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Ukraine's Naftogaz says Russia told to pay \$5 billion for seizing Crimea assets

Reuters



[1/2] The logo of Ukraine's state energy company Naftogaz is seen outside the company's headquarters in central Kyiv, Ukraine October 18, 2021. REUTERS/Glei Garanich/File Photo

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KYIV, April 13 (Reuters) - Ukraine's state-owned gas company Naftogaz said on Thursday that Moscow had been ordered by an arbitration court in The Hague to pay \$5 billion in compensation for unlawfully expropriating its assets in Russian-annexed Crimea in 2014.

Naftogaz CEO Oleksiy Chernyshov described Wednesday's ruling by The Hague's Arbitration Tribunal at the Permanent Court of Arbitration as a "key victory on the energy front" and said he expected more decisions in Ukraine's favour to come.

"Despite Russia's attempts to obstruct justice, the Arbitration Tribunal ordered Russia to compensate Naftogaz for losses of \$5 billion," Naftogaz said.

"Russia must now comply with this decision in accordance with its obligations under international law," it said in a statement.

Russia, which launched a full-scale invasion of Ukraine in February 2022, seized the peninsula of Crimea in 2014, drawing a wave of sanctions from Western governments.

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There was no immediate comment from Russia or Russia's Gazprom ([GAZP.MM](#)) on the ruling. The court in The Hague did not immediately respond to a written request for comment.

Naftogaz said if Russia refused to pay voluntarily it could initiate a "process of recognition and admission to enforce the award in the territory of those states where assets of the Russian Federation are located."

The company, whose assets in Crimea included Chornomornaftogaz which produced significant amounts of gas from the Black Sea, gave no further detail of which overseas Russian assets it could target. Some high-profile Russian-owned international assets - such as superyachts owned by Russian oligarchs - have already been targeted by governments as part of sanctions following the Ukraine invasion.

Naftogaz had initiated arbitration proceedings with six other companies within Naftogaz Group in October 2016, it said, noting the arbitration award was made after hearings to determine the amount of compensation, which ended in March 2022.

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Tim Ash, an analyst at BlueBay Asset Management, said the ruling was a "huge legal win for Ukraine, and I would think more (is) to come."

Naftogaz has been in talks with investors on a debt restructuring to bring the company out of a months-long default.

Reporting by Pavel Polityuk; Writing by Tom Balmforth; Editing by Jason Neely and David Holmes



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