



BIG GREEN RADICALS

# FROM RUSSIA WITH LOVE?

EXAMINING LINKS BETWEEN US ENVIRONMENTAL  
FUNDER AND THE KREMLIN

## EXECUTIVE SUMMARY

On July 30<sup>th</sup> 2014 the United States Committee on Environment and Public Works issued a Minority Staff report titled *“The Chain of Environmental Command: How a Club of Billionaires and Their Foundations Control the Environmental Movement and Obama’s EPA.”* The 92–page report details a dizzy web of “dark money” from foreign investments to the American environmental movement through a foundation called Sea Change Foundation. At one point, the authors identify the limitations of their report:

**While this report sheds significant light on the who and the how, the truly outrageous nature of these complex arrangements are only understood by exploring the why. This report articulates several possible reasons for the convoluted and secretive structure of the far-left environmental movement; yet, at the end of the day, we are still asking – why? Why are members of the Billionaire’s Club going to such extreme lengths to hide their generous support of supposed charitable causes?**

In the below report, we believe we have taken an important step toward answering that question with new information and never-before-identified players and connections.

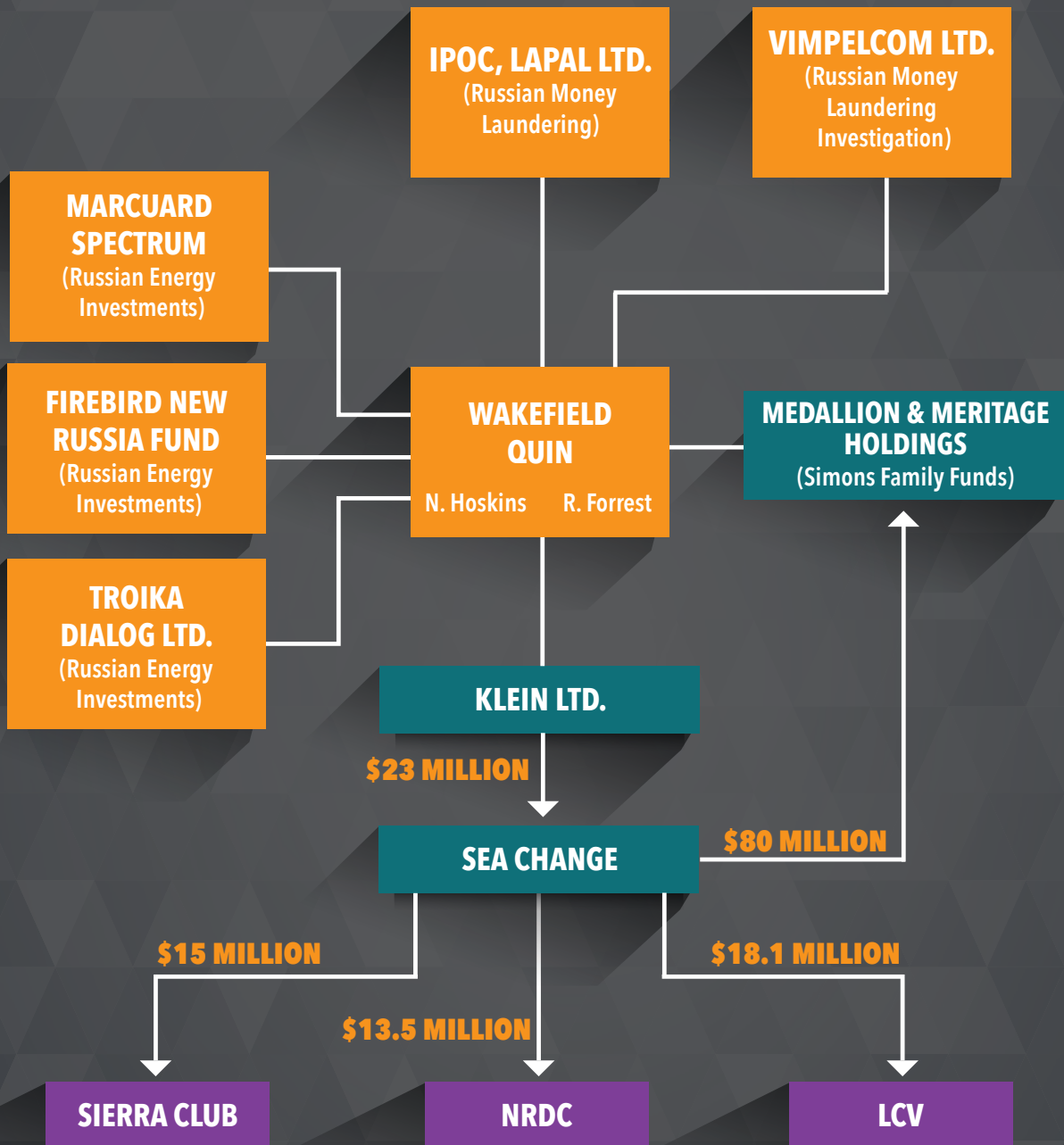
Our report begins where the Senate report ended, with Klein Ltd. Klein Ltd., a corporation that “only exists on paper” and is based out of a Bermuda law firm called Wakefield Quin, gave \$23 million dollars to environmental bundler Sea Change Foundation from 2010 to 2011, which has given tens of millions to other U.S. environmental groups. While it is unclear who is funding Klein, the law firm controlling this shady offshore funder of the U.S. environmental movement has ties to Russian money laundering, a friend and advisor of Vladimir Putin, Russian oil production, and more.

According to its Articles of Incorporation, Klein was formed by two employees of Wakefield Quin (WQ), a Bermuda law firm. A Klein director and WQ senior counsel, along with another WQ senior counsel, have pasts that should be considered questionable at best. Both held directorship positions in a group, owned by Russian minister of telecommunications and longtime Putin friend Leonid Reiman, which was the subject of a 2008 money laundering case. The group was ultimately convicted in British Virgin Islands court.

WQ’s Russian involvement doesn’t stop there. Marcuard Spectrum, a Moscow-based investment firm, operates a hedge fund in Bermuda based out of WQ’s office. Both of the aforementioned WQ lawyers are listed in leadership positions. Further, one of the founders of Marcuard is also the chair of Russian-owned oil giant Rosneft.

There have been significant questions about whether foreign interests—particularly Russian—are funding attacks on U.S. natural gas because it would hurt the Kremlin. Here we have a major foreign funder of the U.S. environmental movement tied through its Bermuda office to Russian money laundering and the Russian government.

# BIG GREEN'S CARIBBEAN CAPERS?



BIG GREEN RADICALS

## KEY PLAYERS

### Sea Change Foundation

Sea Change only lists two donors: Nat Simons and his wife (and his trusts), and Klein Ltd. Sea Change distributed grants to U.S. environmental organizations such as the Natural Resources Defense Council and the Sierra Club, to the tune of \$55 million dollars in 2011. These organizations are involved in advocacy and lobbying against the development of natural gas through the process of fracking.

Sea Change invested over \$80 million dollars in 2011 into Simons-run hedge funds Medallion Investments and Meritage Investments, both also based out of the Wakefield Quin office and operated by WQ senior counsel Roderick Forrest.

### Wakefield Quin

According to its Articles of Incorporation, Klein Ltd. was formed by Nicholas Hoskins and Marlies Smith, both WQ employees.

WQ employees can be intimately involved in the operations of a company. According to Wakefield Quin's website, its corporate services include:

- Providing a registered office for the company (WQ)
- Providing Bermuda resident directors (such as Hoskins)
- Providing a Bermuda resident representative and secretary (Smith)
- Convening statutory and other meetings and providing rooms and other support facilities for meetings
- Preparing and filing documents, as necessary, with the Bermuda authorities (for example, in relation to an increase in the company's authorised share capital)
- **Preparing share transfers, share certificates, proxies, declarations of trust and other miscellaneous documents as may be required from time to time**
- **Acting as share registrar and transfer agent**
- Establishing and maintaining the register of directors and officers, the register of shareholders, the company's minute book and other statutory records
- **Liaising with the company's bankers, managers (where applicable), accountants and auditors and assisting with annual audits of the company**

- Assistance in obtaining Stock Exchange listings
- **Managing the day to day affairs of the company, including, if required and authorised, signing or countersigning cheques and handling correspondence, faxes and telephone call**
- Completing such other duties as the secretary of the company is required by law, or the by-laws, to carry out

## Links to Russia

In digging into the histories and business connections of Hoskins, Smith, and Forrest, we discovered their involvements in two separate investigations into money laundering involving Russian companies and oligarchs.

## IPOC Group Money Laundering

Both Hoskins and Forrest held directorship positions in the “IPOC Group,” owned by Russian minister of telecommunications and longtime Putin friend Leonid Reiman, which was the subject of a 2008 money laundering case.

The group was ultimately convicted in British Virgin Islands court, with a former president of IPOC stating that it was “part of a sophisticated money laundering scheme that has been taking illegitimately obtained money out of Russia and cleaning that money for reinvestment into Russia.” The group had \$45 million in holdings confiscated. (See enclosed source documents.)

## VimpelCom Investigation

The SEC and the Netherlands are currently conducting a criminal investigation into VimpelCom, a Russian telecoms company whose majority shareholder is Alfa Group owner Mikhail Fridman (another close advisor of Putin). The investigation is connected to a broader money laundering and corruption probe involving telecoms in Uzbekistan. VimpelCom Ltd. is based out of WQ’s Bermuda office where Smith acts as its corporate secretary. (See enclosed source documents.)

## Russian Investments

Hoskins, Smith, Forrest, and another WQ administrator, Penny Cornell, also have extensive ties to investments in the Russian energy sector.

- Spectrum Partners Ltd. is a holding company based out of the WQ office where both Forrest and Cornell serve as director and COO of Spectrum Partners, respectively.
- Spectrum “seeks to provide its clients with a broad range of investment opportunities in various geographical regions of the Former Soviet Union.” Included in Spectrum’s portfolio is a fund

called the “Spectrum Russia Absolute Fund,” with 53% of its assets invested in the Russian oil and gas industry.

- In 2002, Spectrum partnered with Marcuard Holdings to form Marcuard-Spectrum, a Moscow-based investment firm to operate hedge funds in Bermuda such as Marcuard Spectrum Ltd (also based out of the WQ office).
- Nicholas Hoskins serves as Director and Vice President of Marcuard Services, a subsidiary of Marcuard Holding Limited alongside the Chairman of Russian state-owned gas company Rosneft in Hans Rudloff. (See enclosed source documents.)
- Nicholas Hoskins also serves as director for the holding company of Russian investment banking firm Troika Dialog. Troika Dialog Holding is one of the largest shareholders in an oil company owned by Russian oligarch Alexander Lebedev.

## CONCLUSION

The evidence as outlined above raises serious questions about the potential for high-level Russian oil and political interests funding attacks on U.S. energy development by the American environmental movement in an effort to diminish international competition for oil production and protect Russian energy interests.



Focusing Locally • Empowering People • Connecting Globally

VimpelCom Ltd.  
Victoria Place, 31 Victoria Street  
Hamilton HM10, Bermuda

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## **NOTICE OF A SPECIAL GENERAL MEETING OF SHAREHOLDERS**

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25 September 2013  
11 am central European time  
The meeting will be held at the following office address:

**Claude Debussylaan 88, 1082 MD Amsterdam, The Netherlands**

**VIMPELCOM LTD.**

**NOTICE OF A SPECIAL GENERAL MEETING  
OF SHAREHOLDERS**

**TO THE SHAREHOLDERS OF VIMPELCOM LTD.**

**NOTICE is given that a special general meeting of the shareholders of VimpelCom Ltd. will be held on 25 September 2013 at 11 am (central European time) at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands to vote upon the following proposal:-**

To approve the adoption by the Company of amended and restated bye-laws of the Company, to supersede in all respects the existing bye-laws of the Company.

If any other matter properly comes before the meeting or any adjournment of the meeting, the persons named in the proxy form and voting instruction for the meeting will vote the shares represented by all properly executed proxies and voting instruction in their discretion.

The supervisory board has set 19 August 2013 as the record date for the special general meeting. This means that only those persons who are registered holders of VimpelCom Ltd. common shares and/or convertible preferred shares at the close of business on that record date will be entitled to receive notice of the special general meeting and to attend and vote at the meeting and any adjournment of the meeting.

Proof of ownership of common shares and/or convertible preferred shares, as well as a form of personal identification, must be presented in order to be admitted to the meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted at the meeting.

This notice should be read in conjunction with the accompanying information.

**By Order of the Supervisory Board**

**Marlies A. Smith  
Secretary**

Dated: 19 August 2013

**Record Date and Voting**

Registered holders of record of VimpelCom common shares and convertible preferred shares will be entitled to vote at the special general meeting or any adjournment or postponement of the meeting. You are the registered holder of record of VimpelCom shares if your VimpelCom shares are registered in your name on VimpelCom's register of members at the close of business on the record date for the meeting, which is 19 August 2013. Holders of record of VimpelCom shares will receive a proxy form from VimpelCom and will be entitled to vote by proxy at the special general meeting. Completed proxy forms must be executed before a notary public and returned to the Company.

Holders of record of VimpelCom American Depositary Shares ("ADSs") will be entitled to instruct the depository as to the exercise of the voting rights attaching to the VimpelCom common shares represented by the holder's VimpelCom ADSs. You are a holder of VimpelCom ADSs if your VimpelCom ADSs are evidenced by physical certificated American Depositary Receipts or book entries in your name, so that you appear as a VimpelCom ADS holder in the register maintained by the depository at the close of business on the record date. If you are a holder of record of VimpelCom ADSs, you will receive a voting instruction from the depository with instructions on how to instruct the depository to vote the VimpelCom common shares represented by your VimpelCom ADSs.

If you hold VimpelCom ADSs through a bank, broker or other nominee (in "street name"), you may receive from that institution a voting instruction form that you may use to instruct them on how to cause your VimpelCom ADSs to be voted.



BRITISH VIRGIN ISLANDS

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
(CRIMINAL JURISDICTION)

Criminal Case No. 12 of 2008

IN THE MATTER OF THE PROCEEDS OF CRIMINAL CONDUCT ACT (NO. 5 OF 1997) OF THE  
LAWS OF THE VIRGIN ISLANDS

BETWEEN:

THE QUEEN

- v -

- (1) IPOC INTERNATIONAL GROWTH FUND LIMITED
- (2) LAPAL LIMITED
- (3) ALBANY INVEST LIMITED
- (4) MERCURY IMPORT LIMITED

Defendants

Appearances:

Mr Hodge M. Malek QC of 4-5 Gray's Inn Square, London with him Mr Terrence F. Williams D.P.P., Ms Tamia N. Richards, Ms Christilyn M. Benjamin and Ms Michelle E. Prattley for the Crown

Mr Andrew Mitchell QC of Furnival Street Chambers, London for IPOC International Growth Fund Limited

Mr Richard Kovalevsky QC of 3 Bedford Row, London for Lapal Limited, Albany Invest Limited and Mercury Import Limited

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2008: April 30, May 01  
2008: May 01, August 20  
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Criminal Law – Money Laundering – Defendants pleaded guilty to perverting the course of justice and furnishing false information contrary to the Criminal Code – Relevant criminal conduct and the benefit derived therefrom – proper case for confiscation order to be made – sections 6, (1) (a), 6 (2), 6 (3), 6 (6), 6 (7), 6 (8), 7 (1)(a), 9 (2), 9 (3), 9 (4), 9 (7), 10 (1), 10 (2), 10 (3), 10 (4) and 10. (8) of the Proceeds of Criminal Conduct Act, No 5 of 1997 referred to.- Unlimited Fines are the only penalty for corporate entities that are guilty of offences under Criminal Code 1997– sections 22 (b), 23 (2) and 24 applied

JUDGMENT

Introduction

- [1] **HARIPRASHAD-CHARLES J:** The British Virgin Islands ("the BVI") is the domiciliary forum to over 850,000 International Business Companies ("IBC's")<sup>1</sup>. This "world" of global commerce brings with it increasing cross-border activities. Consequently, money laundering

<sup>1</sup> As of 20 August 2008, 445,865 of those companies are active.

has given the written notice to the Court, as mandated by section 10 (2) that this is an appropriate case to proceed under section 6 against IPOC<sup>9</sup>.

### **The Defendants**

- [5] The four Defendants are all limited liability companies within the same group of connected companies controlled by a Danish citizen. For convenience, I shall refer to the group as the IPOC Group. The charges relate to offences committed during 2004 and 2005.
- [6] IPOC was incorporated in Bermuda on 19 June 2000 and was classified by the Bermuda Monetary Authority as a collective investment scheme or mutual fund company. It was managed from Bermuda and had banking facilities with the Bermuda Commercial Bank, which also acted as custodian. In 2004 and 2005, its directors were Michael North, David Hauenstein and Roderick Forrest. Vidya Sharma was the first Vice-President of IPOC until October 2003. The main assets of IPOC were interests held directly and indirectly in a major Russian telecoms company, MegaFon. IPOC is subject to a winding up Petition issued by the Government of Bermuda on 12 January 2007 which is scheduled to be heard this year.
- [7] Lapal was incorporated as an IBC in the BVI on 9 April 2001. It was managed from Bermuda and had banking facilities with the Bermuda Commercial Bank. In 2004 and 2005, its directors were Coy Limited and Nicholas Hoskins. The registered agent is AMS Trustees Limited. Lapal made substantial payments to IPOC.
- [8] Albany was incorporated as an IBC in the BVI on 15 May 2002. It was managed from and had banking facilities in the Republic of Cyprus. From 23 March 2004, its directors were Demetrios Demetriades and Harris Demetriades. The registered agent is Trident Trust Company (BVI) Limited. Albany made substantial payments to IPOC.
- [9] Mercury was incorporated as an IBC in the BVI on 17 April 2002. It was managed from and had banking facilities in the Republic of Cyprus. From 23 March 2004, its directors were Demetrios Demetriades and Harris Demetriades. The registered agent is Trident Trust Company (BVI) Limited. Mercury made substantial payments to IPOC.

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<sup>9</sup> See Prosecutor's Statement filed on 30 April 2008.



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## Timan Oil & Gas Plc - First Day of Dealings on AIM

RNS Number:69310

Timan Oil &amp; Gas Plc 28 December 2006

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, REPUBLIC OF SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN TIMAN OIL & GAS PLC First Day of Dealings on AIM 28 December 2006

Timan Oil & Gas Plc ("the Company"), the Russian independent oil and gas exploration and production company, is pleased to announce that, following the publication of its Admission Document on the 22nd of December 2006 ("Admission

Document"), the admission and first dealings of [shares](#) on the AIM Market of the

London [Stock](#) Exchange ("AIM") commences today. The Company's ordinary shares will commence trading at 8am today under the ticker of TMAN.

Highlights- Successful completion of a placing and admission to AIM, which comprised the placing to institutions of approximately 24.04 million new ordinary shares in the Company and approximately 10.63 existing ordinary shares, excluding the over-allotment option, all placed at a price of 76p per share.

This will raise gross proceeds of approximately #18.3 million for the Company (to be used as described below) and #8.0 million for the selling shareholder (in order to repay debt to an international bank). The placing represents 21.4 percent of the Company's issued share capital on admission.- At the placing price the Company will have an initial market capitalisation of approximately #123 million, (or #126 million if the over-allotment option is exercised in full), with a total of 161.8 million shares in issue.- The placing includes an over-allotment option, granted by the

Company and the selling shareholders to Mirabaud Securities Limited and Troika

Dialog (Bermuda) Limited to purchase up to 6.9 million shares (of which up to 2.7 million would be existing shares), representing up to 20 per cent of the number of shares issued in the placing, which is exercisable within 30 days after the admission. Assuming that it is exercised in full, this over-allotment option will represent some 4.2 per cent of the Company's enlarged issued share capital.- The proceeds from the placing are intended to be used for: o development of the principal assets: a) #15.7 million to cover capital and operating expenses at the NGPT Field up to June 2008, and outstanding advisory fees b) #0.4 million for further exploration and appraisal of the KNG Field c) #0.4 million for further seismic studies, pre-drilling works and administrative co-ordination of its Geoterm assets o debt repayment (#0.8 million) o advisory fees and expenses (#1 million).- The nominated adviser to the issue is Strand Partners Limited, the Global Co-ordinator and Joint Bookrunner is Troika Dialog (Bermuda) Limited, and the Broker and Joint Bookrunner is Mirabaud Securities Limited.

Commenting on the placing and admission to AIM, David Herbert, the Company's

Chairman, said: "We are very pleased with the support institutional investors have given to the placing which will enable us to pursue our growth plans, in particular of bringing the NGPT Field into production. The NGPT Field already represents a valuable asset for us, but we believe that this asset and our other interests could provide a further upside for investors. Over the next year, we intend to firm up the reserve base, and this will be a significant step towards becoming a leading independent in the Russian oil and gas industry." - ENDS-

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

Strand Partners Limited and Mirabaud Securities Limited, which are authorised and regulated by the Financial Services Authority, and Troika Dialog (Bermuda)



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Overview of Timan Oil & Gas Plc



## Introduction

Timan is an independent oil and gas exploration and production Company whose principal assets consist of two licences in the Timan-Pechora region of

Northeast European Russia, one over part of the Nizhnechutinskoye field ("NGPT

Field") and the other over part of the Khudayelskoye field ("KNG Field"): \* The NGPT Field is estimated to contain approximately 191 MMbbls of Proved and Probable reserves and approximately 580 MMbbls of Proved, Probable and Possible reserves (source: Miller and Lents Competent Person's Report ("CPR" in the Admission Document); and \* The KNG Field is estimated to contain (on a best estimate basis) approximately 147 MMbbls of Contingent Resources on an unrisks basis (source: "CPR" in the Admission Document).

NGPT has also recently been granted an additional Exploration Licence covering the Timanskiy Area to the west of the NGPT Field. Currently there is insufficient data to make a determination of resource volumes or risk factors for this area.

In addition, through its 80 per cent. ownership of Geoterm, the Company has an interest in two licences over exploration blocks in the Caspian Sea which have an estimated or potential of some 500 MMbbls, undiscounted for risk (source: CPR in the Admission Document). Based on studies to date, Miller and Lents (the

Competent Person) currently accords it a very high risk of failure and suggests that further studies are required.

The Company has also entered into a conditional share purchase agreement to acquire the entire share capital of Yus LLC ("Yus"), which the directors are informed by Alexander Kapalin holds a further three assets in the Timan-Pechora region.

The Company has its headquarters in London and offices in Moscow, Ukhta and

Makhachkala.

## Background and Strategy

The Company was incorporated in England and Wales on 4 February 2005 as a holding vehicle for its two principal operating subsidiaries, namely NGPT and

KNG.

The Company's aim is to become a leading oil and gas producer and consolidator by leveraging its operational expertise and experience in regional acquisitions as well as its long term opportunistic and organic approach to value creation.

The long-term future development strategy for the Company is envisaged to be focused primarily on: \* The development of the NGPT Field into commercial production, initially focused on NGPT I; \* Continuing to increase the Company's asset base through further exploration within the recently granted additional exploration Exploration Licence covering part of the Timanskiy Area and the development of the KNG Field to establish economically recoverable Reserves; \* Exploring the Geoterm Assets for oil and gas resources; and \* Developing new opportunities, including the potential acquisition and development of Yus's assets.

## Directors and Senior Management

The Company has a proven management team with collective expertise in both acquiring licences, developing oil and gas projects and operating in the Former

Soviet Union, Russia in particular.

The Board has experience in independent exploration and production companies and oil majors combined with experience of incorporating Western practices into field development and exploitation as well as Western corporate governance, reporting standards and financial best practice.

The Board is supported by a professional management team.

David Herbert , Non-executive Chairman



David has over 17 years of international investment banking experience and is a

Managing Director and Head of Emerging Europe Corporate Finance at ING. From 1978 to 1989 David worked for BP plc in various roles including that of Planning

Manager for BP Far East in Tokyo and of Business Co-ordinator for Latin America.

From 1970-1978, he was Lecturer in Economics at Brunel University. He has a BA in Economics from Trinity College, Dublin and a PhD in Economics from Brunel

University. David is also a non-executive director of PBN, a strategic communications consultancy firm focusing on Russia, Ukraine and CIS.

Alexander Kapalin, Chief Executive Officer

Alexander has had over 11 years involvement in the Russian independent oil and gas sector. At the present, he is a major shareholder of the Company and is its

Chief Executive Officer. As Chief Executive Officer he has been actively involved in the development of the Company's assets.

Denis Alexandrov, Commercial Director

Denis joined the Board in June 2006 from AIM-quoted Highland Gold Mining, an international resource company with Russian assets, where, from 2003 to 2006 he held the position of Finance Director. Prior to joining Highland Gold, Denis worked in various positions within Alfa Company including that of Director of

Corporate Development, Finance and Control with Crown Resources AG and with

PriceWaterhouseCoopers Energy and Mining Company.

Dmitry Chalov, Chief Financial Officer

Dmitry has worked in a range of finance and strategy functions in the oil and gas industry since 1998 including positions with ABN AMRO and AT Kearney focusing on the Russian oil and gas sector. Dmitry worked for Lukoil between 2001 and 2005, rising to Director, Corporate Finance, where he worked on a number of M&A and restructuring transactions, with a focus on international markets, including the London listing of Lukoil, the strategic investment in

Lukoil by ConocoPhillips and a wider range of financing deals both in the upstream and downstream areas.

Paul Ties, Non - Exec Director

Having trained as a geologist and physicist, Paul has a background in exploration and production geology and also in drilling and production operations. Since 2004, Paul has held the position of General Manager of

KarakudukMunai (Kazakhstan). From 2000 to 2004, Paul was a Vice President -

Subsurface at Nelson Resources Limited an AIM/TSX quoted E&P company. Prior to this assignment with Nelson Resources, Paul worked in Kazakhstan, Russia and the

UK appraising oil fields and exploration prospects for Vitol S.A. and affiliates of Kazkommertzbank in Kazakhstan. Paul is a member of the American Society of

Petroleum Geologists (AAPG).

Frederick Hodder, Non - Exec Director

Fred started his professional career in the 1970s serving in executive positions for several technology companies including Corporate Treasurer at NYSE-listed



Four-Phase Systems Inc. and Chief Financial Officer of Aspect

Telecommunications. In the 1990s he began working in the FSU and held positions as Senior Vice President of the Central Asian-American Enterprise Fund. In 2002, he joined Nelson Resources Limited as CFO. In 2004, he was appointed Chairman of

Chaparral Resources Inc., a SEC registered E&P company with oil and gas production and exploration interests in Kazakhstan. Fred currently serves as a non-executive director for Manor Global Inc., a Canadian Capital Pool

Corporation, and as non-executive director for Baltic Oil Terminals PLC, a company with infrastructure and exploration interests in Russia.

Peter Anclam, Non-Exec Director

A trained geologist, Peter graduated in 1968 from the University of Mineral Oil and Petrochemistry Baku, Azerbaijan, and then joined Erdgas Erdol GmbH (EEG), which since 1994 has been a 100 per cent. subsidiary of Gaz de France (GDF).

From 1999 to 2005, Peter worked on various projects in Russia, Kazakhstan and

Libya as Senior Expert Exploration & Production for Daimler Chrysler Services

Structured Finance in Berlin. He has also managed and represented the interests of Geoconsult Magdeburg GmbH, Magdeburg, in various projects and evaluation tasks, mainly in CIS-countries. In 2002, he joined Select Energy GmbH in Hamburg as Director of Geology and Upstream Projects, responsible for the evaluation and development of new projects in CIS-countries. He has sat on the International

Gas Union Committee. He is a fluent Russian speaker.

Oilfield Production Consultants (OPC) Limited - Corporate Chief Operating

Officer

OPC has been contracted as the corporate COO to the Company, in charge of the site management of its oil fields through to commercial production. Founded in 1987, OPC provides professional services to the energy industry worldwide. OPC has completed several projects in Russia, and has provided consultancy services to oil majors including BP, British Gas, ExxonMobil and ENI. Bill Roberts, who is the President and Principal Engineer in OPC's US office, will provide technical advice and on-site management to the Company. He has 25 years in the oil and gas business with extensive experience gained worldwide. He has worked in areas including the US Gulf Coast, North Sea, South America, South East Asia and Russia (including the Pechora basin), Siberia and Kazakhstan.

All defined and technical terms contained in this announcement are explained in the Definitions and Glossary section in the Admission Document.

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Federation of any securities in the Company or its subsidiaries and is not intended to create or maintain an interest in the Company or any such securities or to facilitate any sale, exchange or other transfer of any such securities in the Russian Federation or to or for the benefit of any Russian person or entity. Any securities of the Company are securities of a foreign issuer under Russian law. No subscription, allotment, sale, exchange or other transfer of any such securities may take place in the Russian Federation or to or for the benefit of any Russian person or entity.

No securities of the Company (including the Ordinary Shares) or any of its subsidiaries, nor a securities prospectus in respect of such securities has been, or is intended to be, registered with the Federal Service for Financial

Markets of the Russian Federation in accordance with the Federal Law of the

Russian Federation "On Securities Market". The information provided in this document is not an offer, or an invitation to make offers, to subscribe for, sell, exchange or otherwise transfer any securities of the Company or any of its subsidiaries in the Russian Federation or to or for the benefit of any

Russian person or entity.

Persons who chose to participate in the Placing ("Placees") are deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions contained in this Appendix, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix.

In particular, each Placee represents, warrants and acknowledges that it:- is a Permitted Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and- is outside the United States and is acquiring the Placing Shares in an 'offshore transaction' (within the meaning of Regulation S under the US Securities Act).

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in the United

States, Canada, Australia, Republic of South Africa, Republic of Ireland or

Japan or in any other jurisdiction in which such offer or solicitation is or may be unlawful and the information contained herein is not for publication or distribution to persons in the United States, Canada, Australia, Republic of

South Africa, Republic of Ireland or Japan or any jurisdiction in which such publication or distribution is unlawful. Persons receiving this Announcement (including, without limitation, custodians, nominees and trustees) must not distribute, mail or send it in, into or from the United States, or use the

United States mails, directly or indirectly, in connection with the Placing, and by so doing may invalidate any related purported application for Placing Shares.

The distribution of this Announcement and the Placing and/or issue of Ordinary

Shares in certain other jurisdictions may be restricted by law. No action has been taken by the Company or the Advisers that would permit an offer of Ordinary Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Advisers to inform themselves about and to observe any such restrictions.



The Advisers have entered into a placing agreement (the "Placing Agreement") with the Company and others, whereby Troika Dialog (Bermuda) Limited and

Mirabaud Securities Limited have, on the terms and subject to the conditions set out therein, agreed to use its reasonable endeavours as agent for and on behalf of the Company to procure Placees for the Placing Shares.

The Placing Shares will be issued credited as fully paid, will be issued subject to the memorandum and articles of association of the Company and will rank paripassu in all respects with the existing Ordinary Shares, including the right to receive any future dividends and other distributions.

Application has been made for Admission and it is expected that dealings in the

Ordinary Shares will commence at 8.00 a.m. on 28 December 2006.

By participating in the Placing, Placees are deemed to have read and understood this Announcement in its entirety and have made an offer for Placing Shares on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

Each Placee's obligations are owed to the Company and to the Advisers. Each

Placee has an immediate, separate, irrevocable and binding obligation, owed to the Advisers, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing price and the number of Placing Shares such

Placee has agreed to subscribe for.

All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing".

#### Conditions of the Placing

The Placing is conditional on the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. The obligations of the Advisers under the Placing Agreement are conditional, inter alia, on: a) The Placing Agreement having become unconditional in all respects and not having been terminated prior to Admission; and b) Admission taking place not later than 8.00 a.m. on 28 December 2006 or such later date as the Company and the Advisers may in their discretion determine;

If (a) any of the conditions contained in the Placing Agreement are not fulfilled or waived by the Advisers by the respective time or date where specified, (b) any such condition becomes incapable of being fulfilled and the

Advisers inform the Company that they will not waive such condition or (c) the

Placing Agreement is terminated in the circumstances specified below, the

Placing will lapse and the Placees' rights and obligations hereunder shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Right to terminate the Placing Agreement" below and will not be capable of rescission or termination by it.

The Advisers may, in their absolute discretion, waive or extend the time for fulfilment of any of the conditions in the Placing Agreement save that the

Advisers will not waive the condition that Admission takes place. Any such extension or waiver will not affect Placees' commitments as set out in this

Announcement.

None of the Advisers nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally.

Right to terminate the Placing Agreement



The Advisers may, at any time before Admission, terminate the Placing Agreement in accordance with the terms of the Placing Agreement in certain circumstances which are usual for a transaction of this nature, including circumstances of force majeure or material adverse changes in the financial markets, as more particularly described in the Placing Agreement.

If the obligations of the Advisers under the Placing Agreement are terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof. By participating in the Placing each Placee agrees with the Advisers that the exercise by the Advisers of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Advisers and that the Advisers need not make any reference to any such Placee and that the Advisers shall have no liability whatsoever to any such Placee (or to any other person whether acting on behalf of a Placee or otherwise) in connection with the exercise of such rights.

#### No Prospectus

No prospectus has been or will be submitted to be approved by the Financial

Services Authority ("FSA") in relation to the Placing and Placees' commitments have been made solely on the basis of the information contained in this Announcement and in the Placing Proof of the Admission Document dated 22

December 2006. Each Placee, by accepting a participation in the Placing, agrees and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Advisers or the Company and neither the Company nor the Advisers will be liable for any

Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### Registration and Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. The Advisers reserve the right to require settlement for and delivery of the Placing Shares to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing has been sent a trade confirmation stating the number of Placing Shares allocated to it, the Placing

Price, the aggregate amount owed by such Placee to Troika Dialog (Bermuda)

Limited or Mirabaud Securities Limited and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with Troika Dialog (Bermuda)

Limited or Mirabaud Securities Limited.

It is expected that settlement will be on a T+3 basis in accordance with the instructions set out in the trade confirmation. Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above prevailing

LIBOR as determined by Troika Dialog (Bermuda) Limited or Mirabaud Securities

Limited. Each Placee is deemed to agree that if it does not comply with these obligations, Troika Dialog (Bermuda) Limited or Mirabaud Securities Limited may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Troika Dialog (Bermuda) Limited or Mirabaud Securities Limited's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall between the net proceeds of such sale and the Placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent



If Placing Shares are to be delivered to a custodian or settlement agent,

Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares (represented by Subscription Shares) are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below be so registered free from any liability to

UK stamp duty or stamp duty reserve tax. No Placee (or any nominee or other agent acting on behalf of a Placee) will be entitled to receive any fee or commission in connection with the Placing.

#### Representations and Warranties

By participating in the Placing each Placee (and any person acting on such Placee's behalf): 1. represents and warrants that it has received this Announcement solely for its use and has not redistributed or duplicated it; 2. represents and warrants that it has relied only on the P Proof Admission

Document and has not received a prospectus or other offering document in connection with the Placing and acknowledges that save for the Admission

Document no prospectus or other offering document has been prepared in connection with the Placing; 3. represents and warrants that it is not entitled to rely on any other information (including, without limitation, any information contained in any management presentation given in relation to the Placing) other than that contained in this announcement (including this appendix); 4. acknowledges that the Ordinary Shares will be listed on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of AIM, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years; 5. acknowledges that none of the Advisers nor any of their parent undertakings and their and their respective subsidiary undertakings and any undertaking in which any of them has a participating interest (as those terms are defined in the Companies Act 1985) and each of their respective current or former directors, officers, employees and agents ("Affiliates") nor any person acting on behalf of the Advisers or their Affiliates has provided, and will not provide it with any material regarding the Placing Shares or the Company other than this

Announcement; nor has it requested the Advisers, any of their Affiliates or any person acting on behalf of the Advisers or any of their Affiliates to provide it with any such information; 6. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that none of the Advisers, nor any of their

Affiliates nor any person acting on behalf of the Advisers or their Affiliates has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee represents, warrants and agrees that it has relied on its own investigation with respect to the Placing Shares and the Company in connection with its decision to subscribe for the Placing Shares and acknowledges that it is not relying on any investigation that the Advisers, any of their Affiliates or any person acting on behalf of the Advisers or their Affiliates may have conducted with respect to the Placing Shares or the Company and none of such persons has made any representations to it, express or implied, with respect thereto. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation; 7. acknowledges that it has not relied on any information relating to the

Company contained in any research reports prepared by the Advisers, any of their Affiliates or any person acting on behalf of the Advisers or their

Affiliates and understands that neither the Advisers, nor any of their

Affiliates nor any person acting on behalf of the Advisers or their Affiliates: (i) has or shall have any liability for public information or any representation; (ii) has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of the Announcement or otherwise; and (iii) makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of the Announcement or otherwise; 8. represents and warrants that it, or the beneficial owner, as applicable, is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it, or the beneficial owner, as applicable, and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which maybe required thereunder and complied with all necessary formalities; 9. represents and warrants that it has the power and authority to carry on the activities in which it is engaged, to subscribe for the Placing Shares and to execute and deliver all documents necessary for such subscription; 10. represents and warrants that it will be the beneficial owner of such Placing

Shares and that the beneficial owner of such Placing Shares will not at the time the Placing Shares are acquired be a resident of the United States, Canada, Australia, Republic of South Africa, Republic of Ireland or Japan; 11. acknowledges that the Placing Shares have not been and will not be registered under the US Securities Act or under the securities laws of any of the States of the United States, or under the securities legislation of the



United States, Canada, Australia, Republic of South Africa, Republic of Ireland or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions; 12. represents and warrants that it is not a resident of, or located in, the

United States and is purchasing the Placing Shares in an 'offshore transaction' in accordance with Regulation S under the US Securities Act; 13. acknowledges (and confirms that each beneficial owner of the Placing Shares has been advised) that the Placing Shares have not been and will not be registered under the US Securities Act or under any applicable State securities laws, nor approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other United

States regulatory authority; 14. represents and warrants that if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations; 15. represents and warrants that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing

Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being subscribed for by it in connection with arrangements to issue depositary receipts or to transfer Placing Shares into a clearance system; 16. represents and warrants that it has complied with its obligations in connection with the prevention of money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2003 (the 'Regulations') and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the

Regulations; 17. represents and warrants that it and any person acting on its behalf is a person falling within article 19(1) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; 18. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA; 19. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to

Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing measure in any member state); 20. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person; 21. represents and warrants that it is a qualified investor as defined in section 86(7) of the FSMA, being a person falling within Article 2.1 (e)(i), (ii) or (iii) of the Prospectus Directive; 22. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA in force from time to time with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom; 23. represents and warrants that it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to participating in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations; 24. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Troika Dialog (Bermuda) Limited and Mirabaud Securities Limited may in their sole discretion determine and it will remain liable for any shortfall below the net proceeds of such sale and the

Placing proceeds of such Placing Shares and may be required to bear any stamp duty for stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf; 25. acknowledges that none of the Advisers, nor any of their Affiliates nor any person acting on behalf of the Advisers or their Affiliates is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of the Advisers' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right; 26. undertakes that the person who it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be.

None of the Advisers nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agree to participate in the Placing and it agrees to indemnify the company and the Advisers in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Troika Dialog



company and the Advisers in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Troika Dialog (Bermuda) Limited and

Mirabaud Securities Limited who will hold them as nominee for the subscribers of such shares until settlement in accordance with its standing settlement instructions; 27. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in all respects in accordance with English law and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the courts of England as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Advisers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange; 28. acknowledges that the Advisers may (at their absolute discretion) satisfy their obligations to procure Placees by themselves agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so; 29. agrees that the Company, the Advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Advisers on its own behalf and on behalf of the Company and are irrevocable; and 30. agrees to indemnify and hold the Company and the Advisers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

The acknowledgements, undertakings, representations and warranties referred to above are given to each of the Company and the Advisers and are irrevocable.

The Company and the Advisers will rely upon the truth and accuracy of the foregoing acknowledgements, undertakings, representations and warranties.

The rights and remedies of the Company and the Advisers under these terms and conditions are in addition to any rights or remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee provided that the Placing Shares are not issued to a person whose business is or includes issuing depositary receipts or the provision of clearance services or to an agent or nominee for any such person.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to UK stamp duty and/or stamp duty reserve tax, for which neither the Company nor the Advisers will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Advisers in the event that any of the Company and/or the Advisers has incurred any such liability to

UK stamp duty or stamp duty reserve tax. In addition, Placees should note that they will be liable to pay any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them for any Placing

Shares or the agreement by them to subscribe for any Placing Shares.

All times and dates in this Announcement may be subject to amendment. The

Advisers shall notify the Placees and any person acting on behalf of the

Placees of any changes.

This Announcement has been issued by the Company and is the sole responsibility of the Company.

The Advisers, which, other than Troika Dialog, are authorised and regulated by the FSA, are acting exclusively for the Company and for no one else solely in connection with the Placing and will not be responsible to anyone other than the

Company for providing the protections afforded to the customers of the Advisers or for providing advice in relation to the Placing or any transaction or arrangement referred to herein.



This Announcement has been issued by the Company and is the sole responsibility of the Company.

The Advisers, which, other than Troika Dialog, are authorised and regulated by the FSA, are acting exclusively for the Company and for no one else solely in connection with the Placing and will not be responsible to anyone other than the

Company for providing the protections afforded to the customers of the Advisers or for providing advice in relation to the Placing or any transaction or arrangement referred to herein.

When a Placee or person acting on behalf of the Placee is dealing with the

Advisers, any money held in an account with any of the Advisers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Advisers' money in accordance with the client money rules and will be used by the Advisers in the course of its own business; and the Placee will rank only as a general creditor of the Advisers. This information is provided by RNS The company news service from the London Stock Exchange

END

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For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and [www.afxpress.com](http://www.afxpress.com)

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BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY  
GUARANTEE (SECTION 7(1) AND 7(3))

MEMORANDUM OF ASSOCIATION

OF

Klein Ltd.

(hereinafter referred to as the "Company")

1. The liability of the members of the Company is limited.
2. Every member of the Company undertakes to contribute to the assets of the Company, in the event of it being wound up while he is a member, or within one year after he ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred United States (US\$100.00) dollars.
3. The objects for which the Company is formed and incorporated are to support:
  - (a) any Philanthropic Entity (as defined below) that is constituted as a trust, foundation, institution, corporation or other organization and recognized as being established exclusively for philanthropic purposes in the jurisdiction in which it is incorporated or established; provided that any Philanthropic Entity (as so defined) constituted as a trust (or otherwise not so as to have legal personality) is established for purposes that are exclusively charitable according to the law of the Islands of Bermuda. For these purposes, the term "Philanthropic Entity" shall mean an entity which is:
    - (i) tax-exempt under U.S. Internal Revenue Code of 1986 section 501(c)(3) or 501(c)(4) as amended from time to time, or any successor provision thereto (a "501(c) Entity"); or
    - (ii) outside of the United States of America, and organized and operated not-for-profit exclusively to promote charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals or primarily to promote social welfare and the common good and general welfare of the community, including such entities that are similar in nature to 501(c) Entitiesprovided, however, that no part of the net earnings of an entity included in sub-clauses (i) and (ii) hereof inures to the benefit of any private shareholder or individual); and
  - (b) any charity (as such term is construed under the laws of Bermuda).

Subject to the limitations of the primary objects of the Company as set out above, the Company will have the capacity, rights and possess the privileges of a natural person.

4. The Company is to be an Exempted company.
5. The Company does not propose to carry on business in Bermuda.
6. The Company, with the consent of the Minister of Finance, has power to hold land situated in Bermuda not exceeding \_\_\_\_\_ in all, including the following parcels:  
  
N/A
7. The Company is incorporated solely for the purposes set out in clause 3 above and for promoting charitable objects. The Company will apply its profits, if any, or other income in promoting its objects. The Company will not pay any dividend, distribution or return of capital or other assets to its members. The Company will require all of its assets that would otherwise be available to its members generally to be transferred, on its winding up, to another body with objects similar to its own.

The undersigned, namely:

Name and Address	Bermudian status	Nationality
Nicholas J. Hoskins	Yes	British
Marlies A. Smith	No	Canadian

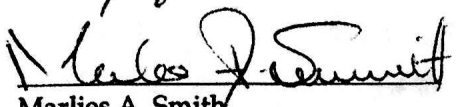
Both of:

Victoria Place  
31 Victoria Street  
Hamilton HM 10  
Bermuda

desire to form a company in pursuance of this Memorandum of Association.

  
\_\_\_\_\_  
Nicholas J. Hoskins

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Marlies A. Smith

  
\_\_\_\_\_  
Witness

Subscribed this 11<sup>th</sup> day of March, 2011.



**NAV** (29/02/2012) \$88.75

**February Net Return** 7.95%

**YTD Net Return** 9.87%

### Fund Objective

Spectrum CIS Value Fund Ltd is an open-ended exempted company incorporated in Bermuda. It aims for long-term capital appreciation through investments in special situations on the market. The portfolio consists of Russian securities and securities listed outside Russia but having significant economic or business involvement with Russia.

Fund Size \$6.1m

Launch Price \$100

Launch Date 11/04/2006

Min. Investment \$100,000

Subscriptions Monthly

Redemptions Quarterly

Valuation Monthly

Domicile Bermuda

### Charges

**Management fee:** 1.5% p.a.

**Performance fee:** 20% p.a.

### Prime Broker and Custodian

**Citi Prime Finance**

### Manager

**Spectrum Partners Limited**

### Auditor

PricewaterhouseCoopers, Bermuda

### Administrator

Harbour Financial Services Ltd,  
Penny Cornell  
Tel: +1 441 294 4676  
Fax: +1 441 294 8860  
E-mail: pcornell@wq.bm;  
fundadmin@wq.bm

**ISIN** BMG833801084

**CUSIP** G83380108

**Bloomberg Ticker** SRVSPEC BH

**VALOR** CH3412703

**Sedol** B39VCK8

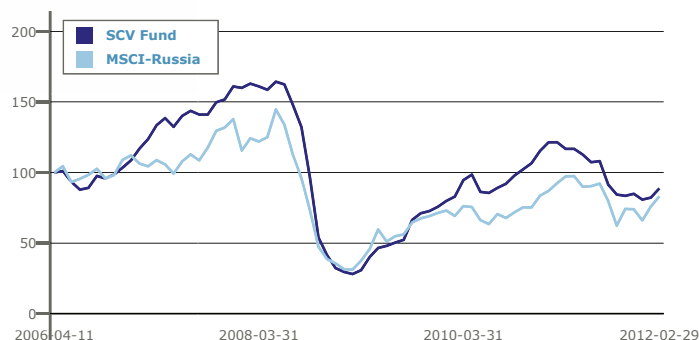
### Annual Returns (% net of all fees)

	2006	2007	2008	2009	2010	2011
<b>SCVF</b>	8.63	48.2	-79.96	134.52	52.37	-29.95
<b>MSCI</b>	12.18	22.88	-74.16	100.32	17.18	-20.95

### Monthly Returns (% net of all fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2012</b>													
<b>SCVF</b>	1.79	7.95											<b>9.87</b>
<b>MSCI-RU</b>	14.81	9.61											<b>25.84</b>

### Value of \$ 100 Invested at Inception



### Market and Portfolio Commentary

Our Fund added 7.95% in February. Within the Russian equity space, consumer-related stories took the lead. The strongest outperformer was O`Key Group, which was up by 28.8% after lagging the market significantly in January. The positive momentum was triggered by news that the board approved an interim dividend payout of \$0.10254 per share for 2012. Yandex, the second largest position in the Fund, gained a modest 4.72% this month despite published 4Q 11 results beating the consensus by a strong margin. The internet ad market expanded by 56% for the full year 2011, outpacing TV and print media significantly. We remain reasonably bullish on the company given the healthy growth of its core business in Russia (Yandex provided upbeat full year 2012 revenue growth guidance in the range of 40-45%). On the political side, investor sentiment should improve following the end of the election cycle. Putin`s victory with almost 64% of the vote gives the opposition less scope to claim election abuse, but is still enough of a margin to reassure the markets of political stability.

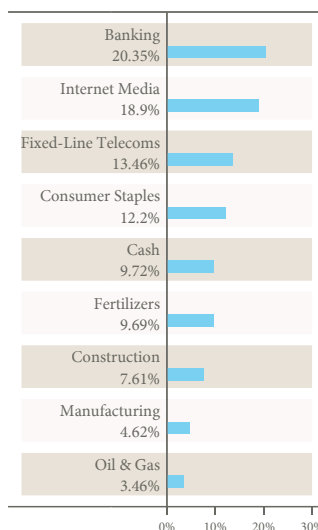
### Statistical Data Analysis since Inception\*

	SCVF	MSCI-Russia	
<b>Total Return (since inception)</b>	-11.25%	-16.84%	Return
<b>Average Monthly Return</b>	0.44%	0.38%	
<b>Largest Monthly Return</b>	30.13%	30.44%	
<b>Largest Monthly Loss</b>	-44.02%	-35.28%	
<b>% Winning Months</b>	61.97%	56.34%	
<b>Sharpe Ratio (Rf = 1.0%)</b>	0.12	neg.	Risk
<b>Sortino Ratio (MAR = 0.00%)</b>	0.21	neg.	
<b>Standard Deviation (annual.)</b>	36.41%	38.72%	
<b>Maximum Drawdown</b>	-82.93%	-78.44%	
<b>Months in Max. Drawdown</b>	9	9	
<b>Months to Recover</b>	n/a	n/a	Comparison to Benchmark
<b>Alpha</b>	0.02%		
<b>Beta</b>	0.84		
<b>Correlation (R)</b>	0.78		
<b>R2</b>	0.62		

### Geographic Exposure



### Net Sector Allocation (% of NAV)



### Top 5 Holdings

<b>Moscow Industrial Bank</b>	20.2%
<b>Yandex</b>	18.9%
<b>UkrTelecom</b>	13.5%
<b>OKEY Group</b>	12.2%
<b>Akron</b>	9.7%

### Listings

Bloomberg, Lipper, Morningstar,  
Cogentedge, Eurohedge, Eurekaledge

### Marketing Contact

Email: [ir@spectrumfunds.com](mailto:ir@spectrumfunds.com)  
[www.spectrumfunds.com](http://www.spectrumfunds.com)



# Spectrum Russia Absolute Return Fund, Ltd.

Performance Report – July 2008

## Monthly Returns (% net of all fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	-2.05	5.91	0.32	8.61	1.76	3.94	-1.37	3.04	2.86	1.18	-1.41	0.84	25.71
2004	0.89	4.21	3.72	-5.07	-0.93	0.69	-3.97	3.87	6.13	3.24	-2.11	-0.37	10.07
2005	-0.95	2.79	-2.61	0.35	2.42	1.02	1.75	2.79	6.60	2.37	4.91	4.63	29.00
2006	11.28	0.54	2.61	4.27	-2.77	4.53	1.21	0.87	-0.20	1.49	2.12	7.48	38.10
2007	-0.47	0.41	5.10	-1.07	2.76	3.80	-0.07	-0.26	3.75	1.35	-0.64	3.41	19.34
2008	-5.77	4.87	-1.16	1.02	7.68	-5.25	-11.23						-10.65

**NAV** (31/07/2008) \$262.86

**July Net Return** -11.23%

**YTD Net Return** -10.65%

## Fund Objective

The investment objective of the fund is to maximise absolute returns by investing both long and short in Russian&CIS securities and securities outside of Russia or CIS but having significant economic or business involvement with Russia and/or CIS.

Fund Size	\$119.0m
Launch Price	\$100
Launch Date	02/12/2002
Min. Investment	\$100.000
Subscriptions	Monthly
Redemptions	Monthly
Valuation	Monthly
Domicile	Bermuda

## Charges

<b>Management fee:</b>	2.0% p.a.
<b>Performance fee:</b>	20% p.a.

## Prime Broker and Custodian

**Credit Suisse Securities (Europe) Limited**

## Investment Manager

**Spectrum Investment Management Limited**

## Investment Advisor

**Spectrum Capital Partners Limited**

## Auditor

PricewaterhouseCoopers, Bermuda

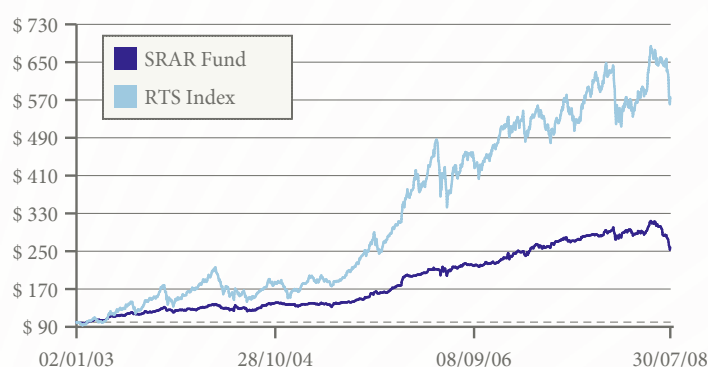
## Administrator

Harbour Financial Services Limited,  
Penny Cornell  
Tel: (+1 441) 294 4676  
Fax: (+1 441) 294 8860  
E-mail: pcornell@wq.bm /  
fundadmin@wq.bm

**Listed: Irish Stock Exchange**

<b>ISIN</b>	BMG8339L1019
<b>CUSIP</b>	G8339L101
<b>Bloomberg Ticker</b>	MRFSPC BH
<b>VALOR</b>	CH2470767
<b>Sedol</b>	B39VCK8

## Value of \$ 100 Invested at Inception



## Market and Portfolio Commentary

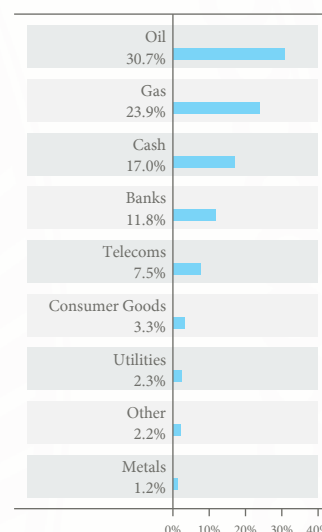
Russian equities were pummeled last month by falling commodity prices, higher domestic inflation and a public rebuke by Prime Minister Putin of NYSE-listed Russian coal miner, Mechel. The benchmark RTS Index drifted throughout the month and closed 14.7% lower at the end of July as Russia's myth of "safe haven" status was dispelled. Over the month crude oil prices fell \$17 a barrel on strong indications of demand destruction at higher levels; copper followed with a \$400 per tonne fall and nickel dropped more than \$3500 a tonne. Early in July Gazprom released results which suggested its grip on costs had slipped, raising more general concerns that margins in the sector were being squeezed. The Russian Oil and Gas RTS Index was 15.2% lower. Integrated steels and coal mining stocks in Russia weakened on slowing US industrial demand and the possible introduction of a new export duty. In London's courts, BP filed suit to recover \$370m from its Russian partners, prompting international investors to reassess the risks of investing in Russia. Moody's upgrade of Russia's sovereign rating to Baa1 was of little comfort. The fund was down 11.23% over the month. The managers took profits in options and net exposure of the fund was reduced to 60% by month-end.

## Statistical Data Analysis since Inception\*

	SRARF	RTS	
<b>Total Return (since inception)</b>	162.86%	445.10%	Return
<b>Average Monthly Return</b>	1.52%	2.91%	
<b>Largest Monthly Return</b>	11.28%	17.22%	
<b>Largest Monthly Loss</b>	-11.23%	-16.74%	
<b>% Winning Months</b>	68.66%	65.67%	
<b>Sharpe Ratio (Rf = 5.50%)</b>	1.02	1.01	Risk
<b>Sortino Ratio (MAR = 0.00%)</b>	2.85	2.37	
<b>Standard Deviation (annual.)</b>	11.50%	29.21%	
<b>Maximum Drawdown</b>	-15.89%	-28.22%	
<b>Months in Max. Drawdown</b>	2	4	
<b>Months to Recover</b>	na	12	Comparison to Benchmark
<b>Alpha</b>	2.80%		
<b>Beta</b>	0.34		
<b>Correlation (R)</b>	0.79		
<b>R2</b>	0.62		

\*Data Source: Reuters, RTS, Marcuard Spectrum Ltd.

## Net Sector Allocation (% of NAV)



## Security Type (% of NAV)

	Long	Short
<b>Equities</b>	83.0	0.0
<b>Bonds</b>	0.0	0.0
<b>Futures</b>	0.0	0.0
<b>Δ-adjusted net long exposure 60.0</b>		

## Listings

Bloomberg, Lipper, Morningstar,  
Cogent hedge, Eurohedge, Eureka hedge

## Contact

### Marcuard Spectrum Ltd

52/4 Kosmodamianskaya Emb.,  
115054 Moscow, Russia  
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<http://www.marcuardspectrum.com>

Email: info@marcuardspectrum.com



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December 3, 2012

## Rosneft Held Extraordinary Meeting of Shareholders

An extraordinary general meeting of Rosneft shareholders was held in Khabarovsk on November 30. The meeting was attended by holders of 97.6% of shares in the Company.

The decision was taken to pay additional dividends of RUB 41.9 billion (on top of the earlier announced dividends for FY 2011 (the decision to pay these was made at the annual general meeting of shareholders (on the results for 2011)). The dividend approved at the extraordinary meeting of Rosneft shareholders is equal to 4.08 rubles per listed share. This means the total amount of net profit paid as dividends for FY 2011 is 78.49 billion rubles (25% of IFRS net profit). The total dividend per listed share is 7.53 rubles (including the decision taken at the annual general shareholders' meeting held on June 20, 2012 that approved a dividend of 3.45 rubles per share).

In addition, the shareholders elected members to the new Board of Directors comprised of 9 persons, namely:

1. Matthias Warnig, Managing Director, Nord Stream AG,
2. Mikhail V. Kuzovlev, President, Chairman of the Board, Bank of Moscow,
3. Nikolai P. Laverov, Vice President, Russian Academy of Sciences,
4. Alexander D. Nekipelov, Vice President, Russian Academy of Sciences,
5. Hans-Joerg Rudloff, Chairman, Barclays Capital,
6. Igor I. Sechin, President, Chairman of the Management Board, Rosneft,
7. Sergei V. Shishin, Senior Vice President, VTB Bank,
8. Dmitri E. Shugaev, Deputy General Director, Russian Technologies,
9. Ilya V. Scherbovich, President, United Capital Partners (UCP) Group.

The shareholders also approved a number of related party transactions.

Igor Sechin noted in his presentation that Rosneft has fulfilled the Russian presidential mandate to increase 2011 dividends to 25% of IFRS net profit. Importantly this decision will not require a review of the Company's investment programme, nor will it negatively affect Rosneft's credit rating.

The first meeting of the newly elected Rosneft Board of Directors was held after the extraordinary shareholders' meeting. The Board of Directors approved the membership of its three committees, each of which is to be chaired by an independent director. Hans-Joerg Rudloff will lead the Audit Committee, Sergei V. Shishin will head the HR and Remuneration Committee and Nikolai P. Laverov will chair the Strategic Planning Committee. Alexander D. Nekipelov was re-elected Chairman of the Board. His deputies are Hans-Joerg Rudloff, Sergei V. Shishin and Nikolai P. Laverov.

Rosneft Vice President Zeljko Runje was appointed a member of the Management Board at the Company to replace Alexei Perepelkin.

**December 3, 2012**  
**Rosneft Information Division**  
**Tel.: +7 (495) 411 54 20**  
**Fax: +7 (495) 411 54 21**  
**[www.rosneft.com](http://www.rosneft.com)**

*These materials contain statements about future events and expectations that are forward-looking in nature. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements expressed or implied by such forward-looking statements to differ. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.*

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## Spectrum Partners

### Home

Spectrum Partners is a hedge fund management group formed in 2002 exclusively focusing on EM (mainly Russian and CIS) equity and debt markets, with representative offices in Hamilton (Bermuda) and Limassol (Cyprus).

Spectrum Partners bases its investment strategy on thorough knowledge of the markets, fundamental analysis and broad experience of managing various products with exclusive focus on CIS equities. As an asset management company, Spectrum Partners seeks to provide its clients with a broad range of investment opportunities in various geographical regions of the Former Soviet Union, with different risk return profile and liquidity level. The firm follows a long biased investment approach at the same time applying various hedging techniques from broad portfolio diversification to derivative trading, cash and short positions, as well as relative value trades.

The firm runs three strategies considered most appropriate to fit risk-return profile of the markets Spectrum Partners operates in:

- Spectrum Russian Phoenix Fund (Long/Short Russia)
- Spectrum Stratim EM Debt Fund (Fixed Income EM)

The Spectrum Partners team led by Andrey Lifshits consists of 12 people and brings a successful public track record, investing more than US\$ 300 million in the regions' equity markets since 2003.

### Specialties

Investment Management, Hedge Funds

### Website

<http://www.spectrumfunds.com>

### Industry

Investment Management

### Type

Privately Held

### Headquarters

Amathountas ave 200, Marina  
Complex 5, 6 & 7 Limassol, None  
(International) 4533 Cyprus

### Company Size

11-50 employees

### Founded

2002





Marcuard Services (UK) Limited is a service company in the United Kingdom and its office is located at 52 Charles Street, London, W1J 5EU.

Tel No: +44 (0)20 7074 0550

Email: [info@marcuardservices.com](mailto:info@marcuardservices.com)

---

The directors and officers of Marcuard Services (UK) Limited are:

**Hans-Joerg Rudloff**  
**Director and President**

Mr. Rudloff is also Chairman of Marcuard Holding Limited, Bermuda and serves on the board of many high profile companies.

**Nicholas J. Hoskins**  
**Director and Vice President**

Mr. Hoskins is Senior Counsel and Managing Director of Wakefield Quin Limited; a Bermuda based law firm.

**Benjamin Frith**  
**Director**

Mr. Frith is Managing Director of Axis Accounting & Financial Management; a Bermuda based accounting services and financial management company.

**Yelena Kuklina**  
**Associate Director**

**Katherine Robbins**  
**Executive Assistant**

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Marcuard Services (UK) Limited is a wholly owned subsidiary of Marcuard Holding Limited a financial holding company domiciled in Bermuda.

## SPECTRUM PARTNERS

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FOLLOW COMPANY

### Alexey Filatov

#### Job Titles:

- Director
- Head of Operations

Alexey is a Director of Spectrum Partners (CY) Ltd. He started his professional career at Marcuard Spectrum - asset management company, focusing on Russia and CIS as a middle-office specialist. In 2008 Alexey became senior specialist. Since 2009 to 2010 he held the same position at Spectrum Partners. Since 2010 Alexey was a vice-president at Spectrum Partners (CY), responsible for the firm execution and trading activities. In 2013 Alexey Filatov was promoted to director, heading Spectrum Partners (CY) operational activity. Alexey has a Master's degree in [more »](#)

### Alexey Rodzianko

#### Job Titles:

- Member of the Advisory Board
- CEO of Investment Banking Business

Mr. Rodzianko joined METROPOL IFC as CEO of Investment banking business in November 2010, he is also responsible for the company's operations in London, Tokyo and Cyprus as well as capital raising for its international projects. In addition to his duties at Metropol, he is currently an independent Director of SKB Bank, and previously served as an independent Director of Eurochem (a large fertilizer producer). From 2006 through 2010 he headed onshore private banking of Credit Suisse Group. During this time, assets under management in the Credit Suisse [more »](#)

### Andrey Lifshits

#### Job Titles:

- Managing Partner and CEO of Spectrum Partners Group

Andrey joined Spectrum Partners in 2011. He began his career in 2002 at Gazprombank where he was in charge of bond trading. In 2004 he moved to Bank Trust as head of the fixed income desk. Andrey returned to Gazprombank in 2007 where he worked until 2008 as head of the fixed income sales and trading. From 2008 to 2011 he was head of the fixed income desk at Uralsib Asset Management, where he was responsible for a portfolio of US\$ 1.5 billion. In 2011, prior to joining Spectrum Partners, Andrey Lifshits was in charge of portfolio management and strategy at [more »](#)

### Ben Frith

#### Job Titles:

- CFO of Spectrum Partners Group

Ben Frith has over twenty years experience in both public and internal accounting, including fifteen years in positions of financial management, reporting & control including investment holding (mutual funds, trusts & estates), international financial services, real estate, retail, shipping, professional services and banking in an international environment. Mr. Frith is president of Axis Management Limited, a Bermuda-based accounting and financial management company. Mr. Frith is a certified member of the Society of Management Accountants of Canada and [more »](#)

### Christopher Granville

#### Job Titles:

- Member of the Advisory Board
- Co - Founder of Trusted Sources

Christopher Granville is the co-founder of Trusted Sources, an independent research company covering political economy-related risks and drivers in emerging markets for institutional and strategic investors. He has spent the greater part of his career as an analyst focused on the Russian equity market, including six years as Chief Strategist and Political Analyst at United Financial Group (UFG), a Moscow-based investment bank now owned by Deutsche Bank. In several surveys of fund managers conducted during this period by Institutional Investor and Thompson [more »](#)

### Dmitry Evenko

#### Job Titles:

- Founding Partner, Chairman of Spectrum Partners Group

Dmitry started his career at AmeriTrade Inc., where he served as an Executive Director from 1991 to 1994. From 1994 to 1995, he was a Director at Sector Capital (An asset management firm investing in Russian public equities). In 1995, he joined United City Bank (UCB) where, as a Managing Director, he was in charge of the equity and fixed income sales and trading desk. In 1998 the bank was acquired by Robert Fleming Securities and Dmitry Evenko was appointed President and Head of Securities for the newly created group, managing Fleming UCB's entire brokerage [more »](#)

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### Dr. Serge Umansky

**Job Titles:**

- Member of the Advisory Board
- CEO and Co - Head of Investment Management

CEO and Co-Head of Investment Management, is responsible for Signet Group's portfolio construction and risk management and is a member of Signet's Investment Committee. Serge's direction of Signet Group's research and development efforts has resulted in a cutting-edge proprietary risk management system that targets specific risk characteristics of hedge fund portfolios. Before joining Signet Group in 1999, he was Senior Consultant for Computerized Portfolio Management Systems (1998-99); Head of Research and Portfolio Manager for a group of top [more »](#)

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### Elena Zubova

**Job Titles:**

- PR Director, Head of Moscow Representative Office
- State University and Has a Journalist

Elena Zubova was graduated Moscow State University and has a Journalist degree. She worked as a correspondent in Russian mass-media for few years. In 1997 Elena joined the Moscow branch of the international PR and advertising agency "Youngs & Rubicam". After that Elena was invited by Mezhscombank to organise its PR department where she was working for four years. In the 2000's for eight years Elena was managing a joint project by ING Bank Russia and "Independent Media" publishing house. From 2009 to 2012 she was PR director at [more »](#)

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### Gary Carr

**Job Titles:**

- Director

Gary Carr has spent the last 18 years of his career in the investment field in senior roles with JP Morgan and Schroders. During this period, Mr. Carr has served on the board of over 80 entities, ranging from various types of investment companies, hedge funds, corporate general partners, private equity funds and operating companies. Schroders and JPMorgan concentrated on providing fund management and related services to a variety of different investment clients. Mr. Carr was the COO of Schroders in Bermuda in addition to his directorship responsibilities. He [more »](#)

---

### Jacques Der Megreditchian

**Job Titles:**

- Member of the Advisory Board

Jacques Der Megreditchian was the Chief Business Officer of Troika Dialog (until September 2011), Chairman of the RTS Board of Directors (from 2004 to 2011), is a member of the Board of Directors and Chairman of the Strategic Planning Commission of MICEX (from 2011), and a member of the Management Board and Co-Chair of Commission on Financial Industry of the Russian Union of Industrialists and Entrepreneurs (from 2010). In addition, Mr Der Megreditchian is a member of the Board of Directors of the following organisations: the National Association of [more »](#)

---

### John O'Kelly-Lynch

**Job Titles:**

- Director

John trained and qualified with Deloitte & Touche in Ireland before moving to Bermuda in 1982 to work for KPMG. In 1984 he joined the Naess Group, a private international shipping and venture capital investment group and was subsequently appointed Chief Financial Officer. He acquired an interest in and served on the Board of the PetroBulk group, a fleet of product carriers, during the late 1980s. In 1989 he was involved in the flotation of Naess Jahre Bulkers on the Stockholm stock exchange, which at the time, was the first company to use Euroclear to settle its [more »](#)

---

### Penny Cornell, COO

**Job Titles:**

- Chief Compliance Officer
- COO

Penny Cornell has joined Spectrum Partners in 2013. Penny has over 16 years' experience in the mutual funds industry. From 1997 to 2000, Penny worked for Gartmore Investment Management Limited (part of the London Stock Exchange listed Gartmore group), working as assistant compliance manager in their Risk and Compliance Department. Having relocated to Bermuda in 2000, Penny spent 3 years working for a global law firm, expanding her experience to that of company secretary to over 140 companies across the world. In 2003, Penny joined Union [more »](#)

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### Richard Stevenson

**Job Titles:**

- Director of Capdistributors Ltd

Richard is a director of Capdistributors Ltd, an independent third party marketer. He was previously a managing partner of Marcuard Spectrum, a forerunner to Spectrum Partners. Richard traded Russian equities for eight years at Moscow brokerages CentreInvest and Aton prior to which he was the editor of various financial publications produced by Independent Media, also in Moscow. In the 1980s Richard was a Vice President of Merrill Lynch Commodities Ltd where he worked in the City of London for ten years, trading commodities for banks, trading [more »](#)

---

### Roderick Forrest

**Job Titles:**

- Director
- Senior Counsel

Roderick Forrest is a Director and Senior Counsel practicing as an attorney in Bermuda with Wakefield Quin Limited, a Bermuda law firm that specializes in international commerce. Mr. Forrest qualified as a solicitor in Scotland in 1990. In 1990 he joined the Legal Services Division of the Bank of Scotland where he worked until 1996. In 1996 he joined M.L.H. Quin & Co. (which now operates as Wakefield Quin Limited), practicing company and commercial law on matters including mutual funds, limited partnerships, banking, finance and trusts. Mr. Forrest currently holds [more »](#)

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**Adherence Letter**

**October 07, 2009**

**International Swaps and Derivatives Association, Inc.**

**Send to: [smallbang@isda.org](mailto:smallbang@isda.org)**

Dear Sirs,

**2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol - Adherence**

The purpose of this letter is to confirm our adherence to the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol as published by the International Swaps and Derivatives Association, Inc. on July 14, 2009 (the **July 2009 Protocol**). This letter constitutes, as between each other July 2009 Adhering Party and us, an Adherence Letter as referred to in the July 2009 Protocol. The definitions and provisions contained in the July 2009 Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Protocol Covered Transaction (now or in the future) entered into between us and each other July 2009 Adhering Party.

**1. Specified Terms**

As between each other July 2009 Adhering Party and us, the amendments in Schedule 1 of the July 2009 Protocol shall apply to Protocol Covered Transactions to which we are a party in accordance with the terms of the July 2009 Protocol.

**2. Appointment as Agent and Release**

We hereby appoint ISDA as our agent for the limited purposes of the July 2009 Protocol and accordingly we waive any rights and hereby release ISDA from any claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the July 2009 Protocol or any actions contemplated as being required by ISDA.

**3. DTCC Account Number**

For purposes of electronic matching and counterparty recognition, our DTCC Account Number is as follows, but you understand and agree that our failure to provide any such details pursuant to this Adherence Letter will not affect the legal validity and binding nature of the July 2009 Protocol with respect to us:

DTCC Account Number: [●]

#### 4. Contact Details

Our contact details for purposes of this Adherence Letter are:

Name: Troika Audit LLC  
Address: 4, Romanov pereulok, Moscow 125009, Russia  
Telephone: +7 (495) 967 1221  
Fax: +7 (495) 787 2300  
E-mail: [sa@troika-audit.ru](mailto:sa@troika-audit.ru)

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

Troika Dialog (Bermuda) Limited

By:

Name:	Nicholas Hoskins
Title:	Director
Signature:	Nicholas Hoskins



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# UPDATE 2-Russia's Vimpelcom investigated over Uzbekistan

Wed Mar 12, 2014 11:20am EDT

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By Maria Kiselyova

(Reuters) - Russian mobile phone operator Vimpelcom has become the latest company to come under scrutiny over its operations in Uzbekistan, an authoritarian country where rival MTS had its assets confiscated.

U.S.-listed Vimpelcom, Uzbekistan's biggest mobile operator by subscribers, said on Wednesday that it was being investigated by the U.S. Securities and Exchange Commission (SEC) and Dutch authorities.

The case follows an investigation by Swedish prosecutors of TeliaSonera's operations in Uzbekistan which centres around allegations that it had paid around \$350 million for its Uzbek 3G licence to a company it knew was a front for the daughter of Uzbek president Islam Karimov, Gulnara Karimova.

President Karimov has ruled the gas-rich republic, central Asia's most populous country, with an iron hand since it gained independence from the Soviet Union in 1991 and several foreign companies have had problems there.

The investigation into Vimpelcom comes as Russia and the U.S. have the worst crisis in relations since the end of the Cold War following Russia's military incursion into Ukraine's Crimea region. U.S. President Barack Obama has called for sanctions against Moscow.

"People are wondering what form financial sanctions will take in the U.S. (and trying to) connect the dots that way... whether the U.S. regulators will tighten up the environment around former Soviet corporates," said Standard Bank analyst Timothy Ash.

The SEC was not immediately available to comment.

Sberbank analyst Anna Lepetukhina said the probe into Vimpelcom, in which Russia's Alfa Group and Norway's Telenor are the biggest investors, was likely a sequel to the investigation into TeliaSonera.

In 2012, Vimpelcom said it did not rule out that it may become subject to investigations due to its relationship with Gibraltar-based Takilant Ltd from which TeliaSonera bought the Uzbek licence.

Takilant held a minority interest in Vimpelcom's business in Uzbekistan from 2007 until 2009, and Vimpelcom had worked with Takilant to acquire frequency spectrum in Uzbekistan.

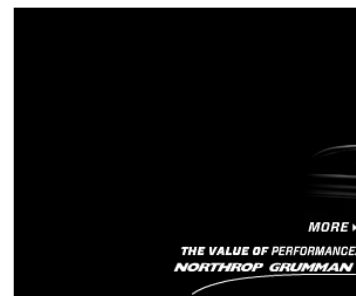
On Wednesday, Vimpelcom said it had received a letter from the SEC on March 11 stating that it was conducting an investigation related to the company and requesting documents.

The company also said its headquarters in Amsterdam was visited on March 11 by representatives of Dutch authorities including the public prosecutor's office, who took documents and informed Vimpelcom it was the focus of a criminal investigation in the Netherlands.

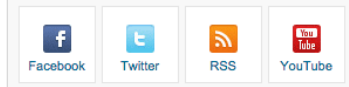
"The investigations appear to be concerned with the company's operations in Uzbekistan. The company intends to fully cooperate with these investigations," Vimpelcom said in a statement. A spokesman declined to elaborate.

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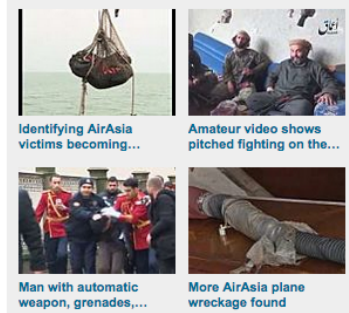
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### KEY RATES

Dutch prosecutors confirmed the criminal investigation into Vimpelcom but declined to give any details.

Separately, Switzerland's public prosecutor said the Uzbek president's daughter is being investigated on suspicion of money laundering in connection with funds held in Switzerland allegedly linked to irregularities in Uzbekistan's telecom market..

SOURD SENTIMENT

The Vimpelcom investigation follows poor results at the telecoms operator and its decision to slash dividends that have knocked a third off its stock market value since the beginning of this year. Its Nasdaq-listed stock was down 2.4 percent in early New York trading on Wednesday, taking the drop since the start of the year to 32.5 percent.

Last year, Uzbekistan's tax authorities investigated Vimpelcom's mobile unit, Unitel, but the probe did not reveal any major violations, a Vimpelcom spokesman said.

That investigation followed the confiscation of all assets owned by the Uzbek subsidiary of its bigger Russian rival MTS in a criminal case against its local staff.

MTS took a \$1.1 billion write-off in 2012 after an Uzbek court revoked its local operating licence in a case that MTS called a "classic shakedown" of foreign investors.

Vimpelcom has 10.5 million subscribers in Uzbekistan, out of 220 million in total across Russia, [Italy](#) and various emerging markets.

VTB Capital analyst Ivan Kim said he did not expect the investigation to have a significant direct financial impact although he did not rule out the possibility of a fine or management changes.

"The investigation will indeed distract management, which is currently trying to fix the business... The story is set to further weaken sentiment towards the name around equity and bondholders," Kim said.

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15-Year Fixed Refi	3.13%	3.16%
5/1 ARM Refi	3.26%	3.42%
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