

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IN THE MATTER OF AN ARBITRATION)	
BETWEEN)	
)	
KARAH BODAS COMPANY, L.L.C.)	Misc. Action No. 02-20 GMS
)	
Petitioner,)	
)	
v.)	
)	
PERUSAHAAN PERTAMBANGAN)	
MINYAK DAN GAS BUMI NEGARA,)	
)	
Respondent.)	

ORDER

On June 27, 2002, the court granted the petitioner, Karaha Bodas Company, L.L.C.'s ("KBC") request that Perusahann Pertambangan Minyak Dan Gas Bumi Negara ("Pertamina") post a bond during the pendency of the court's stay of execution proceedings. Pertamina now requests that the court clarify its order. Specifically, Pertamina requests that the court find that the funds currently restrained in the New York proceedings are sufficient security to satisfy the requirements of the June 27, 2002 order. The court will so find.

The New York funds at issue total over \$320 million. In its June 18, 2002 Order, the Court of Appeals for the Second Circuit found that these funds alone were sufficient to provide KBC adequate security in that case. The Second Circuit further noted that, "no legitimate interests are served in tying up funds beyond what would be necessary to make Bodas [KBC] whole if it prevails on appeal."

In the present case, KBC is effectively seeking to require Pertamina to post independent security in both New York and Delaware, each sufficient to satisfy the judgment and together more than double the amount of the judgment. The court will not sanction this view. Indeed, as KBC

itself noted in its own June 19, 2002 press release regarding the Second Circuit appeal, “[b]y maintaining the freeze, the Court has provided KBC with a clear path to secure fair and final payment.”

Accordingly, the court concludes that, until the stay in New York expires, the security posted in New York is sufficient to protect KBC’s judgment.

Dated: July 18, 2002

Gregory M. Sleet
UNITED STATES DISTRICT JUDGE