



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
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Acting State Treasurer

March 4, 2008

Report to the New Jersey Legislature
pursuant to P.L. 2007, c.250
(Investments in Iran)

Chapter 250 of the Public Laws of 2007 (the "Act") requires that the Director of the Division of Investment (the "Division") file with the Legislature a report of all investments held that are in violation of the provisions of the Act. The Act provides that no assets of any pension and annuity fund under the jurisdiction of the Division shall be invested in any foreign company that has an equity tie to the government of Iran or its instrumentalities and is engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities. This prohibition shall not apply to the activities of any foreign company providing humanitarian aid to the Iranian people through either a governmental or non-governmental organization.

In accordance with the provisions of the Act, the State Investment Council and the Director of the Division shall review the recommendations of and consult with an independent research firm that specializes in global security risk for portfolio determinations. The Division has retained a consulting firm pursuant to the Act.

We have identified the following companies held in the pension and annuity fund portfolios as of February 29, 2008 which have an equity tie to the government of Iran and its instrumentalities and are engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities

involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities:

<u>Company</u>	<u>Shares</u>	<u>Market Value (000's)</u>
ENI Spa	2,500,000	\$ 86,988
Gazprom OAO	391,504	27,687
GS Engineering & Construction	11,038	1,734
Linde AG	400,000	53,280
Lukoil Holdings	38,100	2,827
Mitsui & Co.	2,100,000	47,001
OMV AG	353,370	25,696
Petroleo Brasileiro	317,029	35,036
Sasol LTD.	22,800	1,182
SNC-Lavalin Group, Inc.	40,000	1,757
Statoil Hydro ASA	2,500,000	77,115
Total	<u>8,673,841</u>	<u>\$ 360,303</u>

The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn no later than January 4, 2011.

As of the date of this report, the Division has identified the following companies which have equity ties to the government of Iran or its instrumentalities and are engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities which will not be eligible for investment by the pension and annuity fund portfolios: Acs Actividades de Construccion y Servicios SA, Aker ASA, Bow Valley Energy Ltd, China Petroleum & Chemical Corp, Costain Group PLC, Daelim Industrial Co, GS Holdings Corp, Indian Oil Corporation Ltd, Inpex Holdings Inc, Itochu Corp, JGC Corp, Liquefied Natural Gas Ltd, MISC Berhad, Mitsui Engineering & Shipbuilding Co Ltd, Oil & Natural Gas Corporation Ltd, Petrochina Company Limited, Repsol YPF SA, Rio Tinto PLC, Rolls-Royce Group PLC, Royal Dutch Shell PLC, Saipem, Schlumberger Ltd, Technip, The Weir Group PLC, and Total SA.

In accordance with the Act, the Division will report annually on all investments sold, redeemed, divested or withdrawn in compliance with the Act. Each annual report shall provide a description of the progress which the Division has made since the previous report and since the enactment of the Act in implementing the provisions of the Act.



William G. Clark
Director