#### IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

ANATOLIE STATI; GABRIEL STATI;	)
ASCOM GROUP, S.A.; TERRA RAF	)
TRANS TRAIDING LTD.,	)
	)
Petitioners,	)
	)
v.	)
	)
REPUBLIC OF KAZAKHSTAN,	)
	)
Respondent.	)
-	)

Civil Action No. 1:14-cv-1638-ABJ

#### **RESPONDENT REPUBLIC OF KAZAKHSTAN'S OPPOSITION TO PETITION TO CONFIRM ARBITRAL AWARD**

# **EXHIBIT 32**

In the matter of an arbitration under the Rules of Arbitration of the Arbitration Institute of the Stockholm Chamber of Commerce

No: V (116/2010)

ICC Hearing Centre 112, avenue Kleber 75016, Paris

Day 2 Tuesday, 29th January 2013 Hearing on Quantum

Before:

# PROFESSOR KARL-HEINZ BOCKSTIEGEL PROFESSOR SERGEI LEBEDEV MR DAVID R HAIGH QC

BETWEEN:

ANATOLIE STATI GABRIEL STATI ASCOM GROUP SA TERRA RAF TRANS TRAIDING LIMITED

Claimants

-v-

THE REPUBLIC OF KAZAKHSTAN

Respondent

REGINALD SMITH, KENNETH FLEURIET, KEVIN MOHR, HELOISE HERVE, AMY ROEBUCK FREY, ALEXANDRA KOTLYACHKOVA and VALERYA SUBOCHEVA, of King & Spalding, appeared on behalf of the Claimants.

DR PATRICIA NACIMIENTO, MAX STEIN and SVEN LANGE, of Norton Rose LLP, and JOSEPH TIRADO, of Winston & Strawn, appeared on behalf of the Respondent.

Transcript produced by Trevor McGowan The Court Reporter Ltd www.thecourtreporter.eu

Day 2 - Hearing on Quantum STATI et al -v- REPUBLIC OF KAZAKHSTAN SCC Arbitration V (116/2010) Tuesday, 29th January 2013

ALSO APPEARING

FOR CLAIMANTS

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FOR RESPONDENT

ZHANIBEK SAURBEK, Norton Rose LLP ANASTASIA MALTSEVA, Norton Rose LLP NATALIA NIKIFOROVA, Norton Rose LLP MARAT BEKETAYEV, Secretary of the Ministry of Justice and Deputy Minister of Justice YERLAN TUYAKBAYEV, Director of the Department of Legal Support and International Cooperation of the Financial Police AMAN SAGATOV, Senior Prosecutor of the Division on the Supervision over Compliance with Environmental Legislation of the Department of Supervision over Compliance with Legislation in the socio-economic sphere of the General Prosecutor's Office GANI BITENOV, Chief Expert of the Department of Protection of State Property Rights of the Ministry of Justice DONE TULEGEN, Deputy Director of the Legal Services Department, the Ministry of Oil and Gas

#### FOR THE TRIBUNAL

KATHERINE SIMPSON, Secretary to the Tribunal

#### INTERPRETERS

ALEXANDRE TCHEKHOV, Russian-English Interpreter NATALY HOLM, Russian-English Interpreter

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SCC Arbitration V (116/2010)

STATI et al -v- REPUBLIC OF KAZAKHSTAN Day 2 - Hearing on Quantum SCC Arbitrati

Tuesday, 29th January 2013

Day 2 - Hearing on Quant	uni See Abhraton V (110/2010) Tuesuay, 29th January 2013
09:30 1	Tuesday, 29th January 2013
2	(9.30 am)
3	MR VICTOR ROMANOSOV (called)
4	(Evidence interpreted)
5	THE CHAIRMAN: Good morning, everybody. We will continue
6	with the examination of witnesses.
7	May I just hear from the interpreters: do they have
8	the declaration for possible translation? Thank you
9	very much.
10	Alright. Mr Romanosov, welcome. As you, I think,
11	have experienced yesterday, we ask every witness to read
12	out a declaration to us. You have it in front of you in
13	English, but the interpreters are in a position to
14	translate it to you, so that you can do it in any
15	language you like, as long as it is English or Russian.
16	Alright, would you be kind enough to either the
17	interpreters to read it to you, or to read it out to us
18	yourself.
19	THE WITNESS: Yes, I do confirm.
20	THE CHAIRMAN: I don't hear a translation. I may be on the
21	wrong channel.
22	THE INTERPRETER: Can you hear the interpreter now? (Pause)
23	Mr Chairman, can you hear me? (Pause)
24	So the witness confirms that, that he is aware.
25	THE CHAIRMAN: Thank you very much. Alright, we come to the

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Day 2 - Hearing on Quantum SCC Arbitration V (116/2010) Tuesday, 29th January 2013 10:35 1 start of the drilling operation were made. The designs 2 were made. And the next stage, the next step, would 3 have been actually having and setting up a rig on the 4 spot. 5 FLEURIET: Thank you. MR б THE CHAIRMAN: Thank you. I apologise again for forgetting 7 my co-arbitrators. I learnt my lesson at the beginning 8 of the hearing. PROFESSOR LEBEDEV: No, I followed the Russian, so 9 10 everything was alright for me. THE CHAIRMAN: Alright. That concludes the testimony, 11 12 Mr Romanosov. We will have a five-minute break, just to 13 turn to the next witness. (10 .36 am) 14 (A short break) 15 (10 . 44 am)16 17 MR CATALIN BROSCARU (called) 18 (Evidence interpreted) THE CHAIRMAN: Welcome, Mr Broscaru. I am aware that we are 19 20 getting a translation from Romanian, and I welcome our 21 new interpreters for that. 22 Mr Broscaru, the interpreters will read to you 23 a statement, a declaration which every witness has to read out to us, and if you listen to that translation 24 25 and then tell us whether that's agreeable to you.

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STATI et al -v- REPUB Day 2 - Hearing on Quar		KAZAKHSTAN SCC Arbitration V (116/2010) Tuesday, 29th January 2013
10:46 1	THE	WITNESS: Yes, thank you. Everything will be okay.
2	THE	CHAIRMAN: Okay, thank you. Would the claimant please
3		introduce the witness.
4	MS I	ROEBUCK FREY: Thank you, Mr Chairman.
5	(10	.46 am)
6		Direct examination by MS ROEBUCK FREY
7	Q.	Good morning, Mr Broscaru. Do you have a copy of your
8		witness statement in front of you?
9	Α.	Yes .
10	Q.	Do you have any corrections to make to that statement?
11	A.	Yes, in the chapter introduction, in the second chapter,
12		there is an omission. It should have been stated: the
13		director of the department. I repeat: the director of
14		construction for the plant of gas processing, of natural
15		gas processing.
16	Q.	Thank you.
17		Can you explain your duties and responsibilities as
18		director for the construction of the gas processing
19		plant, the LPG plant?
20	A.	Yes, I was monitoring permanently the acquisitions
21		that were coming at the worksite where I worked; I was monitoring all the
22		construction and assembly works and their quality; and I was in charge with the progress reports, so I was permanently making
23		reports about the status of the works.
24	Q.	Thank you.
25		If you turn to paragraph 28, on the last page of

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Day 2 - Hearing on Qu	antun	SCC Arbitration V (110/2010) Tuesday, 29th January 2015
10:48 1		your witness statement. In this paragraph you say that
2		as of March 2009, when construction on the LPG plant had
3		stopped, the plant was "very close to completion". Can
4		you explain what you mean by "very close to completion"?
5	Α.	Taking into account that the schedule that had been
б		scheduled was 3 6 months, at the moment where the
7		building the construction stopped, I mean the time that
8		we used was very, very short. That's what I meant.
9	Q.	I'm sorry, I'm not sure I understand. You said the time
10		that was used was very, very short?
11	A.	So we scheduled, we planned to use 36 months, and it
12		was yes, we needed three more months. So a very
13		short time to finish, to complete the construction.
14	Q.	Okay. Is it accurate to describe the percentage
15		completion at that time as at least 80% complete?
16	A.	Yes, we can say 80% or more than 80%, considering the
17		amount of the number of equipment that was installed, the volume of the equipment that was installed and
18		the time that was left until the project was to be
19		finalised. We can have a different interpretation
20		maybe. If we take into account what equipment was
21		mounted during the time that had been scheduled, we can
22		say that more than 90% of the work on this plant was
23		completed.
24	Q.	Thank you. In its last submission
25	THE	CHAIRMAN: I'm sorry, I'm just trying to clarify. I am

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Suj 2 Trouming on Quu	fulling (116/2010) fulloaday, 29/11 oundary 2013
10:50 1	using the text in the respondent's binder, where we also
2	have the witness statement, and on paragraph 28 I see
3	a tracked change, and I'm just wondering from whom it
4	comes, because the "80%" has been deleted and replaced
5	by "very close to completion".
б	MS ROEBUCK FREY: Right. Actually that's why I'm asking
7	these questions, Mr Chairman. Earlier this week we
8	submitted a new English translation because we had
9	noticed some errors in the translation. So the tracked
10	changes version I believe that you have was submitted by
11	claimants this past week, and that accurately reflects
12	the Romanian version. It's the corrected translation of
13	the Romanian version.
14	THE CHAIRMAN: Okay. So the "80%" was not in the Romanian,
15	I understand.
16	MS ROEBUCK FREY: That's right.
17	THE CHAIRMAN: But now you asked about them.
18	MS ROEBUCK FREY: Right, and I was just trying to address
19	that issue, in case there were any doubts about whether
20	it was a material change or not.
21	THE CHAIRMAN: Thank you.
22	MS ROEBUCK FREY: Mr Broscaru, Kazakhstan has argued in this
23	case that in order to complete the LPG plant, you would
24	need to invest approximately \$100 million more into the
25	project. Do you agree with that statement?

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6:46 1	hearing.
2	Another little point is we'll see whether that
3	becomes relevant for reasons of force majeure, we
4	have to stop at 5.30 today. We can't go beyond that.
5	Let's see how far we get. But I understand this is the
6	last witness from the respondent's side today, because
7	the third witness is only available on Thursday morning.
8	Or has that changed?
9	DR NACIMIENTO: That has changed.
10	TH CHAIRMAN: That has changed? Oh. E
11	DR NACIMIENTO: Yes, it has changed. So we have
12	Professor Balco here and Professor Olcott.
13	TH CHAIRMAN: I am talking about witnesses. E
14	DR NACIMIENTO: The fact witnesses? That's the last fact
15	witness for now.
16	TH CHAIRMAN: For now. And Thursday morning we have the E
17	third one?
18	DR NACIMIENTO: That's right. Mr Seitinger, that hasn't
19	changed.
20	TH CHAIRMAN: No. The experts, that's a different matter; E
21	a different level of testimony. Alright.
22	(4 47 pm)
23	MR TARAS KHALELOV (called)
24	(Evidence interpreted)
25	TH CHAIRMAN: Mr Khalelov, welcome. As you probably know E

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_6:47 l		by now, you will be asked to read out or confirm
2		a declaration that the interpreters will be kind enough
3		to read out to you in translation, and then you can tell
4		us whether that is agreeable to you.
5	TH E	WITNESS: Yes, I confirm.
б	– TH E	CHAIRMAN: Thank you. Okay, introduction by respondent.
7	MR	TIRADO: Thank you very much.
8	(4	48 pm)
9	•	Direct examination by MR TIRADO
10	Q.	Good afternoon, Mr Khalelov. Do you have in front of
11		you your witness statement dated 27th November 2012?
12	Α.	Yes, [it is] in front of me.
13	Q.	And is there anything that you would wish to add or
14		change to that statement?
15	A.	Nothing in principle.
16	Q.	Thank you.
17		Perhaps you would be good enough to describe your
18		qualifications and work experience.
19	Α.	Well, do you want me to start by my education?
20		I graduated from the polytechnical institute in Almaty
21		in 1978 and I started working in the place called Uzen,
22		and then I worked at the field called Columbus. And
23		from 2004 to 2008 I worked in a gasfield called Kunnar,
24		and from 2008 I am working at a company called

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STATI et al -v- RE Day 2 - Hearing or		OF KAZAKHSTAN SCC Arbitration V (116/2010) Tuesday, 29th January 2013
16:49 1	Q	Thank you.
	2	You are currently the director of the department of
:	3	fields and production of hydrocarbons at KazMunaiTeniz,
	4	or KMT; that's correct, isn't it?
!	5 A	That's correct.
	6 Q	Can you describe what the responsibility of that
	7	department is?
:	8 A	As I already said in my written statement, mainly we
:	9	cooperate with structural departments of KMT, cooperate
10	0	with state authorities, and the main task is to
1:	1	coordinate the work of our KMT branch in Aktau,
1:	2	which is currently acting as an operator and is
1:	3	entrusted with trust management.
14	4 Q	Thank you.
1!	5	You state in your witness statement, at
10	6	paragraph 4.1 to be specific, that:
1'	7	"Ever since the Claimants abandoned the unfinished
18	8	LPG Plant, no further construction on the Plant has been
19	9	conducted."
20	0	Is that correct?
2	1 A	Absolutely correct.
2:	2 Q	And has any construction been commenced since you
2	3	submitted your witness statement?
24	4	I'm sorry, did you want to add something else?

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.6:51 1		a bit louder, as we struggled, and I will translate your
2		question now.
3	A.	No. The answer to your question is no.
4	MR	TIRADO: Just to clarify, the question was: has any
5		construction been commenced since you submitted your
6		witness statement?
7	A.	And you are speaking only about the construction works
8		related to at this plant? No, no works were carried
9		out and no work commenced.
10	Q.	Thank you. And are you aware of any plans to finish the
11		construction?
12	A.	No, officially I am not informed of any. I do not know.
13	Q.	Okay, thank you.
14		Mr Broscaru tells us in his witness statement that
15		there were contracts to the effect that KazTurkMunai gas
16		would be processed at the Borankol processing
17		facilities. Does KMT still do this?
18	A.	I can only say that only witness about the period
19		starting from August 2010, and for this period of time
20		there were no changes for the field; the field continued
21		working exactly as it did at that moment. So the plant
22		is exactly in the condition it was at that moment of
23		time, in August 2010, and nothing has changed since
24		then.
25	Q.	Sorry, just to clarify, is it your testimony that the

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16:53 1	Α.	It's not included in the technological process.	
2	THE	INTERPRETER: That was the last portion of the answer,	
3		sorry, sir.	
4	A.	It might have been that I did not understand the	
5		question correctly, and I'm sorry. I'm listening to	
6		some echo.	
7	MR	TIRADO: Yes, it is a little distracting.	
8		Let me rephrase the question: does the Borankol	
9		process any gas on behalf of KazTurkMunai?	
10	A.	No. No, because the plant is not ready, and because the	
11		plant is not part of the objects received in trust	
12		management.	
13	Q.	Just to be clear, I am talking about the gas processing	
14		plant, not the LPG plant.	
15	Α.	But that's the same plant.	
16	Q.	You've also stated that KMT only monitors the so-called	
17		contract 3 02 properties, and that KMT has not conducted	
18		any exploration and is not intending to do so. You say	
19		that at 5.1 of your statement. Is that correct?	
20	A.	That's correct. Well, I don't know what the contract	
21		means, but the two fields nearby, they are not part of	
22		the fields within our scope of trust management; they	
23		are not part of our entrusted facilities.	
24	Q.	Understood. And has any exploration been commenced	
25		since you submitted your witness statement?	
1			

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16:55 1	A.	No.
2	Q.	A final question. Are you aware of any plans to explore
3		the contract 302 area?
4	A.	No, I'm not aware of any.
5	MR	TIRADO: Thank you, Mr Khalelov. No further questions.
б	TH E	CHAIRMAN: Go ahead.
7	_	56 pm)
8	•	Cross-examination by MR FLEURIET
9	Q.	Mr Khalelov, my name is Ken Fleuriet and I am counsel
10		for the claimants in this arbitration. I have a few
11		questions for you this afternoon.
12		First of all, you state in your witness statement
13		and you just repeated that the LPG plant is not part
14		of the trust management. Is that correct?
15	A.	That's correct.
16	Q.	If that is correct, why do you employ guards to protect
17		the premises and the equipment?
18	A.	We are not doing anything in this area. But simply, in
19		order to ensure that [nothing] gets stolen and so on,
20		because of course it is situated nearby how could
21		I put it? I don't know really details about this case.
22		But the fact is that it's important that no one
23		touches anything at this plant, and everything is kept
24		exactly in the condition it was, because if there will
25		be some kind of dispute I don't know; it's a legal

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16:57 1			matter really. But in fact the only thing that we do is
	2		we only ensure the security. We have some guards, and
	3		we have even brought in a security company who is
	4		ensuring this order.
	5	Q.	Have you been told that the trust management will end at
	6		the moment this case ends?
	7	A.	I can't say, because I'm not a lawyer. I am not aware
	8		of any such thing.
	9	Q.	I am just asking if you have been told that the trust
-	10		management will end as soon as this case ends.
-	11	A.	No, nobody said so.
-	12	Q.	Is the LPG plant being protected because the plant is
-	13		very valuable?
-	14	A.	Well, I guess no one disputes the fact that it's
-	15		a valuable property; of course it's valuable. But how
-	16		exactly valuable it is, I can't really answer; and what
-	17		money we are talking about, I can't say.
-	18	Q.	Are you aware that TNG was the owner of the LPG plant?
-	19	A.	At that moment I was not working at the facilities, in
	20		the company. But how could I put it? as everyone,
	21		it's a fact known to everyone, and I know the facts
2	22		which are known to everyone else.
	23	Q.	So are you or are you not aware that TNG owned the LPG
2	24		plant?
2	25	Α.	I haven't seen the documents confirming this fact, so

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16:59 1			I would say I don't know, legally speaking. But
	2		speaking generally
	3	Q.	But speaking generally, you are aware that TNG was the
	4		owner of the LPG plant?
	5	A.	Yes .
	6	Q.	Can you explain how the LPG plant can fall outside the
	7		scope of the trust management, if TNG owned it?
	8	Α.	I was not part of this business, of these affairs, when
	9		the trust management was established, and I'm not
1	0		a lawyer myself, so I don't know about the reasons for
1	1		that.
1	2	Q.	Was the LPG plant left outside the scope of the trust
1	3		management so that the government could dispose of the
1	4		LPG facility if it wanted to?
1	5	Α.	Legally speaking, I don't know the answer. I don't know
1	6		how to qualify this, and I can't answer your question.
1	7	Q.	Well, can you explain why you've been given what you
1	8		call "trust management" over a proportion of TNG's
1	9		assets, but not all of them?
2	0	Α.	I am not I don't know about I don't know the
2	1		answer to this question.
2	2	Q.	Let's turn to contract 3 02. You say in your witness
2	3		statement that KMT has not conducted any exploration on
2	4		contract 302. Has any other company, other than KMT,
2	5		conducted any exploration?

7:01 1	A. I'm not aware of such.
2	Q. Have you heard of a company called Lucent Petroleum?
3	A. No.
4	Q. Would it surprise you to learn that there were public
5	tenders in 2011 and 2012 for the processing of
6	3D seismic at Munaibay?
7	A. Yes, I would be surprised. I am not aware of that.
8	Q. Do you have an opinion as to why contract 3 02, which was
9	also an asset of TNG, is not part of your trust
10	management?
11	MR TIRADO: Sir, I think you've already asked that question
12	and it's been answered.
13	THE CHAIRMAN: I'm sorry?
14	MR TIRADO: I believe counsel for the claimants has already
15	asked that question at least twice, and that's been
16	answered.
17	MR FLEURIET: I asked it with respect to the LPG plant.
18	I am asking now with respect to contract 302.
19	THE CHAIRMAN: Okay.
20	MR TIRADO: Forgive me.
21	THE INTERPRETER: Shall I re-ask the question, sir?
22	MR FLEURIET: Do you have an opinion as to why contract 3 02,
23	which was also an asset of TNG, is not part of your
24	trust management?
25	A. No, I don't know why. I already said that I started

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17:03 1		working or the period during which I worked in the
	2	company does not cover the timeframe when this happened.
	3	I only started working in 2010, in August.
	4 Q.	Is it true that the income from KPM and TNG, the income
	5	that they have been earning under your trust management
	6	for operation of a couple of their assets, goes into
	7	an escrow account?
	8 A.	Yes, it is so.
	9 Q.	Did KMT ensure that KPM's \$145 million criminal fine was
1	0	paid to the government? The criminal fine that was
1	1	imposed on KPM, was that paid by KMT as the trust
1	2	manager?
1	3 A.	I have not heard of such sum. And you are speaking
1	4	about the money paid from this escrow account to the
1	5	government? No, I have not I have never heard of it.
1	6 Q.	How much money is in these escrow accounts for KPM and
1	7	TNG as of this date?
1	8 A.	I don't know the exact amount. I know that there is
1	9	a escrow account and I know that our financial
2	0	department controls this, but I don't know how much
2	1	money there is.
2	2 Q.	Do you know an approximate amount?
2	3 A.	No, I can't answer.
2	4 Q.	Are you aware of any 3D seismic that has been conducted
2	5	on contract 302 in the last two years?

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17:06 1	Α.	I am not aware of anything regarding this contract. We
2		are not working with this contract.
3	Q.	Was any of the money in the escrow account used to pay
4		\$62 million for corporate back-taxes that the government
5		claims was owed?
б	A.	Are you speaking about penalties? Penalties or if
7		you are speaking about penalties, I don't know about any
8		penalties being paid. Especially on behalf of
9		Kazakhstan, I guess there are certain authorities
10		dealing with these issues or some state bodies dealing
11		with these issues.
12	Q.	So you have no personal knowledge as to whether any of
13		the money in escrow has been paid in relation to any of
14		the penalties that were imposed on KPM or TNG?
15	A.	I don't know about any penalties of KPM and TNG. The
16		only thing I can say is that this escrow account, I can
17		only say that current and regular taxes are being paid
18		from this escrow account, but I know nothing about any
19		Penalties of KPM and TNG or not being paid from it.
20		And it's not an open topic, and it's something
21		it's a kind of information that is only available for
22		people who work with these issues, and it's something
23		that must have been there before 2010.
24	Q.	So that information is not available to the trust
25		management?

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17:08 1	A. Not to me personally. The trust manager is KazMunaiGas.
2	MR FLEURIET: I have no further questions.
3	THE CHAIRMAN: Any questions from respondent's side?
4	MR TIRADO: No, sir, no further questions.
5	THE CHAIRMAN: Any questions from my colleagues?
б	MR HAIGH: Just briefly, Mr Chairman.
7	(5.08 pm)
8	Questions from THE TRIBUNAL
9	MR HAIGH: Mr Khalelov, can you tell me to whom you report
10	in the course of your duties?
11	A. KazMunaiGas. Are you speaking about KMT reporting or
12	are you speaking about me personally?
13	MR HAIGH: No, I'm referring to the duties that you perform
14	in relation to the trust that you've described for the
15	subjects that are referred to in your witness statement.
16	As you perform your duties, I assume you report to
17	somebody in that regard. Who is that?
18	A. We report to KazMunaiTeniz; we have monthly reports.
19	And besides, internally I have a direct chief, who is
20	vice general director responsible for production, and
21	the general director as well is my superior to whom
22	I report.
23	MR HAIGH: Should I assume that those persons you've just
24	mentioned give you your instructions from time to time
25	as to how you should conduct yourself?

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17:10 1	A. That's correct.
2	MR HAIGH: Do you know who may set policy or make
3	policy-type decisions as to whether to, for example, pay
4	a tax or pay a penalty? Who makes those decisions?
5	A. Ministry of Oil and Gas.
6	MR HAIGH: Thank you very much.
7	TH CHAIRMAN: Alright, that seems to conclude the
8	E testimony. Thank you very much, Mr Khalelov.
9	That concludes the examination of witnesses, except
10	the one on Thursday morning, I understand. We would now
11	turn to examination of experts. It's a bit late to
12	start that, I suppose. But I would like to know
13	perhaps we could all take a look at item 4 of our
14	agenda, which has taken up the joint suggestion from the
15	parties on how to proceed with the experts. My question
16	is now: in which order do we examine whom?
17	MR SMITH: Mr Chairman, it's my understanding that by
18	agreement of the parties, if that's acceptable to the
19	Tribunal, we will examine Professor Olcott first in the
20	morning, then Mr Balco second. Those are both
21	respondent experts.
22	We will then conduct the examination of the
23	representatives of Ryder Scott, to be followed by the
24	representatives of Gaffney Cline. Once the parties'
25	examinations are concluded, it is our proposal that

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2 - Hearing on (	
.7:12 1	those experts then be conferenced on geology and
2	petroleum engineering issues.
3	That will then be followed by the examination of
4	FTI, followed then by the examination of Deloitte, and
5	then conferencing of the valuation experts. And then we
б	will at some point handle, I guess, within that context,
7	the additional fact witness as he is available.
8	THE CHAIRMAN: Is that agreed, or any further comments from
9	the other side?
10	DR NACIMIENTO: That order is agreed.
11	I have just the additional comment referring to what
12	I said at the beginning of the hearing with regard to
13	the revised FTI statement and FTI report: respondent
14	will not be in a position to fully address it in this
15	hearing, and we will make then also a written request to
16	be granted that opportunity, followed possibly also by
17	a further hearing.
18	THE CHAIRMAN: Yes. No, I'm quite aware of this, and we
19	understand that. But of course, as you know, we have
20	two rounds of post-hearing briefs in which there's ample
21	opportunity really to pick these things up. But I do
22	understand that at the hearing you cannot do that.
23	DR NACIMIENTO: Absolutely.
24	THE CHAIRMAN: Absolutely. Alright. That would mean that
25	tomorrow morning we start with Professor Olcott, right?

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Day 2 - Hearing on Quantu	um	SCC Arbitration V (116/2010) Tuesday, 29th January 2013
17:13 1 M	ИR	SMITH: Yes, Mr Chairman.
2		Can we raise one other procedural issue, and
3		I believe we are also in agreement with our counterparts
4		here, and that is to renew our plea perhaps for some
5		additional time that is available over the next two-day
6		period. Both sides are running preciously short on
7		time, and we have a good deal of experts to handle and
8		complicated issues. So, in discussions over the break
9		with counsel for the respondent, each side would like to
10		request at least two hours of additional time per side
11		once their time has expired for expert examinations.
12 M	ИR	FLEURIET: I think we are down to about two hours per
13		side now, so that would
14 T E	ΓH Ξ	CHAIRMAN: The Tribunal Secretary will make the
15		calculation with your people and I'll put it on the
16		record tomorrow morning where we are.
17		An additional four hours right now may not be
18		possible, I don't know. We will see how far you get
19		with the experts. But as I told you before, we are
20		definitely here on Thursday, and we will have a witness
21		to hear on Thursday. But probably by tomorrow we will
22		have a better idea of how far we get. We are flexible
23		up till 5.30 Thursday evening.
24 M	ИR	SMITH: Mr Chairman, it would be very helpful, since we
25		are preparing for cross-examinations of witnesses, to

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7:15 1	know how much time we will be permitted to spend with
2	them on cross-examination. It will be more difficult on
3	the fly if we learn
4	THE CHAIRMAN: No, I understand.
5	MR SMITH: That's the reason for the request this evening.
6	THE CHAIRMAN: For that, we would need a calculation of
7	where we are by this evening.
8	DR NACIMIENTO: I think we know approximately.
9	MR SMITH: I think we're very clear, yes.
10	DR NACIMIENTO: It's two hours each, which would be the
11	morning tomorrow actually.
12	THE CHAIRMAN: Of course, what you are excluding is that we
13	start asking questions, and we cannot guarantee you
14	that. That is why I am hesitant to tell you now that
15	you have two additional hours; then you rely on that,
16	and then Thursday we are in difficulties.
17	So there should be room for if we proceed as we
18	have done so far, which was rather smoothly, and with
19	relatively few questions from our side, I think I am
20	rather optimistic. Whether it really ends up as two
21	hours for each side, I doubt a little bit.
22	So I don't want to be in a difficulty on Thursday
23	afternoon that you say, "Well, we calculated all that
24	in." Calculate it shorter, because everybody knew there
25	were eight hours, and I am aware that you cannot do it

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17:16 1	on the fly, as you say, but please do not rely on the	
2	two hours that you have. I cannot give you that,	
3	because we have a time limit on Thursday anyway.	
4	MS SIMPSON: I have a question from the back row. The	
5	witness-conferencing, will that come from the Tribunal's	
6	time or from the parties' time? Because I think	
7	an answer to that could maybe help everyone evaluate how	
8	much time may be needed.	
9	THE CHAIRMAN: Well, it does not really change the question	
10	of the total time available. Even if we count it for	
11	the Tribunal, it does not mean that we have more time	
12	available until Thursday evening.	
13	So why don't we we'll discuss it ourselves as	
14	well. The issue is taken, but for the time being,	
15	I would not like to give you a promise and then not be	
16	able to keep it. Alright.	
17	MR HAIGH: Mr Chairman, I wonder, would it be feasible, do	
18	you suppose, if we could give an indication to the	
19	parties likely this evening? At least an indication, if	
20	not an exact ruling.	
21	THE CHAIRMAN: From what I said, I'm actually rather	
22	optimistic that an additional hour is available for each	
23	side. I'm more hesitant about the two hours, because	
24	that really would mean that we cannot ask questions, and	
25	we don't want to be in that position.	

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7:18 1	So why don't we, for the time	being unlogg you get
/.10 1	So why don't we, for the time	being, unless you ge
2	further notice, count on one hour	in addition? I think
3	then we are on pretty safe ground.	
4	MR HAIGH: Take what you get!	
5	THE CHAIRMAN: Alright.	
6	MR SMITH: Taken.	
7	(5.18 pm)	
8	(The hearing adjourned until 9.30 am	the following day)
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