

The promised plant will not be built

Swedish company misleads Estonians
(Alena Stadnik)

This year Swedish fuel company Cassandra Oil, with shares listed on alternative investment market (AIM), promised to build a syngas factory, the products of which were supposed to be sold to Nordkalk Corporation producing limestone-based products. However, due to lack of money, the expected factory was never build.

"We had an official cooperation agreement with the Company Cassandra Oil. According to this agreement, we were supposed to buy syngas from Cassandra Oil", - said the Chairman of Nordkalk's executive board, Mr Andres Rammul. He also added that required syngas would be used at their plant in Rakka for producing limestone-based manufactures. Currently, natural gas is used for these purposes.

"Unfortunately", - he mentioned, - "the agreement does not exist anymore, because Cassandra did not fulfill some of the required clauses, and it excluded further obligations of both parties to continue their contracted co-operation. However, the agreement is still valid legally".

No financial support...

Cassandra Oil could not get the financial support for their project, and therefore the further commitments to Nordkalk could not be possibly completed.

"If there are no binding obligations stated in the contract, then it is simply a paper with no legal meaning, and parties cannot rely on such document", - Mr Rammul pointed out. "Such situation involves signing a new agreement, negotiating and setting new clauses and obligations. This was not the case".

Because Cassandra Oil Company is listed on Swedish stock market, they most likely tried to obtain money from some of their investors. Even though the company was established in 2011, in two years its shares increased by few hundred percent. It made the shareholder of the Cassandra Oil company, Andres Olsson, which owns 30% of the whole company, a rich man. Company, which is currently earning losses and no profits, costs is worth? 1,8 billion Swedish kroner; Mr. Olsson has a bit more than a half of a billion. Last month, shares of the company increased by 80%. This is due to the agreement which was signed with the Republic of Iraq's Ministry of Oil, and at the first stage they are supposed build an oil refinery. However, the partner of Cassandra Oil in this project is unknown.

"They claim that they did not get money on time, but later on. The future of the agreement is shady. We cannot be in uncertain conditions and now we are working on new possible solutions", - noted Mr Rammul.

...but also no losses

According to his words, failure of the contract conditions did not bring them any financial losses.

"Undeceived profit cannot be considered as a loss. We are a family company, and we earn money for the family. This is the only aim we have", - stated Mr Rammul.

Despite many attempts, The Aripaev Newspaper could not contact the headship of the Cassandra Oil.

What is Cassandra Oil?

Cassandra Oil

- Established in 2011 to industrialize and commercialize a patented and scalable reactor technology for the production of oil, on its own business or in partnership with others.
- Parent company in a group of companies with three wholly-owned subsidiaries: Cassandra Oil Technology AB, Cassandra Oil Processing AB, Wkit Security AB
- Company tends to produce oil using new technologies; the oil is produced from materials containing hydrocarbons, for example discarded car tires, plastic waste, oil sludge, waste oil and, oil sands, oil shale and electronic waste.
- In one year losses of the company rose from 4, 9 million Swedish kr. to 10, 6 million.

The Company has changed its name few times already.

(Romet Kreek)

Despite of the fact that in one year shares of Cassandra Oil grew up to 60,9%, it should be taken carefully. First of all, shares quoted on AIM, not on Stockholm stock market. Alternative Investment market does not set such a stringent requirements compared to an actual stock market.

On the basis of reports, the losses of the company significantly increased from 4,9 to 10,6 million Swedish kroner in six months.

The word “oil” which is contained in the name of the company is funny, because this oil is actually produced from recycled products, such as old car tires, etc.

Besides, the company has changed its name more than one time. In the beginning of January 2012, Company represented itself at the AIM as Effnet Holding. Later on, it was renamed as Factum Electronics Holding. After this company obtained Cassandra Oil and kept its name. Previous companies have been sold.

The contact was provided by Swedish partners.

Nordkalk Corporation started to cooperate with Cassandra Oil in April 2010. The agreement was signed in January 2011. “Our concern has subsidiaries in two countries, including Sweden. This strategy was founded by our Swedish colleges, - explained the chairman of the board Mr Rammul. At first, both parties were quite optimistic about it”.

“We had a patent, but what we did not have was the industrial solution for its implementation. We needed a guarantee that the required amount of gas will be provided”, - that is how Mr Rammul explained the plan of shifting from natural gas to syngas at the refinery in Rakka.

“We were hoping, that there will be some result, but at some point our credibility was over”, - he noted. – “Unfortunately, Cassandra could not offer anything they promised. Naturally, if there is no product, it is impossible to purchase it”.

Now the company is developing two solutions. “One of them is syngas, another one is biogas. Agreement had not been signed yet, but we have to take into consideration, which solution is more secure for us”, - mentioned Mr Rammul.

- “If Cassandra Company would be able to do it, then nothing is excluded. Unfortunately, the possibility of co-operation with Cassandra Oil is rather low”, - he declared.