AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF TURKMENISTAN ON ENCOURAGEMENT AND MUTUAL PROTECTION OF INVESTMENTS

The Government of the Russian Federation and the Government of Turkmenistan, hereinafter referred to as the Contracting Parties,

Desiring to create favorable conditions for investments by state investors of one Contracting Party in the territory of the state of the other Contracting Party,

Recognizing that the promotion and mutual protection of investments on the basis of this Agreement will stimulate the flow of capital and the development of mutually beneficial trade, economic, scientific and technical cooperation,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement, the following definitions shall mean:

a) "investor":

Any natural person who is a national of a Contracting Party in accordance with its legislation;

Any legal entity created or organized in accordance with the laws of the Contracting Party;

b) "investment" - all kinds of objects of civil rights, which the state invested by the investor of one Contracting Party in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party, and in particular, but not exclusively:

c) Movable and immovable property as well as property rights and other rights having a monetary value; shares, stocks and other forms of equity participation in the capital of commercial organizations, as well as bonds; a claim on the funds invested to create economic value or that have an economic value and associated with Investments;

d) Exclusive rights to intellectual property (copyrights, patents, industrial designs, models, trademarks or service marks, technology, information having a commercial value, and know-how);

e) Right to engage in entrepreneurial activity, provided by the legislation of the Contracting Parties or the agreements concluded in accordance with the laws of the Contracting Parties, including in particular the rights associated with the exploration, development, production and exploitation of natural resources.

No amendment of the investment form does not affect their qualification as investments if such change does not contradict the laws of the State of the Contracting Party in whose territory the investments were made;

2. "income" - money received from investments, and in particular, profits, dividends, interest, royalties, license and other fees;

3. "territory" - territory of the Russian Federation or the territory of Turkmenistan;

4. "legislation" - laws and other normative legal acts of the Russian Federation or the laws and other normative legal acts of Turkmenistan.

Article 2. Scope of the Agreement

This Agreement shall apply to all investments made since January 1, 1992 the state by investors of one Contracting Party in

the territory of the other Contracting Party in accordance with the law of the State of the latter Contracting Party. This Agreement shall not apply to disputes that have arisen prior to its entry into force.

Article 3. Promotion, Admission and Investment Protection

1. Each Contracting Party shall create favorable conditions for investors of the state of the other Contracting Party to make investments in the territory of the state of the first Contracting Party and allow such investments in accordance with the legislation of its state.

2. Each Contracting Party shall, in accordance with the laws of their state provides all the necessary permits for the realization of the other Contracting Party admitted investments of investors.

3. Each Contracting Party shall ensure in its territory in accordance with its legislation full protection of investments and income of investors of the other Contracting Party.

Article 4. Investment Regime

1. Each Contracting Party shall ensure in its territory fair and equitable treatment of investments and returns of investors of the other Contracting Party in respect of the ownership, use and disposal of such investments and income.

2. referred to in paragraph 1 of this Article Mode, should be not less favorable than that accorded by a Contracting Party to investments and returns of investors of its own State or investments and returns of investors of any third state, depending on which of them, according to investor, is more favorable.

3. Each Contracting Party reserves the right to apply and introduce in accordance with the laws of their state exemptions from national treatment provided for in paragraph 2 of this article, in respect of investments and returns of investors of the other Contracting Party, provided that such exemptions do not apply and no administered in a discriminatory manner in comparison with the regime applied or imposed in respect of investments and returns of investors of any third state.

4. The provisions of paragraphs 1, 2 and 3 of this article regarding the most-favored-nation treatment shall not be construed as obliging one Contracting Party to extend to the investments and income of investors of the state of the other Contracting Party the benefits of any regime, preference or privilege that is or may be granted in the future First Contracting Party:

a) in connection with its participation in a free trade area, customs union, monetary union, common market or any similar economic integration entities or any international agreements, leading to the creation of such associations or unions;

b) on the basis of agreements to avoid double taxation or other agreements on taxation.

5. Without prejudice to the provisions of Articles 5, 6 and 9 of this Agreement, no Contracting Party shall be obligated under this Agreement to provide treatment more favourable than that accorded by that Contracting Party in accordance with the Agreement Establishing the World Trade Organization (WTO) dated 15 April 1994, including the commitments to the General Agreement on Services (GATS), trade, and in accordance with any multilateral agreement relating to investment regime, which members of both Contracting Parties.

Article 5. Expropriation

1. Investments by investors of a state of one Contracting Party made on the territory of the state of the other Contracting Party and the income of such investors shall not be directly or indirectly expropriated, nationalized or subjected to measures equivalent in their consequences to expropriation or nationalization (hereinafter - expropriation), except when the expropriation is carried out in the public interest and in accordance with the procedure established by the law of the state of the last Contracting Party, is not discriminatory and is accompanied by the payment of prompt, adequate and effective compensation.

2. The compensation referred to in paragraph 1 of this Article shall correspond to the market value of the expropriated investment and income, calculated on the date immediately preceding the date of expropriation or the date when it became common knowledge about the impending expropriation, depending on what kind of event

Come earlier. Compensation shall be paid without delay in a freely convertible currency and in accordance with Article 7 of this Agreement freely transferred abroad from the territory of the Contracting Party where investments are made. From the date of expropriation until the date of payment of compensation in the amount of compensation shall bear interest at a commercial rate established on a market basis, but not less than six-month LIBOR rate for loans in US dollars.

Article 6. Compensation for Losses

Investors of the state of one Contracting Party whose investments and income are damaged in the territory of the state of the other Contracting Party as a result of war, military operations, revolution, rebellion, civil unrest, the imposition of a state of emergency or other similar circumstances in the territory of the state of the last Contracting Party shall be granted in connection with such damage in respect of restitution, compensation, compensation or other types of settlement, the regime most favorable to those which the last Contracting Party provides to investors of its state or investors of any third state.

Article 7. Transfer of Payments

1. Each Contracting Party shall guarantee to investors of the state of the other Contracting Party, after fulfilment by them of all tax and other obligations stipulated by the legislation of the state of the first Contracting Party, the unhindered transfer of funds abroad in connection with their investments, and in particular, but not exclusively:

a) the initial capital and additional capital used to carry out or expansion investments;

b) income;

c) funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as the accrued interest;

d) funds received by the investor in connection with the partial or total liquidation or sale of investments;

e) funds received by investors as compensation and damages in accordance with Articles 5 and 6 of this Agreement;

e) wages and other remunerations received by the investor and citizens of the other Contracting Party who are allowed to work in the territory of the first Contracting Party in connection with investments.

2. Transfer of funds referred to in paragraph 1 of this Article shall be made without delay in any freely convertible currency at the option of the investor at the market exchange rate applicable on the date of transfer, in accordance with the law of the State of the Contracting Party in whose territory the investments were made.

Article 8. Subrogation

If one Contracting Party or a body authorized by it has provided an investor of its state with a financial guarantee with respect to protection against non-commercial risks arising from investments of such an investor in the territory of the state of the other Contracting Party and made a payment to the investor on the basis of the said guarantee, the last Contracting Party shall recognize the acquisition by the first Contracting Party or a body authorized by her in the procedure of subrogation of all rights and requirements of this investor. At the same time, the rights and requirements of the investor are transferred to the first Contracting Party or its authorized body to the same extent as the investor had at the time of the subrogation.

Article 9. Settlement of Disputes between a Contracting Party and an Investor of a State of the other Contracting Party

1. Disputes between one Contracting Party and an investor of a State of the other Contracting Party arising out of investments of that investor in the territory of the State of the first Contracting Party, including but not limited to disputes regarding the amount, conditions or procedure for payment of compensation and compensation for damage in accordance with Articles 5 and 6 of this Agreement or the procedure for making payments provided for in Article 7 of this Agreement shall be resolved, if possible, by negotiation.

2. If the dispute can not be settled through negotiation within six months from the date of the written request of any party to a dispute to resolve it by negotiation, it may be referred to select an investor for consideration:

a) the competent court of the Contracting Party in whose territory the investments were made;

b) the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, March 18, 1965, to resolve the dispute in accordance with the provisions of this Convention (provided that the Convention entered into force for the States of the Contracting Parties), or in accordance with the Additional Facility Rules of the International Centre for

settlement of investment disputes (if the Convention has not entered into force for both States or the state of one of the Contracting Parties);

c) the arbitration court a1 os established and functioning in accordance with the Arbitration Rules of the International Trade Law of the United Nations Commission (UNCITRAL).

3. The arbitration decision in a dispute under consideration in accordance with this Article shall be final and binding on both parties to the dispute. Each Contracting Party shall ensure in its territory the implementation of such a decision in accordance with its legislation.

Article 10. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations between the Contracting Parties.

2. If the dispute can not be settled within six months from the date of official written request by one of the Contracting Parties to hold talks, at the request of either Contracting Party, he referred to the arbitral tribunal.

3. The arbitral tribunal shall be constituted for each individual case, for which each Contracting Party shall appoint one member of the arbitration tribunal within two months from the date of receipt by either Contracting Party a written notice from the other Contracting Party for the arbitration. Then, these two members of the arbitral tribunal shall elect a national of a third State who, with the approval of both Contracting Parties shall be appointed Chairman of the arbitral tribunal within one month from the date of appointment of the other two members of the arbitral tribunal.

4. If within the periods specified in paragraph 3 of this Article, the necessary appointments have not been made, in the absence of any other agreement between the Contracting Parties Any Contracting Party may call upon the United Nations International Court of Justice Organization (hereinafter -International Court) to make such appointments. If the President of the International Court of Justice is a national of either Contracting Party or is otherwise unable to discharge the said function, then make the necessary appointments invited the Deputy President of the International Court of Justice. If the deputy chairman of the International Court of Justice is also a national of either Contracting Party or for other reasons, too, can not fulfil that request, then make the necessary appointments offered to the next senior member of the International Court of Justice for him, which is not a national of either Contracting Party and for which there are no other reasons that do not allow him to fulfil this request.

5. The arbitral tribunal shall render its decision by majority vote. This decision is final and binding on the Contracting Parties. Each Contracting Party shall bear the expenses related to the activities of the arbitral tribunal of its own member and of its representation in the arbitration proceedings. The costs associated with the arbitration court Chairman and other expenses The Contracting Parties shall bear in equal shares. The arbitral tribunal may, however, provide in its decision that one of the Contracting Parties shall bear a larger share of spending, and that decision will be binding on both Contracting Parties. The arbitral tribunal shall determine its own procedure.

Article 11. Transparency

1. Each Contracting Party shall promptly publish, or otherwise, communicate to the public information laws of their state, and applied in its territory and the procedures made by administrative and judicial decisions of general application which may affect the investments of investors of the other Contracting Party.

2. Nothing in this Agreement shall be construed as requiring any Contracting Party to publish or otherwise communicate to the public any information, confidential information or information that is private in nature, including those relating to specific investors or investments.

Article 12. Application of other Provisions

If the law of the State of either Contracting Party or international agreements in force between the Contracting Parties contain provisions granting investments of investors of the other Contracting Party treatment more favorable than is provided for by this Agreement, such provisions shall apply in so far as they are more favorable to the investor, subject to the provisions of paragraph 5 of article 4 of this Agreement.

Article 13. Consultations

The Contracting Parties shall, at the request of any of them, consult on matters relating to the interpretation or application

of this Agreement.

Article 14. Entry Into Force and Duration of the Agreement

1. Each Contracting Party shall notify the other Contracting Party of the completion of internal procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last of the two notifications.

2. This Agreement shall remain in force for ten years. In the future, after the end of this period it shall be automatically extended for successive five-year periods, unless either Contracting Party notifies the other Contracting Party at least twelve months prior to the expiry of the period of its intention to terminate this Agreement.

3. This Agreement may be amended by mutual written consent of the Contracting Parties.

4. With respect to investments made prior to the termination date of this Agreement and subject to its application, the provisions of this Agreement shall remain in force for the next ten years after the date of termination of its validity.

Done in Moscow on 25 March 2009 in two originals, each in the Russian and Turkmen languages, both texts being equally authentic. In case of divergence of interpretation of the texts of the Agreement, the text of this Agreement in Russian.

FOR THE GOVERNMENT OF TURKMENISTAN

FOR THE GOVERNMENT OF THE RUSSIAN FEDERATION