



PRESS BULLETIN

On May 24, 2022, an international arbitration tribunal constituted under the Arbitration Rules of the United Nations Commission on International Trade Law (“Arbitral Tribunal”) issued the final award that confirmed that the actions of Ecuador breached the Service Contract for the Exploration and Exploitation of Hydrocarbons in the Singue Block of the Ecuadorian Amazon Region signed with Gente Oil (the “Contract”).¹ The Arbitral Tribunal ordered Ecuador to pay compensatory damages and moral damages to Gente Oil, plus interest and a portion of the costs of the proceeding and of the attorney fees of Gente Oil.

The Final Award is available at the following **link**.

FINAL AWARD HIGHLIGHTS

- The Arbitral Tribunal affirmed the legality of the Contract.
- Ecuador acknowledges that the Contract is greatly beneficial to Ecuador by opposing its termination.
- Ecuador breached the Contract. [para. 1451 (e) and (g)]
- Ecuador “breached its obligation to perform the Contract in good faith and caused moral damages to Gente Oil.” [para. 1187]
- The Comptroller’s Recommendation in General Report DASE-045-2017 to reduce the Tariff is “wrongly analyzed and contrary to the economic balance of the Contract.” [para. 1017]
- The Private Prosecution filed by the Attorney General in the criminal proceedings, on behalf of the Ecuadorian State, includes “allegations contrary to what the Secretariat, prior to 2018, and the Sectorial Ministry had unequivocally stated.” [para. 1277]
- In the criminal proceedings, the Attorney General “distorted both the terms of the contract and the calculation of alleged damages to the [Ecuadorian] State.” [para. 1187]
- Ecuador’s conduct “must be regarded as malicious.” [para. 1277]

¹ See Gente Oil’s press bulletin dated April 9, 2018 (informing that Gente Oil filed an arbitration request against the Ecuadorian State).

- The Arbitral Tribunal awarded Gente Oil over \$10 million in damages due to Ecuador's breaches of contract. [para. 1452 a), b) and c)]
- Additionally, the Arbitral Tribunal awarded Gente Oil moral damages as compensation for damages caused to its reputation and good name. [paras. 1278-1281 and 1452 d)]