

# SIDLEY AUSTIN ADVISES PERUVIAN GOVERNMENT IN GAS ROYALTIES ARBITRATION

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**Sidley Austin's Washington, D.C. office recently obtained a victory on behalf of the Republic of Peru in an arbitration relating to gas extraction royalties.**

A consortium of oil companies had brought the dispute before a tribunal because of a disagreement with Perupetro, a state agency that authorises the exploration and exploitation of natural gas. The dispute related to Perupetro's interpretation of a contract concerning royalties from the sale of gas extracted from Peru's Camisea region.

The arbitration was administered by the International Centre for Settlement of Investment Disputes.

The tribunal ordered the claimants to pay more than \$64 million in damages, including costs and lawyers' fees, to Perupetro.

Sidley Austin partner Stanimir Alexandrov, co-leader of the firm's international arbitration practice, led the team, which also included partners Andrew Shoyer, Marinn Carlson and Jennifer Haworth McCandless.

Haworth McCandless said: "It was a rare result. It is unusual that a tribunal would award a party 100 per cent of what they sought. It was a clean sweep for Perupetro. Tribunals are typically reluctant to rule 100 per cent in one party's favour."