

ELITE PARS

Law Firm



Introduction

Established in 2019, Elite Pars is a boutique law firm with professional lawyers and legal minds as its core team. Lawyers at Elite Pars render legal advice on a wide range of matters in parallel to dealing with various local, regional and international arbitration and litigation cases.

Elite Pars draws strength from its diversity. We recruit from a wide variety of backgrounds, seeking out the best and those with the highest potential and we invest in their development. Our profound knowledge of assorted legal areas, enables us to efficiently guide our clients through the most complex matters they are facing. Furthermore, our practical experience provides us with insights that help us assist our clients in achieving their legal goals.

In case you have any queries regarding this document or would like to inquire as to how we could serve you best, please feel free to contact our partners Dr. Navid Sato and/or Dr. Nima Nasrollahi via n.sato@elitepars.com and/or n.nasrollahi@elitepars.com.

LEGAL UPDATE: OCTOBER 2023

IRAN'S OIL PRODUCTION CLIMBS TO 3.4 MILLION BARRELS AMID SANCTIONS

Iran has successfully increased its oil production to 3.4 million barrels per day (bpd), a notable rise from the 2.9 million bpd reported earlier. The boost in production has been attributed to the reactivation of previously inactive oil wells, indicating a strategic shift in the country's oil industry operations.

The advancement is poised to pave the way for further growth, with projections set to reach 3.8 million bpd. This uptick in production has been partly credited to the inclusion of the Sepehr and Jafir oilfields, which collectively contribute an additional 40,000 bpd, underlining a positive trend for Iran's economic expansion in the face of international economic restrictions.

Recent reports by the Organization of the Petroleum Exporting Countries (OPEC) confirm the upward trend, recording a 15,000-bpd increase in Iran's production for September as compared to August, with a total production of 3.058 million bpd. The third quarter of 2023 also showed a robust performance, with an average production reaching nearly 2.990 million bpd, which is a substantial increment from the second quarter.

Despite the challenges posed by the reinstatement of sanctions, which initially led to a reduction in output, Iran has demonstrated significant progress, now ranking as the third-highest oil producer

among OPEC nations, after Saudi Arabia and Iraq.

The financial aspects are also looking up, with Iran's heavy crude oil experiencing a price increase in September by \$7.05, marking an 8.0 percent hike from the preceding month, and trading at \$94.63 per barrel. The year-to-date average stands at \$82.37, a slight decrease from the average of \$104.16 during the same timeframe of the previous year.

This increase in both production capacity and pricing reflects Iran's determination to sustain and enhance its presence in the international oil market despite the ongoing sanctions.

IRAN'S SPONGE IRON PRODUCTION REACHES 18.8 MILLION TONS IN FIRST HALF OF THE YEAR

The Iranian Steel Producers Association (ISPA) has reported a robust production of 18.86 million tons of sponge iron, also known as direct reduced iron (DRI), during the first half of the current Iranian calendar year (March 21-September 22). This production process transforms iron ore into metallic iron by using reducing gases or elemental carbon produced from natural gas or coal, a method that has found numerous ore types to be suitable.

This achievement comes at a time when Iran continues to grapple with stringent U.S. sanctions that have impacted various industrial and economic sectors, including mining. Despite these challenges, the mining sector has shown remarkable resilience and growth, particularly in the production of sponge iron, which has seen an ascending trend.

The increase in sponge iron output is credited significantly to the establishment of new production plants. The Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), the country's leading metals and mining conglomerate, attributes this growth to its recent strategic shift and collaboration with the private sector, which has resulted in the launch of several sponge iron production projects.

The progress in the mining sector, especially the production of sponge iron, underscores Iran's capability to overcome economic sanctions and continue its development trajectory in the mining industry.

IRAN'S PETROCHEMICAL PRODUCTION UP BY 7% IN FIRST HALF OF THE YEAR

Iran has witnessed a 7% surge in petrochemical production in the first six months of the current Iranian calendar year compared to the same timeframe last year, as reported by an official from the National Petrochemical Company (NPC).

Bijan Chegeni, who oversees production control at NPC, announced a production volume of 38.5 million tons within the six-month period, with ambitions to elevate this figure to 77 million tons by the end of the Iranian year (late March 2024). This uptick continues the trend from the previous year, which also saw a 7% increase in production, culminating in a total output of 69.6 million tons.

Last year, Iran's petrochemical exports experienced a 4% growth in weight,

amounting to 27.6 million tons. Chegeni highlighted the essential nature of overhaul operations, which were conducted in 21 petrochemical complexes to ensure the integrity and efficiency of the production units.

The petrochemical sector is a cornerstone of Iran's non-oil economy, standing as the second largest source of revenue after crude oil exports and contributing to nearly one-third of the country's non-oil exports.

Looking forward, NPC Head Morteza Shah-Mirzaei has laid out a plan to boost the country's annual petrochemical production capacity to 200 million tons in the coming decade. In line with this expansive vision, Iranian Oil Minister Javad Oji mentioned the definition and implementation of over 100 petrochemical projects across Iran, representing an investment of approximately \$70 billion.

In a move towards self-reliance, Oji also indicated that by the end of the current government's term in August 2025, Iran aims to achieve complete self-sufficiency in producing the catalysts required for the petrochemical industry.



Dr. Navid Rahbar Sato

Managing Partner

Dr. Navid Rahbar Sato is a founding partner and the managing director of Elite Pars Law Firm. He is a qualified international and domestic lawyer in the Iranian market with a primary focus on cross border transactions and oil and gas law. With several years of experience, he has extensive comprehension of the national, regional and international commercial legal systems. He also handles litigation and arbitration cases where he sets out the legal strategies and heads the team in the process. He particularly advises clients on energy law, foreign direct investment, incorporation, mergers and acquisitions as well as import and export regulations in the region including sanctions' compliance matters.

Navid holds an SJD from Washington College of Law and is a Vanderbilt LL. M. graduate of NYU School of Law and an International Trade Law LLM graduate of the American University of Washington D.C. He is an assistant professor at Shahid Beheshti University of Tehran. Navid speaks fluent Farsi and English, as well as basic French and Japanese.

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Dr. Nima Nasrollahi Shahri

Partner

Dr. Nima Nasrollahi Shahri is a founding partner at Elite Pars Law Firm and heads the energy, investment law and arbitration practices of the firm. He is a seasoned lawyer in the field of oil and gas and renewable energies and has advised major international oil companies with respect to their participation in Iranian oil and gas projects. He holds a PhD in International Investment Law and has completed the LL. M. program of University of Dundee in Petroleum Law and Policy. He has a long list of Persian and English publications and is currently the director of oil and gas law LL. M. program at the

University of Science and Culture in Tehran where he is now supervising several dissertation theses, mostly related to the same field as well as commercial arbitration. Nima regularly does pro bono educational activities. He speaks Farsi, fluent English and intermediate French and Arabic.

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