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## Accessible Version

January 13, 2016

The Honorable John McCain  
Chairman  
The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Mac Thornberry  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

### **Iranian Commercial Activities: Update on Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors**

Senate committee reports 111-201 and 112-26 contain recurring mandates for GAO to report annually through 2015 on firms engaging in certain types of commercial activities involving Iran's energy and communications sectors.<sup>1</sup> Iran's economy relies on oil and gas exports,<sup>2</sup> and according to the Department of State (State), Iran has blocked its citizens' access to telecommunications.<sup>3</sup> In response to these mandates, we have issued a series of reports on foreign firms reported to have engaged in commercial activities in Iran's energy sector or to have exported technologies to Iran for blocking telecommunications.<sup>4</sup>

This report updates our prior reports by identifying (1) foreign firms reported to have engaged in commercial activity in Iran's energy sector between December 2, 2014, and December 1, 2015;

<sup>1</sup>S. Rep. No. 111-201 (2010) and S. Rep. No. 112-26 (2011).

<sup>2</sup>Central Intelligence Agency, *World Factbook*, accessed November 12, 2015, <https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html>.

<sup>3</sup>State notes that, notwithstanding government restrictions, many individuals in Iran have used social media regularly, ranging from heavy users like urban youths to more measured users in high positions.

<sup>4</sup>For example, see GAO, *Firms Reported to Have Sold Iran Refined Petroleum Products or Engaged in Commercial Activities in Iran's Energy Sector*, [GAO-13-173R](#) (Washington, D.C.: Dec. 7, 2012); *Firms Reported to Have Engaged in Activities Related to Iran's Energy and Communications Sectors While Having Had U.S. Government Contracts*, [GAO-13-344R](#) (Washington, D.C.: Feb. 25, 2013); *Iranian Commercial Activities: Foreign Firms Reported to Have Engaged in Certain Activities Involving Iran's Energy or Communications Sectors*, [GAO-14-218R](#) (Washington, D.C.: Jan. 7, 2014); *Iranian Commercial Activities Update: Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors*, [GAO-15-258R](#) (Washington, D.C.: Jan. 13, 2015). For a list of all related reports, see the Related GAO Products section at the end of this report.

(2) foreign firms reported to have exported technology to Iran between December 2, 2014, and December 1, 2015, for telecommunications blocking; and (3) any of these identified firms that had U.S. government contracts, awards, or purchasing agreements while having been reported to have engaged in such activities.<sup>5</sup> In addition, enclosure II updates the activity status for firms that we previously identified as having been reported to be engaged in such activities.

To accomplish our first two objectives, we used information published in open sources between December 2, 2014, and December 1, 2015, updating information included in our prior reports. These open sources consisted of industry and trade publications, corporate reports and statements, and U.S. Securities and Exchange Commission (SEC) filings. On the basis of the open-source information, we categorized firms as “active,” “insufficient information available,” or “withdrawn.”<sup>6</sup> We attempted to contact all of the firms that we categorized as active or insufficient information available to offer them an opportunity to comment on our findings. We did not review the contracts and documents underlying any reported transactions and did not independently verify such transactions. The Secretary of State is responsible for determining whether such activities meet the legal criteria for sanctionable activities under U.S. law; we did not attempt to make such determinations. For our third objective, we searched the Federal Procurement Data System–Next Generation (FPDS-NG), the primary government-wide contracting database since 1978. See enclosure I for further details of our scope and methodology.

We conducted our work from September 2015 to January 2016 in accordance with all sections of GAO’s Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

### Results in Brief

Our reviews of open sources published between December 2, 2014, and December 1, 2015, identified six foreign firms that were reported to have engaged in commercial activity in Iran’s energy sector during this time period. For five additional firms that we had previously identified as reported to have engaged in commercial activity in Iran’s energy sector, we found insufficient information to indicate whether they had continued or ceased such activity during the current specified time period.

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<sup>5</sup>In this report, “contracts” refers collectively to contracts, awards, and purchasing agreements.

<sup>6</sup>For example, for each of our first two objectives, we categorized a firm’s status as active if such activity was reported in (1) at least three standard industry publications; (2) the firm’s corporate website and at least one standard industry publication; or (3) the firm’s corporate reports or statements, an SEC filing, or a letter from the firm to GAO. We categorized a firm’s status as withdrawn if at least three open sources published during the specified time period reported that the firm had ceased the activity. If a firm notified us that it had ceased the activity, we categorized the firm as withdrawn only if our open-source review found no new reports of the activity since we last reported on the firm. If our last report ([GAO-15-258R](#)) listed a firm as withdrawn, we continued to categorize it as withdrawn in our current report, if we did not identify at least three open sources indicating that the firm had engaged in commercial activities in Iran within the specified time period. We categorized a firm’s status as insufficient information available if, for example, the results of our review of open sources, published within the specified time period, did not meet the criteria to categorize the firm as either active or withdrawn (as defined above). See enc. I for more information about our use of these criteria.

Our review of open sources published between December 2, 2014, and December 1, 2015, did not identify any foreign firms that were reported to have exported technologies to the Iranian government for blocking telecommunications by monitoring, filtering, or disrupting the flow of information and communications. In a prior report, we noted numerous challenges to identifying such firms through open sources.<sup>7</sup> For example, technology that can enable acceptable filtering to block objectionable sites can also be used for unacceptable filtering to disrupt the free flow of information and communication.

None of the six firms that we identified as reported to have engaged in commercial activity in Iran’s energy sector at some point between December 2, 2014, and December 1, 2015, had U.S. government contracts, according to FPDS-NG. As already noted, we did not identify any firms that were reported to have exported technologies for telecommunications blocking during this period.

**Six Foreign Firms Were Reported in Open Sources to Have Engaged in Commercial Activity in Iran’s Energy Sector between December 2, 2014, and December 1, 2015**

Our review of open sources published between December 2, 2014, and December 1, 2015, identified six foreign firms that were reported to have engaged in commercial activity in Iran’s energy sector during this time period (see table 1). Enclosure II shows our categorizations of all firms reported in open sources to have engaged in commercial activity in Iran’s energy sector at some point between January 1, 2005, and December 1, 2015.

**Table 1: Foreign Firms Reported in Open Sources as Engaging in Commercial Activity in Iran’s Energy Sector between December 2, 2014, and December 1, 2015**

Firm	Country <sup>a</sup>
1. China National Petroleum Corporation	China
2. Indian Oil Corporation Ltd. <sup>b</sup>	India
3. Oil and Natural Gas Corporation <sup>b</sup>	India
4. Oil India Limited <sup>b</sup>	India
5. ONGC Videsh Ltd. <sup>b</sup>	India
6. Sinopec	China

Source: GAO analysis of open-source information. | GAO-16-247R

Note: We categorized a firm as reported to have engaged in commercial activity if the relevant activity was reported in (1) at least three standard industry publications; (2) the firm’s corporate website and at least one standard industry publication; or (3) the firm’s corporate reports or statements, an SEC filing, or a letter from the firm to GAO. We based our categorizations of firms’ status on open-source information published between December 2, 2014, and December 1, 2015.

<sup>a</sup>The country listed for each firm is the firm’s physical location as reported in open sources.

<sup>b</sup>See enclosure II for these firms’ comments on our findings.

<sup>7</sup>See GAO, *The U.S. Government Is Establishing Procedures for a Procurement Ban against Firms that Sell Iran Technology to Disrupt Communications but Has Not Identified Any Firms*, [GAO-11-706R](#) (Washington, D.C.: June 30, 2011).

For an additional five firms that we identified in prior reports as reported to have engaged in commercial activity in Iran’s energy sector, we found insufficient open-source information to indicate whether they reportedly had continued or ceased such activities during the specified period (see table 2).

**Table 2: Foreign Firms for Which There Was Insufficient Open-Source Information to Indicate That They Either Continued or Ceased Engaging in Commercial Activity in Iran’s Energy Sector between December 2, 2014, and December 1, 2015**

Firm	Country <sup>a</sup>
1. China Oilfield Services Limited	China
2. Daelim	South Korea
3. Petrofield	Malaysia
4. Petróleos de Venezuela S.A.	Venezuela
5. SKS Ventures	Malaysia

Source: GAO analysis of open-source information. | GAO-16-247R

Note: We categorized a firm’s status as insufficient information available if our review of open sources published between December 2, 2014, and December 1, 2015, did not identify, for example, at least three open-source reports indicating whether a firm that one of our prior reports identified as active or insufficient information available had continued or ceased commercial activity in Iran’s energy sector.

<sup>a</sup>The country listed for each firm is the firm’s physical location as reported in open sources.

**No Foreign Firms Were Reported in Open Sources to Have Exported Technologies to Iran for Blocking Telecommunications between December 2, 2014, and December 1, 2015**

Our review of open sources published between December 2, 2014, and December 1, 2015, did not identify any foreign firms that were reported to have exported technologies to the Iranian government for blocking telecommunications by monitoring, filtering, or disrupting information and communication flows during the specified time period.<sup>8</sup> Our prior reviews of open sources for firms reported to have exported telecommunications-blocking technologies also did not identify any such firms.<sup>9</sup> We previously reported on numerous challenges to identifying such firms through open sources; these challenges may account for our inability to identify any firms. For example, the competitive and proprietary nature of the communication industry limits any information reported in open sources. Additionally, technology that can enable acceptable filtering for objectionable sites, such as pornography, can also be used to disrupt the free flow of information and communication.<sup>10</sup>

<sup>8</sup>We would identify firms as reported to have exported technologies to the Iranian government for monitoring, filtering, or disrupting information and communication flows between December 2, 2014, and December 1, 2015, only if three standard industry publications or the firm’s corporate statements reported the firm to have signed an agreement to conduct business, invested capital, or received payment for providing goods or services.

<sup>9</sup>[GAO-11-706R](#), [GAO-13-344R](#), [GAO-14-218R](#), and [GAO-15-258R](#).

<sup>10</sup>For a more complete discussion of these challenges, see [GAO-11-706R](#).

None of the Firms Reported to Have Engaged in Commercial Activity in Iran's Energy Sector between December 2, 2014, and December 1, 2015, Had U.S. Government Contracts

None of the six firms that we identified as reported to have engaged in commercial activity in Iran's energy sector between December 2, 2014, and December 1, 2015, had U.S. government contracts.<sup>11</sup> As already noted, we did not identify any firms reported to have exported technologies for telecommunications blocking between those dates.

Agency Comments

We provided a draft of this report to the Department of State for comment. State declined to provide formal or technical comments.

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We are sending copies of this report to appropriate congressional committees and the Secretary of State. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9601 or [melitot@gao.gov](mailto:melitot@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in enclosure III.



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Enclosures: 3

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<sup>11</sup>Of the five foreign firms for which we found insufficient information published between December 2, 2014, and December 1, 2015, to determine whether they were reported to have withdrawn from previously reported commercial activity in Iran's energy sector, one firm had U.S. government contracts during this period. According to data from FPDS-NG, that firm—Daelim—had contracts primarily for repair or alteration of office buildings and family housing facilities at a U.S. military base in South Korea.

## Enclosure I: Scope and Methodology

To identify foreign firms that were reported to have engaged in commercial activities in Iran's energy sector since our last report on the topic, issued in January 2015,<sup>12</sup> we reviewed and analyzed open—that is, overt and publicly available—sources published between December 2, 2014, and December 1, 2015.

- We searched industry publications and company reports and statements. For the purposes of our search, we defined “commercial activity” as having signed an agreement to conduct business; invested capital; held an interest in an Iranian energy sector project; or received payment for the provision of goods or services in the Iranian oil, gas, or petrochemical sectors. When reports varied regarding certain details of a firm's project, we presented the information reported in the most recent source available.
- We searched English-language open-source information that we determined to be credible and comprehensive in consultation with an information specialist who is knowledgeable about the energy sector. We used the Nexis Oil and Energy databases, which list trade publications where more than 60 percent of the stories pertain to the oil and energy industries. These publications included *Oil Daily*, *Oil and Gas News*, *Oil and Gas Journal*, and *Platt's Oilgram News*, among others. We then screened the publications and excluded sources that we deemed insufficiently reliable, such as newspaper reports, newswires, and direct news releases from the Iranian government.
- We searched for the names of firms identified in our January 2015 report as well as for key terms such as “Iran” that appeared within 25 words from “explore,” “drill,” “refinery,” “natural gas,” or “petroleum.”<sup>13</sup> We also searched for locations in Iran where oil, gas, and petrochemical activities were being conducted. In addition, we reviewed company publications, including annual reports; U.S. Securities and Exchange Commission (SEC) filings, if available; firms' press releases and corporate statements that publicly reported their commercial activities in Iran; and corrected information that had been publicly reported. We excluded firms that reported purchasing crude oil or natural gas from Iran, because these purchases did not meet our definition of commercial activity in Iran's oil, gas, or petrochemical sectors. We identified firms that were reported as having contracts, agreements, and memorandums of understanding to conduct commercial activity in Iran.
- We did not determine whether the agreements represented final contracts or memorandums of understanding, which are typically nonbinding agreements. We did not review the contracts and documents underlying the reported transactions and did not independently verify the transactions. The Secretary of State is responsible for determining whether activity in Iran's energy sector meets the legal criteria for sanctionable activities under U.S. law; we did not attempt to make such determinations.

To identify foreign firms reported to have exported technologies to the Iranian government for blocking telecommunications by monitoring, filtering, and disruption of information and

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<sup>12</sup>GAO, *Iranian Commercial Activities Update: Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors*, [GAO-15-258R](#) (Washington, D.C.: Jan. 13, 2015).

<sup>13</sup>[GAO-15-258R](#).



communications flows since our last report on the topic, issued in January 2015,<sup>14</sup> we reviewed and analyzed open-source information published between December 2, 2014, and December 1, 2015, that we determined to be credible and comprehensive in consultation with an information specialist on our staff. For the purposes of our search, relevant activity for telecommunications firms included, for example, firms' corporate statements reporting that the firm had signed an agreement to conduct business, invested capital, or received payment for providing goods or services in connection with these technologies. We reviewed a range of English-language open-source information, including industry standard trade publications, marketing reports, corporate statements, SEC filings, and general web searches. We excluded sources that we deemed insufficiently reliable, such as newspaper reports, newswires, and direct news releases from the Iranian government. We searched Nexis.com to find content files covering the Internet, telecommunications, and electronics industries for the time period between December 2, 2014, and December 1, 2015. Included in these files were numerous industry standard trade publications, such as the *Electronics Engineering Times*, *Communications Today*, and *TechWeb*. We searched Gartner.com for marketing reports and firm websites for press releases and corporate statements. We searched and analyzed SEC filings filed between December 2, 2014, and December 1, 2015. We also conducted general web searches for specific firms named in nongovernmental reports or in interviews with private sector firms or mentioned in the media.

After identifying firms reported to have engaged in such activities, we categorized each firm's activities as "active" for the reporting period if one of the following criteria had been met: (1) At least three standard industry publications reported that the firm was engaged in the relevant activity at any time during the specified time period; (2) the firm provided information on its corporate website about the identified activity at any time during the specified period, and at least one standard industry publication corroborated the firm's activity at any time during this period; or (3) the firm indicated in a corporate report (or statements) or an SEC filing, or confirmed in a letter to us, that it had conducted the relevant activity during this period. If none of these criteria were met, we did not categorize the firm as active. We did not review the contracts or documents underlying the transactions and activities reported in open sources and did not independently verify these transactions and activities. We reviewed open-source information to identify the reported details of the activities. When an open source did not specify the date of activity, we used the source's date of publication as the date of activity.

For firms identified in our prior reports that did not meet the criteria for active, we used the following criteria to categorize each firm's activities as "withdrawn" or "insufficient information available":

- We categorized a firm's status as withdrawn if three open sources, published during the specified time period, reported that the firm had ceased the activity. If a firm notified us that it had ceased the activity, we listed the firm as withdrawn only if our open-source review found no new reports of the activity since we last reported on the firm. If a firm had been listed as withdrawn in our last report, we continued to list it as withdrawn in this report if we did not identify three open-source reports indicating that the firm had engaged in commercial activities within the specified time period.
- We categorized a firm's status as insufficient information available if the results of our review of open sources, published within the specified time period, did not meet the

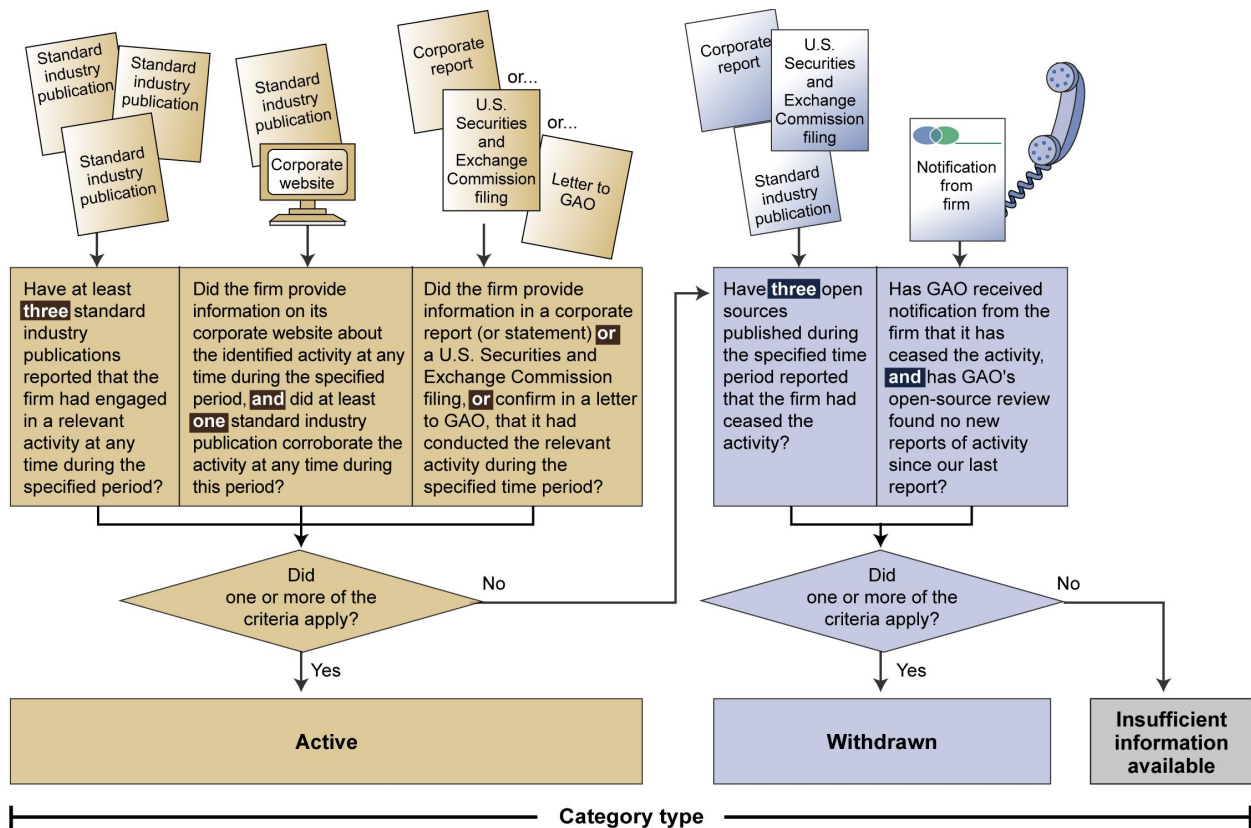
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<sup>14</sup>[GAO-15-258R](#).

criteria to categorize the firm as either active or withdrawn (as defined above). For example, if a firm previously listed as active or insufficient information available was identified in two open-source reports as engaged in commercial activities in Iran during the specified time period, we categorized the firm as insufficient information available. Similarly, we categorized a firm as insufficient information available if (1) it notified us that it had ceased commercial activity in Iran’s energy sector and (2) one open-source report indicated that the firm was engaged in such activities during the specified time period.

Figure 1 illustrates our use of the three criteria for categorizing as active, withdrawn, or insufficient information available the firms that we had previously identified as reported to have engaged in the relevant activities in Iran’s energy or communications sectors.

**Figure 1: Criteria for Categorizing Firms Identified in Prior GAO Reports as Reported to Have Engaged in Certain Activities in Iran’s Energy or Communications Sectors**



Source: GAO analysis. | GAO-16-247R

We sent letters via United Parcel Service (UPS) to the 11 firms whose status we initially categorized as active or insufficient information available, requesting comment on our findings. Four of these firms responded to our requests for comment; we have incorporated their comments in our findings, as appropriate. We did not send a letter to China National Offshore Oil Corporation, because three open sources reported that it had ceased commercial activity in Iran’s energy sector and there were no new reports of activity for the firm in open sources. We therefore changed this firm’s categorization from insufficient information available to withdrawn. We searched each firm’s official website or the Internet to identify its contact information. UPS



confirmed delivery of the letters to 9 of the firms and stated that it had made repeated attempts to deliver the letters to the two remaining firms, China National Petroleum Corporation and Sinopec, both in Beijing. Two firms, Petrofield and SKS Ventures, both in Malaysia, were previously reported in open sources to be part of the “Amona Group of Companies.” UPS confirmed delivery of letters to Petrofield and SKS Ventures at the same address in Malaysia.

To identify firms (reported in open sources to have engaged in the relevant activities) that had been awarded contracts, awards, or purchasing agreements with the U.S. government, we searched the Federal Procurement Data System-Next Generation (FPDS-NG). We chose FPDS-NG because it has served as the primary government-wide contracting database since 1978.<sup>15</sup> We searched the FPDS-NG archives for the period from December 2, 2014, through December 1, 2015, using the Data Universal Numbering System (DUNS) numbers for the firms identified as having commercial activities in Iran or categorized as insufficient information available. With certain exceptions, all firms that do business with U.S. agencies are required to register with the U.S. government’s central contractor registry and obtain a unique DUNS number.

We conducted our work from September 2015 to January 2016 in accordance with all sections of GAO’s Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

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<sup>15</sup>Congress, executive branch agencies, and the public rely on FPDS-NG for a broad range of data on agency contracting actions, procurement, and spending. FPDS-NG can be accessed at [https://www.fpds.gov/fpdsng\\_cms/](https://www.fpds.gov/fpdsng_cms/). Reporting requirements for FPDS-NG are in Federal Acquisition Regulation (FAR) subpart 4.6; FPDS-NG data are described in FAR 4.602. The Office of Management and Budget established FPDS-NG, and the U.S. General Services Administration administers the system. For more information on FPDS-NG and other federal procurement data systems, see GAO, *Federal Contracting: Observations on the Government’s Contracting Data Systems*, [GAO-09-1032T](#) (Washington, D.C.: Sept. 29, 2009).

Enclosure II: Firms Reported in Open Sources to Have Engaged in Commercial Activity in Iran's Energy Sector at Some Point between January 1, 2005, and December 1, 2015

Table 3 lists information about firms that open sources—published between January 1, 2005, and December 1, 2015—reported to have engaged in commercial activity in Iran's energy sector at some point during the specified time period. The table includes information presented in our March 2010, August 2011, December 2012, January 2014, and January 2015 reports.<sup>16</sup> During this period, we changed the status of 32 firms from “active” to “withdrawn,” based on open-source reports of their commercial activities between January 1, 2005, and December 1, 2015. The Secretary of State is responsible for determining whether activity in Iran's energy sector meets the legal criteria for sanctionable activities under U.S. law. We did not attempt to make such determinations.

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<sup>16</sup>GAO, *Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors*, [GAO-10-515R](#) (Washington, D.C.: Mar. 23, 2010); *Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors*, [GAO-11-855R](#) (Washington, D.C.: Aug. 3, 2011); *Firms Reported to Have Sold Iran Refined Petroleum Products or Engaged in Commercial Activities in Iran's Energy Sector*, [GAO-13-173R](#) (Washington, D.C.: Dec. 7, 2012); *Iranian Commercial Activities: Foreign Firms Reported to Have Engaged in Certain Activities Involving Iran's Energy or Communications Sectors*, [GAO-14-218R](#) (Washington, D.C.: Jan. 7, 2014); and *Iranian Commercial Activities Update: Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors*, [GAO-15-258R](#) (Washington, D.C.: Jan. 13, 2015).

**Table 3: Foreign Firms That Open Sources Reported to Have Engaged in Commercial Activity in Iran’s Energy Sector at Some Point between January 1, 2005, and December 1, 2015, and Comments about Their Current Status**

Firm	Country <sup>a</sup>	Status in GAO’s March 2010 report <sup>b</sup>	Status in GAO’s August 2011 report <sup>c</sup>	Status in GAO’s December 2012 report <sup>d</sup>	Status in GAO’s January 2014 report <sup>e</sup>	Status in GAO’s January 2015 report <sup>f</sup>	Status in GAO’s current report	Comments
1. China National Petroleum Corporation	China	Active	Active	Active	Active	Active	Active	Open sources published during the period of our current review reported that the firm has an interest in the project to develop the North Azadegan oil field, and a 75 percent interest in the Masjid-I-Suleiman oil field. This firm did not provide comments on our findings.
2. Indian Oil Corporation Ltd. <sup>9</sup>	India	Active	Active	Active	Insufficient information available <sup>9</sup>	Active	Active	The firm’s 2014-2015 annual report stated that the firm has a 40 percent participating share in the Farsi Block Project. The firm notified us in November 2015 that it had a 40 percent participating interest in the Farsi Block, that it carried out exploration work during the period 2002-2007 under an exploration service contract that expired in June 2009, and that no development contract has been signed. The firm stated that the disclosure made in its annual report “is from an accounting perspective.”

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
3. Oil and Natural Gas Corporation	India	Active	Active	Insufficient information available	Active	Active	Active	<p>The firm's 2014-2015 annual report stated that the firm has a 40 percent participating share in the Farsi Block Project. This firm sent us a letter in November 2015, saying that "ONGC [Oil and Natural Gas Corporation] wishes to state" that its exploration contract expired "way back in June in 2009," it has not entered into any binding commitment/agreement for further development of the (Farzad B gas) field (in the Farsi Block), and has not carried out any field activity/operations in the Farsi Block or in the Republic of Iran since 2007. The firm also stated that "the Annual report merely makes provisions for the loss on account of prior investments of the Consortium in Farsi Block, an information that needs to be provided to every shareholder of ONGC from the viewpoint of Corporate Governance, to which ONGC accords highest priority."</p>

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
4. Oil India Limited	India	Active	Active	Active	Active	Active	Active	<p>The firm's 2014-2015 annual report stated that the firm has a 20 percent interest in Iran's offshore Farsi Block gas field. The firm notified us in November 2015 that it had a 20 percent interest in the Farsi Block in a consortium with several other Indian companies and that the consortium carried out exploration work in 2002-2007 under an exploration service contract which expired in June 2009, and that no development service contract has been signed by the firm or the consortium. The firm stated that the reference to Iran's Farsi Block in its annual report "is due to the accounting procedure and rules required by the Government of India."</p>

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
5. ONGC Videsh Ltd.	India	Active	Active	Active	Withdrawn	Withdrawn	Active	<p>Open sources published during the period of our current review reported that the firm has a 40 percent interest in the Farzad B gas field in Iran's Farsi Block, a 29 percent interest in the Yadavaran gas field, and an agreement to develop Iran's Chabahar port. This firm contacted us in December 2015 and informed us of the following: (1) In December 2002, an Indian consortium led by a subsidiary of Oil and Natural Gas Corporation entered into an exploration service contract with the National Iranian Oil Company. Exploration was carried out under the contract from 2003 to April 2007, leading to the discovery of the Farzad B gas field in the Farsi Block. Thereafter, in line with obligations under the contract, the consortium carried out negotiations toward an agreement on a master development plan and related development service contract. However, no agreement could be reached and no contract has been signed by the consortium. No field activity or</p>



Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
ONGC Videsh Ltd. (continued)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<p>operations have been carried out in the Block or in the Republic of Iran after April 2007, and the exploration period under the exploration service contract expired "way back in June 2009." (2) "ONGC Videsh has never held any share in the Yadavaran Gas Field in Iran. The information is factually incorrect." (3) "ONGC Videsh has never been associated with any agreement for development of Iran's Chabahar port. Any reference to ONGC Videsh in this regard is factually incorrect."</p> <p>Furthermore, this firm stated that "the reports that you have referred were published in August 2015 and are mere speculations in the wake of possibility of lifting of Iran Sanctions. As of date, the company has no commercial activity going on in Iran."</p>

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
6. Sinopec	China	Active	Active	Active	Insufficient information available	Active	Active	Open sources published during the period of our current review reported that the firm has an ongoing contract for development of the Yadavaran oil field and an agreement to upgrade the Esfahan oil refinery. This firm did not provide comments on our findings.
7. China Oilfield Services Limited	China	Not listed	Not listed	Not listed	Active	Insufficient information available	Insufficient information available	Open sources published during the period of our current review provided insufficient reports to classify the firm as active or withdrawn. This firm did not provide comments on our findings.
8. Daelim	South Korea	Active	Active	Active	Insufficient information available	Insufficient information available	Insufficient information available	Open sources published during the period of our current review provided insufficient reports to classify the firm as active or withdrawn. This firm did not provide comments on our findings.
9. Petrofield	Malaysia	Active	Insufficient information available	Insufficient information available	Insufficient information available	Insufficient information available	Insufficient information available	Open sources published during the period of our current review provided insufficient reports to classify the firm as active or withdrawn. This firm did not provide comments on our findings.

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
10. Petróleos de Venezuela S.A.	Venezuela	Active	Active	Insufficient information available	Insufficient information available	Insufficient information available	Insufficient information available	Open sources published during the period of our current review provided insufficient reports to classify the firm as active or withdrawn. This firm did not provide comments on our findings.
11. SKS Ventures	Malaysia	Active	Insufficient information available	Insufficient information available	Insufficient information available	Insufficient information available	Insufficient information available	Open sources published during the period of our current review provided insufficient reports to classify the firm as active or withdrawn. This firm did not provide comments on our findings.
12. Amona	Malaysia	Active	Insufficient information available	Insufficient information available	Insufficient information available	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
13. Ashok Leyland Project Services (Hinduja Group) <sup>h</sup>	India (United Kingdom)	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
14. Belneftekhim/Belarusneft	Belarus	Active	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
15. China National Offshore Oil Corporation	China	Active	Active	Insufficient information available	Insufficient information available	Insufficient information available	Withdrawn	Three open sources published during the period of our current review reported that the firm had ceased commercial activity in Iran's energy sector, and there were no new reports of activity for the firm.
16. Costain Oil, Gas & Process Ltd.	United Kingdom	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
17. Daewoo Shipbuilding & Marine Engineering	South Korea	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
18. Edison	Italy	Active	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
19. ENI	Italy	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
20. Gazprom	Russia	Active	Insufficient information available	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
21. GS	South Korea	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
22. Haldor Topsoe	Denmark	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
23. Hyundai Heavy Industries	South Korea	Active	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
24. INA	Croatia	Active	Active	Insufficient information available	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
25. Inpex	Japan	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
26. JGC Corporation	Japan	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
27. Lukoil	Russia	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
28. LyondelBasell	Netherlands	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
29. OMV	Austria	Active	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
30. Petrobras	Brazil	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
31. Petronet LNG	India	Active	Insufficient information available	Insufficient information available	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
32. PGNiG	Poland	Active	Insufficient information available	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.



Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
33. PTT Exploration & Production	Thailand	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
34. Repsol	Spain	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
35. Royal Dutch Shell	Netherlands	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
36. Sasol	South Africa	Not listed	Active	Active	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
37. Snamprogetti	Italy	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
38. Sonangol	Angola	Not listed	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.

Firm	Country <sup>a</sup>	Status in GAO's March 2010 report <sup>b</sup>	Status in GAO's August 2011 report <sup>c</sup>	Status in GAO's December 2012 report <sup>d</sup>	Status in GAO's January 2014 report <sup>e</sup>	Status in GAO's January 2015 report <sup>f</sup>	Status in GAO's current report	Comments
39. StatoilHydro	Norway	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
40. Tecnimont	Italy	Active	Insufficient information available	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
41. Total	France	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
42. Turkish Petroleum Company	Turkey	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.
43. Uhde	Germany	Active	Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn	There were no open-source reports of the firm conducting commercial activity in Iran during the time period of our current report.

Source: GAO analysis of open source information. | GAO-16-247R

Note: We listed a firm's status as active, withdrawn, or insufficient information available. We listed a firm's status as active if, for example, at least three open sources, published within the specified time period, reported that the firm had engaged in commercial activities in Iran's energy sector during this time period. We listed a firm's status as withdrawn if, for example, at least three open sources published within the specified time period reported that it withdrew from its commercial activities in Iran's energy sector during this time period. We listed a firm's status as insufficient information available if, for example, our review of open sources published within the specified time period did not identify at least three open-source reports indicating whether a firm previously identified as active or

insufficient information available in one of our prior reports had continued or ceased commercial activity in Iran's energy sector. Firms are grouped by current status based on open-source reports published from December 2, 2014, through December 1, 2015.

<sup>a</sup>The country listed is the firm's physical location as reported in open sources.

<sup>b</sup>GAO, *Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors*, [GAO-10-515R](#) (Washington, D.C.: Mar. 23, 2010).

<sup>c</sup>GAO, *Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors*, [GAO-11-855R](#) (Washington, D.C.: Aug. 3, 2011).

<sup>d</sup>GAO, *Firms Reported to Have Sold Iran Refined Petroleum Products or Engaged in Commercial Activities in Iran's Energy Sector*, [GAO-13-173R](#) (Washington, D.C.: Dec. 7, 2012).

<sup>e</sup>GAO, *Iranian Commercial Activities: Foreign Firms Reported to Have Engaged in Certain Activities Involving Iran's Energy or Communications Sectors*, [GAO-14-218R](#) (Washington, D.C.: Jan. 7, 2014).

<sup>f</sup>GAO, *Iranian Commercial Activities Update: Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors*, [GAO-15-258R](#) (Washington, D.C.: Jan. 13, 2015).

<sup>g</sup>Indian Oil Corporation Ltd.'s 2012-2013 annual report indicates that Indian Oil Corporation Ltd. was active at the time of our January 2014 report.

<sup>h</sup>In response to our request for comment during a prior review, Ashok Leyland Project Services (ALPS) in India stated that it, rather than the Hinduja Group in the United Kingdom, should be identified as a firm appearing in the table. According to the firm, ALPS is an independent, board-managed company.

## Enclosure III: GAO Contact and Staff Acknowledgments

### **GAO Contact**

Thomas Melito, (202) 512-9601 or [melitot@gao.gov](mailto:melitot@gao.gov)

### **Staff Acknowledgments**

In addition to the contact named above, Pierre Toureille (Assistant Director), Kay Halpern, Juan P. Avila, JoAnna Berry, Colleen Candri, Karen Deans, Julia Kennon, and Grace Lui made key contributions to this report.

## Related GAO Products

*Iranian Commercial Activities Update: Foreign Firms Reported to Have Engaged in Iran's Energy or Communications Sectors.* [GAO-15-258R](#). Washington, D.C.: January 13, 2015.

*Iranian Commercial Activities: Foreign Firms Reported to Have Engaged in Certain Activities Involving Iran's Energy or Communications Sectors.* [GAO-14-218R](#). Washington, D.C.: January 7, 2014.

*Firms Reported to Have Engaged in Activities Related to Iran's Energy and Communications Sectors While Having Had U.S. Government Contracts.* [GAO-13-344R](#). Washington, D.C.: February 25, 2013.

*Firms Reported to Have Sold Iran Refined Petroleum Products or Engaged in Commercial Activities in Iran's Energy Sector.* [GAO-13-173R](#). Washington, D.C.: December 7, 2012.

*Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors.* [GAO-11-855R](#). Washington, D.C.: August 3, 2011.

*The U.S. Government Is Establishing Procedures for a Procurement Ban against Firms that Sell Iran Technology to Disrupt Communications but Has Not Identified Any Firms.* [GAO-11-706R](#). Washington, D.C.: June 30, 2011.

*Iran Sanctions: Firms Reported to Have Commercial Activity in the Iranian Energy Sector and U.S. Government Contracts.* [GAO-10-721T](#). Washington, D.C.: May 12, 2010.

*Firms Reported in Open Sources as Having Commercial Activity in Iran's Oil, Gas, and Petrochemical Sectors.* [GAO-10-515R](#). Washington, D.C.: March 23, 2010.