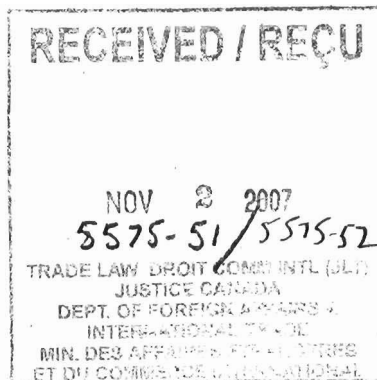


November 1, 2007

BY FEDERAL EXPRESS

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Sylvie Tabet, Esq.
Trade Law Bureau (JLT)
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International Trade Canada
Lester B Pearson Building
125 Sussex Drive
Ottawa, Ontario K1A 0G2
Canada



**Request for Institution of Additional Facility Arbitration Proceedings in
*Mobil Investments Canada Inc. and Murphy Oil Corporation v. Canada***

Dear Ms. Kinnear and Ms. Tabet:

Enclosed please find a courtesy copy of the Request for Arbitration that we transmitted by Federal Express to ICSID today.

Sincerely,

Carmen Martinez Lopez

Enclosure

Copy without enclosure:

Barton Legum, Esq.

INTERNATIONAL CENTRE FOR
SETTLEMENT OF INVESTMENT DISPUTES

MOBIL INVESTMENTS CANADA INC. *and*
MURPHY OIL CORPORATION,

Claimants,

- and -

THE GOVERNMENT OF CANADA,

Respondent.

ICSID Case No. ARB(AF)/07/___

REQUEST FOR ARBITRATION

DEBEVOISE & PLIMPTON LLP
919 Third Avenue
New York, New York 10022
United States of America

-and-

DEBEVOISE & PLIMPTON LLP
21, avenue George V
75008 Paris
France

*Counsel for Claimants Mobil
Investments Canada Inc. and Murphy
Oil Corporation*

November 1, 2007

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INTERNATIONAL CENTRE FOR
SETTLEMENT OF INVESTMENT DISPUTES

MOBIL INVESTMENTS CANADA INC. *and*
MURPHY OIL CORPORATION,

Claimants.

– *and* –

THE GOVERNMENT OF CANADA,

Respondent.

ICSID Case No. ARB(AF)/07/___

REQUEST FOR ARBITRATION

Pursuant to Article 4 of the Additional Facility Rules, Article 2 of the Arbitration (Additional Facility) Rules and Articles 1116(1), 1117(1) and 1120(1)(b) of the North American Free Trade Agreement (“NAFTA”), Mobil Investments Canada Inc. and Murphy Oil Corporation (together, the “Claimants”), on their own behalf and on behalf of their enterprises ExxonMobil Canada Properties, ExxonMobil Canada Hibernia Company Ltd., Murphy Oil Company Ltd. and Murphy Atlantic Offshore Oil Company Ltd., hereby respectfully request approval of access to the Additional Facility and institution of arbitration proceedings concerning the claims stated herein.

I. INTRODUCTION

1. When it entered into the NAFTA in 1994, Canada undertook a specific obligation with respect to petroleum development projects off the coasts of Newfoundland and Labrador. At that time, Canada had in place a local content

requirement for such projects that was contrary to the NAFTA's prohibition of performance requirements. Canada's treaty partners allowed it to keep the local content requirement that existed in 1994, but they did so based on Canada's explicit obligation not to put into place any new local content requirement or make the one existing in 1994 more restrictive.

2. Ten years later, Canada breached that obligation. In November 2004, the Canada-Newfoundland Offshore Petroleum Board adopted Guidelines for Research and Development Expenditures (the "Guidelines") that require investors in offshore petroleum projects to pay millions of dollars per year for research and development in the Province of Newfoundland and Labrador. The Guidelines require investors to pay into a fund any moneys assessed that could not be spent on research and development. The new Guidelines thus assure that, regardless of whether there is any commercial need for such expenditures or whether there are sufficient resources in the Province to absorb them, investors will have to pay out millions every year.

3. The Guidelines are far more restrictive than the local content measures that existed in 1994. Those measures, which were adopted by the Board, required research and development expenditures in the Province, but did not specify any fixed amount. They therefore left it to the investors to decide how much to spend based on commercial need, resources available in the Province and what appeared reasonable under the circumstances. The expenditures required by the new Guidelines are several times greater than those made under the 1994 regime.

4. The Guidelines violate the NAFTA's prohibition of performance requirements and breach Canada's specific undertaking with respect to petroleum projects off the coasts of Newfoundland and Labrador. If not rescinded, the Guidelines' violation of the NAFTA will cause damage in excess of \$60 million to Claimants and their enterprises over the life of the projects.

II. THE PARTIES

A. The Claimants

5. Claimant Mobil Investments Canada Inc. is a corporation organized under the laws of the State of Delaware, United States of America. It functions as a holding company for the ExxonMobil group's investments in Canada. Its principal place of business is:

800 Bell Street
Houston, Texas 77002
United States of America

6. Claimant Murphy Oil Corporation is a corporation organized under the laws of the State of Delaware, United States of America. It functions as a holding company for Murphy Oil Corporation's investments in Canada. Its principal place of business is:

200 Peach Street
El Dorado, Arkansas 71730
United States of America

7. Through intermediary holding companies, each of the Claimants controls interests in two petroleum development projects off the coasts of Newfoundland and

Labrador: the Hibernia and Terra Nova projects. Those interests are directly held by the following four enterprises on whose behalf this Request is submitted: ExxonMobil Canada Properties; ExxonMobil Canada Hibernia Company Ltd.; Murphy Oil Company Ltd.; and Murphy Atlantic Offshore Oil Company Ltd.

8. ExxonMobil Canada Properties is a partnership organized under the laws of the Province of Alberta, Canada. Its principal place of business is:

237 4th Avenue S.W.
P.O. Box 800
Calgary, Alberta T2P 3M9
Canada

Claimant Mobil Investments Canada Inc. indirectly owns and controls this enterprise.

9. ExxonMobil Canada Hibernia Company Ltd is a corporation organized under the laws of Canada (the Canada Business Corporations Act). Its principal place of business is:

237 4th Avenue S.W.
P.O. Box 800
Calgary, Alberta T2P 3M9
Canada

Claimant Mobil Investments Canada Inc. indirectly owns and controls this enterprise as well.

10. Murphy Oil Company Ltd. is a corporation organized under the laws of Canada (the Canada Business Corporations Act). Its principal place of business is:

1700, 555-4th Avenue S.W.
P.O. Box 2721, Station M
Calgary, Alberta T2P 3Y3
Canada

Claimant Murphy Oil Corporation owns and controls this enterprise.

11. Murphy Atlantic Offshore Oil Company Ltd. is a corporation organized under the laws of Canada (the Canada Business Corporations Act). Its principal place of business is:

1700, 555-4th Avenue S.W.
P.O. Box 2721, Station M
Calgary, Alberta T2P 3Y3
Canada

Claimant Murphy Oil Corporation indirectly owns and controls this enterprise.

12. The Hibernia project is operated by the Hibernia Management and Development Company Ltd. ExxonMobil Canada Properties owns a 28.125% interest in the Hibernia project, while ExxonMobil Canada Hibernia Company Ltd. owns a 5% interest and Murphy Atlantic Offshore Oil Company Ltd. owns a 6.5% interest.

13. The Terra Nova project is operated by Petro-Canada. ExxonMobil Canada Properties owns a 22% interest in the Terra Nova project, while Murphy Oil Company Ltd. owns a 12% interest.

B. The Respondent

14. Canada is a sovereign State and a Party to the NAFTA. Although it signed the ICSID Convention in December 2006, it has not yet deposited an instrument of ratification, acceptance or approval of the convention.

15. Under Article 1137(2) of the NAFTA, delivery of notices and documents to the Government of Canada shall be made to the following address:

Office of the Deputy Attorney General of Canada
284 Wellington Street
Ottawa, Ontario
K1A 0H8
Canada

16. The following have been principal points of contact within the Government of Canada as concerns this matter:

Mr. Gilles Gauthier
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International Trade Canada
125 Sussex Drive
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meg.kinnear@international.gc.ca
sylvie.tabet@international.gc.ca

III. THE AGREEMENT TO ARBITRATE

17. The text of the agreement to refer this dispute to arbitration is set forth in the NAFTA. In Chapter Eleven of that treaty, Canada made a unilateral offer to submit to arbitration claims for breaches of a substantive obligation of the chapter. The Claimants have accepted Canada's offer, thus forming the agreement to arbitrate between the parties to the dispute.

18. Article 1120(1) of the NAFTA states that, "provided that six months have elapsed since the events giving rise to a claim, a disputing investor may submit the claim to arbitration under . . . the Additional Facility Rules of ICSID, provided that either the disputing Party or the Party of the investor, but not both, is a party to the ICSID Convention." Article 1122(1) provides that "each [NAFTA] Party consents to the submission of a claim to arbitration in accordance with the procedures set out in this Agreement." Further, NAFTA Article 1122(2) states that "the consent given by paragraph 1 and the submission by a disputing investor of a claim to arbitration shall satisfy the requirement of . . . the Additional Facility Rules for written consent of the parties." Article 1121 requires as conditions precedent to submission of a claim to arbitration that certain consents and waivers be provided by the Claimants and their enterprises.

19. Each of the requirements to establish an agreement to arbitrate is met here. *First*, the NAFTA entered into force in 1994 and remains in force between the United States and Canada. (An excerpt from the U.S. State Department publication *Treaties in*

Force (2007) showing that the NAFTA is in effect, as well as a copy of Chapter Eleven of the NAFTA, is attached as **Annex A.**)

20. *Second*, more than six months have elapsed since the Guidelines were adopted in November 2004. The temporal condition stated in Article 1120(1) is therefore met. In addition, more than 90 days have elapsed since the Claimants submitted their notices of intent to Canada. (Documentation of the date of receipt of the notices of intent by the Canadian Government is attached as **Annex B.**)

21. *Third*, each of the Claimants is an enterprise organized under the laws of the United States, and therefore an investor of the United States under the definitions set out in Article 1139 of the NAFTA. (Certificates of good standing issued by the Secretary of State of the State of Delaware are attached hereto as **Annex C.**) The United States is a Contracting State to the ICSID Convention, but Canada is not. The requirement of jurisdiction *rationae personae* of Article 1120(1)(b) of the NAFTA is therefore met.

22. *Finally*, each of the Claimants and their enterprises has provided the requisite consent to arbitration and waiver in the form contemplated by Article 1121. (The consents and waivers are attached hereto as **Annex D.**) The conditions precedent to arbitration imposed by that Article have been met.

23. The annexes to this Request therefore establish and delimit the agreement to arbitrate among the parties.

IV. APPROVAL FOR ACCESS TO THE ADDITIONAL FACILITY

24. The Secretary-General has not yet formally approved the parties' agreement to arbitrate under the Additional Facility Rules. The Claimants hereby request such approval. Each of the requirements of Articles 2(a) and 4(2) of the Additional Facility Rules is met here.

25. As demonstrated in paragraph 21 above, this dispute is one "not within the jurisdiction of the Centre because . . . the State party to the dispute" is not a Contracting State, as required by Article 2(a) of the Additional Facility Rules. In addition, as demonstrated below in Part VI of this Request (Issues in Dispute), the dispute is a legal one that arises "directly out of an investment" in the form of the interests controlled by the Claimants in the Hibernia and Terra Nova projects.

26. Finally, as required by Article 4(2) of the Additional Facility Rules, the Claimants have expressly consented to the jurisdiction of the Centre under Article 25 of the Convention (in lieu of the Additional Facility) in the event that the jurisdictional requirements *rationae personae* of that Article shall have been met at the time when proceedings are instituted. (The instruments reflecting this consent are included in **Annex D** hereto.)

V. INTERNAL AUTHORIZATION TO MAKE THIS REQUEST

27. Each of the Claimants has taken all necessary internal steps to authorize this request for arbitration. The board of directors of each of the Claimants has considered the matter and issued resolutions authorizing consent to arbitration and

execution of the instruments necessary to make this request. (Resolutions of the boards and additional relevant documentation is included in **Annex D** hereto.) Under Section 141 of the General Corporations Law of the State of Delaware, the business and affairs of a corporation are managed by or under the direction of the board of directors, subject to delegation to officers or other persons. In addition, each of the Claimants has, as reflected in **Annex D**, appointed the undersigned as attorneys in this matter, provided the appropriate notification to the Secretariat pursuant to Arbitration (Additional Facility) Rule 26(1) and specifically authorized the undersigned to file this Request. This Request has been fully authorized in accordance with the law and applicable corporate instruments.

VI. THE ISSUES IN DISPUTE

28. The issues in dispute center around two oil fields off the coast of Newfoundland and Labrador, the regulatory regime applicable to exploitation of those fields, the change in that regime effected by the Guidelines and the breach of the NAFTA resulting from that change. The discussion below addresses each topic in turn.

A. The Fields Off Newfoundland And Labrador

29. The Hibernia and Terra Nova fields off the coasts of Newfoundland and Labrador are in one of the most technologically challenging locations in the world. Rough seas, seasonal conditions of extreme wind and cold along with a constant iceberg threat in winter complicate operations. To reach the productive hydrocarbon reserves deep underneath the seabed, advanced, directional drilling technology was required.

30. The Hibernia field was discovered in 1979. The Terra Nova field was discovered in 1984. They are the two largest oil fields off Canada's east coast.

B. The Accord Acts

31. To create a legal regime for exploitation of these and other offshore fields, in 1985 the Canadian Federal Government and that of the Province of Newfoundland and Labrador entered into a Memorandum of Agreement on Offshore Oil and Gas Resource Management and Revenue Sharing. The Federal and Provincial Governments enacted parallel legislation implementing this agreement, known respectively as the "Federal Accord Act" and the "Provincial Accord Act" and collectively as the "Accord Acts."¹

32. The Accord Acts govern the conduct of petroleum projects in the Newfoundland and Labrador offshore area. They establish the Canada-Newfoundland Offshore Petroleum Board to regulate such projects.² The Board is composed of seven members: three members appointed by the Canadian Federal Government; three members appointed by the Province; and the Chairman of the Board, who is jointly appointed by the Federal and Provincial Governments.³

33. To exploit a field in the area, project operators in the area must obtain a production operations authorization from the Board. The Board can suspend or revoke an

¹ *Canada-Newfoundland Atlantic Accord Implementation Act*, 1987, c. 3 and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, R.S.N.L. 1990, c. C-2.

² *Federal Accord Act*, s. 9; *Provincial Accord Act*, s. 9.

³ *Federal Accord Act*, s. 10; *Provincial Accord Act*, s. 10.

authorization if a company fails to comply with any condition on which the authorization had been granted.⁴

34. An applicant for an authorization must submit a “benefits plan” to the Board for approval.⁵ Benefits plans under the Accord Acts specify the preferences that operators will give to local goods, services and workers.⁶ Benefits plans must also “contain provisions intended to ensure that . . . expenditures shall be made for research and development to be carried out in the Province”⁷ The Accord Acts do not specify any fixed amount or percentage of revenue to be spent on research and development.

C. The Hibernia Project And Approval Of Its Benefits Plan

35. In 1979, when the Hibernia field was discovered, the interest participation in the block was shared among Mobil Oil Canada, Ltd., Gulf Canada Corporation, Petro-Canada Inc., Chevron Canada Resources Ltd. and Columbia Gas Development of Canada Ltd.⁸ In 1985, Mobil Oil Canada, Ltd., as the operator of the project and on behalf of that

⁴ *Federal Accord Act*, s. 138(5); *Provincial Accord Act*, s. 134(5).

⁵ *Federal Accord Act*, s. 45(2); *Provincial Accord Act*, s. 45(2).

⁶ The Accord Acts define a benefits plan as a “plan for the employment of Canadians and, in particular, members of the labor force of the Province . . . for providing manufacturers, consultants, contractors and service companies in the Province and other parts of Canada with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.” *Federal Accord Act*, s. 45(1); *Provincial Accord Act*, s. 45(1).

⁷ *Federal Accord Act*, s. 45(3)(c); *Provincial Accord Act*, s. 45(3)(c).

⁸ Board, *Decision 86.01* at 3.

same group of companies, applied for the exclusive right to develop the oil and gas in the Hibernia oilfield.

36. As part of the application process, the Hibernia project participants submitted a benefits plan and supplementary benefits plan to the Board for approval. The terms of the benefits plan were meticulously negotiated with the Board. The benefits plan contained detailed references to specific pieces of equipment and design engineering that the project participants planned to commission in the Province of Newfoundland and Labrador. The plan contained the following commitment to continue to promote local research and development: “Continue to support local research institutions and promote further research and development in Canada to solve problems unique to the Canadian offshore environment.”⁹

37. The Board approved the Hibernia benefits plan in 1986.¹⁰ In its decision approving that plan, the Board stated that it considered it more effective to “encourage the commitment of the Proponent to a series of basic principles” than to “attempt[] to negotiate specific requirements for the multitude of elements of which the project will consist.”¹¹ The Hibernia development plan was later updated and re-approved by the Board several times and as recently as 2003, but the benefits plan was never amended.¹²

⁹ *Id.*, at 25.

¹⁰ *Id.*

¹¹ *Id.*, at 8.

¹² Board, *Decisions 90.01, 97.01, 2000.01, 2003.01 and 2003.02.*

At no point did the plan contemplate a fixed percentage to be spent on local research and development.

38. In 1990, the Governments of Canada and the Province of Newfoundland and the participants in the Hibernia project entered into a Framework Agreement that, like the benefits plan approved by the Board, contained meticulously negotiated local content requirements. The Framework Agreement contained no requirement or even mention of expenditures on research and development.

39. In the period 1990 through 2003, the participants in the Hibernia project spent over \$100 million on research and development in the Province.

D. The Terra Nova Project And Approval Of Its Benefits Plan

40. The Terra Nova oilfield was discovered in 1984. In 1996, a group of participants consisting of Petro-Canada, Mobil Oil Canada Properties, Husky Oil Operations Ltd., Murphy Oil Company Ltd. and Mosbacher Operating Ltd. applied for the exclusive right to develop the oil and gas in the Terra Nova oilfield.

41. As part of the application process, the Terra Nova project participants submitted a benefits plan to the Board for approval. Like the Hibernia benefits plan, the plan included a commitment to spend money on local research and development, but did not specify a required amount.

42. The Terra Nova benefits plan was approved by the Board in 1997.¹³ In its decision approving the benefits plan, the Board expressly acknowledged that “the relevant provisions of the Accord Acts do not prescribe levels of expenditure,”¹⁴ though some expenditure is required. The Terra Nova development plan was later amended and re-approved by the Board in 2002, but the benefits plan was never amended.¹⁵ At no point did the plan require a fixed percentage to be spent on local research and development.

43. During the period 1997 through 2003, the participants in the Terra Nova project spent over \$7 million on research and development in the Province.

E. Adoption Of The Guidelines In 2004

44. In November 2004, the Board promulgated the new Guidelines. Although entitled “Guidelines,” the Board has made clear that these are requirements. The Board added a new condition to the production operations authorizations for the Hibernia and Terra Nova projects, mandating that “[t]he Operator shall comply with the *Guidelines for Research and Development Expenditures* as issued by the Board November 5, 2004 and with effect from April 1, 2004.”¹⁶ In February 2005, the Board wrote to the Hibernia and Terra Nova project operators “to advise you of [your] current obligations under the

¹³ Board, *Decision 97.02*.

¹⁴ *Id.*, s. 3.5.1.

¹⁵ Board, *Decision 2002.01*.

¹⁶ Board, Production Operations Authorization, Hibernia Management and Development Co. Ltd. (Nov. 2, 2005) and Board, Production Operations Authorization, Petro-Canada (Jan. 27, 2005).

Guidelines.”¹⁷ The Board’s letters stated requirements that the project operators spend in the aggregate over \$27 million for the period April 1, 2004 through December 31, 2005.¹⁸

45. The new Guidelines differ from the requirements under the Accord Acts and the previously approved benefits plans in two ways.

46. *First*, the Guidelines require operators to spend a fixed percentage of revenues on research and development within the Province, instead of allowing the operator to decide how much to spend based on commercial need, resources available in the Province and what appeared reasonable under the circumstances.¹⁹ Given the production levels for Hibernia and Terra Nova, the Guidelines will require the expenditure of millions of dollars per year over and above the levels that would otherwise be spent based on commercial need. The expenditures required by the Guidelines are several times greater than those historically made under the measures existing in 1994.

47. *Second*, the Guidelines establish a research and development fund for unspent amounts, which is nowhere contemplated in the Accord Acts or previously approved benefits plans.²⁰

48. The Guidelines thus assure that, regardless of whether there is any commercial need for or sufficient resources in the Province to absorb the expenditures,

¹⁷ Letters, dated Feb. 18, 2005, from the Board to Hibernia Management and Development Company Ltd. and Petro-Canada.

¹⁸ *Id.*

¹⁹ Board, *Guidelines*, 2004, s. 2.

²⁰ *Id.*, s. 4.2.

project participants will be required to pay out millions of dollars per year in excess of what they would otherwise spend on local research and development. These mandatory levels of expenditure stand in contrast to the measures in existence in 1994, which allowed expenditures on research and development based on commercial need, resources available in the Province and what appeared reasonable under the circumstances.

F. The Guidelines Violate Article 1106(1)'s Prohibition On Performance Requirements

49. The Guidelines violate Article 1106(1) of the NAFTA, which prohibits the imposition of performance requirements. Specifically, that Article prohibits Canada from imposing or enforcing a requirement, in connection with the operation or conduct of an investment, "to purchase, use or accord a preference to goods produced or services provided in its territory, or to purchase goods or services from persons in its territory."²¹

50. The Guidelines require the Hibernia and Terra Nova project participants to spend a fixed percentage of the projects' revenue on local services and goods for research and development. On their face, the Guidelines violate the performance requirement prohibition.

51. The Guidelines further breach the obligation that Canada undertook in including a specific exception for the Federal Accord Act's benefits plans in its Annex I

²¹ NAFTA, U.S.-Can.-Mex., U.S. Gov. Printing Office, *entered into force* Jan. 1, 1994, Art. 1106(1)(c). The performance requirement prohibition applies to *all* investments in Canada, not just those of U.S. or Mexican investors. *See* NAFTA Art. 1101(1) ("This Chapter applies to measures adopted or maintained by a Party relating to: (a) investors of another Party; (b) investments of investors of another Party in the territory of the Party; and (c) with respect to Articles 1106 and 1114, all investments in the territory of the Party").

to the NAFTA. Article 1108(1) of the NAFTA provides that Article 1106 does not apply to:

- (a) any existing non-conforming measure that is maintained by
 - (i) a Party at the federal level, as set out in its Schedule to Annex I or III,
 - (ii) a state or province, for two years after the date of entry into force of this Agreement, and thereafter as set out by a Party in its Schedule to Annex I in accordance with paragraph 2, . . . ;
- (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
- (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Article[] . . . 1106

52. Article 1108(1) has been described as a “ratchet rule.” This means that, as Canada noted in contemporaneous publications, “[a]ll existing, non-conforming measures may not be amended to be made more restrictive in the future, and once liberalized may also not be made more restrictive”²² and the measures listed in Annex I are “subject to a ‘standstill’ (*i.e.*, they can only be liberalized and not made more restrictive).”²³

53. By listing an existing non-conforming measure in Annex I, a NAFTA Party agreed that it would not adopt any new measure of a similar effect or amend the

²² Department of External Affairs, NAFTA, *Canadian Statement on Implementation*, Canada Gazette, Pt. 1 (1994) at 70.

Department of External Affairs and International Trade of Canada, *NAFTA, What's It All About?* (1994) at 62.

existing measure to make it more onerous. Annex I reservations “are to be construed restrictively.”²⁴

54. Recognizing that requiring project operators to spend money on local research and development would amount to a performance requirement prohibited under Article 1106, Canada listed the Federal Accord Act in its Schedule to Annex I.²⁵ In doing so, Canada specifically referenced the benefits plan and research and development expenditure requirements of that Act, which it described as follows:

A “benefits plan” is a plan for the employment of Canadians and for providing Canadian manufacturers, consultants, contractors and service companies with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the benefits plan

The ... *Canada-Newfoundland Atlantic Accord Implementation Act* ... also require[s] that the benefits plan ensure that: ... (b) expenditures be made for research and development to be carried out in the province, and for education and training to be provided in the province

55. The Guidelines cannot be reconciled with the obligation Canada undertook concerning the Accord Acts. The Guidelines are not “existing non-conforming measures” within the meaning of Article 1108(1) because they did not exist in 1994 and could not have been listed in Annex I.²⁶ Nor could they be characterized as an

²⁴ *In re Cross-Border Trucking Services*, NAFTA Secretariat File USA-MEX-98-2008-01, ¶ 237 (Final Report, NAFTA Ch. 20 Panel, Feb. 6, 2001).

²⁵ As the Interpretative Note preceding the Parties’ Schedules explains, the Schedule “sets out, pursuant to Articles 1108(1) (Investment) . . . the reservations taken by that Party with respect to existing measures that do not conform with obligations imposed by: . . . (d) Article 1106 (Performance Requirements)”

²⁶ NAFTA, Art. 1108(1)(a).

amendment to the Accord Acts falling within Article 1108(1), because the Guidelines adopt stricter local content requirements than existed in 1994.²⁷

56. Accordingly, the Guidelines are prohibited performance requirements that are not exempted by Canada's Annex I exception. They violate Canada's obligations under Article 1106(1). In addition, they breach Canada's obligations under Article 1105(1) of the NAFTA.

VII. RELIEF REQUESTED

57. As a result of the actions and breaches of the Government of Canada described above, the Claimants respectfully intend to request an award in their favor,

- a. Finding that Canada has breached its obligations under the NAFTA;
- b. Directing Canada to pay damages in an amount to be proven at the hearing but which the Claimants presently estimate to be in excess of \$60 million over the life of the project;
- c. Directing Canada to pay the Claimants' interest and taxes on all sums awarded;
- d. Directing Canada to pay the Claimants' costs associated with these proceedings, including professional fees and disbursements;
- e. Ordering such other and further relief as the Tribunal deems appropriate in the circumstances.

²⁷ NAFTA, Art. 1108(1)(c).

November 1, 2007

Respectfully submitted,

DEBEVOISE & PLIMPTON LLP



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Canada Inc. and Murphy Oil Corporation*

INTERNATIONAL CENTRE FOR
SETTLEMENT OF INVESTMENT DISPUTES

MOBIL INVESTMENTS CANADA INC. *and*
MURPHY OIL CORPORATION,

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– *and* –

THE GOVERNMENT OF CANADA,

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ANNEXES TO REQUEST FOR ARBITRATION

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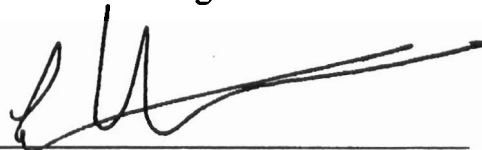
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A	<p>Excerpt from the U.S. State Department publication <i>Treaties in Force</i> (2007) showing that the NAFTA is in effect.</p> <p>Excerpt from the North American Free Trade Agreement (1994) reproducing Chapter Eleven (Investment) in its entirety (available on the website of the United States Trade Representative at http://www.ustr.gov/Trade_Agreements/Regional/NAFTA/NAFTA_Chapter_11_Triilateral_Negotiating_Draft_Texts/Section_Index.html).</p>
B	<p>Letter, dated August 14, 2007, of the Department of Foreign Affairs and International Trade Canada, acknowledging receipt of the Mobil Investments Canada Inc.'s notice of intent by the Canadian Government on August 3, 2007.</p> <p>Letter, dated August 2, 2007, of Murphy Oil Corporation transmitting its notice of intent to the Canadian Government, date-stamped by the Deputy Minister of Justice as received on August 3, 2007 (available on the website of the Department of Foreign Affairs and International Trade Canada at http://www.dfait-maeci.gc.ca/tna-nac/documents/MurphyOilCompany.pdf).</p>
C	<p>Certificate of good standing of Mobil Investments Canada Inc. issued by the Secretary of State of the State of Delaware on October 24, 2007.</p> <p>Certificate of good standing of Murphy Oil Corporation issued by the Secretary of State of the State of Delaware on October 24, 2007.</p>
D	<p>Board of Directors Consent to Action in Lieu of Meeting, dated October 25, 2007, of Mobil Investments Canada Inc., Certification of Resolution Adopted, dated October 26, 2007 and Secretary's Certification, dated October 26, 2007; and Consent and Appointment of Counsel of Mobil Investments Canada Inc., dated October 30, 2007.</p> <p>Resolution of the Management Board, dated October 29, 2007, of ExxonMobil Canada Properties, and Secretary's Certificate, dated October 29, 2007.</p>

Tab	Description
D	Director's Resolution, dated October 29, 2007, of ExxonMobil Canada Hibernia Company Ltd., and Secretary's Certificate, dated October 29, 2007.
	Consent, Waiver and Appointment of Attorneys, dated October 29, 2007, of Murphy Oil Corporation, and Assistant Secretary's Certificate, dated October 29, 2007.
	Consent, Waiver and Appointment of Attorneys, dated October 30, 2007, of Murphy Oil Company Ltd., and Secretary's Certificate, dated October 30, 2007.
	Consent, Waiver and Appointment of Attorneys, dated October 30, 2007, of Murphy Atlantic Offshore Oil Company Ltd., and Secretary's Certificate, dated October 30, 2007.

CERTIFICATION

I am associated with the law firm of Debevoise & Plimpton LLP, counsel for claimants in this matter. In accordance with Administrative & Financial Regulation 30, I respectfully certify that each of the copies of documents listed above is, to the best of my knowledge, information and belief, true and correct. I further state that, for those documents listed above that are extracts, it is my sincere belief that the omission of the remainder of the text does not render the portion presented misleading.



Carmen Martinez Lopez

Executed on November 1, 2007