



P R E S S R E L E A S E

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SOS Iran's energy expert counters John Stern's conclusions regarding Iran's need for nuclear energy"

Taghi Alereza, D.Sc., P.E., President of ADM Associates, Inc., an Energy Research, Planning, and Evaluation, and Chairman of Board of Trustees of SOS Iran, has disputed the conclusions drawn by Dr. Roger Stern of John Hopkins University in his paper titled "*The Iranian Petroleum Crisis and United States National Security*", where the basis for Iran's need for nuclear power is related to the slow-down of Iranian oil exportation.

Below is an excerpt of Dr. Alereza's comments:

Due to misappropriation of oil revenues, investment in the Iran's oil industry has been ignored, causing a continuous decline in oil exportation. The funds spent to achieve nuclear capability have contributed to this decline. There is no economical justification to build nuclear power plants in a country that has a large enough supply of natural gas to last for centuries.

Dr. Stern includes the following reasons for the slow-down of Iranian oil exportation:

- Continued decline in highly needed investments in the oil industry,
- Delays in performance of international contracts in drilling / production of oil, and
- Increase in domestic energy use

Dr. Stern used these reasons to give legitimacy to Iran's claim to need nuclear power.

There's no denial that Iranian oil exportation has been on the decline, and the lack of adequate investment has caused Iran to reduce its oil production from 6 million barrels per day to less than 4 million barrels per day. This reduction in production together with increase in the domestic energy use has caused a continuous decline in the exportation.

During the past 20 years, the government of Iran has not invested its revenue for the benefit of its people. Iran has spent over eleven billion dollars to establish nuclear power generation capability, yet they are still at the mercy of the Russians to build an outdated heavy-water reactor, which has yet to be completed and fueled. A considerable portion of Iran's oil revenues has been funneled to groups that support international terrorism. Also, a handsome portion of the revenues has been passed to the government leadership and the Special Armed Forces, which protects the regime. However, according to a statement by the Iranian government less than two years ago, an investment of \$5 Billion per year can raise the production to about 7 million barrels per day by the year 2015. This has not happened, although the oil revenues have more than doubled.

If these wasted funds had been used to revive the oil industry, the oil exportation would have risen and have resulted additional revenues. This additional revenue could have been invested to convert all oil-based power plants and gas turbines to combined-cycle plants, using the vast gas reserves. Use of only natural gas for domestic power generation would have made more oil available for exportation. Iran's

economic base would have been improved, and its non-renewable electricity production capability would have increased by at least 30%.

This process would have satisfied most of Iran's needs, except for the regime's appetite for nuclear technology.

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