

Partial Award in the North Sea Arbitration was Issued

On 29 January 2020, Sinopec International Exploration and Production Corporation (SIPC) and Addax Petroleum UK Limited (APUK), affiliates of China Petrochemical Corporation (Sinopec Group), received a partial award issued by an arbitral tribunal of Singapore International Arbitration Centre for the arbitration, between APUK and SIPC as claimants and Repsol Oil & Gas Canada Inc. (ROGCI) and Talisman Columbia Holdco Limited (Talisman) as respondents, relating to Sinopec's investments in the UK North Sea. The partial award confirms the liability of ROGCI and Talisman in respect of one of the principal claims advanced by APUK and SIPC. Sinopec Group is also aware of the recent public statements made by Repsol S.A. on the partial award.

These arbitration proceedings were started by APUK and SIPC in 2015 and concern, amongst other issues, claims arising from APUK's acquisition in 2012 of 49% share in Talisman Energy (UK) Limited (TEUK). TEUK was renamed Repsol Sinopec Resources UK Limited following Repsol S.A.'s acquisition of Talisman Energy Inc. in 2015. The proceedings are divided into liability and quantum phases.

The tribunal has yet to rule on the other matters in dispute, but the current partial award upholds the key claims made by APUK and SIPC and forms the basis of the later hearing and award.

Given the confidential and ongoing nature of this dispute, we will not be commenting further until further awards are made.