

Secret world of the offshore oil tycoon

At the centre of the new scramble for oil, but few have heard of him. A bitter struggle with his former lawyer, Dr Peter Felter, has opened the door on the private life of Friedhelm Eronat



Rare picture: but dispute has brought Friedhelm Eronat out of the shadows



Wealth of interest: Eronat's £20 million home in Chelsea and his accuser Dr Peter Felter

Barry Phillips

The party was to toast a deal in which oil-hungry China bought a stake in this. It was a big move for the Chinese. Chad recognises China's enemy Taiwan, and the Chad initiative was part of a political strategy (Eronat facilitated introductions between the Chad and Chinese governments), thought to have been approved by the Chinese prime minister. The deal was important enough for one of the most powerful men in China, Wang Jun, chairman of Citic, the \$80 billion State-owned corporation, to fly to London to sign. Together with Chinese oil firm CNPC, they purchased a \$45 million, 50 per cent share in Cliveden. The deal was initiated there and then in Eronat's house. Amid the popping corks, Felter

privately reminded his boss there could be a problem. Cliveden's other 50 per cent holding had been sold the year before to Canadian oil and gas company EnCana for \$46.5 million, in a deal clinched by Felter. He believed EnCana was legally entitled to be informed about its new partner but would not be happy, given the Taiwan issue. According to Felter, Eronat wanted to keep it quiet. Discussions became heated and when, a few days later, Felter again reminded Eronat of what he argued was his legal obligation, he said Eronat shouted "No!" and slammed down the phone. Thereafter, he claimed, he was "sent to Coventry" for seven weeks. Enter Eli Calil. As a friend and business associate of Eronat, Felter hoped the Lebanese businessman — who lives round the corner — would "talk him out of his crazy plan". Though the two men have a close

working relationship, Calil did not prevail. In January 2004, Felter notified EnCana about China's involvement. Eronat was apparently "furious". By mid-February, following a shareholders' meeting in Beijing, Felter was relieved of his duties. Felter, who argues he put Cliveden on track to become a \$1.2 billion entity, says he was sacked because he told EnCana about the Chinese. This was, he insisted, a "protected disclosure" (covered by whistleblowers' employment laws). Eronat claimed Felter was "not right for the job", was perceived to have an "arrogant" and "abrasive" style not suited to the Chinese way of doing business and that his disclosure to EnCana had "no bearing" on his removal. Cliveden maintains there was no legal requirement to inform EnCana, and the company acted correctly. EnCana would not make any comment to the Standard about the

dispute but is now said to be pulling out of Chad. Felter had been dealt a bitter blow. As Eronat's friend and legal counsel since the mid-Nineties, he says that, in trying to do "the right thing", he had acted "out of misplaced loyalty". It must have been all the more galling since he had loyally shielded his client, he stated, startlingly, "against being indicted in the US for fraud and money-laundering". This related to Eronat's time in the Nineties in central Asia, then billed as "the new Middle East". Eronat was close to Mobil Oil. What emerges from Felter's timesheets, part of the tribunal evidence, are his meetings (£350 per hour) to fight a number of legal cases on behalf of his client: a \$42 million civil suit (won hands down), two US Grand Jury investigations and a Swiss inquiry. These apparently relate to a potentially sanctions-busting oil deal between Iran and Kazakhstan and to the "Kazakhgate" affair, the US's biggest foreign bribery case in which \$78 million of inducements were allegedly paid by merchant banker James Giffen to the president of Kazakhstan for lucrative oil concessions. Eronat has not been charged in that case — which goes to trial next year — but is referred to in the indictment as CCI (co-conspirator No 1) because his company was allegedly used by his friend Giffen as a conduit for some of the cash. Dogged by these troubles, Eronat has moved on. He is out of Kazakhstan, out of the US, away from Mobil. Now he is in London, into Africa in a big way alongside Calil, and in deep with the Chinese. The hearing has closed. The tribunal panel is digesting the material with the outcome not likely for several weeks. It is not every day an employment tribunal enters the murky world of government deals and multi-million commissions — indeed, Congressional inquiries have revealed less.