

Successful arbitration outcome

Released : 24 August 2022 12:02

RNS Number : 1023X
Rockhopper Exploration plc
24 August 2022

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("Rockhopper" or the "Company")

Successful arbitration outcome

Rockhopper Exploration plc (AIM: RKH), the oil & gas company with key assets in the North Falkland Basin, is pleased to provide the following update on its ICSID arbitration with the Republic of Italy:

- Successful arbitration award
- Compensation of EUR 190mm
- Plus interest at EURIBOR + 4%, compounded annually from 29 January 2016 until time of payment

The arbitration panel unanimously held that Italy had breached its obligations under the Energy Charter Treaty entitling Rockhopper to compensation. The award is final and binding on the parties. Italy has 120 days to apply for an annulment of the award, which can only be annulled in limited circumstances. Under a legal agreement with the Falkland Island Government Rockhopper is prevented from making any form of distribution.

All costs associated with the arbitration were funded on a non-recourse ("no win - no fee") basis from a specialist arbitration funder. After payments due to the arbitration funder, Rockhopper expects to retain approximately 80% of the award (assuming full recovery of the award). Further analysis is required to establish the tax treatment on any payments related to the award.

Samuel Moody, CEO commented

'We are delighted to have won our case. A huge amount of work has been involved since we acquired Mediterranean Oil & Gas Plc in 2014 and commenced the Arbitration in 2017. I would like to pay tribute to our team for their dedication over such a long period. We will update the market in due course once we have been able to analyse fully the results of the arbitration and its full, very positive financial implications for Rockhopper. This positive milestone builds on our recent transaction with Navitas and while work still needs to be done on Sea Lion, we believe after collection of the award, it will make a material contribution towards our share of the development costs.'

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