
Hughes Hubbard & Reed

Hughes Hubbard Wins Two More Crimea Awards Against Russia

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May 1, 2019 — The firm scored another major victory for Ukrainian businesses when an international arbitration tribunal issued awards to energy companies Ukrnafta and Stabil in a pair of cases against Russia for its seizure of their gas stations in Crimea following its 2014 annexation of the disputed peninsula.

On April 12, a tribunal at the Permanent Court of Arbitration at The Hague ordered Russia to pay awards worth nearly \$100 million combined: about \$53.7 million in compensation for Ukrnafta, Ukraine's largest oil company, and \$43.5 million for Stabil, including pre-award interest and legal costs.

The two cases are among five arbitration proceedings that HHR initiated in 2015 for Ukrainian businesses. HHR previously won jurisdiction rulings in all five of the arbitrations. In May 2018, HHR secured a \$159 million award for Everest Estate and 18 other claimants, the first award on the merits in the Crimea arbitrations. The Supreme Court of Ukraine recognized the Everest award on Jan. 25.

In February, HHR won partial awards for PrivatBank, Ukraine's largest commercial bank, as well as for Igor Kolomoisky and his company Aeroport Belbek. The tribunal will determine damages in both cases in a later phase. PrivatBank is seeking more than \$1 billion in damages.

Russia has refused to participate in any of these proceedings, arguing that the tribunals have no jurisdiction to hear the claims. In an interview with TCH News on Ukrainian 1+1 TV channel, Vitaly Morozov discussed the latest awards. He said it is unlikely that Russia will comply with the awards voluntarily, but international arbitration provides for a mechanism to enforce the awards in over 150 jurisdictions around the world.

The awards made headlines in Global Arbitration Review, Law360, Investment Arbitration Reporter and other news sources.

John Townsend and Jim Boykin lead the HHR team. In addition to Morozov, the team includes Leon Ioannou, Eleanor Erney, Marina Drapey, Alex Bedrosyan, Stijn Winters and paralegals Svitlana Stegnyy and Lauryn Hardy.

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John M. Townsend



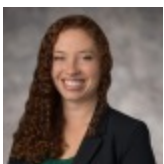
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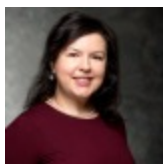
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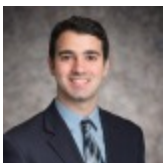
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