

ORIGINAL DOCUMENTS IN SAFE

Case No. 101

Date of filing: 18-11-83

** AWARD - Type of Award ON AGREED TERMS
 - Date of Award 18 Nov 83
3 pages in English 3 pages in Farsi

** DECISION - Date of Decision _____
 _____ pages in English _____ pages in Farsi

** CONCURRING OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

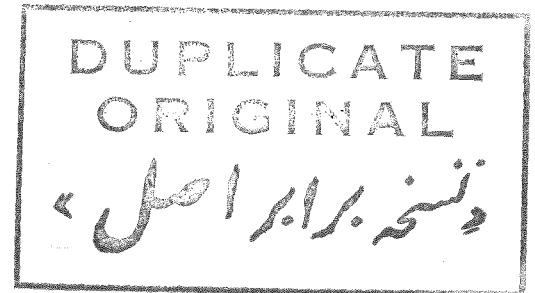
** SEPARATE OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** DISSENTING OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** OTHER; Nature of document: _____

 - Date _____
 _____ pages in English _____ pages in Farsi

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری دعاوی ایران - ایالات متحدہ
ثبت شد - FILED	
Date	۱۳۶۲ / ۸ / ۲۷ 1 8 NOV 1983
No	101 - ۱۰۱



CASE NO. 101

CHAMBER ONE

AWARD NO. 87-101-1

SMITH INTERNATIONAL, INC.,

Claimant,

and

ISLAMIC REPUBLIC OF IRAN,

NATIONAL IRANIAN OIL COMPANY,

OIL SERVICE COMPANY OF IRAN,

Respondents.

۶۰۱ - ۳۲

۱۰۱ - ۳۲

AWARD ON AGREED TERMS

On 16 November 1983 a Joint Request for an Arbitral Award on agreed terms was filed with the Tribunal, signed by representatives of SMITH INTERNATIONAL, INC., NATIONAL IRANIAN OIL COMPANY, and the Agent of the GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, requesting the Tribunal to record the Settlement Agreement attached thereto as an Arbitral Award on agreed terms pursuant to Article 34 of the Tribunal Rules. Copies of the Settlement Agreement and Joint Request are annexed hereto. The Settlement Agreement is stated to be "in complete and final settlement of all claims, disputes and counterclaims now existing, made or which could have been made in connection with case No. 101". The Settlement Agreement provides for certain reciprocal obligations by the Parties.

The Tribunal accepts the Settlement Agreement in accordance with Article 34 of the Tribunal Rules.

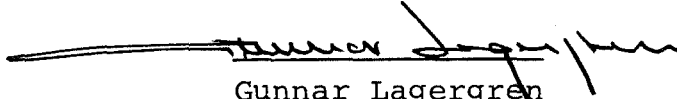
Based on the foregoing,

The Settlement Agreement is hereby recorded as an Award on agreed terms binding upon the Parties. Consequently the Respondent NATIONAL IRANIAN OIL COMPANY is obligated to pay the Claimant SMITH INTERNATIONAL, INC., the amount of One Million Two Hundred Thousand United States Dollars (\$1,200,000) which obligation shall be satisfied by payment out of the Security Account established pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.

The Award is hereby submitted to the President of the

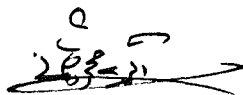
Tribunal for notification to the Escrow Agent.

Dated, The Hague,
18 November 1983


Gunnar Lagergren
Chairman
Chamber One

I agree with the Chairman in accepting and recording of the Settlement Agreement as an Award on agreed terms but I dissent as to the remaining part of this Award not only because that part unilaterally condemns one of the parties to the performance of its obligations and ignores the reciprocal obligations of the other party but also because it provides for an enforcement procedure, which a judge is barred from after deciding the dispute or accepting and recording the settlement, according to Article 34 of the UNCITRAL Rules.

Concurring. Article 10 of the Settlement Agreement in this case provides for the payment by NIOC to Bank Markazi of the Rial equivalent of the settlement amount, and for the approval of Bank Markazi of the payment to the Claimant of the settlement amount. My views concerning such provisions are set forth in my Concurring Opinions in Case Nos. 279, 427 and 807 (Parts I-III). My views with regard to the comments set forth above Mr. Kashani's signature are explained in my Concurring Opinions in Case Nos. 279, 427 and 807 (Part IV).


Mahmoud M. Kashani


Howard M. Holtzmann

IRAN UNITED STATES CLAIMS TRIBUNAL		دادگاه داری دعاوی ایران - ایالات متحده
ثبت شد - FILED		
Date	۱۳۶۲ / ۸ / ۲۵ 16 NOV 1983	تاریخ
No.	۱۰۱	شماره

BEFORE THE IRAN-UNITED STATES CLAIMS TRIBUNAL

CHAMBER NUMBER 1

CLAIM 101

JOINT REQUEST FOR AN ARBITRAL

AWARD ON AGREED TERMS

Smith International, Inc.,

Claimant,

v.

Islamic Republic of Iran,
National Iranian Oil Company,
and Oil Services Company of Iran,

Respondents.

JOINT REQUEST FOR AN ARBITRAL

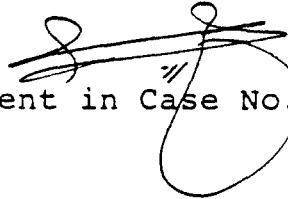
AWARD ON AGREED TERMS

As a result of negotiations, the representatives of the Claimant ("Smith") and of the Respondent ("NIOC") have entered into a Settlement Agreement dated as of 1st NOV., 1983 terminating all of the claims and counterclaims raised or which could have been raised in Claim Number 101. The Settlement Agreement, a copy of which is annexed hereto, provides that Smith shall be paid the amount of One Million Two Hundred Thousand United States Dollars (U.S.\$1,200,000,00) in complete and final settlement and release of all claims existing in favor of Smith and the release of potential claims which could have been raised as counterclaims by Respondents.

Purasant to Article 34 (1) of the Tribunal Rules (May 3, 1983), Smith and NIOC hereby jointly submit the

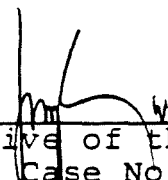
Settlement Agreement to the Tribunal and request that the Tribunal record the Settlement Agreement as an Arbitral Award on Agreed Terms and direct that payment be made pursuant to the Settlement Agreement to Smith International, Inc., out of the security account created pursuant to Section 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

in the name of God
Mohammed K. Eshreegh

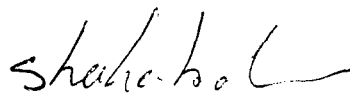


Claimant in Case No. 101
SMITH INTERNATIONAL, INC.

Respondent in Case No. 101

By  WOUTER VAN DEN BRINK
Representative of the
Claimant in Case No. 101

MRS DE BRAUW EN HELBACH
SCHEVE INGSEWEG 58
2517 KW - GRAFTINGH

By 
National Iranian Oil
Company



SETTLEMENT AGREEMENT

IRAN-UNITED STATES CLAIMS TRIBUNAL ایران-ایالات متحده	
ثبت شد - FILED	
Date	۱۳۶۲ / ۸ / ۲۵ 16 NOV 1983
No.	۱۵۱

This Settlement Agreement is made and entered into as of this *1st* day of *November*, 1983, between Smith International Inc., (SII), Smith International Deutschland GmbH (SID), Smith International Iran (SIR), and others as named in the Statement of Claim filed under No.101 (hereinafter collectively "Smith"), on the one hand, and National Iranian Oil Company (hereinafter "NIOC"), on the other hand, in complete and final settlement of all claims, disputes and counterclaims now existing, made or which could have been made in connection with Case No.101 presently before Iran-United States Claims Tribunal.

ARTICLE ONE:

"Smith" and "NIOC" agree to submit this Settlement Agreement to the Iran-United States Claims Tribunal to be recorded as an Arbitral Award on Agreed Terms.

ARTICLE TWO:

- (1) In consideration of the full and final settlement of all their differences now existing or capable of arising out of the transactions and events mentioned in the

Statement of Claim submitted in Case No.101 to the Iran-United States Claims Tribunal, Smith shall be paid upon the issuance of the Tribunal Award the sum of One Million Two Hundred Thousand United States Dollars (U.S.\$1,200,000,00), "the settlement amount."

- (ii) It is agreed that such payment shall be made out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981. The Award shall be received by Claimant in Case No.101, Smith International, Inc., ("SII"), on behalf of its wholly-owned subsidiary, Smith International Deutschland, GmbH and others as named in the Preamble of this Settlement Agreement as well as in the Statement of Claim filed with the Iran-United States Claims Tribunal under No.101.

ARTICLE THREE:

Upon payment of the settlement amount, "Smith" and NIOC shall be barred from instituting or continuing with any proceedings, against each other or against Respondents

named in the Statement of Claim, before the Iran-United States Claims Tribunal or any other forum, including any court in the United States of America or the Islamic Republic of Iran, in relation to the claims, counterclaims or disputes now existing or capable of arising out of the Case No.101, and shall dismiss and withdraw, with prejudice, such claims or disputes.

ARTICLE FOUR:

Upon payment of the settlement amount, Smith or NIOC and their successors, assignees, transferees, agents, directors, officers, employees, parent companies or entities, instrumentalities and subsidiaries, should there be any, shall have no right to make claims in the future against each other or each others' successors, assignees, transferees, agents, directors, officers, employees, parent companies or entities, instrumentalities and subsidiaries, based on any rights or obligations, past or present and/or in connection with any matter which has been raised or which could have been raised related to Case No.101 and /or any

other past dealings. Smith and NIOC agree to indemnify and hold harmless each other and their respective directors, officers, employees, agents, subsidiaries, transferees, assignees, successors, parent companies or entities, instrumentalities, from any claim, cost, expense, liability or obligation asserted by any third party arising out of claims and disputes related to Case No.101. In this Settlement Agreement the tax and S.S.O. dues and premia are taken into consideration and are accepted by Smith, therefore, this mutual release shall include issues of taxation, social security or like payments which might have been claimed by Respondents in connection with any prior operations of Smith in Iran. NIOC acknowledges that all claims for Iranian taxes and social security payments against SII, SID or SIR for their past activities in Iran will be paid by NIOC.

Smith hereby releases and holds harmless all Iranian Governmental or non-Governmental persons and entities as well as Respondents named in the Statement of Claim for the claims and disputes related thereto.

ARTICLE FIVE:

Upon payment of the settlement amount, all title, rights and interests of the SII and SID to the shares in SIR, a wholly-owned subsidiary of SID, including rights of ownership, in real or tangible personal property and fixtures as well as dividends not received by the SID (declared or undeclared) shall be transferred to NIOC. Therefore, upon payment of the settlement amount, NIOC is, by mere presentation of this Settlement Agreement, entitled to take all necessary steps to record such transfer. Smith shall, if requested by NIOC, cause SID to execute such documents and take all such other steps as may be necessary to effect such transfer. This transfer shall not include any debt, dues, liability or obligation which SIR may have vis-a-vis non-Iranian persons and/or entities and Iranian private persons and/or entities. This transfer shall not include any debt, dues, liability or obligation not related to the SIR activities in Iran.

ARTICLE SIX:

NIOC acknowledges that it has not acquired by

virtue of this Settlement Agreement any license or other rights whatsoever or any patents, know-how, trademarks or tradenames of SII or any of its affiliates, including the tradename SMITH, and undertakes to cease using the tradename SMITH and the trademarks of SMITH and its affiliates as soon as possible and not to use any tradename or trademarks confusingly similar to the tradename SMITH or the trademarks of SMITH and its affiliates.

ARTICLE SEVEN:

The releases herein contained and the transfer of shares, dividends as well as title to Smith's equipment, properties and fixtures referred to in this Settlement Agreement and/or in the Statement of Claim No.101, located in Iran at the date hereof, are self-executing upon the payment to SII of the settlement amount set forth in Article Two. No further document need therefore to be executed to implement these releases and transfers.

ARTICLE EIGHT:

In the event that the Tribunal does not enter an Award on Agreed Terms on or before 22nd November 1983, this Settlement Agreement shall be null and void and of no effect whatsoever and shall be considered withdrawn by the parties.

ARTICLE NINE:

Upon payment of the settlement amount, Smith and NIOC agree to waive any and all claims for costs (including attorney's fee) arising out of or related to the arbitration, prosecution or defence of the claims or counter-claims asserted (or which might have been asserted) before the Iran-United States Claims Tribunal, or elsewhere, with respect to matters involved in Case No.101.

ARTICLE TEN:

It is understood that NIOC shall pay to Bank Markazi Iran, the Rial equivalent of the settlement amount, whenever requested to do so, and shall obtain Bank Markazi's approval for the payment thereof to be made to Smith International, Inc., out of the Security Account. The fact that the Agent of the Islamic Republic of Iran to the Iran-United

States Claims Tribunal approves this Settlement Agreement, when filed, is sufficient evidence that such approval of Bank Markazi has been obtained.

ARTICLE ELEVEN:

It is understood that this Settlement Agreement is made in the spirit of a private settlement of disputes and that it shall not affect any position of Smith, NIOC and Iran in any matter other than claims and disputes related to Claim No.101. Smith and NIOC agree that they shall not use, or cause any third party to use, this Settlement Agreement in the prosecution or defence of any other claim.

ARTICLE TWELVE:

For the purpose of construction and interpretation of this agreement the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

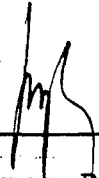
ARTICLE THIRTEEN:

This Agreement is executed in Persian and English versions each with equal dignity.

Signed and executed in The Hague, The Netherlands, on this
1st day of Nov. , 1983.

For Smith

For the National
Iranian Oil Company

By  WOUTER VAN DEN BERGH
(As per Power of Attornies
attached)

By  Sheikh

Mrs DE BRAUW EN HELBACH
SCHEVENINGSEWEG 58
2517 KW 's-GRAVENHAGE

P O W E R O F A T T O R N E Y

Smith International, Inc. hereby appoints

- (1) Raymond F. Schuler
- (2) Dale E. Boyer
- (3) William D. Kirst
- (4) Ronald R. Randall
- (5) Jan M. Boll
(Advocate at Amsterdam)
- (6) Wouter Van Den Bergh
(Advocate at Amsterdam)
- (7) Godert C.W. Van Der Feltz
(Advocate at the Hague)

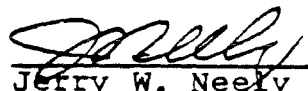
Each by himself as its attorney and representative for the purpose of negotiating, concluding and signing a settlement of its claims against the government of the Islamic Republic of Iran, The National Iranian Oil Company and any other agencies of the government of Iran. Within this purpose the power of attorney is unlimited in scope. Each of the representatives may do, execute, and perform any acts, deeds, agreements and all matters of things whatsoever which in his opinion ought to be done, executed or performed in order to settle claims of any nature, including claims arising from, or in connection with any assets or property of Smith International, Inc.

Each of the representatives named above shall be authorized to bind Smith International, Inc. by his sole signature.

This power of attorney shall remain effective until revoked in writing by Smith International, Inc.

SMITH INTERNATIONAL, INC.

By


Jerry W. Neely
Chairman of the Board

JLP

(SEAL)

Carolyn J. Lafferty
Notary's Signature

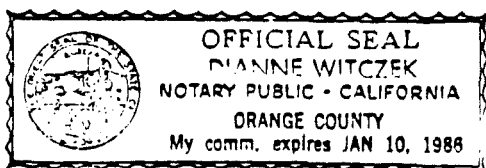
CERTIFIED COPY OF RESOLUTION

WHEREAS, Smith International, Inc. (the "Company") has been seeking to negotiate a settlement of its claim number 101 in the Iran - United States Claim Tribunal, the Hague, which arose out of the operations of itself and its entities in Iran,

NOW, THEREFORE, BE IT RESOLVED, that any one of the following persons acting alone:

1. Raymond F. Schuler
Vice President, Secretary & General Counsel
2. William D. Kirst
International Controller
3. Dale E. Boyer
Group Operating Vice President
4. Ronald R. Randall
Senior Counsel and Assistant Secretary
5. J. M. Boll
(Advocate at Amsterdam)
6. Wouter van den Bergh
(Advocate at Amsterdam)
7. Godert C.W. van der Feltz
(Advocate at The Hague)

be, and each of them hereby is, authorized on behalf of the Company and each of its entities to negotiate a settlement of the above-referenced claim number 101, to execute and finalize a Settlement Agreement and Joint Request for an Arbitral Award on Agreed Terms with respect to such claims for a settlement amount as they, or any one acting alone, may deem appropriate, and to take such further action and to execute such documents as they, or any one acting alone, may deem necessary, appropriate or advisable in order to carry into effect the full intent and purposes of this resolution.



P O W E R O F A T T O R N E Y

Smith International Iran hereby appoints

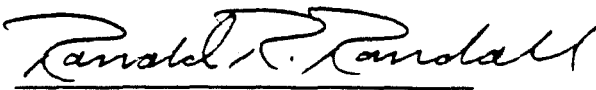
- (1) Raymond F. Schuler
- (2) Jan M. Boll
(Advocate at Amsterdam)
- (3) Wouter Van Den Bergh
(Advocate at Amsterdam)
- (4) Godert C.W. Van Der Feltz
(Advocate at the Hague)

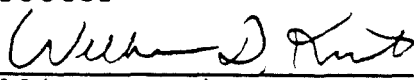
Each by himself as its attorney and representative for the purpose of negotiating, concluding and signing a settlement of its claims against the government of the Islamic Republic of Iran, The National Iranian Oil Company and any other agencies of the government of Iran. Within this purpose the power of attorney is unlimited in scope. Each of the representatives may do, execute, and perform any acts, deeds, agreements and all matters of things whatsoever which in his opinion ought to be done, executed or performed in order to settle claims of any nature, including claims arising from, or in connection with any assets or property of Smith International Iran.

Each of the representatives named above shall be authorized to bind Smith International Iran by his sole signature.

This power of attorney shall remain effective until revoked in writing by Smith International Iran.

SMITH INTERNATIONAL IRAN

By 
Ronald R. Randall
Director


William D. Kirst
Director


Raymond F. Schuler
Director

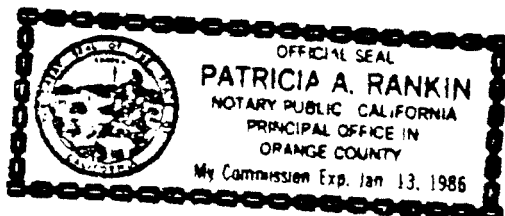
State of California)
) ss.
County of Orange)

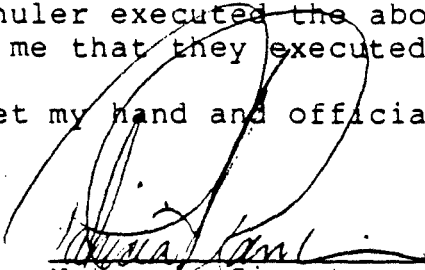
On this 10th day of October, 1983, before me, the undersigned Notary Public, personally appeared Mssrs. Ronald R. Randall, William D. Kirst, Raymond F. Schuler, according to their statements acting for and on behalf of Smith International Iran a company with limited liability, incorporated in the Islamic Republic of Iran.

I, the undersigned Notary Public, do hereby certify that:

1. Mssrs. Randall, Kirst and Schuler stated that they are:
 - (a) Members of the Board of Directors of Smith International Iran with power of representation and,
 - (b) are authorized to act for and on behalf of said company and to bind the company by their signature.
2. Mssrs. Randall, Kirst and Schuler executed the above power of attorney and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



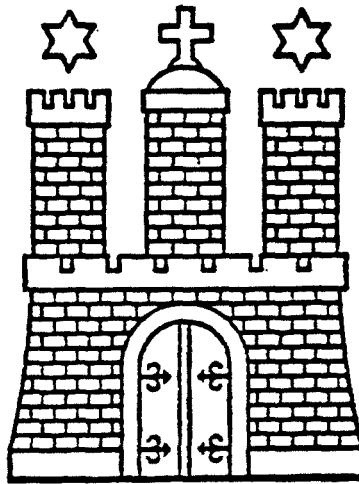

Notary's Signature

DR. KLAUS ROLLIN
DR. REINER STADLER
DR. KLAAS HINRICH PFLÜGER

NOTARE

SPITALERSTRASSE 32 · 2000 HAMBURG 1 · TELEFON 32 12 03

URNr. 1630 /1983R



Notariatsurkunde

Ausfertigung

Negotiated in the Free and Hanseatic City of H a m b u r g
this 1st (first) day of S e p t e m b e r
1983 (nineteenhundredandeightythree).

Before me,

Dr. Klaus R o l l i n ,

Notary Public in Hamburg, appeared today in my office at
Spitalerstrasse 32, 2000 Hamburg 1:

Mr. Karl Josef W i c k e r ,
managing director,
address: Horstmannkoppel 39, 3100 Celle,
personally known,
acting for and on behalf of

Smith International Deutschland GmbH
address: Grafftring 5, 3100 Celle,

a private limited company, constituted and existing
under the laws of the Federal Republic of Germany,
registered in the Commercial Register in Celle
under Reg. No. HR B 363 in his capacity as Managing
Director (Geschäftsführer) of said company with sole
representation power.

I, the officiating Notary Public, do hereby certify pursuant
to paragraph 21 of the Federal Notaries Public Order that I
have today satisfied myself by examining a certified extract
of the Commercial Register in Celle (Reg. No. HR B 363) that
Mr. Karl Josef Wicker, is Managing Director of Smith
International Deutschland GmbH and in said capacity is
authorized to act for and on behalf of said company and to
bind this company by his sole signature.

Mr. Wicker declared to my protocol the following:

Power of Attorney
=====

Smith International Deutschland GmbH (Gesellschaft mit beschränkter Haftung), whose principal and registered office is located at Grafftring 5, Celle, Germany, hereby appoints

- (1) Raymond F. Schuler
- (2) Dale E. Boyer
- (3) William D. Kirst
- (4) Ronald R. Randall
- (5) Jan M. Boll
(Law firm of De Brauw en Helbach)
- (6) Wouter van den Bergh
(Law firm of De Brauw en Helbach)

as its representatives for the purpose of negotiating a settlement of its claims against the Government of the Islamic Republic of Iran, the National Iranian Oil Company and any other government agencies.

Within this purpose the power of attorney is unlimited in scope. The representatives may do, execute, and perform any acts, deeds, matters or things whatsoever which in their opinion ought to be done, executed or performed in order to settle claims of any nature, including claims arising from, or in connection with, the ownership of Smith International Deutschland GmbH of shares in Smith International Iran (private joint stock company).

Each of the representatives named above shall be authorized to bind Smith International Deutschland GmbH by his sole signature.

This power of attorney shall remain effective until revoked in writing by Smith International Deutschland GmbH

Read, approved and signed:

L. L. L.

L.S. not.

[Signature]

Note

Vorstehende Verhandlung wird hiermit zum 4. Male
ausgefertigt und diese Ausfertigung

den Bevollmächtigten

erteilt.

Diese Ausfertigung stimmt mit der Urschrift überein.

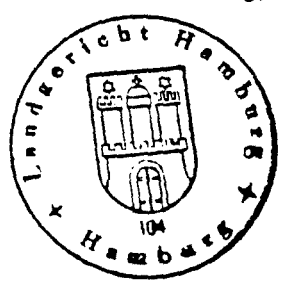
Hamburg, den 01. September 1983

Dr. Klaus Rollin, Notar

در کسور لکری جمهوری اسلامی ایران در دادگاه
عالمیه و امضای مقامات مندرجین
در ۱۵ مهر این برگ بدلات (۲۰) شخص
شماره پرونده: ۲۵۲۹
تاریخ: ۱۳۶۲/۷/۱۱

Handwritten signature and scribbles.

Die Echtheit vorstehender Unterschrift des
Notars Dr. Klaus Rollin
und die Echtheit des beigedruckten Dienst
siegels werden hiermit bestätigt. Zugleich
wird bescheinigt, daß der Vorgenannte zur
Vornahme der Amtshandlung befugt war.
Hamburg, - 2. SEP. 1983



Der Präsident des Landgerichts

Handwritten signature of Dr. Makowka.

Dr. Makowka

Vertical stamp: 4500
Vertical stamp: 11312
Vertical stamp: 0005