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Ciudad de México, 06600
Estados Unidos Mexicanos

June 21st, 2021

Re: Notice of Intention to File Claims under the Sweden-México BIT

Dear Sirs:

This notice of intention to submit claims against the United Mexican States (“México”) to arbitration is sent pursuant to Article 9 of the Agreement between the Government of the Kingdom of Sweden and the Government of the United Mexican States concerning the Promotion and Reciprocal Protection of Investments (the “Sweden-México BIT”) on behalf of myself, [REDACTED] a Swedish national. Through my shareholding in the company Gulf Investments & Services Ltd. (“Gulf”) and my rights as representative of that company, I own and control a vessel (the “Titan 2” or the “Vessel”) that was leased to the Mexican company Oceanografía S.A. de C.V. (“OSA”), as well as the charter agreement for the Vessel and equipment on the Vessel.

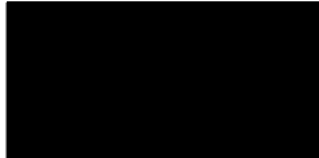
I have suffered considerable losses due to México’s breaches of its obligations under the Sweden-México BIT. After OSA’s assets were put under receivership, the Titan 2 fell under the control of México’s state organ, the Servicio de Administración y Enajenación de Bienes (the “SAE”). However, the SAE failed to administer and conserve the Vessel in accordance with Mexican law and public international standards. When the SAE finally released control of the Titan 2 on July 5, 2017, it failed to compensate Gulf or myself for the losses suffered as a result of México’s arbitrary, discriminatory and unreasonable conduct, even though it was required to do so. Worse still, México did not release the Vessel to me or Gulf, its rightful owners pursuant to the applicable charter leases, and instead released the Vessel to OSA. These actions destroyed the value of Gulf and consequently the value of my shares in the company, whose sole asset was the Titan 2 and the value Gulf generated from leasing the Vessel.

While I wish to resolve this dispute amicably, I am prepared to file claims under Article 9 of the Sweden-México BIT. With this notice of intent, I formally accept México’s offer to arbitrate under Article 11 of the Sweden-México BIT, perfecting the offer of consent by México

under the Sweden-México BIT, and put México on notice that I intend to submit claims to arbitration. Below, in accordance with Article 9(3) of the Sweden-México BIT, I identify in summary form (I) my name and address, (II) the issues and factual basis for my claims, (III) the obligations breached by México under the Sweden-México BIT, and (IV) the relief I will seek in arbitration.

I. THE DISPUTING INVESTOR

I [REDACTED] may be reached at the following address:



II. FACTUAL BASIS FOR THE CLAIMS

I incorporate herein the facts set forth above. I am the founder and current shareholder in Gulf, a company created to hold and lease the Vessel. I also founded and controlled, both in practice and through a full power of attorney, Baltic Offshore Marine Contractors AB (“Baltic”). Baltic is a liquidated Swedish company whose shares were held by my daughters, who are both Swedish citizens. Baltic initially chartered the Vessel from the Ukrainian company Chernomorneftegaz. On October 1, 2013, Gulf obtained the Vessel and its charter arrangement with OSA pursuant to a Re-Let and Succession as Owner Agreement with Baltic. On May 30, 2013, Gulf also purchased equipment for the Vessel for USD 14.7 million.

In early 2014, México’s public prosecutor, the *Procuraduría General de la República* (or PGR), seized the assets of OSA in the context of an ongoing criminal investigation and ordered the SAE to take control of OSA and its assets – including the Titan 2, which was under charter by OSA. Under Mexican law, the SAE is obliged to *inter alia* (i) conserve seized items in the state in which they were received by the SAE so that they may be returned in the same condition, (ii) insure the assets in its possession against damages, and (iii) obtain the necessary authorization (i.e. class certification) to allow a vessel to operate legally.

México’s SAE, however, did none of those things. In addition, it failed to make payments to Gulf while it had possession and control of the Vessel and allowed the Titan 2 to fall into total disarray.

On July 5, 2017, the SAE relinquished control over the Vessel and delivered it to OSA. By that time, the Vessel, however, had been destroyed, having sustained severe damage due to years of total neglect by the SAE. Moreover, the SAE failed to meet its obligation to compensate Gulf for any damages that Titan 2 incurred during its administration and – even then – never returned the Titan 2 (or its equipment) to Gulf or me. As noted, these actions by México destroyed the value of Gulf and consequently the value of my shares in the company.

These are clear breaches of México's obligations under the Sweden-México BIT. They have caused me significant damages, as my company, Gulf, has now lost all of its value, for which I must be compensated.

III. MÉXICO'S BREACHES OF ITS OBLIGATIONS UNDER THE SWEDEN-MÉXICO BIT

México, by and through the actions of its organs, instrumentalities, and officers, has breached its obligations under Sweden-México BIT, including its obligation to accord to the investments of investors fair and equitable treatment and not to arbitrarily or discriminatorily impair the management, maintenance, use, enjoyment, or disposal of such investments (Article 2(3)) and not to expropriate the investments of investors (Article 4). It did so by the actions and measures set forth above, including by failing to maintain the Vessel as required under Mexican law or compensate for damage and by failing to return the Vessel to Gulf or me.

IV. RELIEF REQUESTED

I intend to seek full compensation for the damages I have suffered at the hands of México. To date, those damages are at least over USD 50 million. I am amenable to engaging in consultations and negotiations in an effort to settle this dispute amicably, as set forth in Article 9(1) of the Sweden-México BIT. Should México be interested in engaging in any such consultations or negotiations, it should please notify me in writing of its intention to do so within thirty days from the date of this letter and of the specifics of when and where it proposes that such consultations or negotiations take place. Should México not notify me of this intention within the time period set forth above, I will assume that México has no desire to engage in such negotiations or consultations with me.

I reserve the right to amend this Notice and include additional claims and relief as may be warranted and permitted by the Sweden-México BIT.

Sincerely,

