته‌بندی: عمران و اشتغال | کد خبر: 98020301215 | خبرنگار: 71469

کارشکنی علیه هواپیماهای ایرانی؛ از اروپا تا خلیج فارس



دبیر انجمن شرکت‌های هواپیمایی آخرین وضعیت سوخت‌رسانی به هواپیماهای ایرانی را تشریح و اعلام کرد که شرکت‌های سوخت‌رسان هواپیما در اکثر کشورهای اروپایی و حاشیه خلیج فارس به هواپیماهای ایرانی سوخت‌رسانی نمی‌کنند.

مقصود اسعدی سامانی در گفت‌وگو با ایسنا، ضمن تشریح آخرین وضعیت سوخت رسانی به شرکت‌های هواپیمایی ایران در دنیا، اظهار کرد: متأسفانه بعد از خروج آمریکا از برجام با توجه به اینکه بسیاری از شرکت‌های سوخت‌رسان هواپیما چند ملیتی هستند و سهامدار آنها آمریکایی است و با با آمریکایی‌ها مراوده دارند، اعلام کردند که به شرکت‌های هواپیمایی ایرانی سوخت رسانی نخواهند کرد. هرچند که علی‌رغم این مسئله تاکنون هیچ‌یک از پروازهای هواپیماهای ایرانی به دلیل عدم تأمین سوخت لغو نشده است.

وی ادامه داد: مسئله‌ای که در حال حاضر برای برخی هواپیماهای ایرانی پیش می‌آید این است که باید یک نشست و برخاست اضافه داشته باشند تا بتوانند در فرودگاه‌های کشورهای دیگر سوخت خود را تأمین کنند؛ به طور مثال اگر قرار باشد پروازی از ایران به فرانکفورت برود در مسیر بازگشت از آلمان و پس از سوار کردن مسافران به یکی از فرودگاه‌های یک کشور دیگر برود و پس از سوخت‌گیری به ایران بازگردد.

دبیر انجمن شرکت‌های هواپیمایی با بیان اینکه نگرانی شرکت‌های سوخت‌رسان هواپیما نسبت به فشارهای آمریکا موجب شده تا از همکاری با هواپیماهای ایرانی پرهیز کنند، گفت: اگر کانال ارتباطی ایران و اروپا تحت عنوان اینستکس راه‌اندازی شود، شرکت‌های کوچک اروپایی می‌توانند به هواپیماهای ایرانی سوخت‌رسانی کنند.

سامانی با اشاره به اینکه در بسیاری از کشورهای اروپایی نظیر آلمان، فرانسه، انگلیس، ترکیه و... امکان سوخت رسانی به هواپیماهای ایرانی وجود ندارد، خاطرنشان کرد: علاوه بر این، در کشورهایی نظیر لبنان، کویت و امارات و برخی دیگر از کشورهای حاشیه خلیج فارس نیز به هواپیماهای ایرانی سوخت رسانی نمی‌شود.

به گزارش ایسنا، با تشدید تحریم‌های اعمال شده از سوی آمریکا همانطور که شرکت‌های هواپیمایی مختلف از فروش هواپیما به ایران خودداری می‌کنند، بسیاری از شرکت‌های سوخت‌رسان هواپیما نیز از تأمین سوخت هواپیماهای ایرانی سرباز می‌زنند و در این رابطه مشکلاتی برای شرکت‌های هواپیمایی ایران به وجود آمده و هرچند هیچ پروازی تا کنون به دلیل عدم تأمین سوخت لغو نشده است اما برخی شرکت‌های هواپیمایی مجبور هستند نشست و برخاست اضافی را انجام دهند تا بتوانند سوخت خود را جهت بازگشت به کشور تأمین کنند.

انتهای پیام

✉ خبرنگار نیما علیپور | دبیر متین کاکویی

لینک کوتاه

<https://www.isna.ir/news/98020301215/>

Obstruction Against Iranian Aircraft; From Europe to Persian Gulf

the Secretary of Association of Iranian Airlines explained the latest situation of fuelling Iranian Aircraft and declared that fuel companies refuse to provide Iranian aircraft with fuel in most of European countries as well as Persian Gulf countries.

Maghsoud Asasdi Samani, in an interview with ISNA, explaining the latest situation of fuelling Iranian aircraft in the world, mentioned: "Unfortunately, after the US withdrawal from JCPOA, most of the fuel companies, due to the fact that they are multinational and have American shareholders or business ties with Americans, declared that they will not provide fuel for Iranian airlines. Nevertheless, none of the flights of Iranian aircraft have been cancelled because of failure in fuel supply.

He continued: "The issue with which certain Iranian aircraft are confronted is that they must have an extra landing and take-off in order to supply the fuel from another country. For instance, a flight from Iran to Frankfurt, in its way back from Germany and after boarding the passengers, has to have a stop in another country for fuelling.

The Secretary of Association of [Iranian] Airlines, mentioning that the concerns of aviation fuel companies due to the US pressure have led them to refuse to cooperate with Iranian companies, stated: "Small European companies may provide fuel if the Iran-Europe transactions channel (INSTEX) is launched."

Samani, pointing out that providing fuel for Iranian aircraft is impossible in many of the European countries such as Germany, France, UK, Turkey, etc., emphasised that: "Furthermore, fuelling is not possible in countries such as Lebanon, Kuwait, UAE, and some other Persian Gulf countries either."

According to ISNA, as a result of reinforcing the United States sanctions [against Iran], alongside with several aviation companies' refusals to sell aircraft to Iran, most of the fuelling companies also refuse to supply fuel to Iranian aircraft. Those matters give rise to certain difficulties for Iranian airlines. Although no flight has been cancelled so far because of non-supply of fuel, some airlines are forced to have an extra landing and take-off in order to supply their fuel for returning to the country.

End of message/

Journalist: Nima Alipour / Editor: Matin Kakoui

Short Link:

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