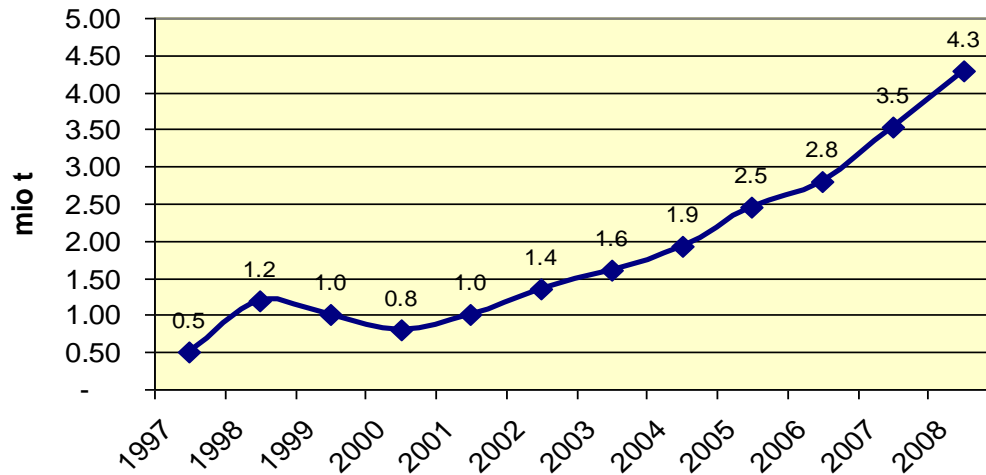


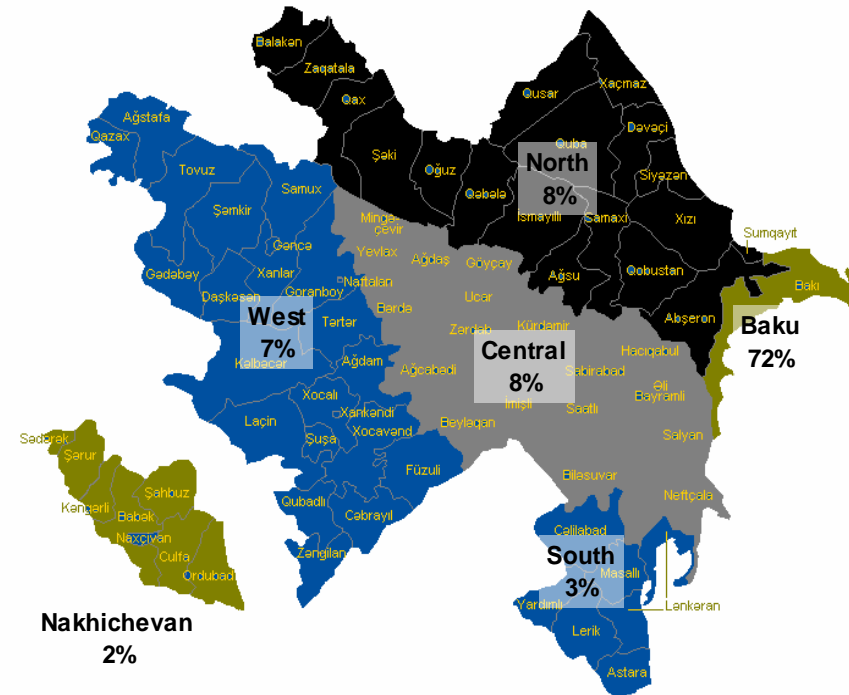
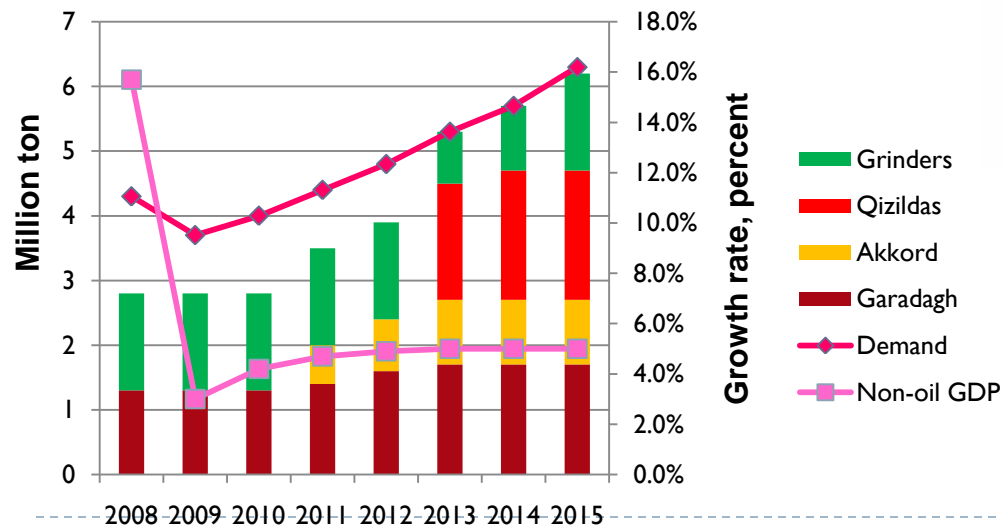
2.0 mio tpa CEMENT PLANT PROJECT

21st of June 2010
NORM LLC

FUTURE DEMAND - SUPPLY GAPS



Cement Demand and Supply forecast



Cement consumption in Azerbaijan grew from a level of 0.5 mio t in 1997 to around **4.3 mio t** in 2008. The CAGR of cement consumption during 2000 -2008 had been close to 23%.

PROJECT RATIONALE AND IMPLEMENTATION

PROJECT RATIONALE - IMPORT SUBSTITUTION PROJECT

Product mix:

- ✓ Portland Cement
- ✓ Oil-well Cement

100% of sales based on orders

Frame Agreements with SOCAR and BP are under discussion

IMPLEMENTATION STRATEGY

- ✓ Team of Highly Qualified Professionals
- ✓ Internationally recognized and experienced Consultant – HOLTEC
- ✓ Third Party Consulting services and supervision – Project Audit
- ✓ Turn Key EPC tender to be carried out jointly by Holtec and NORM LLC
- ✓ Start up finance through local and own resources
- ✓ Plant is designed to meet most severe International Norms of Environmental Protection for the Cement Plants.

Project Highlights

- Clinker Capacity : 5,000 (tpd)
- Cement Capacity : 2,000,000 (tpa)
- Product Mix :
 - 600,000 (tpa) CEM I 42.5 (OPC)
 - 1,400,000 (tpa) CEM VI A 32.5 B (PPC)
- Plant Location : Garadagh District of Baku city, **Azerbaijan**
- Raw Materials:
 - Limestone Waste Bricks
 - ROM Limestone
 - Clay
 - Gypsum
- Plant is strategically located close to Raw Material Sources for reducing transportation cost to main market Baku and whole Absheron Peninsula, which accounts for about 70% cement consumption in Azerbaijan.

NORM Cement Project: Infrastructure

Infrastructure and utilities:

- ✓ Plant site – 500 hectares allocated by the Government
- ✓ Moto road is under construction
- ✓ Utilities and infrastructure approved by the Governmental authorities and are under implementation:
 - Gas supply
 - Water pipeline
 - Power line
 - Railway line

NORM Cement Project: Raw Materials

- ✓ **Limestone**

Reserves comprising of limestone deposits and limestone bricks' wastes have been identified and official Order for Land Usage has been issued by the Cabinet of Ministers for ~1,300 ha

Raw materials analysis were randomly done. Prospecting Plan and Deposit Block model have been prepared by Holtec.

- ✓ **Clay**

Acquired reserves of clay are next to the plant site

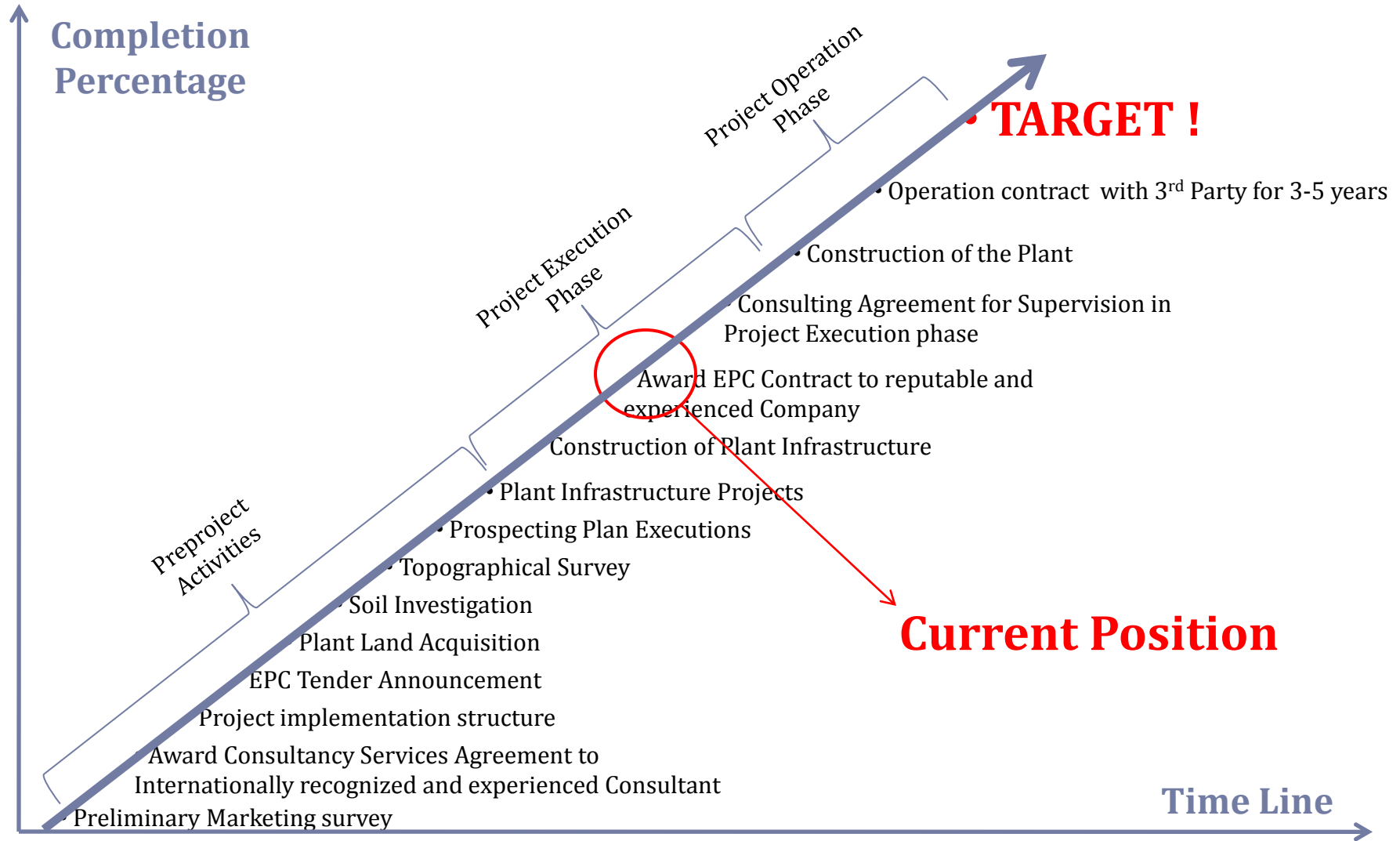
- ✓ **Iron Ore and Aluminium Oxide**

supplies contracted locally

- ✓ **Gypsum and Volcanic Ash**

deposits in 100 km radius from the plant site have been obtained

Project Implementation Strategy



Norm LLC's Board and CEO

QIZILDAŞ SEMENT



**Mr. Ismayil MAMMADOV, Chairman of the Board,
Head of Construction Services at the CBA,
with 35 years experience in industrial construction in petroleum industry.**

**Mr. Murat Ali SOYLU, Deputy Chairman of the Board,
Former Technical Competence Development Director of
Lafarge Central & East Europe and Russian Federation**

**Mr. James NOLAN, Member of the Board,
Director of Denizli Cement, Former Director of CRH Middle East and Asia**

**Mr. Mammad ABBASOV, Member of the Board
Group CEO of Capital Resources Advisors**

**Mr. Ridvan YIRMIBESOGLU, Member of the Board
Group Vice President, Capital Resources Advisors,
Former EVP on Human Resources of Sabanci Group**

**Mr. Hasan GULIYEV, Member of the Board,
Financial Advisor of Capital Resources Advisors, Former CFO of Nobel Oil**

**Mr. Ismail ERKOVAN, General Director, CEO,
more than 35 years experience in Oyak Group (Turkish cement manufacturer)**

PROJECT PROGRESS

1. EPC Tender

- ✓ *Final negotiation with Shortlisted Bidders is ongoing*
- ✓ *Expected issuance of the Certificate of Award – 25th of June 2010*

2. Raw material base

- ✓ *All required Legal Documents for Land use have been obtained.*
- ✓ *Mining Prospecting Plan has been worked out by HOLTEC*

3. Infrastructure projects

- ✓ *Temporary Infrastructure is under construction.*

4. ESIA report

- ✓ *EIA Report has been approved by MOENR on 12th of April 2010, Ref#15/616.*

4. Finance

- ✓ *Feasibility Report has been prepared by HOLTEC*
- ✓ *~ 120 Million USD are allotted to the project in form of Equity by the Shareholders.*

CONCLUSIONS AND RECOMMENDATIONS

- ★ There is a deficit of clinker and cement production capacity in Azerbaijan which will be only partially overcome even after this project comes up
- ★ Based on the availability of all major raw materials, fuel and power, of required quality and quantity, project is considered as technically viable.
- ★ The project under normal and contingent scenario exhibits good Internal Rate of Return on Total Investment around 20,4%. In view of the good level of returns, the project is financially viable.
- ★ The project is not only viable but also strategically important for Azerbaijan, as it will make Azerbaijan self sufficient on cement production and will replace the cement presently being imported.
- ★ The project also consumes limestone brick wastes and is likely to clean about 100 sq. km of area presently covered with limestone brick waste.

THANK YOU

For further details, please contact:

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