

Khouzestan Oxin Steel Co.

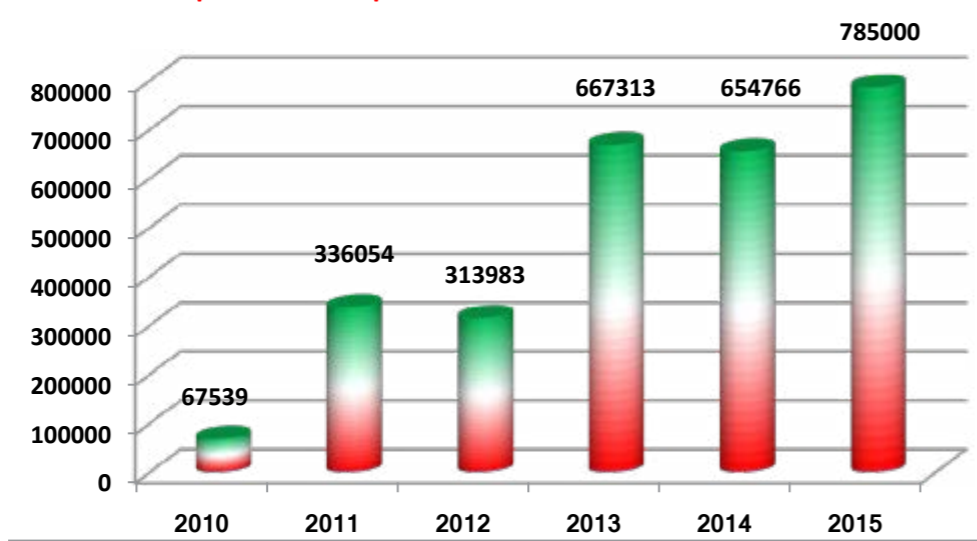


What follows is the text of an interview with Mr. Aziz Ghanavati, Managing Director of Khouzestan Oxin Steel Co. on the achievements and future plans of his company:

Elaborate on the performance of Khouzestan Oxin Steel Company in the years following its initial operation.

In keeping with the growing demand of the national industries, Khouzestan Oxin Steel Co. began operating as the first and leading manufacturer of broad-width steel plates in the Middle East in 2010. The main activity of this company is to produce unique, high-strength steel plates up to 4.5 m in width, and in various thicknesses in the Middle East. Addition-

A comparison of the production since 2010 until March 20th 2015



Year	1388	1389	1390	1391	1392	1393	Grand Total
Tonnage	67539	336054	313983	667313	654766	785000	2824655

ally, the company is capable of producing plates for heating processes as explained below:

Importantly, the year 2014 has witnessed the production of broad-width plates as per API standards up to a grade of X 70 for oil and gas pipes in Khouzestan Oxin Steel Co. To this end, the company managed to meet all the technical requirements of the National Iranian South Oil Company and the National Gas Company and their subsidiary companies.

Khouzestan Oxin Steel Co. is among the companies having employed advanced technologies; how pressing is the need to develop such companies in Iran's steel-making industry?

Khouzestan Oxin Steel

Co. was originally built to manufacture broad-width plates for various purposes, including large-diameter oil and gas supply pipes, ship-building industry, defense industry, industrial and power stations steam boilers, high-pressure tanks, and huge storage tanks of oil and chemical liquid. Additionally, bearing specific building structures in mind, the company prioritized the production of special steel plates with unique mechanical properties--the pulling strength of 1200 N/ml2 and yield strength of 1000 N/ml2 after the heating operation. According to the latest assessment with regard to the oil and gas projects, three of the national pipe milling companies would annually need one million tons of broad-width plates which

could be provided by Oxin as its nominal capacity reaches 1.050.000 tons. This production capacity serves the current needs of the pipe milling companies, the future needs of the National Iranian Oil Company and the National Gas Company.

How do you evaluate the future of Khouzestan Oxin Steel Co.?

Considering the development of oil and gas supply projects, particularly the South Pars project, and the value-added API broad-width plates, as well as the production of other types of steel such as marine grade and heating operation, the future production of the company would be presented in a more positive light, provided that imports restriction and do-

mestics support are taken into account.

How much the products of Khouzestan Oxin Steel Co. have restricted imports and how much currency have been saved up?

The production capacity of 1.050.000 tons of broad-width plates would obviate the need for the same amount of import which subsequently save up USD 700 million. Having made the arrangements in terms of export and based on the product type and industrial demand, Khouzestan Oxin Steel Co. started the export of its products in the year 2014 and also planned to boost it by more than 20 percent in the region and Europe.