

AGREEMENT

Between Ukraine and the Great Socialist People's Libyan Arab Jamahiriya on promotion and mutual protection of investments

Signature Date: 23.01.2001 p.

Date of ratification: 26.09.2002 p.

Effective Date: 23.04.2003 p.

The Government of Ukraine and the Great Socialist People's Libyan Arab Jamahiriya, hereinafter referred to as - Contracting Parties

Desiring to develop and strengthen economic cooperation

Intending to work in order to create favorable conditions for investments by investors of one state in another state on the basis of equality and mutual benefit, and

Recognizing that the promotion and reciprocal protection of investments under this Agreement, stimulates business initiatives in this area,

Agree as follows:

Article 1.

Definition

For the purposes of this Agreement:

1. The term "investment" covers any kind of assets invested by an investor of one Contracting Party in the territory of the other Contracting Party under its applicable laws and include, in particular:

(A) ownership of movable and immovable property as well as any other property rights such as mortgages, liens, pledges and similar rights;

(B) shares, stocks and debentures of companies or any other form of participation in a company;

(C) claims to money or any performance having an economic value associated with an investment;

(D) intellectual property rights, including copyrights, trademarks, patents, industrial designs, technical processes, know-how, trade secrets, trade names and goodwill;

(E) any rights having economic value conferred by law or under contract and any licenses and permits pursuant to law, including concessions to search for, extract or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment.

2. The term "investor" means any natural or legal person who invests in the territory of the other Contracting Party:

(A) The term "natural person" means any natural person having the nationality of either Contracting Party in accordance with its laws;

(B) The term "legal person" means any organization, whether registered or constituted or otherwise duly organized under the law of any of the Contracting Parties, including companies, associations, partnerships, corporations and others.

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

4. The term "territory" means in respect of each Contracting Party in the territory under its sovereignty and the sea and submarine areas over which that Contracting Party shall, in accordance with international law, sovereignty.

Article 2. Promotion and Protection of Investments

1. Each Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its territory in accordance with the legislation of the host country investments.

2. Investments of investors of either Contracting Party shall enjoy fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

3. Each Contracting Party resort in its territory to any arbitrary discriminatory measures that may result in injury management, maintenance, use and disposal of investments of investors of the other Contracting Party.

Article 3. Most Favored Nation Regime

1. Each Party shall in its territory accord investments and returns of investors of the other Contracting Party, which is not less favorable than that it accords to investments and returns of investors of any third state.

2. Each Party shall in its territory accord to investors of the other Contracting Party in relation to the management, maintenance, use, enjoyment or disposal of their investments treatment which is fair and equitable and not less favorable than that it accords to its own investors or investors of any other state.

3. The provisions of paragraphs 1 and 2 shall not be construed so as to oblige one Contracting Party to extend to investors of the other the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party arising from:

(A) any customs union or free trade area or a common market or a monetary union or similar international agreements leading to such unions, organizations or other forms of regional cooperation to which either Contracting Party is or may become;

(B) any international agreement or arrangement relating wholly or partially tax regime.

Article 4. Compensation for Losses

1. When investments by investors of either Contracting Party suffer losses owing to war, armed conflict, state of national emergency, revolt, insurrection, riot or other similar events in the territory of the other Contracting Party, they will be given the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favorable than that which the latter Contracting Party to its own investors or investors of any third state.

Compensation that there will be fair and adequate and free perevodytymetsya in freely convertible currency without delay.

Article 5. Nationalisation and Expropriation

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as - expropriation) in the territory of the other Contracting Party except for a public purpose and in accordance with applicable law, discriminatory basis and be accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investment when the expropriation or impending expropriation became public knowledge, shall include interest from the date of expropriation, shall be made without delay, will be effectively realizable and freely transferable in a freely convertible currency.

2. The investor will have the right to prompt review by a judicial or other independent authority of that Contracting Party under its applicable laws, his case and evaluate its investment in accordance with the principles set out in this Article.

3. The provisions of paragraph 1 shall also apply where a Contracting Party expropriates the assets of a company which was

founded by the current in any part of its own territory rights and in which investors of the other Contracting Party own shares.

Article 6. Transfers

1. Each Contracting Party shall ensure and facilitate the transfer of payments related to investments and returns of investors of the other Contracting Party. Such transfers include in particular:

(A) investor capital and additional amounts to maintain or increase investments;

(B) profits, interest, dividends and other current income from investments;

(C) royalties or fees;

(D) funds in repayment of loans;

(E) proceeds from the sale or total or partial liquidation of investments;

(F) the earnings of individuals of each Contracting Party under the laws and regulations of the Contracting Party in which investments have been made.

2. Transfer payments referred to in paragraph 1 of this Article shall be in a freely convertible currency at the official exchange rate applicable on the date of transfer in the territory of the Contracting Party where the investment is made and in accordance with its applicable law.

Article 7. Subrogation

1. Where an investor of one Contracting Party in accordance with the guarantees given to investments in the territory of another Contracting Party was paid compensation, the other Contracting Party is obliged to accept rejection investor, who had recovered all the rights and requirements under applicable law or pursuant to the legal agreement. In this case the other Contracting Party or its designated agency is entitled to exercise such rights and claims on the basis of subrogation in the same amount, which was offset by the investor.

2. Disputes arising between a Contracting Party and insured investor of another Contracting Party shall be settled in accordance with Article 9 of the Agreement.

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

1. Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment shall be settled by mutual agreement through negotiations and consultations between the parties to the dispute, if it is possible.

2. If any dispute between the Contracting Parties can not be settled by mutual agreement during the six months of his written request to settle the investor has to submit the case to the court, in accordance with Article 9 of the Agreement.

Article 9. Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled through consultation or negotiation.

2. If the dispute can not thus be settled within six months from the date of written notification by one Contracting Party to another Contracting Party, it will be submitted to arbitration based on the requirements of either Contracting Party.

3. The arbitral tribunal is created as follows: each Contracting Party shall appoint one member of the court. These two members shall then select a national of a third State, appointed by the Chairman of the Court. Members are appointed by the court within three months, and its Chairman shall be appointed within five months from the date of written notification by one Contracting Party to another Contracting Party intends to submit the dispute to arbitration.

4. If within the period referred to in paragraph 3 of this Article, the appointments have been made, will be invited to the President of the International Court of Justice to make the appointments. If it turns out that he is a citizen of either Contracting Party or if he is otherwise prevented from discharging the said function, shall be invited the Vice President to

make the appointments. If the Vice President is a national of either Contracting Party or prevented from discharging the said function, the member of the International Court of Justice, the most senior who is not a national of either Contracting Party shall be invited to make the appointments.

5. The arbitral tribunal shall reach its decision on the basis of this Agreement, the principles of international law by majority vote. Such decision shall be binding on the Parties.

6. The arbitral tribunal shall determine its own procedure.

7. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; expenses of the Chairman and the remaining costs shall be borne in equal parts by the Contracting Parties.

Article 10. Application of other Rules

1. Where a matter is governed both by this Agreement and by another international agreement to which both Contracting Parties, nothing in this Agreement shall prevent either Contracting Party or any of its investors who own investments in the territory of the other Contracting Party from taking advantage of whichever rules are more favorable in relation to his case.

2. If the treatment to be accorded by one Contracting Party to investors of the other Contracting Party in accordance with its laws and regulations or other specific provisions of contracts is more favorable than that accorded by this Agreement, will be given more favorable.

Article 11. Scope of the Agreement

The provisions of this Agreement shall apply to investments made by investors of one Contracting Party in the territory of the other Contracting Party both before and after the entry into force of this Agreement.

Article 12. Entry Into Force and Duration

1. This Agreement shall be ratified in accordance with applicable domestic law and takes effect from the date of the exchange of written notice of its approval.

2. This Agreement shall remain in force for a period of ten years and will continue automatically for a similar period until one year before the expiry of the initial or any subsequent periods, either Contracting Party notifies the other Contracting Party in writing of its intention to terminate the Agreement or to amend the text.

3. In respect of investments made prior to the termination of this Agreement, this Agreement shall remain in force for a period of ten years from the date of termination.

Done at Tripoli January 23, 2001 in two originals, each in Ukrainian and Arabic languages, all texts being equally authentic.

For the Government of Ukraine

For the Great Socialist People's Libyan Arab Jamahiriya

Yuriy Yekhanurov

Bashir Ramadan Abu Jani

First Deputy Prime Minister

Deputy Secretary for the production of the General People's Committee