I.R. of Iran
Golestan Province
Waste Management Organization

AN INNOVATIVE PROJECT FOR THE SUSTAINABLE MANAGEMENT OF MUNICIPAL SOLID WASTE

DBOT CONCESSION PROPOSAL
Technical and Financial Feasibility Study

Follow up from Official Meetings on 24/09/2017

October 2017

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Agenda

1. Scope of the Feasibility Study

2. Team Introduction (details in Company Profile)

3. MSW in the Golestan Province and Assumptions

4. Strategic Proposal and Implementation Master Plan

5. The Technical Solution: BEST®

6. Cooperation Model and Structure of the Proposal

7. Next steps and timeline for operation
SCOPE OF THE DOCUMENT

- Scope of this Feasibility Study (FS) document is to supply to Golestan WMO the tools to evaluate our DBOT investment proposal regarding the long term management of MSW of all the Province;

- The FS and in particular the related Economic and Financial Model is to be considered as an open tool for negotiation among the Parties

- It has to be considered that a further review of this Feasibility Study will be necessary along the negotiation, after signing a proper engaging Term Sheet, due to the lack of some major data/information (site surveys; waste quality; public funding availability and FiT values)

- This document represents an update of the previous FS version presented to the authorities in relation to the modelling of new economic scenario
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WHO IS MONTANA

- An ethically sound Business Development/Consulting/Engineering Firm
- Owned by its management, headquarters in Italy and activities in several countries
- A long story of success and reliability on the European market since 25 years
- A Team of 45 Technicians with multidisciplinary competence in all environmental sectors (Waste Management, Remediation, Renewable Energy; Natural Hazards)
- A portfolio of over 1800 Projects developed for all kind of Clients and investors (from large Multinational Companies to Public Authorities)
- Operative presence in the I.R. of Iran since mid 2014 with a team of 5 staff
- Consistent set of over 10 ongoing Projects in Iran on MSW, Industrial Waste, Renewable Energy;
MONTANA IN THE I.R. OF IRAN

Why
- To promote etically sound cooperation between Italy and Iran in the environmental sector for the benefit of our common and only Planet Earth;
- Long term friendship and trust with very competent and reliable Iranian Team technicians;
- Good knowledge of the Iranian context (habits, regulation, market, environmental problems) through several projects since 2014;

Targets
- Contribute to solve the important Waste Management challenges that the Country is facing avoiding the repetition of the past errors through appropriate technology transfer;
- Create opportunities through modern business models and to bring investments in the Country.
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STRUCTURE OF THE SERVICES IN THE GOLESTAN PROVINCE

Respect to many other Provinces of Iran the Golestan Province has already reached important results in the MSW management by applying a specific Waste Management Master Plan and:

1. Organization of MSW collection services by 3 sub areas (West – Center – East) with 12 Transfer Stations (TS)

2. Definition of 3 specific centralized treatment and disposal centers (AGH GHALA – West; AZAD SHAHR – Center; Minor sites- East )

3. Setting up of communication – social projects to start source segregation projects

The assumption in the FS is that the structure in 3 sub-provinces will evolve in 1 single organization before the implementation of the proposed BEST® Project: in any case the project has a significant degree of flexibility.
**MSW Quantity**

The MSW produced in the Province of Golestan is quite well characterised in terms of quantity based on the population data and on measured collected waste (weighbridge):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Province area: amount to 20.437,7 km² (density of 87 persons/km²)</td>
</tr>
<tr>
<td>2</td>
<td>Total Province population: 1.777.014 persons (882.475 in the 29 Cities and 894.539 in the 1066 Villages)</td>
</tr>
</tbody>
</table>
| 3 | The total average amount of waste collected in the 3 different sub-provinces is around 900 t/day (about 0,56 kg/day/person) divided as:  
- West: 400 t/day  
- Center: 400 t/day  
- East/other: 100 t/day |

Forecast of production in the long term is not available but an estimation can be provided at FS level in the order of 1-1,5 %/year for the next 15 to 20 years considering the combination of: population increase; consumption habits evolution; completion of serviced areas.

The consequent Scenario for the FS @2037 is of around 1.150 t/day of collected MSW in the 3 zones: West: 500 t/day Center: 500 t/day; East: 130 t/day.

For the FS purposes the fluxes from the East region are not considered at the moment but can be easily added to the negotiation considering the flexibility of the technology.
**MSW Quality Data and Assumptions**

The MSW produced in the Province of Golestan has been characterised in the past but with some relevant discontinuity in time and incoherence among the data actually available for the FS. For the assessment of the initial MSW composition to be used in the FS we have based our analysis on the 1993-1994 and 2001 (International Journal of Academic Research) and more recent analysis made on the AGH GHALA and AZAD SHAHR MSW Processing Centers supplied by the Golestan WMO.

The following table represents the FS MSW composition evaluation at Province level based on conservative assumptions.

<table>
<thead>
<tr>
<th>MSW Fractions</th>
<th>% in weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic/Green Waste</td>
<td>70.0%</td>
</tr>
<tr>
<td>Inert Waste</td>
<td>7.0%</td>
</tr>
<tr>
<td>Paper and Cardboard including coupled materials (Tetrapak)</td>
<td>10.0%</td>
</tr>
<tr>
<td>Leather Wood Textiles</td>
<td>5.0%</td>
</tr>
<tr>
<td>Plastics (film, PVC, PP, PS-PET/HDPE)</td>
<td>5.0%</td>
</tr>
<tr>
<td>Glass</td>
<td>2.0%</td>
</tr>
<tr>
<td>Metals (Ferrous and non ferrous)</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

**NOTE:** the actual available data supplied by WMO on the quality of the MSW is not sufficient for entering into the contractual phase. While we wait for the requested detailed data from WMO, we consider that an extensive campaign of MSW analysis could be necessary in cooperation with the authorities.
**Sites and Infrastructure: AGH Ghana Processing Center**

For the FS study purpose we had a preliminary survey on the AGH Ghana MSW Processing Center and we where delivered some general maps on the site and some basic info on machineries and facilities.

Major assumptions of the FS respect to the existing infrastructure are:

1. Possibility to use of all the available site without costs (85 ha total of which over 25 actually greenfield)
2. Possibility to use free of charge all existing technological facilities including buildings and sorting plants.
3. Consider water and energy supply (20kV at least for 3 MW injection) available on site
4. Include the remediation of the actual landfills of approximately 35 (and 30 ha Azad Shahr) as an option in the proposal

**NOTE:** further updated site data (topographic surveys, geotechnical and well data) shall be supplied by WMO on both sites, including availability of further 20-30 ha on Agh Ghala, before entering into the contractual phase
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### MSW Management Options: What do do?

<table>
<thead>
<tr>
<th>Maturity Stage</th>
<th>Typical Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immature (OLD)</td>
<td>- No waste sorting</td>
</tr>
<tr>
<td></td>
<td>- Dumping in informal landfills</td>
</tr>
<tr>
<td>Early maturity</td>
<td>- No / limited waste sorting</td>
</tr>
<tr>
<td></td>
<td>- Proper disposal in sanitary landfill</td>
</tr>
<tr>
<td></td>
<td>- Leachate management</td>
</tr>
<tr>
<td></td>
<td>- Landfill gas + energy recovery</td>
</tr>
<tr>
<td>Fully mature (CURRENT)</td>
<td>- Option 1:</td>
</tr>
<tr>
<td></td>
<td>- Full separate collection with material recovery</td>
</tr>
<tr>
<td></td>
<td>- Mechanical-biological treatment</td>
</tr>
<tr>
<td></td>
<td>- RDF production + final landfill</td>
</tr>
<tr>
<td></td>
<td>- Option 2:</td>
</tr>
<tr>
<td></td>
<td>- Incineration with energy recovery</td>
</tr>
<tr>
<td></td>
<td>- Limited waste sorting</td>
</tr>
</tbody>
</table>
BEST®: SIGNIFICANTLY BETTER ENVIRONMENTAL PERFORMANCES

<table>
<thead>
<tr>
<th></th>
<th>DUMP</th>
<th>LANDFILL</th>
<th>SOURCE COLLECTION+MBT + LANDFILL</th>
<th>WASTE-to-ENERGY</th>
<th>BEST®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material recovery</td>
<td>Very limited</td>
<td>Limited</td>
<td>High</td>
<td>Limited</td>
<td>Very high</td>
</tr>
<tr>
<td>Energy recovery</td>
<td>No</td>
<td>Optional</td>
<td>Optional</td>
<td>Low efficiency</td>
<td>High efficiency</td>
</tr>
<tr>
<td>Environmental/Safety standards</td>
<td>Very low</td>
<td>Medium to good</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>
BEST®: EFFECTIVE SOLUTION TO BRIDGE THE TECHNOLOGY AND COST GAP

Disposal cost
Collection cost
Total waste cycle cost

DUMP
LANDFILL
SOURCE COLLECTION+MBT + LANDFILL
WASTE-to-ENERGY
BEST®

Flexibility against waste changes
High
Medium
Medium to high
Low
Very high

Human Resources
High
Medium
Medium/High
Low
Medium/high,

Capital investments
Very low
Low to medium,
Medium/High
Very high, upfront
Medium, phased over time
Optimal MSW Strategy applied to Golestan Province

We based our FS Strategy on the analysis and optimization of:
1. ideal technological solution BEST® balancing, efficiency (energy and environment), costs, and time for realization
2. optimal logistic context of the whole province
3. Reduction of environmental criticalities, in particular regarding:
   A - the impacts of MSW for the Azad Shahr City
   B – the presence of few areas/villages still isolated respect to the MSW Processing Centers

The result of the FS leads to the optimal solution is represented in the following scheme with related fluxes (t/day) @Year 1 – Year 20:

- 400 - 500 T/day
- 400 - 500 T/day
- 100 - 130 T/day (potential extension)
BEST® Solution applied to the Golestan Province: Master Plan

The following Master plan is resulting from the FS as the ideal solution for the Implementation of the Golestan Province MSW Management Strategy

- Construction of a New BEST® Facility in Agh Ghala Site including Leachate Treatment for over 1100 t/y capacity (6/8 Months)
- Closure and rehabilitation of Agh Ghala Existing Landfill with biogas and Energy recovery (3 Years)
- Conversion of Azad Share Site to Transfer Station (3 Months)
- Closure and rehabilitation of the Azad Shahr Landfill with biogas flaring (Energy recovery to be assessed) (2 Years) Leachate Treatment in Agh Ghala
- Full Operation and Monitoring of all facilities for the full duration of the BOT Concession (20 + 10 Years)
- DBOT Agreement Signature
- Return of Operation to the Concessionaire (1 Year)
BEST® Solution applied to the Golestan Province: INVESTMENT PLAN

Due to the high level of customization of the BEST® Solution the exact economics of the Project can be defined only in the negotiation phase under a detailed set of information that are currently not available. According to the FS results as a parametric indications the following main figures can be considered to evaluate the in principle feasibility for the Municipality for the 2 main Processing Centers of the Province:

<table>
<thead>
<tr>
<th>Item</th>
<th>Agh Ghala</th>
<th>Azad Shahr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in new facility in 20 Years (CAPEX)</td>
<td>65 - 70 M€</td>
<td>0,3-0,5 M€</td>
</tr>
<tr>
<td>Old Landfill Remediation Investment (CAPEX)</td>
<td>4 - 6 M€</td>
<td>4,5-7, M€</td>
</tr>
<tr>
<td>Operational costs (OPEX):</td>
<td>~ 3- 6 M€/y</td>
<td>~ to be assessed</td>
</tr>
<tr>
<td>Employed Personnel:</td>
<td>~ 65-70 Units</td>
<td>~ 2-3 Units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPEX Item</th>
<th>AVERAGE VALUES %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earth works and linings</td>
<td>25%</td>
</tr>
<tr>
<td>Building and infrastructure</td>
<td>15%</td>
</tr>
<tr>
<td>Technological Treatment Equipment</td>
<td>50%</td>
</tr>
<tr>
<td>Engineering and testing</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
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TECHNOLOGY BEST® ARTIFICIAL MINES

BEST ARTIFICIAL MINES ®: innovative combination of two well established scientific and technical concepts:

1. Activated Bioreactor
2. Landfill Mining

A cyclical process with these advantages:

A. Full control of all incoming waste
B. Maximisation of recovery of energy and materials
C. Containment of land use
D. Minimization of environmental impacts
E. Containment of treatment costs respect to EU standard
F. Improved labour conditions
G. Full compatibility with future increase of source segregation
H. Integration of European technologies with national industrial competences
BEST® PROCESS: RESULT OF 5 YEARS OF R&D DEVELOPMENT

LEGEND
- Waste stream
- Biogas stream
- Leachate stream
- Material stream
- Treated Water

NEW MATERIALS
- PET
- Plastics
- Metal
- Paper
- Glass
- RDF-ENERGY

LANDFILL MINING MECHANICAL TREATMENT PLANT

LEACHATE TREATMENT PLANT

GREEN ENERGY

HEAT RECOVERY

BIOGAS TO ENERGY PLANT

BEST® Bio-reactor cell
(residence time 6/8 years)

PRE-TREATMENT MANUAL & MECHANICAL SELECTION PLANT

GATE ACCEPTANCE

WEIGH STATION

TRANSFER PLATFORM

WASTE VISUAL CONTROL

SELECTION BULKY WASTE

MSW Input

Materials

CLEAN WATER RECYCLE & REUSE

Treated water

Permanent Sanitary landfill

AGRICULTURE/INDUSTRY

Treated water

Materials

Materials

Materials

Materials

Materials

Biogas

Leachate

Waste stream

Biogas stream

Leachate stream

Material stream
BEST® PROCESS: APPROPRIATE INTEGRATION OF SOLID EXISTING TECHNOLOGIES

- Waste pre-treatment
- Bioreactor cell preparation
- Waste disposal, Bioreactor's facilities (leachate-biogas)
- Cell sealing (anaerobic phase)
- Leachate recirculation
- Massive production of biogas with large volume and weight reduction
- Production of green energy, with reduced environmental impact
- Cylindrical process thanks to the realization of more cells
- Bioreactor's cells final stabilization and re-opening
- Mining of stabilized matter (LFM) and delivery to the selection plant
- Separation of recyclable & energy valuable fractions (SSF)
- Final confinement of residual non recoverable stabilized materials

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SKETCH TYPICAL PROJECT LAYOUT
MECHANICAL PRETREATMENT UNIT

PRETREATMENT Unit Layout 1/2 parallel lines

PRETREATMENT Unit (1 or more lines)
BIOREACTORS CELLS

Bioreactor Cell (4 to 6 cells typically)

HDPE Lining

Impermeabilization/Drainage

800 g protection nonwoven membrane
2.5 mm HDPE geomembrane
Bentonitic geosynthetic

35.00

800 g protection nonwoven membrane
2.3 mm HDPE geomembrane
Bentonitic geosynthetic

40 cm coarse sand for bottom drainage

0.4

Undisturbed low permeability soil

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**BIOGAS TO ENERGY UNIT**

Central Control Unit and safety flaring

Biogas to Energy Units (2/8 Mw depending on project size)

Biogas extraction/control unit

Biogas well
LEACHATE TREATMENT UNIT

Leachate Treatment Typical Layout

Leachate Treatment Unit
MECHANICAL TREATMENT UNIT - MINING

MINING Unit – Layout 1 Line X 2

MINING Unit (1 or more lines)
TECHNICAL STANDARDS

Directives/Laws (www.ec.europa.eu/environment/waste)
1999/31/CE EU Directive on Landfills and Bioreactors
Italian National Law Decree 26/2003 on Landfills
UE Technical scientific documents on Landfill Mining (www.eurelco.org)


Artificial Lining (Bioreactors): UNI-EN/ISO, ASTM, CEN-TS

Elettromechanical equipments (Mechanical, Biogas, Leachate): UNI-EN, DIN-ISO

Civil and Concrete construction (Buildings): Aeen-name 2800 III edition, 1384.

Management Standards: ISO 9001 (Quality); 14001 (Environment)
BUILDINGS AND INFRASTRUCTURE (EXAMPLES)

Specific attention will be dedicated to architectural/landscaping aspects of the new project in order to increase its social sustainability.
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MILESTONES OF THE COOPERATION IN BRIEF

The principles of the cooperation between our investment team and the WMO is to arrange a modern contractual agreement applied worldwide in the form of a DBOT that will:

A. Ensure Uninterrupted waste management service for the Municipality
B. Guaranteed and controlled quality of the service on the long period
C. Avoid direct investments for the Municipality and full control of costs in time (through Gate Fee)
D. Allow proper transfer of know how, training and possibility to extend the operation to other types of waste (in particular Sanitary Waste)

The perimeter of the agreement will be the full investment and management of the NEW BEST® Agh Ghala Provincial MSWM Center but can be extended, also with a PPP approach with WMO to:

a) Remediation and management of the old landfills
b) Management of Transfer Stations
c) Management of MSW collection services
STRUCTURE OF THE AGREEMENT: Main Commercial Terms

The following main items can be considered as a preliminary proposal for entering into a next stage of the discussion:

1. **Form of the contract**: international standard DBOT Concession contract for 20 Years + 10 Years among the Province/MWO and a Special Project Company (SPC) established for the project.

2. **Waste quantity**: minimum contract waste amount ensured with a “take or pay” clause @ >= 800 t/day with an option for extension to the East Sector to be discussed (+ 100 t/day)

3. **Waste quality/logistics**: assumed as per available data with no significant changes in collection service structure is made along the agreement duration: MSW composition shall not change in time due to introduction of source segregation

4. **Land and infrastructure availability**: site for > 40ha free of charge and free from previous liability for the duration of the Concession; site extension respect to actual boundary to be agreed in the negotiation phase.

5. **Employment of existing personnel**: engagement to hire already existing operator in case they have proper qualification and by law requirements up to the design number of the project

6. **Gate Fee scheme**: payments in € or in Rials + Inflation protection formula. Central Bank or other central authority grants/guarantees for risk and payment protection;

7. **Guarantees**: Full liabilities guarantees supplied by the SPC on technical, commercial and environmental performances;

8. **Profit Sharing**: open to a minority participation of the Municipality/MSW Organization to the shares of the project (eg. 5-10%) eventually considering the land/assets values. Revenue-Profit Share with Municipality (eg. Share, Royalties on recovered Materials) to be negotiated. Actually not considered in the BP.
REVENUE COMMERCIAL STRUCTURE:

One of the strengths of the BEST® Solution applied to the specific MSW conditions of the Golestan Province is to rely on 3 different sources of revenue:

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Revenue Mix</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gate Fee</td>
<td>Min 50%</td>
<td>Max 60% Administration/State</td>
</tr>
<tr>
<td>Recyclables</td>
<td>Min 5%</td>
<td>Max 15% Market Commodities</td>
</tr>
<tr>
<td>Green Energy</td>
<td>Min 25%</td>
<td>Max 35% PPA Satba</td>
</tr>
</tbody>
</table>

Green Energy contribution depends on the FiT (actually at @2700 IRR/Kwh) which shall be negotiated based on the Decree 153440 of the Ministry of Power in order to reduce impact of Gate Fee.

The advantages of such mix are very important for WMO:
- Containment of Gate Fee costs for the local community
- More resilient structure of the Business Plan (less financial costs)
- Improvement of the Recycling targets along time
Gate Fees ranges have been simulated in the FS with different scenario to give full picture of the project commercial terms:

**LEFT:** Variation of Waste Fluxes (T/day) at fixed Fit (@2700 IRR/Kwh): Gate Fee in Design Range 35-37€/t Avg is an optimal situation but much higher than actual budget expenditures.

**RIGHT:** Variation of SATBA FiT at fixed Waste Fluxes (@800 T/day): Actual FiT is not contributing much in the reduction of the Gate Fee and it should be 20 times actual values to have Gate Fee = 0.
**GATE FEE (€/T) VERSUS NON REPAYABLES (€) AND DURATION (Y): BEST®**

Gate Fees ranges have been simulated with different scenario also with the related results:

**LEFT:** Variation of Non Repaiables Funds (€) at fixed Waste Fluxes (@800 t/day), FiT (@2700 IRR/Kwh): effect of the availability of Public Non Repayable Funds to start the project is very important in the reduction on the Gate Fee.

**RIGHT:** Variation of the Concession Duration (Y) at fixed Waste Fluxes (@800 T/day) and FiT (@2700 IRR/Kwh): impact on Gate Fee of the Concession duration is not relevant over the 20 Years which is the minimum expected duration for the optimization of the BEST® process.
Gate Fees scenario have been evaluated comparing 4 major available solutions with UE technological standard, considering similar project parameters: Waste Fluxes @800 T/day, FiT @2700 IRR/Kwh.

The clear results of this comparison are shown in the following graph: BEST® is an effective solution with costs that are < 50% lower than other advanced technologies and higher only respect to Landfill but of course with large environmental and social advantages, including employment rate which is almost 10 times larger.

<table>
<thead>
<tr>
<th>TECHNOLOGY APPROACH (€/T)</th>
<th>GATE FEE (€/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min (€/t)</td>
<td>Max (€/t)</td>
</tr>
<tr>
<td>LF</td>
<td>WTE+LF</td>
</tr>
<tr>
<td>0</td>
<td>80</td>
</tr>
</tbody>
</table>

**LEGENDA**
LF=Landfill
WTE=Waste To Energy
MT=Mechanical Treatment
AD=Anaerobic Digestion
SUSTAINABILITY: BEST ® VERSUS OTHER TECHNOLOGIES:

Comparison of 3 Scenario of different modern technological options has been performed in the FS to evaluate the overall performances and confirm the optimal solution also from the sustainability point of view in terms of equivalent of Greenhouse gases (CO2 in kg/Ton of MSW).

> The results show that BEST® option is the best option overall with CO2 Emissions of 1/2 and 1/3 of the other Scenario

<table>
<thead>
<tr>
<th>Scenario</th>
<th>CO2 eq / T MSW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>476</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>818</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>1345</td>
</tr>
</tbody>
</table>
GATE FEE SCENARIO: RESULT DISCUSSION

The FS study has lead to the following conclusions as a base for the completion of the negotiation:

1. Gate Fee is reducing with the size of the Project hence confirming that centralization on Agh Ghala site is a good solution;

2. Gate Fee can be reduced with the negotiation of a higher FiT with SATBA respect to the actual values but the impact is not so relevant;

3. Gate Fee is not very much effected by the recovery of materials since amounts in % is not significant in the balance and SSF (Solid Secondary Fuel) prices are not expected to be high in the mid term;

4. Cost of the Remediation of both Agh Ghala and Azad Shahr Old Landfills is uncertain since much data are missing from MWO but estimated prudentially in the order of 8-10 M€. This would have an effect on the Gate Fee in additional + 8-9 €/Ton if to be charged on the future waste.

5. Reduction of Gate Fee through recovery of Landfill Biogas of the Old landfill/s is possible but needs specific data set on historical waste quality, and the old landfills which are still missing from WMO.

> Gate Fee Ranges in the order of 30-40 €/T (without Non Repayable Funds) are very far from the actual budget of WMO but are unavoidable if the Province wishes to move to modern environmental standards and to reduce heavy impacts of long term pollution and related sanitary problems on the food chain.
CONCLUSIONS BENEFIT/COST EVALUATION

BEST ® ARTIFICIAL MINES technology under DBOT/PPP cooperation model can be considered an optimal sustainable solution for MSW management in the Golestan Province considering:

✔ The prosecution of current MSW management practices is not an option for the heavy pollution impact;

✔ The BEST® option is 50 to 70% cheaper respect to other modern options (WTE+LF or MT+AD+LF) with higher overall efficiency;

✔ The option of Standard Landfill is significantly cheaper but will lead to large future costs and burden for the future generations and use of land;

✔ The timing for implementation of the BEST® option is significantly lower than WTE and can respond better even to emergency and peak situations (eg. Summer tourism increase) due to its high flexibility;

✔ The level of innovation of the Project will represent a leading example for the rest of I.R. of Iran and the Middle East area;

✔ The implementation of BEST® will cost to each citizen less than of one soft drink a week!
Agenda

1. Scope of the Feasibility Study
2. Team Introduction (details in Company Profile)
3. MSW in the Golestan Province and Assumptions
4. Strategic Proposal and Implementation Master Plan
5. The Technical Solution: BEST®
6. Cooperation Model and Structure of the Proposal
7. Next steps and timeline for operation
GATE FEE SCENARIO: STRATEGIC SUGGESTIONS

The proposal deriving from the implementation of the FS is structured in the following steps which the WMO should take in order to move Forward can be shared with an open book approach:

1. Sign an engaging Term Sheet on the DBOT with general commercial terms (Gate Fee ranges, duration, ecc), subject to the obtainment of the following additional results;

2. Negotiate the dedicated FiT with SATBA possibly > 6-7000 IRR/Kwh , according to new regulations in order to reduce the Gate Fee at the lowest reasonable levels;

3. Establish a specific financing request to Central Government of a dedicated Non Repayable (or special low interest) Fund in the order of > 5.000.000 € for the new BEST® Investment in order to reduce the Gate Fee and in the order of 10.000.000 € for the remediation of the 2 Old Landfills;

4. Agree on a final Gate Fee structure consequently by eventually setting increasing values in time (eg a step every 3 to 5 years) to contain the impact on social costs;
**ROADMAP TO START OF OPERATIONS**

Starting from the current date we propose the following detailed work program and Key Milestones (X).

Note: final COD date is strictly related to the support of competent authorities within Permitting Procedures.

<table>
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<tr>
<th>Activity/Milestones</th>
<th>Responsibility</th>
<th>Months</th>
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<tr>
<td><strong>Negotiation Process</strong></td>
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<tr>
<td>Presentation Meetings and Site Visits</td>
<td>WMO-Montana</td>
<td>X</td>
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<tr>
<td>Data Collection (including site informations)</td>
<td>WMO</td>
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<tr>
<td>Feasibility Study and Business Plan</td>
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<td><strong>First Discussion Meetings</strong></td>
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<tr>
<td><strong>Negotiation and Signing of Engaging Term Sheet</strong></td>
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<td><strong>PPA Renewable Energy Fit Negotiation</strong></td>
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<tr>
<td>Non Repayable Fund Negotiation</td>
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<tr>
<td>Completion of Data Collection (Surveys-Waste Quality)</td>
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<td>Feasibility Design</td>
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<tr>
<td><strong>Negotiation and Signing of DBOT Concession Contract</strong></td>
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<td><strong>Permitting procedures</strong></td>
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<td>Site investigation detailed survey</td>
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<tr>
<td>Basic (Permitting) Design</td>
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<td>EIA Study</td>
<td>Montana - DOE</td>
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<tr>
<td>Permitting process</td>
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<tr>
<td>Financing process</td>
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<tr>
<td><strong>Realization and Operation</strong></td>
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<td>Oct</td>
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<tr>
<td>Detail design and procurement</td>
<td>Montana</td>
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<tr>
<td>Construction and supervision</td>
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<tr>
<td>Commission-Testing Operation start-up (CoD)</td>
<td>Montana</td>
<td>X</td>
</tr>
</tbody>
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