

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

In the arbitration proceeding between

**PETROCELTIC HOLDINGS LIMITED AND
PETROCELTIC RESOURCES LIMITED**

Claimants

and

ARAB REPUBLIC OF EGYPT

Respondent

ICSID CASE NO. ARB/19/7

**ORDER OF THE TRIBUNAL TAKING NOTE OF THE
DISCONTINUANCE OF THE PROCEEDING**

Members of the Tribunal

The Hon. Ian Binnie, C.C., Q.C., President
Prof. Brigitte Stern, Arbitrator
Dr. Charles Poncet, Arbitrator

Secretary of the Tribunal

Ms. Aïssatou Diop

Date of dispatch to the Parties: September 15, 2020

REPRESENTATION OF THE PARTIES

*Representing Petroceltic Holdings Limited
and Petroceltic Resources Limited:*

Mr. Andrew B. Derman
Mr. Andrew Melsheimer
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Representing Arab Republic of Egypt:

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Counselor Fatma Khalifa
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1. On March 18, 2019, the International Centre for Settlement of Investment Disputes (“ICSID”) received a request for arbitration from Petroceltic Holdings Limited and Petroceltic Resources Limited (the “Claimants”) for the institution of arbitration proceedings under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (the “ICSID Convention”) in respect of a dispute with the Arab Republic of Egypt (the “Request”). The dispute related to concession agreements for the exploration and exploitation of petroleum.
2. On April 4, 2019, the Secretary-General registered the Request pursuant to Article 36(3) of the ICSID Convention and Rules 6(1)(a) and 7(a) of the ICSID Rules of Procedure for the Institution of Conciliation and Arbitration Proceedings (the “Institution Rules”) and notified the Parties of the registration. In the Notice of Registration, the Secretary-General invited the Parties to proceed to constitute an Arbitral Tribunal as soon as possible in accordance with Rule 7(d) of the Institution Rules.
3. In the absence of an agreement between the Parties, the Claimants invoked Article 37(2)(b) of the ICSID Convention with respect to the method of constituting the Tribunal. Subsequently, the Claimants appointed Dr. Charles Poncet, a national of Switzerland, as arbitrator; the Respondent appointed Prof. Brigitte Stern, a national of France, as arbitrator; and the Parties agreed to appoint The Hon. Ian Binnie, C.C., Q.C., a national of Canada, as President.
4. On December 6, 2019, the Secretary-General, in accordance with Rule 6(1) of the ICSID Rules of Procedure for Arbitration Proceedings (the “Arbitration Rules”) notified the Parties that all three arbitrators had accepted their appointments and that the Tribunal was therefore deemed to have been constituted on that date. Ms. Aïssatou Diop, ICSID Legal Counsel, was designated to serve as Secretary of the Tribunal.
5. On December 10, 2019, the Claimants filed a proposal for the disqualification of Prof. Stern. On the same date, the Secretary-General notified the Parties that the proceeding was suspended pending a resolution of the proposal for disqualification.
6. The unchallenged arbitrators established a procedural calendar according to which, the Respondent filed observations on the Claimants’ proposal on January 2, 2020; Prof. Stern

furnished explanations regarding the proposal on January 8, 2020; and each Party filed further observations on the proposal on January 29, 2020.

7. On March 4, 2020, the Parties informed the Tribunal of their agreement to suspend the proceeding for three months. On March 5, 2020, the Tribunal approved the Parties' request for a suspension.
8. On June 4, 2020, the unchallenged arbitrators issued a decision declining the Claimants' proposal for the disqualification of Prof. Stern. The proceeding was thus resumed in accordance with Arbitration Rule 9(6).
9. On June 7, 2020, the Parties requested a further suspension of the proceeding for three months and, on June 8, 2020, the Tribunal approved the Parties' request.
10. By letter of September 8, 2020, the Parties informed the Tribunal that they have reached a settlement agreement and formally requested that the Tribunal take note, in an order, of the discontinuance of the proceeding pursuant to Arbitration Rule 43(1).
11. Arbitration Rule 43(1) provides:

If, before the award is rendered, the parties agree on a settlement of the dispute or otherwise to discontinue the proceeding, the Tribunal, or the Secretary-General if the Tribunal has not yet been constituted, shall, at their written request, in an order take note of the discontinuance of the proceeding.
12. The Parties agreed that the Claimants will bear all costs of the arbitration.

ORDER

13. THEREFORE, in accordance with the Parties' request, and pursuant to ICSID Arbitration Rule 43(1), the Tribunal hereby takes note of the discontinuance of the proceeding.

Dated as of September 15, 2020

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Dr. Charles Poncet
Arbitrator

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Prof. Brigitte Stern
Arbitrator

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The Hon. Ian Binnie, C.C., Q.C.
President of the Tribunal