

ORIGINAL DOCUMENTS IN SAFE

Case No. 155

Date of filing: 15 7 87

** AWARD - Type of Award _____
- Date of Award _____
_____ pages in English _____ pages in Farsi

** DECISION - Date of Decision _____
_____ pages in English _____ pages in Farsi

** CONCURRING OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** SEPARATE OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** DISSENTING OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** OTHER; Nature of document: Correction to Award
(English text).

- Date 15 7 87
3 pages in English _____ pages in Farsi

IRAN-UNITED STATES CLAIMS TRIBUNAL

DUPLICATE
ORIGINAL

نسخه برابر اصل

دیوان داوری دعوی ایران - ایالات متحدہ

CASE NO. 155
CHAMBER THREE
AWARD NO. 308-155-3EXXON RESEARCH AND
ENGINEERING COMPANY,
Claimant,
andNATIONAL IRANIAN OIL COMPANY,
BANK MARKAZI IRAN,
and
THE GOVERNMENT OF IRAN,
Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری دعوی ایران - ایالات متحدہ
ثبت شد - FILED	
Date	15 JUL 1987 ۱۳۶۶ / ۴ / ۲۴
No.	155

CORRECTION TO AWARD

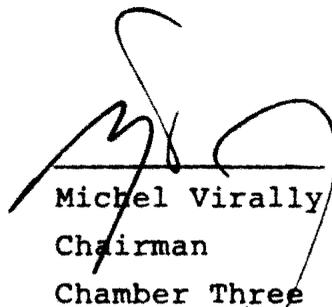
The following corrections are hereby made in the English version of the Award in this Case filed on 9 June 1987.

At page 11, paragraph 27, line 7, "Article VII" is changed to "Article VIII".

At page 14, paragraph 35, line 13, "Article VIII" is changed to "Article XI".

A copy of the corrected pages is attached.

Dated, The Hague,
15 July 1987



Michel Virally
Chairman
Chamber Three

In the name of God



Carl F. Salans



Parviz Ansari Moin

Agreement and the departure of Exxon Research's personnel without NIOC's approval was a unilateral decision amounting to an abandonment of the work, which "disqualifies Exxon to receive any payment." NIOC concedes that it instructed Exxon Research's personnel to "stay away" from the laboratories during certain civil disturbances, but argues that this statement cannot be interpreted as allowing the personnel to depart from Iran. NIOC denies that force majeure conditions existed justifying the departure of Exxon Research's personnel from Iran.

27. According to NIOC, the departure of Exxon Research's personnel from Iran was so material a breach that it constituted a termination of the Agreement as of 7 December 1978 when, according to NIOC, Exxon Research departed from Iran. In this respect NIOC points to Article XI of the Research Agreement which states that "no further payment under Article VIII shall accrue on or after termination," and concludes that no further payment can be owing. NIOC refers in support to the terms of Dr. Badakhshan's letter of 29 January 1979 which states, ". . . the said Agreement has been rendered inoperative due to the departure of ER & E experts from Iran" NIOC denies that the Parties agreed to terminate the Research Agreement as of 18 January 1979, since the departure from Iran of Exxon Research's personnel without its approval already terminated the Agreement.

28. NIOC further argues that no payment is due to Exxon Research for the second quarter because payment can be only made in consideration of service performed, and that after its departure from Iran, Exxon Research in fact performed no work. NIOC argues that the reports submitted by Exxon Research after the departure from Iran do not justify compensation. NIOC submitted an affidavit of Mr. F. Behbahani, stating that two of the eight reports "are repetition of the findings of research work previously

33. The record further shows that although Exxon Research originally intended to return to Iran at the beginning of January 1979, the situation in Iran worsened, and Exxon Research's inability to resume work in Iran was ultimately acknowledged by NIOC. Since there was no prospect of improvement of the situation in Iran, the Agreement was declared "inoperable." When the Parties acknowledged that performance of Exxon Research's obligations in Iran could no longer be suspended, they elected to treat the Agreement as terminated. This decision was crystallized in the telephone conversation of 18 January 1979, which date the Tribunal determines to be the date of termination of the Agreement.

34. Having determined that the full performance of the Agreement in Iran was suspended by force majeure, that the Agreement was terminated by mutual agreement on 18 January 1979, and that Exxon Research continued to perform such obligations as it could in Italy, the Tribunal's task is now to determine the Parties' financial obligations.

35. The Research Agreement contains no provision governing the circumstances faced in the present instance. The Agreement provides that it "may be terminated by either party nine (9) months after 1 September 1978 and at intervals of three (3) months thereafter on written notice to the other party at least three (3) months prior to the termination date. No further payments under Article VIII shall accrue on or after the termination date." The Tribunal has found that the Agreement was terminated on 18 January 1979, prior to the nine-month time limit contemplated by the Agreement. Therefore, the Tribunal concludes that the termination of the Agreement did not occur pursuant to the provisions of Article XI, which is therefore not applicable.

36. NIOC argues that no work was done after the departure of Exxon Research's personnel from Iran, that the reports