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IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری دعاوی ایران - ایالات متحدہ	
ثبت شد - FILED		
Date	20 OCT 1986	تاریخ
	۱۳۶۵ / ۷ / ۲۸	
No.	133	شماره

CASE NO. 133

CHAMBER TWO

AWARD NO. 261- 133-2

DUPLICATE  
ORIGINAL  
نسخه برابر اصل

SONAT OFFSHORE DRILLING INC.,  
Claimant,

and

NATIONAL IRANIAN OIL COMPANY,  
THE ISLAMIC REPUBLIC OF IRAN,  
Respondents.

AWARD ON AGREED TERMS

1. SONAT OFFSHORE DRILLING INC. (formerly The Offshore Company) and SONAT OFFSHORE INTERNATIONAL S.A. (formerly Offshore International S.A.) on their own behalf (hereinafter collectively referred to as "Claimants") and on behalf of their parents, affiliates and subsidiaries and on behalf of parents, affiliates and subsidiaries of those companies to whom they are successors, whether or not named in the caption of this Case, and NATIONAL IRANIAN OIL COMPANY (hereinafter referred to as "Respondent") have entered into a Settlement Agreement dated 20 August 1986 and filed on 13 October 1986 ("the Settlement Agreement") resolving the matters in dispute between them. Under the terms of the Settlement Agreement, the Claimants and the Respondent have agreed, inter alia, that the Respondent shall pay the Claimants the amount of U.S. \$2,500,000; that the Claimants' rights, benefits, interests and titles to all and any property, claimed in this Case and all the Claimants' property in possession of third persons in Iran shall be considered as transferred to NIOC and that the Claimants and the Respondent shall thereupon release and discharge forever all claims and counterclaims as against one another that were raised or could have been raised in connection with this Case. The Claimants and the Respondent have agreed further that the Claimants shall indemnify the Government of the Islamic Republic of Iran, Iranian entities and instrumentalities against any Claims that may be raised by the Claimants or third persons in connection with the Statement of Claim in this Case and covered by the Settlement Agreement.

2. On 13 October 1986 the Parties filed a Joint Request, signed by representatives of the Claimants on the one hand and the Respondent and the Agent of the Islamic Republic of Iran on the other, for an Arbitral Award on Agreed Terms to be rendered, recording and giving effect to the Settlement Agreement pursuant to Article 34(1) of the Tribunal Rules. Copies of the Joint Request and the Settlement Agreement are attached hereto.

3. Article 6(3) of the Settlement Agreement provides that the Claimants shall deposit with the Tribunal a notarized bill of sale for transfer of all the Claimants' properties remaining and left in Iran, which bill of sale shall be delivered to the authorized representative of NIOC upon the issuance of the Award on Agreed Terms. Such document was deposited by the Claimants with the Tribunal's Registry on 13 October 1986.

4. The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of the Claims Settlement Declaration.

5. The Tribunal accepts the Settlement Agreement in accordance with Article 34 of the Tribunal Rules.


6. For the foregoing reasons,

THE TRIBUNAL AWARDS AS FOLLOWS:

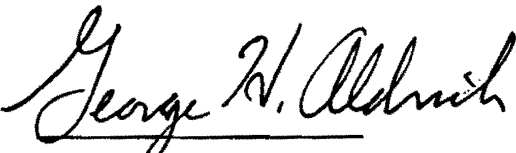
- (a) The Settlement Agreement filed with the Joint Request is hereby recorded as an Award on Agreed Terms, binding on the Parties in full settlement of the entire Case. Consequently, the Respondent NATIONAL IRANIAN OIL COMPANY shall pay SONAT OFFSHORE DRILLING INC. the amount of Two Million and Five Hundred Thousand United States Dollars (U.S.\$2,500,000), which obligation shall be satisfied by payment out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of 19 January 1981.

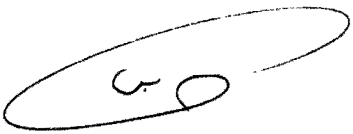
- (b) This Award is hereby submitted to the President of the Tribunal for the purpose of notification to the Escrow Agent.
- (c) The Co-Registrars are hereby instructed to deliver to the authorized representative of the National Iranian Oil Company the bill of sale deposited by the Claimants with the Tribunal's Registry on 13 October 1986.

Dated, The Hague  
20 October 1986

  
\_\_\_\_\_  
Robert Briner  
Chairman

In the name of God,

  
\_\_\_\_\_  
George H. Aldrich

  
\_\_\_\_\_  
Hamid Bahrami-Ahmadi

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IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری و داری ایران - ایالات متحده
ثبت شد - FILED	
Date	13 OCT 1986 ۱۳۶۵ / ۷ / ۲۱
No.	133

IN THE NAME OF GOD

Before  
Iran-U. S. Claims Tribunal  
The Hague  
The Netherlands

Claim No. 133, Chamber 2


JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules of Procedure, Sonat Offshore Drilling Inc., a company organized and existing under the laws of State of Delaware (successor to the Offshore Company) and Sonat Offshore International S.A., a corporation organized and existing under the laws of Panama (formerly known as Offshore International S.A.) both acting for themselves and on behalf of their parents, affiliates and subsidiaries and on behalf of parents, affiliates and subsidiaries of those companies to whom they are successors, whether or not named in the Statement of Claims or other submissions filed by Claimant in Case No.133, hereinafter all collectively called "Claimants", and National Iranian Oil Company and its subsidiaries and affiliates, hereinafter called "NIOC", jointly request that the Iran-U.S. Claims Tribunal ("the Tribunal") issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties.

On *20th August*, 1986, Claimants and NIOC entered into a Settlement Agreement, a copy of which is attached hereto, providing that Claimants will be paid the amount of two million five hundred thousand U.S. dollars (US\$2,500,000)

hereinafter ("the Settlement Amount") in complete, full and final settlement of all disputes, differences, claims and counterclaims now existing or capable of arising, between them and against Iran, Iranian entities, instrumentalities, organizations, institutions or banks in connection with Case No.133 which are the subject matter of the Settlement Agreement.

The undersigned request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms, with payment to Sonat Offshore Drilling Inc. made from the Security Account, and consider and declare as terminated the Case No.133.

 Respectfully submitted,

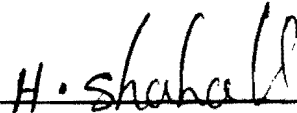
Agent of the Government of  
the Islamic Republic of  
Iran to the Iran-U.S.  
Claims Tribunal

Sonat Offshore Drilling Inc.  
and Sonat Offshore Interna-  
tional S.A. for themselves  
and on behalf of their parents,  
affiliates, subsidiaries, and  
agents, and on behalf of those  
to whom they are successors

By:   
Mohammad K. Estvraigh

Date: Oct 12, 86

National Iranian Oil Company

By:   
H. Shahbald

Date: 20th August, 1986

By:   
Harold R. Gibson  
(As per Powers of Attorney  
attached)

Date: 20th August, 1986

IN THE NAME OF GOD

SETTLEMENT AGREEMENT

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری داری ایران-ایالات متحده
شیت ثبت - FILED	
Date	13 OCT 1986 تاریخ
	۱۳۶۵ / ۷ / ۲۱
No.	133 شماره

This Settlement Agreement made this *20th* day of *August* 1986, by and between the National Iranian Oil Company, organized and existing under the laws of Iran, (hereinafter called "NIOC") which for the purpose of this Settlement Agreement it represents itself, its affiliates and subsidiaries, on the one part, and Sonat Offshore Drilling Inc., a company organized and existing under the laws of the State of Delaware, U.S.A., (successor to The Offshore Company) and Sonat Offshore International S.A. organized and existing under the laws of Panama (formerly known as Offshore International S.A.) both representing, for the purpose of this Settlement Agreement, themselves, their subsidiaries, parents, affiliates, agents, and divisions and parents, subsidiaries, affiliates, agents and divisions of those companies to whom they are successor (whether or not named in the Statement of Claims and other submissions filed by Claimants in Case No.133) hereinafter all collectively called "Claimants", on the other part.

WHEREAS, Claimants directly or on behalf of other companies have raised certain claims as contemplated in the Statement of Claims and other submissions filed with the Iran-U.S. Claims Tribunal ("the Tribunal") under No.133 (hereinafter called "the Statement of Claims") against NIOC, Oil Services Company of Iran ("OSCO"), Iran Pan American Oil Company ("IPAC") and the Islamic Republic of Iran.

WHEREAS, the Islamic Republic of Iran rejected the jurisdiction of the Tribunal, and NIOC, in responding to the

Statement of Claims, has filed its Statement of Defence and Counterclaim;

WHEREAS, Claimants and NIOC have agreed to settle all their claims, counterclaims, disputes and differences outstanding between them and against Iran, Iranian entities, organizations, instrumentalities, institutions, and banks (hereinafter collectively referred to as "Iran") and in general all claims contained in their Statement of Claims and subsequent submissions and their Statement of Defence and Counterclaims, filed with the Tribunal in the manner as contemplated herein;

Now therefore, the Parties agree as follow:

Article 1

The scope and subject matter of this Settlement Agreement is:

- 1.1. To settle and dismiss, forever, all disputes, differences, claims, counterclaims, and matters directly or indirectly, raised or capable of arising out of the relationships, transactions, contracts and occurrences related to and subject matters of the Statement of Claims against NIOC and its agents and its parents, affiliates and subsidiary companies and/or against Iran.
- 1.2. To vest unconditionally and irrevocably, without any incumberance and without the right of any recourse,



and to consider as vested from the time that the rights arose, in NIOC all Claimants' rights to receive, demand and to claim against OSCO and IPAC or against any person that NIOC might find appropriate, including OSCO's parent companies or companies second party to IPAC Joint Structure Agreement, whether as a direct claim or by way of counterclaim. Except for the purpose of assisting NIOC in implementing and executing such rights, Claimants shall have no right to claim against any person in any forum in respect of the aforementioned claims, rights and interests, but Claimants shall not be named as a party in any such future proceedings.

- 1.3. To transfer, irrevocably and without any lien or incumbrance, to NIOC; and to consider as transferred from the time they arose, all Claimants' rights, benefits, interests and titles to all and any property claimed under the Statement of Claims and to all and any Claimants' property in possession of third persons in Iran. Claimants shall provide a notarized bill of sale transferring all such rights, benefits, interests and titles to those properties to NIOC. Such transfers shall be on an "as is, where is" basis.

## Article 2

Claimants and NIOC agreed to submit this Settlement Agreement to be recorded as an Arbitral Award on Agreed Terms.

Article 3

In full, complete and final settlement of all outstanding disputes, differences, claims and counterclaims, pertaining to and arising out of the transactions, occurrences, and relationships raised in or related to the Statement of Claims which are the subject matter of this Settlement Agreement, and in consideration of the covenants, promises, transfers, waivers, withdrawals, releases, dismissals and other agreements contained herein, the sum of two million and five hundred thousand U.S. dollars (US\$2,500,000) shall be paid to Claimants ("the Settlement Amount").

Claimants request and NIOC agrees with such a request that the Settlement Amount be paid to Sonat Offshore Drilling Inc. for and on behalf of Claimants out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

Article 4

- (1) In consideration of the covenants, promises, transfers, waivers, withdrawals and dismissals and other agreements contained in this Settlement Agreement, Claimants, their subsidiaries, affiliates, assigns, transferees, successors, agents and their parent companies (should there be any), hereby release and forever, and with prejudice, discharge NIOC, its subsidiaries, affiliates, assigns, transferees, successors, agents, and its parent companies (should

there be any), and/or Iran from any claims, rights or obligations, past, present or future, or any other matters which have been raised, could have been raised or may in future arise in connection with, related to or arising out of the transactions, occurrences, relationships and subject matters of the Statement of Claims and/or any other past dealings and undertakings, transfers, declarations and waivers which are the scope and subject matter of the Settlement Agreement.

- (2) In consideration of the covenants, promises, transfers, waivers, withdrawals, releases, dismissals and other agreements contained in this Settlement Agreement, NIOC, its subsidiaries, affiliates, assigns, transferees, successors, agents and its parent companies (should there be any) hereby release and forever, and with prejudice, discharge Claimants, their subsidiaries, affiliates, assigns, transferees, successors, agents and their parent companies (should there be any) from any counterclaim, rights or obligations, past, present or future, or any other matters which have been raised, could have been raised or may in future arise in connection with, related to or arising out of the transactions, occurrences, relationships and subject matters of the Statement of Counterclaims and/or any other past dealings and undertakings, transfers, declarations and waivers which are the scope and subject matters of the Settlement Agreement.

Article 5

- (1) Upon the issuance of the Award on Agreed Terms, Claimants shall cause, without delay and with prejudice, all proceedings against NIOC; its subsidiaries, affiliates, assigns, transferees, successors, agents and its parent companies and/or against Iran and/or against all persons named as Respondent or otherwise in the Statement of Claims in all courts, forum or any authority or administrative bodies to be forever dismissed, withdrawn and terminated, and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forum or authority or administrative body, whatsoever, including but not limited to any court in the United States of America or the Islamic Republic of Iran in relation to disputes, differences, claims or counterclaims related to the Statement of Claims or any past dealings which are the scope and subject matters of this Settlement Agreement.
- (2) Upon the issuance of the Award on Agreed Terms, NIOC shall cause without delay all proceedings against Claimants, their subsidiaries, affiliates, assigns, transferees, successors, agents and their parent companies (should there be any) in all courts, forum, or any authority or administrative bodies to be dismissed, withdrawn and terminated, and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forum or authority or administrative body,

whatsoever, including but not limited to any court in the United States of America or the Islamic Republic of Iran in relation to disputes, differences, or counterclaims related to the Statement of Claims or any past dealings which are the scope and subject matters of this Settlement Agreement.

Article 6

- (1) Claimants shall indemnify and hold harmless NIOC, its subsidiaries, affiliates, assigns, transferees, successors, agents and its parent companies (the "indemnified Respondents") and Iran against any claim which Claimants, their subsidiaries, affiliates, assigns, transferees, successors, agents, their parent companies, and their parent's subsidiaries, affiliates, assigns, transferees, successors and agents or third persons may raise or take against the Indemnified Respondents, Iran, and/or against persons named as Respondent or otherwise in the Statement of Claims, in connection with and under the same cause or causes of action contained in the Statement of Claims and undertakings, waivers, transfers and declarations of Claimants which are the scope and subject matter of the Settlement Agreement.
  
- (2) Claimants declare that neither themselves nor any of their directors, officers, employees, agents, subsidiaries, affiliates, and parent companies have any claim of less than two hundred and fifty thousand U.S. dollars (US\$250,000) in relation to, connected with or arising out of contracts, dealings, relationships, transactions and occurrences, had or occurred,

prior to the date of this Settlement Agreement, against NIOC, its directors, officers, employees, subsidiaries, affiliates, agents and parent companies and/or against Iran, and/or against any and all persons named as Respondent or otherwise in the Statement of Claims; and agree that should there be any it will be considered as dismissed, withdrawn, terminated and settled upon issuance of the Award on Agreed Terms.

- (3) Upon the issuance of the Award on Agreed Terms, all titles, rights, benefits and interests of Claimants in properties claimed in the Statement of Claims and/or Claimants' properties in possession of third persons in Iran shall be transferred to NIOC. Such transfers shall be on the "as is, where is" basis. Claimants shall prepare and deposit with the Tribunal, together with this Settlement Agreement, a notarized bill of sale for transfer of all their properties remained and left in Iran and/or properties in third persons possession in Iran. The Tribunal shall deliver the above mentioned document to NIOC upon the issuance of the Award on Agreed Terms.

#### Article 7

- (1) NIOC shall indemnify and hold harmless Claimants, their subsidiaries, affiliates, assigns, transferees, successors, agents, and Claimants' parent companies, (the "Indemnified Claimants") against any counterclaim which NIOC, its subsidiaries, affiliates, assigns,

transferees, successors, and agents may raise or take against the Indemnified Claimants in connection with and under the same cause or causes of action contained in the Statement of Counterclaims and undertakings, waivers and declarations of NIOC which are the scope and subject matters of the Settlement Agreement.

- (2) In this Settlement Agreement dues of Sonat Offshore International S.A. ("Offshore") for Iranian tax and Social Security Organization premiums and labour court decisions in Iran against Offshore Iranian personnel related to the Contracts with OSCO and IPAC are taken into consideration. Therefore, NIOC agrees that all counterclaims for Iranian tax and SSO premiums and labour court decisions in Iran in connection with the above-mentioned contracts will be paid or otherwise satisfied by NIOC. Offshore shall be deemed to be released from the above-mentioned Iranian tax, SSO liabilities and labour court decisions upon the issuance of the Award on Agreed Terms.

#### Article 8

Upon the issuance of the Award on Agreed Terms, the obligations, declarations, releases, waivers, withdrawals, dismissals, transfers of rights, interests, benefits, and titles in properties and the transfer of interests, rights and claims contained and referred to in this Settlement Agreement shall become self-executing. After the issuance of the Award on Agreed Terms by the Tribunal no further documents need to be executed in implementing the provisions of this Settlement Agreement.

Article 9

Upon the issuance of the Award on Agreed Terms, Claimants and NIOC shall waive any and all claims for costs (including attorney's fees) arising out of or related to the arbitration, prosecution or defence of the claims or counterclaims asserted before the Iran-U.S. Claims Tribunal, United States courts or elsewhere with respect to matters involved in the Statement of Claims, or other claims which are the scope and subject matters of this Settlement Agreement.

Article 10

It is agreed that this Settlement Agreement is made in the spirit of out of court private settlement of disputes, that it shall be null and void if not approved by the Tribunal and that it shall not affect any position of the Parties or Iran in any matter other than the Case No.133 (the Statement of Claims). The Parties further agree that they shall not use, or cause any other person to use this Settlement Agreement in the prosecution or defense of any other case(s) before the Iran-U.S. Claims Tribunal or any other forum, except that the Parties may use this Settlement Agreement for the sole purpose of implementing its terms.

Article 11

Unless otherwise agreed upon between the Parties hereto, this Settlement Agreement shall become null and void if not approved by NIOC's authorities in Iran and filed with the Tribunal by NIOC within 60 days from the date hereof.



Article 12

For the purpose of construction and interpretation of the Settlement Agreement the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

Article 13

The representatives of the Parties hereto hereby expressly declare that they are duly empowered to sign this Agreement.

Article 14

This Agreement (in four originals) has been written and signed in both languages of Farsi and English and each text shall have the same equal validity.

National Iranian Oil  
Company

Sonat Offshore Drilling Inc.,  
and Sonat Offshore International S.A., for themselves and on behalf of their parents, subsidiaries, affiliates, agents, and on behalf of those to whom they are successors

By: H. shaher By: Hamid Reza Dabiri  
(As per Powers of Attorney attached)

Date: 20th August, 1986

Date: 20th August, 1986