

**World Bank panel rejects Venezuela's appeal over Conoco  
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A World Bank panel has rejected Venezuela's request for a new hearing to contest a 2013 partial ruling that it failed to act in good faith regarding negotiations to compensate US oil company ConocoPhillips for expropriations.

The dispute dates from then-President Hugo Chavez's socialist government's takeover of three oil projects in 2007.

"The majority of the tribunal concludes that it does not have the power to reconsider the decision," the World Bank's International Center for Settlement of Investment Disputes (ICSID) said on its website.

Venezuela's state oil company PDVSA said that decision last year was unfair because it had offered US\$2.3 billion (RM7.6 billion) in compensation, which was higher than its US\$1.8 billion estimate of the assets' value, excluding tax and royalties claims.

While saying Venezuela had not acted in good faith, September's partial ruling did not determine how much money it must pay the US-based company. It also limited the scope of ConocoPhillips' claims by excluding future tax credits.

The company claimed victory in last year's decision, but experts say a final ruling on damages in the biggest arbitration case that Venezuela is facing could take one or two more years.

The latest ICSID ruling said a date for a hearing to discuss the compensation amount would be fixed "in consultation with the parties, in due course."

ConocoPhillips initially asked Venezuela for \$30 billion in compensation for its stakes in the Hamaca and Petrozuata heavy crude upgraders and a separate offshore project called Corocoro.

Several major foreign oil companies, including Chevron Corp, were able to reach agreements with the Chavez government and give up majority stakes in projects while hanging onto minority ones.

ExxonMobil Corp and ConocoPhillips did not reach accords and eventually took their claims to arbitration.

Venezuela has more than 20 arbitration cases pending at ICSID and other courts stemming from Chavez's nationalizations. The country pulled out of the ICSID in 2012, but will still be subject to cases submitted beforehand.

Chavez died from cancer in 2013, with a protege, Nicolas Maduro, winning a presidential election to replace him. – Reuters, March 13, 2014.

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