AGREEMENT BETWEEN THE REPUBLIC OF TURKEY AND THE GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Republic of Turkey and the Great Socialist People's Libyan Arab Jamahiriya, hereinafter referred as the Contracting Parties.

Desiring to promote greater economic cooperation between them, particularly with respect to investment by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that agreement upon the treatment to be accorded such investment will stimulate the flow of capital and technology and the economic development of the Contracting Parties;

Agreeing that fair and equitable treatment of investment is desirable in order to maintain a Stable framework for investment and maximum effective utilization of economic resources, and

Having resolved to conclude an agreement concerning the encouragement and reciprocal protection of investments;

Have agreed as follows:

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Article 1.

Definitions

For the purpose of this Agreement;

1. The term "investor" means:

(a) natural persons deriving their status as nationals of either Contracting Party according to its applicable law,

(b) corporations, firms or business associations incorporated or constituted under the law in force of either of the Contracting Parties and having their headquarters in the territory of that Contracting Party;

Who have made an investment in the territory of the other Contracting Party.

2. The term "investment", in conformity with the hosting Contracting Partys laws and regulations, shall include every kind of asset in particular, but not exclusively:

(a) shares, stocks or any other form of participation in companies,

(b) returns reinvested, claims to money or any other rights having financial value related to an investment,

(c) movable and immovable property', as well as any other rights as mortgages, liens, pledges and any other similar rights related to investments as defined in conformity with the laws and regulations of the Contracting Party in whose territory the property is situated,

(d) industrial and intellectual property rights related to investments such as patents, industrial designs, technical processes, as well as trademarks, goodwill, know-how and other similar rights,

(e) business concessions conferred by law or by an investment contract, including concessions to search for, cultivate, extract or exploit natural resources in the territory of each Contracting Party;

Provided that such investments are not in the nature of acquisition of shares less than 10 percent of a company through

stock exchanges which shall not be covered by this Agreement.

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3. The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profit, interest, capital gains, royalties, fees and dividends.

4. The term freely convertible currency means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

5. The term territory means;

a) in respect of the Republic of Turkey; the Turkish territory, territorial sea, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purposes of exploration, exploitation and conservation of natural resources, pursuant to international law.

b) in respect of the Great Socialist Peoples Libyan Arab Jamahiriya; ail the lands which the Great Socialist People's Libyan Arab Jamahiriya has sole jurisdiction thereon, that includes the mere economic area, which includes seabed submarine and the overlying airspace which are all subject to practice of sovereignty rights according to international law.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall in its territory promote as far as possible investments by investors of the other Contracting Party.

2. Investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, or disposal of such investments.

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Article 3. Treatment OfInvestments

1. Each Contracting Party shall admit in its territory investments, and activities associated therewith, on a basis no less favourable than that accorded in similar situations to investments of investors of any third country, within the framework of its laws and regulations.

2. Neither Contracting Party shall in its territory subject investments or returns of investors of other Contracting Party to treatment less favorable than that which it accords to investments or returns of its own investors or to investments or returns of investors of any third State, whichever is the most favorable.

3. Neither Contracting Party shall in its territory subject investors of the other Contracting Party, as regards management, use, enjoyment or disposal of then-investments to treatment less favorable than that which it accords to its own investors or to investors of any third State, whichever is the most favorable.

4. The investors of either Contracting Party remain subject on the territory of the other Contracting Party, to the legislation and to the agreements in force as regards entry and sojourn of aliens. The Contracting Parties shall within the framework of their national legislation facilitate the applications for the entry and sojourn of persons of either Contracting Party who wish to enter the territory of the other Contracting Party in connection with the making and cartying through of an investment.

5. (a) The Provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of any international agreement or arrangement relating wholly or mainly to taxation.

(b) The non-discrimination, national treatment and most-favored nation treatment provisions of this Agreement shall not apply to all actual or future advantages accorded by either Contracting Party by virtue of its membership of, or association with a customs, economic or monetary union, a common market or a free trade area; to nationals or companies of its own, of Member States of such union, common market or free trade area, or of any other third State.

6. The provisions of Article 2 and 3 of this Agreement shall not prevent either Contracting Party from adopting, maintaining, or enforcing any non-discriminatory measures with regard to acquisition of land and real estates, and real rights upon them by the investors of the other Contracting Party.

Article 4. Expropriation

1. Investments shall not be expropriated, nationalized or subject, directly or indirectly, to measures of similar effects except for a public purpose, in a non-discriminatory manner, upon payment of prompt, adequate and effective compensation, and in accordance with due process of law and the general principles of treatment provided for in Article 3 of this Agreement

2. Compensation shall be equivalent to the market value of the expropriated investment before the expropriatory action was taken or became known. Compensation shall be paid without delay and be freely transferable as described in paragraph 2 Article 6.

3. In the event that payment of compensation is delayed, it shall carry an interest at a rate to be agreefl upon by both parties unless such rate is prescribed by law from the date of expropriation until the date of payment.

Article 5. Compensation for Losses

Investors of either Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, insurrection, civil disturbance or other similar events shall be accorded by such other Contracting Party treatment no less favourable than that accorded to its own investors or to investors of any third country, whichever is the most favourable treatment, as regards any measures it adopts in relation to such losses.

Article 6. Repatriation and Transfer

[. Upon fulfillment of all tax obligations, each Contracting Party shall permit in good faith alt transfers related to an investment to be made freely and without delay into and out of its territory. Such transfers include:

(a) returns,

(b) proceeds from the sale or liquidation of all or any part of an investment,

(c) compensation pursuant to Article 4 and 5,

(d) reimbursements and interest payments deriving from loans in connection with investments,

(e) salaries, wages and other remunerations received by the nationals of one Contracting Party who have obtained in the territory of die other Contracting Party the corresponding work permits relative to an investment,

(f) payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which the investment has been made or in any convertible currency at the rate of exchange in force at the date of transfer, unless otherwise agreed by the investor and the hosting Contracting Party.

Article 7. Subrogation

1. If the investment of an investor of one Contracting Party is insured against noncommercial risks under a system established by law, any subrogation of the insurer, which stems from the terms of the insurance agreement, shall be recognized by the other Contracting Party.

2. The insurer is entided by virtue of subrogation to exercise the rights and enforce the claims of that investor and shall assume the obligations related to the investment. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

3. Disputes between a Contracting Party and an insurer shall be settled in accordance with the provisions of Article 8 of this Agreement.

Article 8. Settlement of Disputes between One Contracting Party and Investors of the other

Contracting Party

1. Disputes between one of the Contracting Parties and an investor of the other Contracting Party, in connection with his investment, shall be notified in writing, including detailed information, by the investor to the recipient Contracting Party of the investment. As far as possible, the investor and the concerned Contracting Party shall endeavor to settle these disputes by consultations and negotiations in good faith.

2. If these disputes, cannot be settled in this way within ninety (90) days following the date of the written notification mentioned in paragraph 1, the dispute can be submitted, as the investor may choose, to the competent court of the Contracting Party in whose territory the investment has been made or to international arbitration under;

(a) the International Center for Settlement of Investment Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes Between States and Nationals of other States", in case both Contracting Parties become signatories of this Convention,

(b) an ad hoc court of arbitration laid down under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL).

(c) the Court of Arbitration of the Paris International Chamber of Commerce.

3. Once the investor has submitted the dispute to the one of the dispute settlement procedures mentioned in paragraph 2 of this Article, the choice of one of these procedures is final.

4. Notwithstanding the provisions of paragraph 2 of this Article-,

(a) only the disputes arising directly out of investment activities which have obtained necessary permission, if any, in conformity with the relevant legislation of both Contracting Parties on foreign capital, and that effectively started shall be subject to the jurisdiction of the International Center for Settlement of Investment Disputes (ICSID), in case both Contracting Parties become signatories of this Convention, or any other international dispute settlement mechanism as agreed upon by the Contracting Parties;

(b) the disputes, related to the property and real rights upon the real estates are totally under the jurisdiction of the Contracting Party in whose territory the investment is made, therefore shall not be submitted to jurisdiction of the International Center for Settlement of Investment Disputes (ICSID) or any other international dispute settlement mechanism; and

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(c) With regard to the Article 64 of the Convention on the Settlement of Investment Disputes between States and Nationals of other States:

The Republic of Turkey shall not accept the referral of any disputes arising between the Republic of Turkey and any other Contracting State concerning the interpretation or application of Convention on the Settlement of Investment Disputes between States and Nationals of other States, which is not settled by negotiation, to the International Court of Justice.

5. The arbitration awards shall be final and binding for all parties in dispute. Each Contracting Party commits itself to execute the award according to its national law.

Article 9. Settlement of Disputes between the Contracting Parties

1. The Contracting Parties shall seek in good faith and a spirit of cooperation a rapid and equitable solution to any dispute between them concerning the interpretation or application of this Agreement, In this regard, the Contracting Parties agree to engage in direct and meaningful negotiations to arrive at such solutions. If the Contracting Parties cannot reach an agreement within six months after the beginning of disputes between themselves through the foregoing procedure, the disputes may be submitted, upon the request of either Contracting Party, to an arbitral tribunal of three members.

2. Within two months of receipt of a request, each Contracting Party shall appoint an arbitrator. The two arbitrators shall select a third arbitrator as Chairman, who is a national of a third State. In the event either Contracting Party fails to appoint an arbitrator within the specified time, the other Contracting Party may request the President of the International Court of Justice to make the appointment.

3. If both arbitrators cannot reach an agreement about the choice of the Chairman within two months after their appointment, the Chairman shall be appointed upon the request of either Contracting Party by the President of the

International Court of Justice.

4. If, in the cases specified under paragraphs (2) and (3) of this Article, the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the VicePresident, and if the Vice-President is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the most senior member of the Court who is not a national of either Contracting Party.

5. The tribunal shall have three months from the date of the selection of the Chairman to agree upon rules of procedure consistent with the other provisions of this Agreement. In the absence of such agreement, the tribunal shall request the President of the International Court of Justice to designate rules of procedure, taking into account generally recognized rules of international arbitral procedure.

6. Unless otherwise agreed, ail submissions shall be made and all hearings shall be completed within eight months of the date of selection of the Chairman, and the tribunal shall render its decision within two months after the date of the final submissions or the date of the closing of the hearings, whichever is later. The arbitral tribunal shall reach its decisions, which shall be final and binding, by a majority of votes.

7. Expenses incurred by the Chairman, the other arbitrators, and other costs of the proceedings shall be paid for equally by the Contracting Parties. The tribunal may, however, at its discretion, decide that a higher proportion of the costs be paid by one of the Contracting Parties.

8. A dispute shall not be submitted to an international arbitration court under the provisions of this Article, if the same dispute has been brought before another international arbitration court under the provisions of Article 8 and is still before the court. This will not impair the engagement in direct and meaningful negotiations between both Contracting Parties.

Article 10. Scope of Application

The present Agreement shall apply to investments in the territory of a Contracting Party made in accordance with its laws and regulations by investors of the other Contracting Party before or after the entry into force of this Agreement. However, this Agreement shall not apply to disputes that have arisen before its entry into force.

Article 11. Other Provisions

If the legislation of either Contracting Party or rights or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contain a provision whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favorable than is provided for by the present Agreement, such provision shall, to the extent that it is more favorable, prevail over the present Agreement.

Article 12. Entry Into Force

1. Each Contracting Party shall notify the other in writing of the completion of the constitutional formalities required in its territory for the entry into force of this Agreement. This Agreement shall enter into force on the date of the latter of the two notifications. It shall remain in force for a period of ten years and shall continue in force unless terminated in accordance with paragraph 2 of this Article.

2. Either Contracting Party may, by giving one year's written notice to the other Contracting Party, terminate this Agreement at the end of the initial ten-year period or at any time thereafter.

3. This Agreement may be amended by written agreement between the Contracting Parties. Any amendment shall enter into force when each Contracting Party has notified the other that it has completed all internal requirements for entry into force of such amendment.

4. With respect to investments made or acquired prior to the date of termination of this Agreement and to which this Agreement otherwise applies, the provisions of all of the other Articles of this Agreement shall thereafter continue to be effective for a further period often years from such date of termination.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Agreement.

DONE at Tripoli on the day of November 25* 2009 in duplicate in Turkish, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation of this Agreement, the text in English language shall prevail.

For Industry, Economy and Trade