

Translation of letter from KRG to Federal Oil Minister

Mr. Abdul Karim Luaibi Federal Minister of Oil Republic of Iraq - Baghdad

Your Excellency Minister of Oil,

I write on behalf of the Kurdistan Regional Government of Iraq (“KRG”) in relation to the actions taken by yourself and your Ministry that seek to interfere, directly and indirectly, with the KRG’s export of crude oil in accordance with the KRG’s rights, authorities and powers granted to it under the federal constitution and the laws of the Kurdistan Region.

I refer, in particular, to hostile efforts by your Ministry against the KRG and your attempted legal actions against the KRG in Iraqi courts and the threats made by a number of foreign law firms hired by your Ministry, acting on your instruction, against third parties contracted with the KRG and others who may wish to deal with the KRG in the future, apparently based on Ministry’s outlandish interpretation of the 2005 federal Constitution of Iraq, and old centralized laws that ceased to have any effect in Kurdistan Region once the KRG oil and gas law become effective in 2007.

These actions of your Ministry are clearly politically motivated, hostile, illegitimate, and without constitutional basis, and contrary to the fundamental interests of the people of Iraq. These actions of your Ministry are evidence of a deep contempt for the 2005 Constitution, the laws of Iraq, the laws of the Kurdistan Region, and international law.

I would like here to draw your attention to the decision of the Supreme Federal Court dated 24 June 2014, dealing with your request to prevent and stop the export of crude oil by the KRG. This court took its decision unanimously and rejected your request. This Court decision requires you to ensure that your Ministry immediately desists from any further actions to directly or indirectly interfere with the KRG’s export of crude oil and withdraw all of its actions it has taken and to instruct your foreign legal advisors accordingly.

The actions of your Ministry have been unsuccessful so far and will be vigorously resisted by all legal means available to us everywhere. The actions of your Ministry have caused great financial loss and other damage to the KRG, to the people of the Kurdistan Region, and to the people of Iraq.

Finally, please confirm in writing by no later than 15 July 2014 that your Ministry has ceased all such interference, and that no such or similar interference will

resume in the future, and to indicate your willingness to enter into friendly discussion to outstanding matters prior to any more damage to Iraq both internally as well as internationally. Failing to do that, the KRG will bring civil and, where necessary, criminal proceedings against your Ministry and any person, foreign advisor, or any entity conspiring with your Ministry in any forum. These proceedings will be without prejudice to the KRG's substantial existing claims against the federal government with respect to which the federal government has taken no steps to redress.

Yours sincerely,

Ashti Hawrami

Minister of Natural Resources

Kurdistan Regional Government of Iraq