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Dear Mr. Ambassador Mark D. Wallace,  
CEO of Counter Extremism Project (CEP)

I would like to thank you for your letter regarding the deepest concern of CEP towards the alleged involvement of Hesco Company in the illicit Oil trade between ISIS and the Syrian Government. In this regard and in response to your letter, I would like to clarify the following:

1. Hesco is an engineering and Construction Company specialized in the Oil & Gas Industry (Oil & Gas Pipeline, Gas Stations, Gas Plants, etc...). It has been working in this field for more than 15 years as a subcontractor inside and outside Syrian Arab Republic. Hesco is involved in the construction of civil, mechanical, electrical and instrument activities by mere Syrian experts (Professional Engineers and Technicians) in addition to the specialized equipment and Machineries owned by Hesco for such activities. As a summary of our business history, on 1997, Hesco was the subcontractor of Russian company called TYAZHPROMEXPORT to construct a pipeline of Petroleum Products from Hims to Aleppo province in Syria. Moreover, it was the subcontractor of the Russian STROYTRANSNGAZ for the execution of Oil and Gas Pipelines in Algeria, Sudan, United Arab Emirates and Syria and gained a lot of appreciations and certificates awarded for its performance and execution. As well as, Hesco was the subcontractor of Turkish company called GAMA for the execution of Water Pipeline (DISI Project, 2010-2013) in Jordan. For the time being, we are carrying out the project of North Middle Area Gas Exploitation Plant in Twinan Area, Syria. Regarding Hesco subsidiary in London, it is responsible for securing procurements such as (Electrical Cables, Fittings, Valves, Piping, spare parts, etc...) for the above-mentioned projects.
2. Hesco has no other trading activity but its main activity as a construction company and providing the execution requirement mentioned in Item No.1. Specifically, **Hesco is not involved in any oil & Gas trade (Selling or Buying)** and it is not in the scope of the company or one of its interests. All what is imputed to Hesco in this regard is null and without any evidence because it is not existed.
3. Hesco has no business in the field of Oil and Gas in Iraq. We had started to construct what is called the strategic Oil pipeline II on 2002, but it stopped

- upon the breaking out of war on Iraq 2003. Since then, we have no activities in Iraq.
4. Hesco subsidiary in the United Arab Emirates is established when starting the project of Taweela - Fujaira pipeline with dolphin Energy (2009-2010), in addition to the subsidiary in Jordan that is established when starting DISI Water Pipeline Project (2010-2013).
  5. As per Omega Group of Companies (Omega Direct and Omega Agent Limited), I have never heard its name except in your letter. Moreover, we have no relationship or partnership with London-Based Alpha Procurement & Machinery Limited at all.
  6. With regard to your question about the clarification of the relationship of Hesco and its subsidiaries with Oil and Gas fields controlled by ISIS, this is, I think, the substance that raised the suspicion of our relation with ISIS. This is, however, just illusions and assumptions. Definitely, this issue should be elaborated in details to remove any confusions. Syrian government, the Ministry of Oil and Mineral Resources represented by Syrian Gas Company, ratified a contract No. 67/2007 with Russian company called STROYTRANSغاز to construct a turnkey Gas Plant project at North Middle Area (Twinan) with total capacity of 3.2 MMSCMD of Gas. STROYTRANSغاز signed a subcontract No. NMA-C-02-08, with Hesco Company to execute civil, mechanical, electrical and instrument activities required to complete the project. STROYTRANSغاز also signed subcontracts with Hesco to provide the construction materials required for the project here above. Hesco has started the activities on 2008 with a slow progress due to financial and contractual reasons. Upon starting the Syrian crisis on 2011, Hesco went on the project activities accompanied with military group from the Syrian army composed of 42 soldiers and 2 tanks to protect the project and staff until January 2013 when the area of the project attacked by what is called Free Syrian Army (Owais AlKorani Battalion). Meanwhile, the project is exposed to robberies of Materials, Machineries and Camp contents, that is why, we have delegated the project manager at site to negotiate with the Free Army for the safety and continuity of the project. We succeeded by financial understandings and convinced them that the legal ownership of the project is the Syrian people. It is built by the money of the Syrian people, supplied gas to the main

network that operates the power stations and provides electricity to all spectrum of Syrian people.

Nevertheless, we have continued the work in the project that contains about 1000 employees and 150 Machineries until March 2013, when that area is attacked and controlled by what is called Al-Nusra Front that expelled the Free Army. In adherence to continue the project, we have delegated again the project administration to negotiate Al-Nusra Front in the framework of owning the project by Syrian people. Two weeks later of arguments and negotiations, Al-Nusra Front issued, through its Sharia Committee in Idleb Governorate, Fatwa (Religious Opinion) to allow us working there until March 2014. On that date, ISIS militants that expelled Al-Nusra Front invaded the area of the project, and here is our story. They called for the project administration and announced: "this plant becomes controlled by the Islamic State; all working staff could proceed their jobs to the end as long as they are committed to the rules and traditions of the Islamic State (Pray, clothes, no smoking, tax on Christian staff, etc...). Syrian Gas Company (SGC), the owner of the project, is informed about that. The project costs about 700 Million USD, in order to secure its safety, SGC proposed to continue working and start-up of stage-I and complete the project in the existence of Hesco Company which is very important and necessary at site. We have suffered very harsh and cruel circumstances. Group of our engineers and workers are arrested, investigated and whipped by ISIS that decrease the total employees from 1050 to only 450 due to fear and unbearable life style imposed by ISIS laws. Moreover, ISIS used our heavy machines (Bulldozer, trucks, cranes, loaders...) for their private objectives while we cannot take action. Hesco has increased the salaries of its employees at the project site trying to keep the remaining of them to complete the project. On September 12, 2014, we have accomplished stage-I and delivered to SGC's commissioning team (Since the commissioning is not in our scope) which is composed of 35 engineers and technicians who was catered and accommodated by Hesco.

Syrian Gas Company started pumping gas (1.2 MMSCMD) through the pipeline connecting the gas plant with the Syrian Gas network towards Homs and Damascus etc... two months later, gas is stopped due to the persistence of ISIS to forward the gas to an electrical gas turbine (200 Megawatt) in Aleppo. Then, an agreement is held, I think by a third party in Aleppo, between ISIS and the ministry of electricity to dedicate 700,000 m<sup>3</sup> to Aleppo and the rest for Damascus. We are

not a part of this agreement at all. We have continued the remaining activities (SOUR and Rasem Alkoam Stations) to complete stage-II of the project that is expected within 4 months until the plant reach its design capacity of 3.2 MMSCMD. One or two months could be delayed to connect Dbessan Well site with Gas Plant. So far, Gas Plant is producing, in addition to the gas, about 500 barrel of condensate that is transported by ISIS to AL Raqqa Governorate. Unfortunately, this is not negotiable issue but an accomplished fact similar to the circumstances of Conoco Plant in Deir AlZor and Aljbessa Gas Plant controlled by ISIS.

This complicated status of the project is a part of the total complicated scene in Syria. Syrian state needs gas to feed electrical power station to provide electricity to Syrian people existing under Government or ISIS control. Consequently, the request of UNICEF organization to negotiate with ISIS, for the delivery of relief and aid materials to the Syrian people in ISIS-control areas, is absolutely right in the fact that electricity is the property of all people and considered equal to the food and water.

Mr. Wallace,

Our existence and work in North Middle Area Gas Exploitation Project controlled by ISIS is the main reason to accusation of business transactions with ISIS by buying the Syrian oil for the favor of the regime. I definitely assure you that no oil barrel had bought from ISIS for the favor of Syrian Government by means of neither our side nor the others for the following reasons:

1. The attitude of both parties (the government and ISIS) to reject this idea.
2. The difficult technical and logistic possibilities to conduct such thing, since the oil pipeline crossing the ISIS controlled areas is broken and transporting oil by queues of tankers could be exposed to air strikes of Allies forces.
3. ISIS does not need to sell the oil to the Syrian government, because it manually refines the oil and sells a part in their region and the other is smuggled by Bedouins and clans there. The remaining oil, I think, is transported to Turkey from unknown ways and what I know is from the media and rumors only.
4. The accusations of the European Union of illicit ISIS-Syria Oil trade is political accusations. We defy them to raise any proof or documents supporting their accusation. We are going to sue the EU in the European Courts for its unjust decision and to ask for compensation of degrading

my personal reputation and Hesco Company reputation. We have already started the proceedings.

Mr. Wallace,

As per your question about the relations of Hesco Company and its subsidiaries with the ISIS-controlled oil and Gas sites, we would like to clarify that we are working in Twinan Field, as previously mentioned, to construct NUAGEP Gas Plant. We have no relations, however, with Al-Omar Oil Field, Al-Tanak Oil Field, Al-Taim Oil, Al-Kharata Oil Station, Deir Oil Station, T2 Oil Station or Jihar Gad Field. All of them, we do not have any activities in these areas.

Al-Shaer Field is repaired by our workgroups including pipeline and equipment after the Syrian army expelled ISIS three months ago.

Mr. Wallace,

After responding to your questions, I would like to clarify the following:

In the status quo of Syria, the communication with terrorists groups happens for noble reasons; for instance, when Al-Nusra Front kidnapped Malola's Nuns in my home countryside Yabroud, I have contacted their leaders' through mediators from Yabroud and convinced them to move the Nuns to my house in which they stayed about three and half months. In agreement with Al-Nusra existed at my house, I provided food and medicine to the Nuns. I with patriarch Yazji periodically contacted the Nuns to comply with their requirements. I spent 100 days negotiating Al-Nusra Front for releasing the Nuns, then; our efforts in accordance with regional efforts come true and released the 14 Nuns. This is considered the best humanitarian issue in my life.

The difficult truth at the project site imposed the coexistence with ISIS likewise the other companies, Governmental and non-governmental establishment. In the ISIS controlled Areas, there are very important facilities such as Al-Furat Dam, Al-Thawra dam, Al-Baath Dam, CONOCO Gas Plant, Jbessa Gas Plant, Power Generation Station in Aleppo...etc.. All these facilities and others are, in a way or another, administrated by Syrian State in very complicated circumstances to keep them working due to the importance and influence on the Syrian citizens.

In the current circumstances, we have continued working at project site in spite of the danger surrounding our staff and machines (40 different machineries

and equipment lost) in abundance by the desire to accomplish the project in its full operational capacity to provide gas to electrical power stations that produce electricity to the Syrian people. We are deemed, in our point of view, making national deeds.

The sanctions imposed by the European Union depends on false accusations resulting from untrue report on "all4syria" website in which the information is fed by suspicious Syrian personnel for political and personal reasons. They also uses rumors and propaganda for the relation with President Asad; actually, I have seen President Asad multiple times during his meetings with Syrian social and economic activities, but the relation were strengthened through his direct interest in the case of Malola's Nuns who resident in my house in Yabroud as mentioned above. President Asad follows up this case personally until releasing Nuns.

The exaggeration and wrong description of my relation with President Asad mentioned in "all4syria" website, adopted by the European Union to issue sanctions, aiming to prove the relation between ISIS and the Syrian regime by wrong perception for the truth of launching gas from Gas plants to the Syrian Network in the ISIS controlled areas. Syrian army also is fighting ISIS at AL-Shaer Mountains after two attacks, the Syrian air force is striking their locations at North Aleppo and Deir AlZor, and the battle is going on.

I hope to considerate the truth and I am honored to belong to your Counter Extremism Project to be an active and useful member wishing, after showing my clarifications, to intervene in calling off the unjust and political EU resolution towards me.

We are fully responsive to any of your questions in the related issue or anything else since we have the same purpose to wipe out extremism and terrorism that is threatening the whole world.

We would like to thank you for giving us the opportunity to clarify the ambiguous matters.

Best Regards

Prof. George Heswani