



PCA PRESS RELEASE

**ARBITRATION BETWEEN PJSC UKRNAFTA AS CLAIMANT AND THE RUSSIAN FEDERATION—
ARBITRATION BETWEEN STABIL LLC AND TEN OTHERS AS CLAIMANTS
AND THE RUSSIAN FEDERATION**

THE HAGUE, 4 AUGUST 2016

Claimants Submit Responses to the Tribunal's Questions; Ukraine Allowed to Make Submissions as Non-Disputing Party under the Ukraine-Russia BIT; Hearing on Jurisdiction Held in Geneva

As reported previously (Press Release dated 2 May 2016), on 22 April 2016, the Tribunal in the two above-referenced arbitrations ordered that the proceedings continue notwithstanding the Russian Federation's failure to communicate Statements of Defense, and posed questions to the Parties with respect to issues of jurisdiction.

On 3 June 2016, PJSC Ukrnafta, Stabil LLC and the ten other claimants in these arbitrations ("Claimants") submitted their responses to the Tribunal's questions. The Russian Federation did not submit any responses.

In the course of the proceedings, the Claimants had filed translations of the Russian and Ukrainian language originals of the Ukraine-Russia bilateral investment treaty ("BIT"). On 3 June 2016, having consulted the Parties, the Tribunal obtained a new translation of that treaty. Upon the Tribunal's invitation to all Parties, the Claimants provided comments on the new translation on 17 June 2016; the Russian Federation did not provide any comments.

On 8 June 2016, the Tribunal held a meeting by teleconference in which procedural matters pertaining to the hearing on jurisdiction scheduled for 11 July 2016 were discussed. The Claimants and the Russian Federation were invited to participate. The Claimants were represented by Messrs. John M. Townsend, James H. Boykin, Vitaly Morozov, Marc-Olivier Langlois, Leon Ioannou and Samuel Cowin of Hughes, Hubbard and Reed LLP. There were no representatives from the Russian Federation. Following the meeting, the Tribunal issued a procedural order on pre-hearing matters.

On 21 June 2016, having sought the views of the Parties, the Tribunal granted an application from Ukraine to make submissions in these arbitrations as the non-disputing party under the Ukraine-Russia BIT. Upon the Tribunal's invitation to all Parties, the Claimants provided comments on Ukraine's submissions on the same date; the Russian Federation did not provide any comments. A subsequent request from Ukraine to attend and make oral submissions at the hearing on jurisdiction was denied by the Tribunal on 1 July 2016.

The hearing on jurisdiction was held, as scheduled, on 11 July 2016 in Geneva, Switzerland. Two in-house counsel of PJSC Ukrnafta and Messrs. Townsend, Boykin, Morozov and Cowin of Hughes, Hubbard and Reed LLP attended for the Claimants. Although invited, the Russian Federation did not

attend or otherwise participate. In the course of the hearing, Mr. Townsend made an opening statement on behalf of the Claimants and the members of the Tribunal posed questions to the Claimants. Following the hearing, its transcript and audio-recording were delivered to the Parties.

On 18 July 2016, the Tribunal invited the Parties to file post-hearing submissions addressing specific issues by 26 August 2016.

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Background: The two above-referenced arbitrations were commenced by the Claimants against the Russian Federation pursuant to the Ukraine-Russia BIT and in accordance with the UNCITRAL Arbitration Rules 1976 on 3 June 2015. The Claimants submit that, as of April 2014, the Russian Federation breached its obligations under the Ukraine-Russia BIT by interfering with and ultimately expropriating their investments in petrol stations located in Crimea.

The Tribunal constituted in each of the two arbitrations is comprised of Professor Gabrielle Kaufmann-Kohler (Presiding Arbitrator), Mr. Daniel M. Price (appointed by the Claimants), and Professor Brigitte Stern (appointed by the appointing authority, Mr. Michael Hwang, on behalf of the Russian Federation).

Under the instructions of the Tribunal, the PCA will from time to time issue press releases containing information on the procedural steps taken by the Tribunal. Basic information about the proceedings is available on the PCA Case Repository <http://www.pcacases.com>.

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