



United States Department of State
Washington, D.C. 20520

July 17, 2015

Angela D. Caesar
Clerk of Court
United States District Court
For the District of Columbia
333 Constitution Avenue, N.W.
Washington, D.C. 20001

**re: Hulley Enterprises Ltd., Yukos Universal Ltd., and Veteran Petroleum
Ltd. v. Russian Federation, et al., Case No. 1:14-cv-01996-ABJ**

Dear Ms. Caesar:

I am writing regarding the Court's request for transmittal of summons, notice of suit, petition to confirm arbitration awards and declaration to the Ministry of Foreign Affairs of the Russian Federation pursuant to 28 U.S.C. Section 1608(a)(4) as service upon the Russian Federation as a defendant in the above referenced case. I previously notified you on July 8, 2015 that service had been effected upon the Russian Federation by the U.S. Embassy in Moscow.

Subsequently, the U.S. Embassy in Moscow received a reply from the Russian Ministry of Foreign Affairs in the form of a diplomatic note dated July 15, 2015. I am including a copy of the original diplomatic note in Russian. The U.S. Embassy prepared an informal translation of the note:

The Ministry of Foreign Affairs of the Russian Federation presents its compliments to the Embassy of the United States of America in the Russian Federation and, referring to Embassy's Note CON 2015-021 of June 18, 2015 has the honor of advising as follows.

The awards of the Hague International Court of Arbitration of July 18, 2014, regarding the claims of *Hulley Enterprises LTD*, *Yukos Universal LTD*, and *Veteran Petroleum LTD* against the Russian Federation constitute an unjust and politically motivated act rendered in overt violation of applicable legal provisions and are incompatible with the ideas of the rule of law, independent, impartial and professional international justice.

In this regard the Russian Federation initiated proceedings in the competent court of The Hague with a view to reverse the above awards.

The Hague arbitration tribunal had no jurisdiction to consider the dispute related to decisions taken on the basis of an international agreement to which the Russian Federation is not a party. Moreover, that international agreement does not apply to the above dispute.

Investigating the case, the arbitrators committed numerous gross violations, including denial of the fundamental right to appropriate legal procedure.

In view of the foregoing, the Ministry believes that recognition and enforcement of these awards in the United States would not comply with the letter and spirit of the New York *Convention on the Recognition and Enforcement of Foreign Arbitral Awards* of 1958, and could seriously undermine the credibility of a reputable American court.

The Ministry also considers it appropriate to emphasize that if, in spite of the aspects outlined above, the legal proceedings initiated in the Federal Court for the District of Columbia over recognition and enforcement in the United States of The Hague arbitration awards are supported by U.S. government authorities, US-Russia bilateral relations will once again suffer a heavy blow.

Any attempt to use injunctive remedies or execution measures against Russian property in the USA will be considered by the Russian Federation as grounds for taking adequate and proportionate retaliatory steps in relation to the USA, its citizens, and legal entities.

The Ministry would be grateful if you would bring the contents of this note to the attention of the competent American court.

The Ministry avails itself of this opportunity to extend to the Embassy renewed assurances of its highest consideration.

Should you have any questions regarding this matter, please do not hesitate to contact me at (202) 485-6224.

Sincerely,

A handwritten signature in black ink, appearing to read 'DKL', written over a horizontal line.

Daniel Klimow
Attorney Adviser
Office of Legal Affairs

Enclosures As Stated
cc: Christopher Ryan
Shearman & Sterling LLP
801 Pennsylvania Avenue N.W.
Washington, D.C. 20004