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## THE TALENT

# Dealmaker of the Week: George Kahale and Eric Gilioli of Curtis, Mallet-Prevost

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Last June, ***The American Lawyer* reported** on **Curtis, Mallet-Prevost, Colt & Mosle**'s successful representation of Kazakhstan in the oil-rich nation's quest to renegotiate the agreements governing development of the world's largest untapped oil find since the 1970s: the coveted Kashagan oil field.

Today, the lead lawyers are set to seal the terms of that deal with newly renegotiated contracts to be signed in Astana, Kazakhstan's capital.

Firm chairman **George Kahale III** and partner **Eric Gilioli**, both based in New York, have spent the last ten months shuttling back and forth to Kazakhstan negotiating the details of the significantly revised deal between that country and an international consortium of companies that includes ExxonMobil, Shell, Eni, ConocoPhillips, Total, Inpex, and the Kazakh government's own KazMunaiGaz.

When we last visited this story, the Curtis lawyers had succeeded in raising their client's stake in the oil field so that it equaled those of the other major companies in the consortium. But that arrangement was based on an assumption that the project would begin commercial production in 2010 or 2011. Last spring, the consortium informed the government that production would be delayed--possibly until 2013.

At the time, Gilioli was in Astana negotiating the implementing documents based on a memorandum of understanding executed in January.

"We had some difficult meetings in Kazakhstan at that time after they presented the delayed budget," he recalls.

But these lawyers know how to turn sour lemons into sweet lemonade, and, after several all-nighters, they soon translated the setback in the schedule into an extra payment for Kazakhstan. The "priority share" will be paid directly to the government before any other oil proceeds are divvied up by the consortium members.

Says Kahale: "This substantially improves the economics for the Republic."

The new agreement also adds incentives for the companies to stick to their new production schedule, and changes which companies take the lead in different phases of production to improve efficiency.

This transaction was tough, not only because Kashagan, with an estimated 13 billion barrels of oil reserves, is what **Platt's Oilgram News** describes as "perhaps the most complex oil field ever developed."

The lawyers faced a whole other set of complications.

By October, "it was 17 to 18 hour days of intensive negotiations for the entire month," says Kahale. "When you're negotiating with six companies at the same time, they don't speak as one. They have six minds. That really made it very difficult."