

Norex Petroleum is to alert Germany and Venezuela on Alfa Group's intention to buy up to 50% stake in Ruhr Oel GmbH

Norex Petroleum Limited, a Canadian based investor whose control over Yugraneft Corporation, an oil company in Russia, was illegally seized by Access/Renova, Alfa/Crown and TNK Group (collectively "Defendants"). Norex will bring to the attention of German and Venezuelan officials the fact that this same Alfa Group intends to buy up to 50% stake in Ruhr Oel GmbH (ROG), a refining company in Germany, which is a joint venture formed by BP, British-American oil major, and PdVSA, Venezuelan state oil company.

It was announced in December 2003, that the Alfa Group controlled by Michail Fridman, intends to acquire up to 50% of Venezuelan PdVSA's stake in Ruhr Oel GmbH (ROG), which owns from 24 to 100% shares in four German refineries - Gelsenkirchen, Bayern-oil, Miro and Schwedt. Schwedt refinery receives Urals crude oil by "Druzba" pipeline from Russia. ROG partly owns local German pipelines used to supply refineries. The protocol of intentions was signed by Alfa executive Mr. A. Kuzmitchev and the head of PdVSA Mr. A. Rodriguez in late December, 2003 in Caracas during the visit of the Russian Minister of Foreign Affairs Igor Ivanov to Venezuela.

The deal, if finalized, may well effect oil pricing mechanism for Urals in Germany.

In February, 2002, Norex brought claims under the RICO statute in the US District Court for the Southern District of New York against Alfa and other Defendants and their officers for harm suffered by the illegal seizure of its control over Yugraneft as part of an over all illegal scheme to obtain dominance in the Russian oil industry. Norex claims that Defendants' illegal scheme was perpetrated through act of mail and wire fraud, extortion, money laundering, illegal monetary transactions, Travel Act violations, bribery, fraud, armed force, and physical threats.

Norex has identified and exhibited more than 100 documents in support of its allegations obtained by Freedom of Information Act from various U.S. government agencies, including the CIA, Department of State, Department of Treasury, Department of Commerce, and Export-Import Bank, as well as from various sources in the course of due diligence.

Norex also filed a Crude Oil Trading Expert report and relevant documentary evidence of oil price manipulations by TNK and the Crown Group companies and their involvement in tax fraud and money laundering in numerous jurisdictions. The expert opinion was provided by Helmar Traugott Schank, a resident of Bonn, Germany and an expert in the area of oil trading in the European and Russian markets with over 40 years experience in professional oil trading, particularly Russian pipeline exports. He was managing director of Rhein GmbH in Germany from 1977-1990 and (when the parent company merged with Deutsche Texaco AG in 1989 and supply/trading was moved to London) became managing director of Rhein Oil Ltd, in London until 1997. According to Mr. Schank's expert opinion, based on relevant documentary evidence provided to him by Norex, "over \$161 million in profits were diverted from TNK to the Crown Group from January, 1999 through November, 2000; from these profits, over \$100 million was paid to Sandwell Enterprises Limited and LT Enterprises Inc. pursuant to sham agreements. In addition, these profits were improperly attributed to CTF (Crown Trade and Finance Ltd.) in Gibraltar, instead of CCL (Crown Commodities Limited) in England, without commercial justification."

The declaration of Philip Murray, President of Norex, disclosed the role of Mr. A. Kuzmitchev, who signed protocol of intentions with PdVSA., in establishment and operation of various Crown and offshore companies used for money laundering, like Defendant Eastmount Properties, and Lamport Trading. Documents provided to the US court disclose involvement of Mr. Kuzmitchev in restructuring of Crown Group. A memorandum dated May 9, 1999 from Attorney

Newman to Defendant Spitz, Alfa executive Kuzmitchev, Crown executive Plouznikov, Crown officers Moss, Whitehead, Vinogradsky on Alfa/Crown/TNK Defendants' related Crown Commodities Ltd. and Crown Trade and Finance Limited tax fraud, stated:

Because of the nature and extent of the activities conducted by Crown Commodities (in particular, the fact that the trading expertise is headquartered in London and that only a small administrative support staff is maintained in Gibraltar), the Inland Revenue may contend that Crown Commodities is not merely a "service agent" for Crown Trade, but that Crown Trade is conducting its principal business in London through Crown Commodities as agent which, notwithstanding the express provisions of the Service Agreement to the contrary, is, as a practical matter, actually concluding contracts in London for Crown Trade.

In 2002, after the Prestige tanker oil spill disaster, for which Crown was blamed, it was sold by Alfa to Crown's management, and was renamed to ERC Trading. Mr. Kuzmitchev remained ERC Trading's executive.

According to Norex, Crown has historical interest in German oil market. In 2002 Crown Resources AG, the predecessor of ERC Trading, filed the complaint in London court against Arthur Andersen for calling back its oil trading report sent to the Russian Ministry of Energy. The report was prepared by Arthur Andersen by the request of Crown and detailed price manipulations with deliveries of the Russian oil to European markets, mainly to Germany. The report alleged hundreds of millions of dollars fraud against the Russian government. TNK and Crown also delivered substantial quantities of Russian oil to Germany, and, according to Norex Crude Oil Expert Report by Helmar Schank, practiced oil price manipulations.

Details of the takeover of Yugraneft by TNK, role of Alfa's chairman Michail Fridman and TNK's money transfers through various offshore companies located at the Isle of Man was recently presented in Canada by the Canadian CBC "The Fifth Estate" TV program broadcasted on December 3, 2003.

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