

**INTERNATIONAL  
STRATEGY GROUP  
LLC**

c/o Coudert Brothers LLP  
1627 I Street NW  
Washington, DC 20006-4007  
Tel. (202) 775-5100  
Fax. (202) 775-1168

**COUDERT BROTHERS LLP**  
ATTORNEYS AT LAW

1627 I STREET, N.W.  
WASHINGTON, D.C. 20006-4007  
TEL: (202) 775-5100  
FAX: (202) 775-1168  
WWW.COUDERT.COM

*150 YEARS OF EXCELLENCE, INNOVATION  
AND GLOBAL SERVICE*

**THE  
ALBRIGHT  
GROUP LLC**

901 11<sup>TH</sup> STREET, N.W.  
SUITE 1000  
WASHINGTON, D.C. 20005-3357  
TEL: (202) 842-7222  
FAX: (202) 354-3881  
WWW.THEALBRIGHTGROUPLLC.COM

January 20, 2004

Privileged and Confidential

Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah  
Minister of Foreign Affairs  
State of Kuwait

*Re: Protection and Investment of UNCC Public Sector Claims and Award Proceeds*

Your Excellency:

We are pleased to submit this proposal to assist the Government of Kuwait (the "GOK") in protecting the public sector claims awarded against Iraq by the United Nations Compensation Commission (the "UNCC").

This proposal responds to the request made in the July 16, 2003 meetings in London between KIA, KIO, and PAAC and a consortium comprised of The Carlyle Group, Coudert Brothers LLP, Emerging Markets Partnership, Fidelity Investments, and Gaffney, Cline (the "Consortium"). Following that meeting, the Consortium was expanded to include The Albright Group LLC, BNP Paribas, and Nexgen Financial Solutions.

In the July meeting, the focus was on the Consortium's technical financial strategy for monetizing the US\$27 billion in unpaid UNCC claims awards (the "Unpaid Awards"). The attached proposal addresses that issue in depth, offering both the financial tools and strategy to support the sale and continued payment of the Unpaid Awards. But our proposal also takes into account the new dynamics that have developed in the region since that meeting – including the impact of the continued US occupation of Iraq, the regional and geopolitical developments in the wake of the war and occupation, and – most recently – President Bush's appointment on December 5, 2003 of former Secretary of State James Baker as his envoy to negotiate Iraqi debt relief.

Our proposal remains based on the premise that the harm caused to Kuwait by the Iraqi invasion and brutal occupation – including murder, looting, and destruction of Kuwaiti property and the environment – demands redress. The world recognized this when it established the UNCC following the first Gulf War. In our advocacy, all states would be encouraged to reaffirm the principle that Iraq's aggression must be remembered.