

STATEMENT ON SETTLEMENT OF ARBITRATION PROCEEDINGS

ICC NO. 16 02 55/VRO

[Following is the text of an agreed statement by the Government of The Commonwealth of The Bahamas and Bluewater Ventures Limited.]

London—The Government of The Commonwealth of The Bahamas and Bluewater Ventures Limited announced today that they have reached a settlement in the arbitration claim brought by Bluewater for a multi-million dollar claim against the Government in December 2008, arising out of the negotiations between the parties for the partial privatization of The Bahamas Telecommunications Company ("BTC").

The Government afforded Bluewater exclusive negotiating rights for a specified period, which Bluewater alleged had been breached, an allegation the Government has consistently denied. Under the terms of the settlement, Bluewater has agreed to withdraw the arbitration claim against the Government, and the Government has agreed to pay \$ 1.9 million towards Bluewater's out-of-pocket costs and expenses arising out of the lengthy privatization negotiations which occurred between October 2005 and March 2008.

The parties emphasized that the settlement is intended solely as a compromise of the claim for commercial reasons, and is made without admission of liability or any concession by either party that any claim or defence asserted or that could have been asserted is valid.

Bluewater affirmed its support for the Government's approach to the privatization of BTC and the continued efforts to privatize the company on the best possible terms, while the Government recognized Bluewater's contributions to the privatization process, and indicated its commitment to building on the experience in achieving the objective of successfully privatizing BTC.

Signed by the duly authorized representative

Bluewater Ventures Limited

By: 

Name: PAUL GRAZIER / JASON COWLEARD

Title: DIRECTORS OF NTC SERVICES LIMITED
CORPORATE DIRECTOR OF BLUEWATER VENTURES LIMITED

Signed by the duly authorized representative

The Government of the Commonwealth of The Bahamas

By: 

Name: JOHN G. ALMEIDA

Title: LAWYER

Dated this 26 day July 2010