

THE AMERICAN LAWYER

APRIL 2009

www.americanlawyer.com

An *incisivemedia* publication



DEALMAKERS OF THE YEAR

Twenty-five transactions lawyers who had an outsize influence in 2008

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DEALMAKERS OF THE YEAR

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George Kahale III
Curtis, Mallet-Prevost, Colt & Mosle
KazMunayGas pipeline renegotiation



SOME DEALS TAKE HOLING UP IN A WAR ROOM for weeks and living on takeout Chinese food. But renegotiating a drilling and profit-sharing agreement for Kazakhstan's state-owned oil company required George Kahale III to spend 15 months in and out of Kazakh hotel rooms, occasionally eating horse meat for dinner.

Kahale was representing KazMunayGas (KMG), which is developing Kazakhstan's Kashagan Field. On the other side of the table were Eni S.p.A., Exxon Mobil Corporation, Royal Dutch Shell plc, Total S.A., ConocoPhillips, and Inpex Corporation. The six firms had joined with KMG in the North Caspian Sea Consortium.

When KMG selected Kahale in August 2007, the consortium's decade-old plan to access and sell the field's oil reserves was years behind schedule. Kazakhstan was seeking to double its 8.3 percent stake of future profits to cover increased up-front costs caused by the delay.

Exxon initially resisted pressure to renegotiate, but in January 2008, the parties agreed to award KMG a 16.8 percent stake in the project. When additional delays made that agreement unsatisfactory to KMG, Kahale pressed on for nine more months of negotiations ["The Oil Baron," June 2008]. The final agreement, reached in October, retains KMG's 16.8 percent share of future proceeds and gives Kazakhstan an additional share of sales to cover the costs of delays; the size of that share was not disclosed. And Kahale is off the horse diet.

—RACHEL BREITMAN

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