
In Pursuit of Olbia

*Case-Study for Eastern European Foreign Investment Moot Court
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Pontic Olbia would be attacked by Alexander the Great, destroyed by Scythians, rebuilt, then destroyed again by the Goths, and then destroyed for good, this time by the Romans. It would undergo many cycles of destruction and revival, but its identity would never be conquered.

From an uninhabited terrain, Olbia rose to stand in splendour. After almost a thousand years of flourishing, it would return to being a wild steppe.

Chapter 1: Ἀρχή (Archē) - The Beginning

Long ago, before the maps of the known world were marked, the restless waves of the Black Sea—called Pontus Euxinus, the "Hospitable Sea" by some, or Axenos, the "Inhospitable Sea" by others—lapped at shores that beckoned to the bold and the hopeful. To the north, the fertile lands beyond the sea promised a bounty rare and coveted: rich soil, verdant plains, and a climate kindred to that of the Balkan heartlands, a gift of life and plenty. Yet, these promising shores were not unclaimed nor undefended. The Scythians, nomads of legend, roamed this vast frontier, a formidable presence whose swift raids and fierce resolve shadowed the ambitions of any who dared to land upon their coast. Here, where the ancient Greek and Scythian worlds met in an uneasy truce and sudden storm, a story of exploration, survival, and daring would unfold.

A young visionary named Thales¹ from the city of Miletus embarked on an exploratory journey to the east. With only two modest vessels, *Theia* and *Aetheria*, supplied by local merchants and city statesmen, and a small, steadfast crew on the stipend from the same, Thales set sail. His task was to see if there was an opportunity for settlement or trade. The initial reconnoitring was promising, and soon they reached a river, Borysthenes—now the Dnieper—that flowed into the Black Sea. Thales decided to continue up the river and north as far as possible to explore how far the Hellenic world could reach. The crew made frequent stops along the way and ventured into the mainland to prospect for available land, crops, and natural resources. But things did not go to plan.

At dusk on 10 June 623 BC, around modern-day Cherkasy in Ukraine, *Theia* and *Aetheria*'s journey was cut short. A band of Scythian warriors, the fearsome horsemen of the steppe, struck with the swiftness and precision for which they were feared. Thales's vision was perceived as an invasion, and his crew were fighters of the Scythian way of life. *Aetheria* was sunk. *Theia* was damaged but kept afloat and sheltered most of the crew, including Thales. The attackers disappeared, content that the intruders would not travel further north. Thales decided to turn around and focus on the territories that would provide more safety to his compatriots, "*the way up and the way down are the same.*" To Thales, this journey meant enjoyment beyond the requirements of his expedition's sponsors, and the quest for happiness was never bound by reaching a singular

¹ "Thales of Miletus" is a fictitious name used here to represent an individual whose historical identity remains unknown. This attribution, along with the names of those said to have supported his journey from Miletus and contributed to the later development of Pontic Olbia, is employed solely for narrative purposes and should not be taken as fact outside the framework of EEFI Moot Court.

destination. It lay in the journey's endurance, the trials and lessons that shaped those who dared to seek it.

Even though the mainland proved unreachable, Thales had found a piece of land on the northern shore of the Black Sea, the hillfort near the Bug estuary not far from modern-day Odesa (Ukraine), that combined a strategic position and an enjoyable place to live. Settling along the seashore meant maintaining the Hellenic lifestyle and leveraging it against the claims of local nomads. Back in the south, in this vast land of wild beauty and endless steppe, on a never-before-inhabited patch, Thales envisioned Pontic Olbia.

Chapter 2: Ἀγορά (Agorá) - The Marketplace

Thales returned to Miletus, shared his observations of distant lands teeming with resources, and convinced his compatriots of his vision for Pontic Olbia. Standing before the archon and the city's elders at the Agora, he proclaimed, *“Olbia will not be a mere assembly of stone and mortar. It shall be a city of higher purpose, to forge something lasting and meaningful. It will be a new era for the Hellenic world.”*

His audience was the assembly composed of magistrates, philosophers, and the most influential patrons of Miletus. Among them was Lysistratos, the mayor of Miletus, a man deeply devoted to the Stoic philosophy. For him, true happiness, *eudaimonia*, lay not in fleeting pleasures or material gain but in life in harmony with nature, duty, and the cultivation of virtue. Thales' vision of Olbia—a city built upon the ideals of purpose and creation—struck a profound chord with Lysistratos' principles. The Greek word *“Olbia”* is translated as *“the fortunate one”*, and *“olbios”* stands for a curious mix of meanings between *“happiness”*, *“luck”*, and *“welfare”*, a concept close to the much later Italian idea of *“dolce vita”*. Be it as it may, both the idea and the proposed name struck a chord with the mayor of Miletus.

“This city you envision, Thales,” Lysistratos was remembered to have said, *“we will support it not out of ambition but because it aligns with what is right and pleasant. You will have our craftsmen, our soldiers, and our ships. And when Olbia is brought into being, you shall govern it in the name of Miletus as a beacon of harmony.”*

The support Thales received from Miletus was substantial and probably reflected the city's ambition to extend its influence far beyond the Aegean Sea. In addition to the support of Mayor Lysistratos on behalf of the city of Miletus, the founding of Olbia was backed by influential members of the city council, such as Archias of Miletus and Eukleides, along with prominent wealthy merchants including Nikos the Rich, Kleon the Shipowner, and Sophilos the Trader, each bringing their resources and expertise to ensure the success of the new city. Archias, a distinguished figure in Miletus, was renowned for his strategic foresight and dedication to expanding the city's influence through colonisation. His vision for growth beyond the Aegean made him a natural advocate for establishing Olbia. Eukleides, one of the chief magistrates of Miletus, played a pivotal role in securing civic approval for the expedition, ensuring that the venture had the full support of the city's governing institutions.

From the merchant class, Nikos the Rich, with his extensive trading network across the Black Sea, emerged as a key financier of the expedition, driven by the promise of new and profitable trade routes. Kleon, an influential shipowner, contributed maritime resources for the journey, seeing the expansion of trade—particularly in grain and other valuable goods—as an opportunity to enhance his fleet’s wealth. Sophilos, whose specialisation in grain trading positioned him as an eager investor, viewed Olbia as a gateway to expand his business operations in the fertile lands surrounding the Borysthenes River.

For this venture, Thales was entrusted with a fleet of five triremes, each reinforced with timber from Asia Minor and equipped for warfare and trade, to navigate the northern regions’ treacherous waters and rivers and possible Scythian attacks. Such expeditions were not uncommon for Miletus, but this one stood out in scope and scale. Similar ventures, such as the founding of Naucratis in Egypt in 620 BC or Massalia (modern-day Marseille in the south of France) around 600 BC, involved an expenditure of around 30 talents of silver—a considerable sum, with each talent equivalent to approximately 26 kilograms of pure silver. Thales’ expedition was thought to have been backed by nearly 50 talents of silver, almost double the foundation budget for Hellenic cities at the time.

In addition to financial support, Thales received a team of specialists to accompany him. Skilled architects, trained in the construction of Hellenic temples and the practical needs of urban planning, were sent to ensure the city of Olbia would stand as a testament to Miletian craftsmanship. Alongside them were experienced stonemasons, carpenters, and builders equipped with the tools and knowledge to raise fortifications and public buildings. The financial outlay for their services and supplies alone could have reached ten talents; however, no mention of the exact expense has been found.

Military support was also provided, given the hostile tribes around the territory that Thales had selected for Pontic Olbia. Miletus provided a small contingent of hoplites—50 elite soldiers defending the mission against Scythian incursions or other tribal threats during the first five years from the city’s foundation. The cost of outfitting and paying such a force for a multi-year campaign was high, likely amounting to 5 talents of silver. However, this particular head of expense was either never put in writing, or the mention did not survive. Furthermore, Miletus sent diplomats and advisors, who were not only tasked with negotiating peaceful relations with local tribes but also ensuring the protection of Miletus’ trade interests in the region.

Finally, the expedition included philosophers, physicians, and scribes—each chosen for their expertise and ability to help create a self-sustaining intellectual and cultural life in Pontic Olbia. The presence of these individuals demonstrated Miletus' understanding that this new settlement was to be a flourishing polis modelled after the ideals of Greek city-states.

The terms of support from Miletus and its merchants were clear: the city would maintain a strong interest in the future success of Pontic Olbia, with the expectation that a substantial portion of the profits from its trade would be returned to Miletus. In particular, the grain, fish, and livestock markets were expected to generate significant revenue for the mother city, allowing it to recoup its investment over time. Like Naucratis and Massalia, Miletus expected a 10-15% return on Olbia's annual trade income. These revenues, in addition to a set percentage of any mining or agricultural production, were earmarked to compensate for the city's contribution to the expedition and its continued interest in the success of this far-flung endeavour.

Chapter 3: Πόλις (Polis) - The City

The construction of Pontic Olbia was completed on May 15, 613 BC. Strategically positioned, Olbia emerged as a trading hub, linking the Hellenic world to the vast expanses of Scythian lands and other neighbouring cultures.

The economy of Pontic Olbia flourished because of the expansive trade networks of the Black Sea and the Mediterranean. Agricultural exports, particularly grain and salted fish were highly sought after in Greece. In return, Olbia's storerooms were filled with olive oil, wine, and fine pottery from the Greek mainland. The port thrived, alive with the daily sounds of ships unloading and reloading, merchants negotiating deals, and goods from all corners of the known world passing through its gates.

Life in Olbia was vibrant. The agora served as the city's central hub for economic and civic life, its open-air spaces filled with merchants, traders, and the political discussions of the city's high-minded citizens. Temples dedicated to Apollo and Demeter stood proudly as focal points for religious festivals and public gatherings. Public buildings such as stoas and gymnasiums were filled with activities for citizens to train their bodies and minds.

Symposia—the high spot of the Olbian social calendar—took place regularly, where influential men gathered to eat, drink, and discuss. In rooms filled with low couches, participants reclined, adorned in delicate woollen garments, sharing news from distant lands or debating the nature of justice and virtue. The air was rich with the scent of fresh bread and spiced olives alongside bowls of figs and honeyed almonds. Amphoras of wine, sweetened with honey and perfumed with herbs, were passed from guest to guest, each cup mixed carefully with water according to custom.

Discussions during these symposia were varied and intense. Some evenings centred on philosophical debates—on the nature of happiness, the ideal city, or the responsibilities of the state. On other occasions, the topics were more practical—how best to navigate the trade routes to Scythia or the economic implications of grain prices in the Aegean. These gatherings served as moments of leisure and critical spaces for forging political alliances, shaping the future of Olbia as a city and a trading power. The symposia, with their mixture of intellectual exchange, fine food, and social prestige, formed the backbone of Olbian elite culture, linking the city's governance with the flow of ideas and influence from across the Hellenic world.

The city itself was a cultural crossroads. In 480 BC, in *The Histories*, Herodotus vividly describes Olbia as a thriving Greek colony perched at the edge of the Scythian world. In this place, commerce flourished amid the tensions of cultural exchange. Herodotus captures the allure of the Scythians, whose vibrant customs and fierce warrior culture fascinated Greek traders and explorers alike. He recounts daring ventures into Scythian territory, where Greeks encountered practices such as elaborate burial rites that included the ritual sacrifice of horses and servants—an astonishing spectacle that both captivated and bewildered the Greeks. They marvelled at the Scythians' use of cannabis in purification rituals and their unique forms of oaths, which involved drinking blood to symbolise their fierce loyalty. Through Herodotus's romantic lens, Olbia emerges as a city where the promise of prosperity meets the thrilling unknown of the Scythian hinterlands, a crossroads of civilisation where trade and myth intertwine.

An Olbian identity began to emerge as local customs blended with Greek influences. During a symposium, one significant development was the decision to mint coins in the shape of dolphins, reflecting the community's connection to the sea and its abundant marine life. This decision highlights how the Olbians integrated their environment into their cultural practices. Unlike their Greek counterparts, the Olbians adapted agricultural techniques to suit the fertile black soil of the region, which supported crops like wheat and barley. Additionally, the Olbians engaged in trade with other Greek colonies and local tribes, which fostered a unique cultural exchange. This combination of Greek practices and local adaptations contributed to a distinct Olbian identity that set them apart from other Greek city-states.

Chapter 4: Γαλάζιος (Galazios) - Blue

The sea around Olbia was a deep, cool blue. Unlike the Mediterranean and Aegean, the Black Sea had no hint of turquoise. The warm teal-to-azure gradient of the Mediterranean comes from an invasive species of underwater plants that is not native to the Black Sea and will not be known to it till millennia later. Yet, instead of calling this sea “blue” by its colour, the Ancient Greeks called it “the Black Sea”. To continue the confusion, in *Homer's Iliad*, the sea is described as a “wine-dark sea” and the sky as “bronze” or “iron”. This absence of blue in the ancient Greek vocabulary might suggest a cultural disinterest, or even linguistic limitation, in distinguishing blue as a distinct colour. Despite their proximity to water and sky, the Ancient Greeks had an oddly muted perception of blue.

By contrast, for the Ancient Egyptians, blue was more than a colour; it symbolised life, creation, and divinity. Lapis lazuli, a stone of deep, vibrant blue, was imported from regions as distant as Bactria in modern-day Afghanistan. Egyptian artisans used this precious stone extensively in funerary artefacts, amulets, and the iconic *wesekh* collars that adorned the necks of pharaohs. This blue was not just decorative; it was seen as a bridge between the mortal and divine realms, symbolising the heavens, the Nile, and the promise of the afterlife. Pharaoh Tutankhamun’s burial mask, famously inlaid with lapis lazuli, remains one of the most enduring symbols of the divine status afforded to the colour and the gem. In Egypt, bright blue symbolised all good things, from wealth to virtue.

The Scythian steppe culture did not share the Egyptians’ fascination with colour, although it is unclear if they were as oblivious to it as the Greeks. Still, the river Borysthenes was considered a Scythian deity, but the Scythians did not rely on its colour in their decor. They favoured gold and silver for hardware and red and green for textiles.

While blue was seemingly ignored in Greece, purple received attention similar in scale to the colour blue enjoyed in Egypt. Purple clothes were a must-have for upper-class Greek citizens. The Athenian statesman and general Pericles is known to have worn chlamys (a short cloak) dyed entirely purple daily, as an emblem of his aristocratic status. High-end garments were dyed a purple, almost burgundy shade that had a subtle shimmer when exposed to sunlight.

Purple remained an on-and-off staple of elite fashion for centuries and was featured in the garments of the Greek nobility and Roman emperors. There were tales of foreigners assassinated for publicly

wearing purple in Athens. The dye was available to buy but cost a fortune and was not supposed to be purchased by those outside of the highest social class.

The dye's recipe was kept secret, but it was known that it came from a rare mollusc species, *murex*, or "rock snail". Thousands of shells had to be harvested and crushed by hand to extract a small quantity of pigment, and the smell was unbearable for a mile around the dye's production site. The demand for purple robes, symbolising power, wealth, and nobility, was insatiable, but so was the toll on the Murex populations. Over time, the once plentiful molluscs featured in Aristotle's writings were overharvested, leading to their decline.

By 400 BC, this scarcity of murex shells had caused the first crisis. The elites of the ancient Mediterranean, unwilling to give up their cherished purple garments, continued to seek out what remained of the dye at exorbitant prices.

Moreover, from 431 to 404 BC, Greece was involved in the Peloponnesian War, which disrupted traditional trade routes and made sourcing other luxury items more difficult. Thus, Greece needed an economic spruce-up and a new symbol of social status.

Chapter 5: 'Οραμα (Orama) - Vision

During this uncertain time, a new leader emerged in Olbia: Mayor Timotheos, a man as determined and visionary as Thales had been in his day.

Timotheos unearthed Thales' writings in the archives and found a reference to an expedition undertaken many years ago. It was when Thales first travelled upstream of Borysthenes aboard *Theia* and *Aetheria*, searching for new sources of wealth. Among Thales' old notes, Timotheos noticed a curious discovery made during the expedition: deposits of a "majestic sky-infused" stone. Samples of the stone were stored in *Aetheria*, the ship that had been lost to the Scythian attack. The venture was forgotten, as Thales focused on the founding of Pontic Olbia. "*There is no way to recover the stone samples, but there is no way this is anything else than lapis lazuli!*" Timotheos' excitement was justified — the discovery of lapis lazuli and international trade in lapis artefacts and blue dyes held great promise and would lead to unimaginable wealth.

Moreover, with growing political tensions after the Greco-Persian Wars, Greece would benefit from replacing Persian Bactria as the supplier of lapis lazuli to Egypt. Switching from purple to equally vibrant and luxurious blue would solve the sartorial problem of the Greek upper class, doubling the profit from the Egyptian venture. The lapis lazuli extraction would occur upstream of the Borysthenes, and the polishing would be done in Olbia, where skilled artisans had long been known for their craftsmanship. The stones would be carefully shaped into religious symbols and jewellery according to Egyptian taste, and the dye created from them would be sold to the Greek elite. This is how Timotheos strategised, and when he presented his idea at the symposium, the public agreed with him.

Of course, the lapis trade presented challenges. The journey up the Dnieper River was dangerous, as were trade routes across the Black Sea, where shifting currents and hostile tribes posed constant threats. But the rewards were immense.

Egyptian priests believed lapis lazuli had protective qualities and was linked to the divine, making it a necessity with no expense spared in the tombs of pharaohs and the adornment of their temples, but also in religious ceremonies and burial practices of anyone who could afford it. The price of a medium-sized lapis ritual statue made for a top priest or a pharaoh equalled the cost of a house for a family in the Hellenic world, but there was no rule against making smaller and more affordable pieces. This made the Egyptian market insatiable regarding any and all goods made from lapis lazuli. Meanwhile, although luxury goods were class-specific in Greece, the upper class expanded

and fuelled the demand for exquisite clothing to a point where the dye cost more than its weight in gold.

This globalised venture would bring Pontic Olbia more profit than the combined profit from Murex and lapis trade brought Greece and Persia, respectively, in its peak years.

Chapter 6: Συμμαχία (Symmachía) - The Alliance

Mayor Timotheos understood that setting this venture up required more financial expenses and political acumen than one city, even as prosperous as Pontic Olbia, could provide. Timotheos resorted to the same instruments Thales employed in his day — he travelled to the city-states on the Balkan Peninsula and spoke to local statespeople about his proposed project. Euandros, the Banker who controlled significant trade routes across the Black Sea; Straton, the Shipbuilder who provided the fleet for the northern journey; and Polykrates, the Trader known for his expertise in luxury goods and connections with Greek and Egyptian markets, all agreed to support Timotheos' venture. The cities of Miletus, which helped found Pontic Olbia, and Syracuse, which has risen to prominence since then, also backed the venture.

Then came carefully orchestrated lobbying campaigns and negotiations with Egypt. Emissaries travelled along well-trodden trade routes aboard a trireme. They navigated the waters of the Black Sea, their ships laden with gifts and provisions intended to demonstrate goodwill and facilitate open dialogue. Democritus of Abdera, a philosopher and diplomat known for his diplomatic acumen, helped facilitate discussions on the Greek and Olbian sides. Nectanebo II, the last native Egyptian pharaoh, participated on the Egyptian side. His reign was marked by attempts to strengthen ties with Greek states amid political instability, and Timotheos's venture caught his interest.

In January 339, the Tripartite Agreement was concluded, with Pontic Olbia on one side, Miletus, Syracuse, and the Greek merchants on the other side, and the Kingdom of Egypt on the third side. The Olbians would extract and transport lapis lazuli from the northern territories for further transformation into blue dye and artefacts. Miletus would provide triremes for the transportation of all goods from Olbia. Syracuse would act as an intermediary for the distribution of lapis dye throughout the Greek world. In exchange, Olbia would receive payment and essential supplies from Egypt, including papyrus and various luxury items. It would also be relieved from paying 15% of its treasury to Miletus under its Founding Agreement.

When the news was announced at the Olbian agora, the crowd buzzed with excitement.

The discussions in the agora lasted several days, drawing the attention of the political elite and ordinary people, who eagerly gathered to listen. Speeches echoed through the square, filled with rhetoric to galvanise support for the alliance. Timotheos was remembered as saying, *“Let this alliance be the dawn of a new era for Olbia! With the riches of Egypt and the wisdom of Syracuse, we shall thrive!”* Someone heard Democritus of Abdera addressing the crowd this way, *“Together,*

we are stronger. Our fates are intertwined; as the tides of the Black Sea bring goods to our shores, so shall they carry our name across the Mediterranean!”

Chapter 7: Ὀδός (Hodos) - The Journey

Soon afterwards, in the autumn of 341, in the workshops scattered around Olbia, the finest craftspeople toiled day and night, creating treasures destined to grace the temples of Egypt and the palaces of Syracuse. They were working with the materials from Egypt — a shipment of religious artefacts, drawings, and raw lapis lazuli. Under the Tripartite Agreement, Olbia would create its first delivery to both Egypt and Greece out of Egyptian samples to speed up delivery. Further shipments would be made from Scythian lapis lazuli, and the delay would allow the time necessary for extraction.

For this first delivery, Mayor Timotheos commissioned the most beautiful ship the city had ever seen. *Argo Navis*, a grand vessel 23 meters long adorned with Odysseus strapped to the mast and the three mythical sea nymphs whose tune was thought to drive sailors to their deaths. Steered by 25 able seamen, the ship would be laden with statues and jewellery carved from majestic lapis lazuli and fabrics dyed in the famous blues that would soon “*rival the purple of Phoenician lore*”.

To the high-minded citizens of Pontic Olbia, *Argo Navis* was more than a trading vessel. They were familiar with Plato’s reflections on navigation and statesmanship. Plato had famously likened the role of a ship’s captain to that of a ruler, a comparison that resonated deeply with Timotheos as he oversaw this ambitious endeavour. Just as a boat could not be entrusted to sailors who squabbled for control, the fate of a city could not be left in the hands of those who sought only personal gain. A true leader, Plato insisted, must understand the winds of fortune and the tides of fate, guiding the vessel—or the city—toward its ultimate good. Mayor Timotheos believed that in overseeing this voyage, he acted as Plato’s ideal captain, charting a course not just for *Argo Navis* but for Olbia and the civilised world.

On a day of bright sunlight, 12 November 341, Olbia bustled with energy as preparations for the grand departure began. The *Argo Navis* stood tall at the docks, its hull gleaming with fresh tar, while its sails, embroidered with dolphin motifs—the symbol of the city’s coinage—flapped lightly in the coastal breeze. Artisans hurried across the dock, carrying delicate figurines of gods, mythical beasts, and amphorae filled with precious goods—lapis-dyed fabrics, packed carefully into sturdy clay jars sealed with wax and ropes. Each amphora was marked with Olbia’s merchant seals, representing the city’s finest craftsmanship.

Seamen moved across the ship with practised ease, their sandals clapping against the deck as they prepared the ship for departure. Their clothing was modest, adorned only with small amulets of

dolphins or sea gods for protection—a humble counterbalance to the wealth the ship carried. The *Argo Navis* had a crew of seasoned sailors. As the vessel drifted away from the dock, the sailors worked in rhythm, setting a course for the southern waters, where they would first touch the coast of Syracuse before making their way to Alexandria.

Mayor Timotheos watched the departure and imagined the gleam of Olbian dolphin coins in every market across the Mediterranean, where the name of Olbia was spoken with the same reverence as Miletus or Athens. Yet, as Plato warned, even the wisest captains cannot control the sea itself.

The Bora—a deadly, invisible wind force—could come to the Black Sea without warning. That November, it started with a mild wind that quickly became erratic, combined with a sudden drop in temperature and darkening skies. If the Bora starts less than five hours after departure from the port, there is a slight chance that the vessel could be turned around and docked until the weather improves; however, once a ship gets caught in a Bora storm, there is no chance of success.

This time, the sailors attributed the rising wind to a temporary squall, a fleeting challenge on their otherwise glorious journey. The captain recognised it too late. The ripples across the once calm waters quickly built into towering waves, too high for the shallow sides of *Argo Navis* to withstand. As the crew fought, seawater rushed over the deck and flooded the hold. The waves and swirls of the raging Black Sea briefly turned shimmering blue as *Argo Navis* descended 2,000 meters deep.

Chapter 8: Τέλος (Télos) - The End

According to Aristotle, every ὁδός (hodos), or journey, exists as an end in itself, imbued with value beyond its destination. Each Τέλος (télos), or end, may serve as a precursor to new beginnings, as closure often conceals the potential for transformation. The most well-laid efforts can culminate in disaster, yet what one perceives as an ending can unveil other meanings and unforeseen possibilities.

However, in the last days of autumn 341, the officials of Alexandria, Miletus and Syracuse did not take the news of the sinking of *Argo Navis* philosophically. The Egyptians anticipated the arrival of their precious lapis statuettes under the Tripartite Agreement and now demanded urgent delivery or compensation. They could not resume their old way of business because they sent their supplies and the money to Olbia before *Argo Navis*' first shipment. Syracuse and Miletus refused to accept responsibility for the accident because they saw themselves as investors under the Tripartite Agreement, a role, in their view, more akin to that of the Kingdom of Egypt, even though Egypt maintained that it understood the two Greek city-states in the Balkans as being on the same side as Pontic Olbia and even as Olbian guarantors.

As for Pontic Olbia, the citizens rallied and sent more sailors out the morning after the storm, hoping to find *Argo Navis* in distress but eligible for repair. In the following weeks, that hope was lost, but they kept looking for some of the cargo that may have floated. None was found. Unbeknownst to them, the anoxic waters of the Black Sea preserved *Argo Navis* in perfection, ready to be beheld. However, salvage operations in such depth were impossible in 4 BC. This would have to wait until 2018 when the technology permitted underwater exploration on such a scale. *Argo Navis* would not become the vessel that led Olbia to greatness in 341, but millennia later, it would be known as “the world’s oldest intact”.

Mayor Timotheos offered to reproduce the shipment under the Tripartite Agreement from scratch and requested another tranche of financing to secure the extraction of lapis lazuli. After lengthy negotiations, extra funding and an extension were agreed upon. In early 334 BC, three new vessels of the river fleet left Olbia for their journey north of Dnieper in search of lapis lazuli. A week later, Alexander the Great’s general Zopyrion ravaged Pontic Olbia and set its strategic premises on fire, affecting the people and equipment required to recreate *Argo Navis*' cargo. In December 334 BC, Timotheos and his surviving associates wrote to the negotiation teams in Syracuse, Miletus and the Kingdom of Egypt, informing them that Pontic Olbia could not perform its obligations under the

Tripartite Agreement. In January 333 BC, Syracuse, Miletus and Egypt wrote back that they would not seek “*any additional fines*” from Pontic Olbia for the delays that resulted from the attack by Alexander the Great.

Later communications did not survive, and it is unclear if the Tripartite Agreement was terminated at that point or if the parties planned to resume the trade once Pontic Olbia was rebuilt. Mayor Timotheos undertook major reforms: taxes were reduced, foreigners were granted Olbian citizenship and prisoners and enslaved people were released—the combined effect of these reforms and the reconstruction effort paid off in ensuring Olbia’s survival. Mayor Timotheos sent out several triremes, called “the Dnieper fleet”, to mine lapis lazuli in Scythia. However, months later, one of the ships sent to the Dnieper returned empty-handed and reported that other ships of the Dnieper fleet and all their cargo had been lost to tribal attacks. Olbian workshops never got to work with the blue gems of the north. It was as good as if lapis lazuli was never there, and perhaps it was not. The samples aboard the *Aetheria* could have been some other blue gem. It could be that “*sky-blue*” in Thales’ writings was incorrectly understood to mean “*the colour blue*”, so the sample stones might not have been blue. Or, lapis lazuli was there at the time of Thales, but further into the mainland and away from the river, and possibly not in the quantities that would last till 333 BC and satisfy the requirements of the Tripartite Agreement. Even if lapis lazuli could not be extracted north of Olbia, the city could still buy it from Bactria and profit significantly by producing dyes and religious artefacts, even if this meant a renegotiation of the Tripartite Agreement and a lower scale of profit than expected.

In the following years, the Kingdom of Egypt, Pontic Olbia, and city-states Miletus and Syracuse were involved in a bitter dispute over the lost cargo of *Argo Navis* and the interpretation of the Tripartite Agreement. The negotiations dragged on, and diplomatic ties were stretched to their breaking point. In 328, Egypt and the Greek funders commenced arbitration under the Rules of the International Centre for the Settlement of Investment Disputes.

SUBMISSIONS OF THE PARTIES

Claimants

The Kingdom of Egypt, the high priests of the Amun temple and the private funders Euandros, Straton and Polykrates (the Claimants) claim that they are entitled to investor protections under the Tripartite Agreement. They assert that the Polis of Syracuse, the Polis of Miletus, and Pontic Olbia are responsible for the failure to protect the manufacturing premises for the lapis lazuli artefacts and dye in the armed attack by Alexander the Great, the supplies of lapis lazuli aboard the Dnieper fleet from the attack by the Scythians, and for failing to secure or salvage the first shipment and crew aboard *Argo Navis*. The Claimants demand compensation for the expenses already incurred in the lapis venture, including the full price of *Argo Navis*, lost profits from five decades of operation of *Argo Navis* on commercial routes and the same period for the lost trade in lapis dye and artefacts as well as moral damages for public ridicule.

Arguments on Jurisdiction

Agreement to Arbitrate

The Tripartite Agreement is an investment treaty under international law. It was signed after detailed and lengthy negotiations between parties experienced in global trade. Therefore, the Respondents willingly and knowingly undertook international obligations under the Tripartite Agreement, including the arbitration clause.

1. *Ratione Materiae*

The Claimants' participation in the lapis lazuli venture satisfies the criteria for the duration, risk and contribution to the development of the host state. Additionally, the involvement of the Greek funders in the lapis venture is a continuation of their predecessors' contribution under the Founding Agreement. Therefore, the Claimant's contributions constitute an investment under the Tripartite Agreement. Additionally, the participation of the Greek funders in the lapis venture is a continuation of their predecessors' contribution under the Founding Agreement.

2. *Ratione Personae*

The Kingdom of Egypt contributed to the lapis lazuli venture with an expectation of profit and qualifies as an investor; its sovereign status is no bar to its status as an investor. Additionally and alternatively, the high priests of the Amun temple are a state-controlled institution and qualify as Egyptian investors under the Tripartite Agreement as they submitted raw lapis lazuli for the first shipment of *Argo Navis* and directly suffered the negative consequences of the breach of the Tripartite Agreement. The private funders are all citizens of Miletus and Syracuse and satisfy the nationality requirement as foreign investors in Pontic Olbia. Ancestors of some of the private funders in this arbitration financed the

founding of Olbia in 613 BC and were also citizens of Miletus. Miletus and Syracuse signed the Tripartite Agreement alongside Pontic Olbia, intending to strengthen the Greek side of the venture. They are, therefore, jointly liable for any breaches of the Tripartite Agreement. In any event, Miletus, Syracuse and Olbia are all representatives of the Hellenic network with shared goals and decision-making, and any act of any of them is attributable to the others.

3. *Ratione Temporis*

The Tripartite Agreement applies retroactively to Greek funders' contributions to the founding of Olbia because the lapis lazuli venture continued the same objective as the Founding Agreement.

4. *Admissibility of the Papyrus Note*

The papyrus note is an unofficial document from an unverified source and does not contain any certain information that could influence the outcome of this arbitration. Admitting the note into the record will fuel opportunistic arguments on the Respondents' side, therefore, the Tribunal should reject the note.

Arguments on the Merits

1. *War Clause*

The attack by Alexander the Great led to the destruction of the manufacturing facilities, which made it impossible to produce the goods under the Tripartite Agreement and, therefore, constituted the expropriation of the investment. Any possibility of resumption of business was contingent on the success of the Dnieper fleet and became moot after the Scythian warriors attacked the Dnieper fleet with its cargo of lapis lazuli. The Respondents are strictly liable for any destruction caused by the military actions regardless of the aggressor's identity and their efforts to defend themselves or repair the damage.

2. *Full Protection and Security*

Pontic Olbia, Syracuse and Miletus failed to ensure the full protection and security of the Claimants' investments on three occasions: the shipwreck of *Argo Navis*, the loss of the Dnieper fleet, and the destruction of Olbian workshops. The Respondents oversaw the construction of the vessels, ensured the security of expeditions and were officially in charge of deliveries under the Tripartite Agreement but failed to take sufficient precautions to prevent the accident on the Black Sea and failed to take action to mitigate the consequences of the sinking of *Argo Navis* in the weeks that followed. The Respondents failed to protect or evacuate the Olbian workshops constructed specifically for the lapis lazuli venture in the wake of the attack on Olbia, and the reconstruction efforts did not restore them to the same condition they were in before the attack.

3. *Legitimate Expectations*

The Respondents acted negligently and fell below a reasonable standard in their expeditions to Scythia, which frustrated the Claimants' legitimate expectations regarding the extent and duration of the lapis lazuli venture under the Tripartite Agreement. Pontic Olbia recklessly misrepresented the existence and/or extent of lapis lazuli supplies it could procure, and the Claimants relied on the expectation of at least 50 years of recurring shipments under the Tripartite Agreement and of the size larger than the first shipment by *Argo Navis*.

4. *Expropriation*

Pontic Olbia's pattern of careless missteps, which Miletus and Syracuse tolerated — including the undefended attack on Olbia, the Scythian attack on the Dnieper fleet, the lack of safety measures on *Argo Navis*, and the lack of lapis lazuli extracted/brought from Scythia — constitute expropriation of the Claimants' entire investment under the Tripartite Agreement. The Respondents' failure to provide warning and communicate the real state of events around the lapis lazuli venture, in particular the likelihood of attacks and the presence of lapis lazuli supplies, put the Claimants in the most disadvantaged position and warrants no limitation of liability for the Respondents.

Arguments on Quantum

The Respondents are liable for all possible losses caused to the Claimants by the failure of the Tripartite Agreement due to their failures in the extraction expeditions, maritime deliveries and military action.

1. *Value of the Lost Cargo of Argo Navis*

The Respondents are liable to compensate 40,000 staters for the first cargo aboard *Argo Navis*, calculated approximately based on the rates in the Tripartite Agreement, and 2 million staters for annual shipments in the same amount for the next fifty years of the expected operation of the lapis lazuli venture.

2. *Damages for Interruption of Trade Relations*

The Respondents are liable for 10 staters and 30 talents as damages for the disruption of trade relations with other nations and the reputational harm suffered by the Claimants due to the Respondents' failures.

3. *Lost Annual Charges*

The Claimants are entitled to 7.5% of Olbia's annual treasury, counting from the date of the sinking of *Argo Navis* to the date of the arbitral award, on account of lost opportunities.

4. *Compensation for the Destroyed Lapis Lazuli Workshops in Olbia*

As the workshops in Olbia were never restored to the same condition after Alexander the Great's attack, the Claimants sought compensation in the amount necessary to build similar workshops in a different location in the Hellenic world, even if the price would be higher.

5. *Compensation for Moral Damages for Public Ridicule*

The Kingdom of Egypt and the high priests of the Amun temple seek 30 staters for moral damages caused by its inability to conduct religious ceremonies and high-profile burials in full decorum for almost a year due to the respondents' breaches. The private funders seek ten talents in moral damages for the public ridicule of wearing chlamys in very pale purple to official events for a year due to murex shortages.

Respondents

The Polis of Syracuse, the Polis of Miletus, and Pontic Olbia dispute the jurisdiction of the Tribunal and all the claims. They maintain that the Tripartite Agreement was a preliminary political instrument with no legal consequences. Alternatively, if it had consequences, these were purely contractual, and the contract became automatically void the moment *Argo Navis* sank. In the second alternative, if the Tripartite Agreement offered investment protections, the shipwreck was an accident and investment arbitration is not insurance against regular business risk.

Any misunderstanding regarding war clauses was resolved when the Kingdom of Egypt wrote to Pontic Olbia, assuring it would not seek any penalties for the damage caused by the military attack. In the last alternative, if any breach of investment protections occurred, it is attributable solely to Pontic Olbia, an independent city-state.

Arguments on Jurisdiction

Agreement to Arbitrate

The Tripartite Agreement was a new and unexplored instrument, poorly understood by the parties signing it on the Greek side. It was meant as a political memorandum with no legal consequences. Alternatively, it could be construed as a contract for a commercial transaction. In a second alternative, even if the lapis lazuli venture possessed any elements of an investment, the Tripartite Agreement could not be understood as meant to remain in operation for decades, as the parties would review it after the first shipment from *Argo Navis*.

1. *Ratione Materiae*

The contribution made by the Kingdom of Egypt was a commercial transaction made by a sovereign state and does not qualify as an investment. The private funders from Miletus and

Syracuse participated in a government scheme for the city-states of Miletus and Syracuse, which does not qualify as an investment. Alternatively, if it qualifies as an investment, it was part and parcel of the public-private partnership spearheaded by Miletus and Syracuse into Pontic Olbia, for which private parties lack standing in court.

2. *Ratione Personae*

The lapis lazuli venture was financed and organised by private parties from Miletus and Syracuse. The signatures of the representatives for Pontic Olbia, Syracuse and Miletus in the Tripartite Agreement meant only political support and facilitation. Alternatively, if the argument fails, Miletus and Syracuse assert that even if Pontic Olbia is found liable as the host state, this finding should not extend to Syracuse and Miletus as they did not have any control over the territory of Pontic Olbia. The private funders have no standing to seek recourse against Miletus and Syracuse, the cities of their citizenship. In addition, the high priests of the Amun temple have no standing under the Tripartite Agreement as they are no signatories.

3. *Ratione Temporis*

The retroactive application of the Tripartite Agreement is unwarranted under international law. The Greek funders' contribution to the lapis lazuli venture was not connected to the founding of Olbia. The contribution of some of the lapis funders' ancestors to the founding of Olbia is too remote from the current funders' situation to benefit from the protections under the Tripartite Agreement.

4. *Admissibility of the Papyrus Note*

The papyrus note from the Egyptian paralegal is, in essence, a witness statement by Pytheas Philippides, a key witness in the case. Alternatively, a witness statement by Amenemhat, the paralegal who acted for the Kingdom of Egypt, contains valuable information about the witness. The Tribunal should admit the note to the record of the case as ignoring it would lead to a manifestly unjust arbitral award.

Arguments on the Merits

1. *War Clause*

The Claimants waived their claims under the war clause by sending Pontic Olbia a written confirmation that no fines would be sought with regard to the military attack by Alexander the Great. Alternatively, if the war clause applies, Pontic Olbia has discharged its duty by reconstructing a city ravaged by war into a functioning city in a short period of time and offering to continue the lapis lazuli venture.

2. *Full Protection and Security*

The sinking of *Argo Navis* was an unpredictable accident, and investment arbitration is no insurance for it. The state of security aboard *Argo Navis* corresponded to the state of

technology when it was built. In the alternative, the Claimants financed *Argo Navis* and could but failed to ensure any more extraordinary precautions or security measures to be taken. The Claimants are, therefore, precluded from claiming any breach regarding *Argo Navis* on the part of Pontic Olbia.

3. *Legitimate Expectations*

The Claimants are precluded from relying on legitimate expectations. During the lengthy negotiations leading up to the Tripartite Agreement, the Claimants had every opportunity to request more details or suggest exploration activities. However, they were satisfied with Pontic Olbia's progress. The standard of exploration in Scythia corresponded to the state of technology at the time. In the alternative, any faults in the exploratory process were shared among the signatories to the Tripartite Agreement.

4. *Expropriation*

All goods that the Claimants consider expropriated were jointly owned by all signatories to the Tripartite Agreement and cannot be considered as exclusively belonging to the Claimants. Pontic Olbia kept the lines of communication open and informed its counterparts of all developments. Mayor Timotheos took unprecedented measures to ensure the swift reconstruction of Olbia and the resumption of the Tripartite Agreement. Therefore, the destruction of the cargo of the Dnieper fleet and *Argo Navis*, as well as the workshops, does not constitute expropriation. Alternatively, if it does constitute expropriation, the state of necessity in Olbia precludes any liability for it.

Arguments on Quantum

1. *Value of the Lost Cargo of Argo Navis*

The cargo aboard *Argo Navis* is not subject to compensation as it was lost due to an accident outside of the Respondents' powers. Alternatively, the value of the first shipment was twice lower than claimed as the prices in the Tripartite Agreement were only indicative. Compensation for subsequent shipments is unacceptable as the Tripartite Agreement would not have operated for longer than two years and could have possibly been terminated after the first shipment.

2. *Damages for Interruption of Trade Relations*

Trade relations cannot be quantified and, therefore, cannot be compensated. In any event, trade events were disrupted for all parties of the Tripartite Agreement, cancelling out any compensation due.

3. *Lost Annual Charges*

The Claimants were never entitled to annual charges as these were due to the city-state of Miletus, not the private funders or their descendants. In any event, the Tripartite Agreement cancelled yearly charges.

4. *Compensation for the Destroyed Lapis Lazuli Workshops in Olbia*

The Tripartite Agreement did not specify which part of the Claimants' contribution was spent on constructing workshops in Olbia instead of Olbian state funds. In any event, the workshops were the property of Olbia, and no compensation was due. Alternatively, awarding the Claimants compensation for the workshops would constitute double recovery when weighed against their claims for the lost cargo and future shipments.

5. *Compensation for Moral Damages for Public Ridicule*

The Tripartite Agreement did not envisage moral damages, and none are acceptable in investment proceedings.

PROCEEDINGS

The case is registered as *Case No. 3/327. The Kingdom of Egypt, the high priests of the Amun temple and the private funders Euandros, Straton and Polykrates v. Pontic Olbia, the Polis of Syracuse and the Polis of Miletus (The Kingdom of Egypt et al. v. Pontic Olbia and the Hellenic Cities)*.

The Tribunal is comprised of Sisygambis, Queen Mother of Persia (President), Paurava, King Porus of the Punjab Region and Antipater, Regent of Macedonia.

The Tribunal and the Parties held a Case Management Conference and noted the following.

Around the time arbitration commenced, the Parties contacted prospective witnesses. Out of those reachable at the time, one person stood out: Pytheas Philippides, a sailor from the last expedition up the Dnieper. All Parties were keen on calling Mr. Philippides as a witness and intended to question him about the Dnieper fleet in Scythia. Representatives for the Kingdom of Egypt found Mr. Philippides in Persia and met for a preliminary discussion. The only record of this conversation is contained on a papyrus note made by the paralegal. The Tribunal is satisfied that Mr. Philippides will not be able to testify and will consider the Claimants' request to admit the note from the paralegal to the record of the case during the pleadings on jurisdiction.

The Parties disagree on complex matters of compensation, and the Tribunal orders the appointment of a joint valuation expert. However, the Parties are not bound by the expert reports in their arguments on compensation.

The Parties specify that the amounts stated in staters and talents throughout the documents in their submissions, the Founding Agreement and the Tripartite Agreement shall be converted according to the rates contemporary to the events.

The hearings are scheduled for June 2026 in Glasgow, Scotland, United Kingdom and will be conducted in a hybrid on-site/online format.

Exhibit C-9 “Papyrus Note from Paralegal”

[illegible]

“Mr. Philippides refuses to testify in no uncertain terms. He says he gave up sailing long ago. We asked him about his role in the armed attack by the Scythians, how he survived and whether he saw the gems. Mr. Philippides said he does not wish to talk about Scythia. We asked him if he had brought anything from that trip, but he only repeated, “I will not give it away”. He is nervous and, for some reason, every time we mention Scythia, he clutches a large turquoise rock and says in Persian فیروزه, “The one to usher luck and victory”.”

[signature: Amenemhat, scribe and paralegal]