

MEDIA CONTACT: Kateryna Zasukha
Phone number: +4366565961590
E-mail: press@ascom-sa.com

Kazakhstan's latest frivolous and expensive legal attack on the Statis in Gibraltar fails

Chisinau. May, 27.

On May,25 the Court of Appeal in Gibraltar handed down a judgement rejecting Kazakhstan's appeal against its loss at first instance resulting from its attempt to recognize an English costs order in Gibraltar. This latest waste of Kazakh tax payers' money was put in motion by Marat Beketayev, former Justice Minister (and now advisor to the Prime Minister of Kazakhstan) as part of his campaign to prevent the payment of a Stockholm arbitral award made in favor of the Stati Parties as a result of the illegal expropriation of oil & gas assets by disgraced former Head of the National Security Committee of Kazakhstan, Karim Massimov and his accomplices, Kairat Boranbayev and Timur Kulybayev.

As stated in the judgment: "To date, the ROK [Republic of Kazakhstan] has paid nothing towards either the award or the costs. The ROK has also incurred substantial further costs liabilities to the Stati parties in the Swedish courts as a result of the failure of its several challenges to the validity of the ECT award."

Since 2013, Marat Beketayev has led a campaign to avoid payment of the Stockholm award with the help of a large network of international advisors led by his preferred law firm, the obscure Bolashak Consulting Group.

Anatolie Stati, the President and sole shareholder of Ascom Group commented: "It is sad to see the Ministry of Justice has not yet put an end to Beketayev's fantastically expensive and unavailing legal campaign that seeks to exonerate the kleptocratic behavior of individuals who have become fabulously wealthy at the expense of the Kazakh people. Hopefully they will soon realise that the only people profiting from the hundreds of millions of dollars spent by Kazakhstan on these cases are law firms chosen by Beketayev's team."

Background:

The Stati Parties continue their long-running battle to enforce the Award for Kazakhstan's violations of the investor protection provisions of the Energy Charter Treaty. In December 2013, an SCC arbitration tribunal found that Kazakhstan had violated international law by failing to treat the Stati Parties' investments in Kazakhstan fairly and equitably and awarded the Stati Parties more than USD \$500 million in damages, legal costs, and interest. The Award has since been fully upheld by two tiers of the Swedish judiciary, including twice by the Swedish Supreme Court. The arbitral award has further been recognized in Luxembourg, the Netherlands, the USA and Italy.

The claims originally arose out of Kazakhstan's illegal seizure of the Stati Parties' petroleum operations in 2010. Starting from 1999, the Stati Parties acquired two companies that held idle licenses in the Borankol and Tolkyln fields and Tabyl block in Kazakhstan. They invested more than USD\$1 billion over the ensuing decade to turn the companies into successful exploration and production businesses. By late 2008, the businesses had become profitable and had yielded considerable revenues for the Kazakh state. Just as the Stati Parties expected to start receiving

dividends, more than half a dozen government agencies carried out multiple burdensome inspections and audits of the companies' businesses that resulted in false accusations of illegal conduct directed at the Stati Parties and their Kazakh companies, including criminal prosecutions of their general managers on false pretenses. Kazakhstan's actions challenged the Stati Parties' title to their investments, subjected them to hundreds of millions of dollars in unwarranted tax assessments and criminal penalties, and ultimately led to what the SCC found to be the unlawful seizure and nationalization of their investments by Kazakh authorities in July 2010.