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Cairo, 27 February, 2006

Dear Dr. Mohamed About Enein,
Director of the Cairo Regional Center for
Commercial International Arbitration

RE: The Arbitration case no. 382 of 2004 (Malicorp LTD Vs. The Government of the Arab Republic of Egypt and others)

With reference to the above mentioned Arbitration case, please note that the Judicial / Administrative court of the Egyptian Council of State has rendered a judgment dated 19/2/2006 in case no. 18628 of the 59th judicial year -brought by the Egyptian Minister of civil Aviation against Malicorp LTD Company - , which stated in its substance that the Arbitration clause in the Concession Agreement concluded with Malicorp LTD on 4/11/2000 was null and void with the consequences resulting thereof, including; in particular the suspension of the Arbitration procedures in the Arbitration Case no. 382 of 2004 brought by Malicorp LTD Company before the Cairo Regional Center for International Commercial Arbitration.

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A handwritten signature or set of initials, possibly 'MG', written in dark ink.

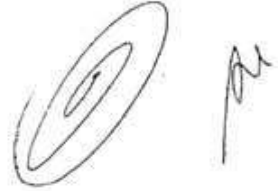
As I am the Arbitrator chosen by the Respondents in the Arbitration case no. 382 of 2004, I have to reassess my position in the light of this judgment, taking the following factors into consideration:

- 1- The authority of the arbitral Tribunals in arbitrations exclusively derives from the will of the parties to the dispute to be decided through arbitration, and not in the normal way by the judicial courts.

- 2- The Parties in the above mentioned concession Agreement dated 4/11/2000 have agreed that the Laws of the Arab Republic of Egypt are the laws governing this concession Agreement, and that Cairo, Egypt is the seat of the Arbitration relating thereto.

- 3- Article 64 of the Egyptian Constitution provides that the sovereignty of the Law is the basic rule in the State.
Article 172 of the Constitution provides that the Council of State is an independent judicial organization that is competent to decide upon administrative disputes.
Article 50 of the Council of State's Law no.47 of 1972 provides that the recourse against the judgments of the judicial Administrative Court, before the Supreme Administrative Court, does not stay their execution unless the chamber of inspecting recourses of the Supreme Administrative Court decides otherwise.
Over and above Article 52 of the Council of States Law provides that all its judgments enjoy the force of *res judicata*.

- 4- The case being so, my role as an Arbitrator is not to assess whether the judgments rendered by the Egyptian Council of State are in my opinion right or wrong, but to abide by the force of *res judicata* legally conferred upon them until they are either stayed or revoked in accordance to the Egyptian Law.



5- The provisions of Articles 50 and 52 of the Council of States Law concerning the enforceability of its judgments are so clear that there can be no latitude for interpretation of their meaning by a law abiding person. Therefore deviating from them and recourse to provisions of alien legal systems and maxims, would be a clear violation of the Egyptian Laws that Govern the above mentioned Arbitral Dispute.

6- Knowingly and intentionally refusing to apply the above stated clear legal provisions of the Governing Law of the Agreement, constitutes a gross professional fault that would engage my own liability and which I refuse to assume.

Taking all of the above into consideration, I have decided to suspend my participation as an Arbitrator in all the deliberations concerning the Arbitration case no. 382 of 2004, until the Judicial Administrative court's judgment dated 19/2/2006 in case no. 18628 of the 59 the judicial year is either stayed or revoked.

Kindly convey copies of this letter to my esteemed colleagues and to the Parties of the Arbitration case no. 382 of 2004 in order to inform them of my position.

Best Personal Regards,

Hatem Aly Labib Gabr

Dr. Hatem Aly Labib Gabr
The Arbitrator chosen by the
Respondents in the Arbitration
Case no. 382 of 2004

