



Press Release on the Arbitration Dispute «World Wide Minerals Ltd.»

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On October 29, 2019 an Arbitral Tribunal rendered an Award in the arbitration initiated by the Canadian company «World Wide Minerals Ltd» and Paul Carroll.

Initially, the sum claimed against the Republic in the arbitration was USD 1.9 billion plus interest – the Tribunal awarded the Claimants less than 1% of the principal sum claimed.

Between 1996 and 1997 the Claimants operated Tselinny Gorno-Khimicheskii Kombinat (TGK) pursuant to a trust management agreement. At the same time, the Claimants assumed various obligations towards workers in the city of Stepnogorsk which supported TGK.

From April 1997, the Claimants began to breach the terms of its trust management agreement by failing to pay salaries to employees. The work at many of the enterprises of TGK was suspended, coal reserves were exhausted, and social tension amongst the population increased as a result. Preparations for the heating season in Stepnogorsk failed, and the city was on the verge of disaster. It was in this context that the Republic terminated the trust management agreement.

The Claimants submitted a request for arbitration in December 2013, and the claim was heard in London in December 2017. The Republic persuaded the Tribunal that the Claimants should fail on their most significant claims and the Tribunal awarded only a portion of the sums claimed to have been invested in the operational activities of TGK.

This arbitration is the third attempt by the Claimants to seek compensation against the Republic. In 2000 the claimants applied to the US courts for compensation of USD 1.2 billion – their claims were denied.

Between 2007 to 2010 the Claimants filed an arbitration claim against the Republic in the amount of USD 3.7 billion. Again, the Claimants' claims were denied.

This is a significant success for the Republic. The Ministry of Justice is considering its position with regard to a possible challenge to the damages awarded to the Claimants. Any such procedure could take up to two years. .

The Government of Kazakhstan in this case was represented by the global law firm «ReedSmith».

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