

International Centre for Settlement of Investment Disputes

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November 13, 1998

Metalclad Corporation
c/o Mr. Clyde C. Pearce
Law Offices of
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Old Republic Title Building
20 East Alisal Street, Suite 206
Salinas, California 93901

United Mexican States
c/o Mr. Hugo Perezcano Díaz
Consultor Jurídico
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Dirección General de Consultoría Jurídica
de Negociaciones
Alfonso Reyes No. 30, Piso 17
Colonia Condesa
México, Distrito Federal, C.P. 06140

Ref: Metalclad Corporation v. United Mexican States (ICSID
Case No. ARB(AF)/97/1).

Dear Sirs,

In sending you the attached copy of the Decision of the Tribunal dated November 13, 1998, I am instructed to inform you that the Tribunal has in mind the following tentative schedule of steps in the case to follow the filing of the Rejoinder on March 19, 1999:

1. The marshalling of the evidence, as provided in the Additional Facility Arbitration Rules, Rule 40, will take place in a pre-hearing conference to be held on Tuesday, May 4, 1999, extending if necessary into Wednesday, May 5, 1999. The Tribunal would wish to receive from each of the Parties not later than April 9, 1999, a list of the witnesses which each would wish to call in the oral proceedings, together with an outline proposal of the matters to which each witness would be called to testify and an indication of whether it would be the wish of the party concerned to file a written proof of evidence instead of examining the witness orally in chief, an estimate of the amount of time each party would require to open its case and, if it so wishes, to examine its witnesses.
2. The hearings on the merits of the case will begin on Thursday, July 1, 1999 and continue (with the exception of the July 4 holiday) through Wednesday, July 14, 1999, with the possibility of resumption if necessary, for a further four days from Thursday, July 29 through Tuesday, August 3, 1999.

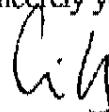
November 12, 1998

3. The above dates are ones which are at present convenient to the Tribunal and changing them will not be easy. The Tribunal is, however, prepared to receive representations from the parties if these dates are seriously inconvenient for them, but is bound to say even now that any change is likely to lead to postponement in the rendering of the award.

4. The Tribunal reserves for consideration at the conclusion of the hearings the question of whether it will require or permit the filing of post-hearing briefs.

5. The pre-hearing conference on May 4, 1999 will take place at the seat of ICSID in Washington, D.C. The Tribunal has taken no decision on the location of the hearings that will begin on July 1, 1999.

Sincerely yours,



Alejandro A. Escobar
Secretary of the Tribunal

Attachment: Copy of the Tribunal's Decision of November 13, 1998.

cc (with attachment):

Professor Sir Elihu Lauterpacht, Q.C.
Mr. Benjamin R. Civiletti
Mr. José Luis Siqueiros