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## Arbitration Award for Exxon Is Detailed

By WILLIAM NEUMAN



Exxon Mobil could receive as much as \$555 million in cash from the Venezuelan government as a result of an international arbitration ruling over the nationalization of the company's assets, according to details of the award made public on Monday.

The arbitration award decided by the International Court of Arbitration, which is based in Paris, was valued at \$907.6 million. In addition to the cash Exxon stands to receive, the oil giant will be released from the payment of debts totaling about \$352 million. The ruling was dated Dec. 23, but Exxon said it did not receive the decision until Friday.

The Venezuelan government and Exxon both sought to portray themselves as victors in the arbitration, which stemmed from the 2007 nationalization of a heavy crude oil production project in the Orinoco Belt, considered one of the world's richest potential petroleum reserves.

**Petróleos de Venezuela, the state-run oil company, released a statement on Monday saying that Exxon had sought a much larger compensation and that the arbitrator's conclusion showed that the company's claims were "exorbitant" and "completely exaggerated and beyond all logic."**

**The state oil company said that its "successful defense" in the case meant that it was required to make only a \$255 million payment to Exxon.**

**But the state oil company's statement acknowledged that Exxon would also receive about \$300 million in cash from bank accounts in the United States belonging to the state oil company; those accounts were frozen by a court ruling after the nationalization. Exxon said the frozen accounts contained \$305 million.**

**The government statement said that Venezuela has always been willing to compensate private interests for the nationalization of assets as long as the compensation was "fair and reasonable."**

**In a statement Monday, Exxon said that the arbitration affirmed the state oil company's contractual liability in its agreements with Exxon over what was known as the Cerro Negro project.**

**"Contract sanctity and respect for the rule of law are core principles used to manage our business over the long term," Exxon said.**

**The nationalization of the Exxon project and other oil projects involving multinational corporations was a major step in a campaign of expropriations by the government of Venezuela's president, Hugo Chávez.**

**Exxon and Venezuela are involved in a second arbitration over the same project before the International Center for Settlement of Investment Disputes, part of the World Bank, which could increase the amount the company receives.**

**The country faces several other potential settlements with foreign companies over a spate of nationalizations that have taken place in recent years. One of those involves a project of the oil company Conoco Phillips, also in the Orinoco Belt.**

**The ruling appeared to lend weight to Venezuela's argument that it should compensate companies for the amount they had invested, the so-called book value, rather than the market value that an asset would receive if it were put up for sale.**