ENERGY PRACTITIONERS PUBLISH CHAPTER ON LNG ARBITRATION IN GLOBAL ARBITRATION REVIEW'S GUIDE TO ENERGY ARBITRATIONS, 7TH EDITION

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International Arbitration and Dispute Resolution Alert

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> UPDATE: We continue to formulate strategies for reducing legal risk in the supply of liquefied natural gas as well as in the supply of gas, oil products, green fuels, and other commodities. Energy partners Ben Holland and Steven Sparling have published an updated chapter on 'LNG Arbitrations' for the 7th edition of the Global Arbitration Review's *The Guide to Energy Arbitrations*, available here. The updated chapter addresses ways to avoid disputes and sets out common areas of dispute arising from LNG contracts

Our lawyers have published an all new chapter on 'LNG Arbitrations' in the latest (5th) edition of Global Arbitration Review's (GAR) *The Guide to Energy Arbitrations*.

The release of this publication coincided with a year of turbulence in global energy markets. The chapter addresses ways to avoid disputes and sets out common areas of dispute arising from liquefied natural gas (LNG) contracts.

As explained in the chapter, LNG is one of the great connectors of world trade. It has been commercialised for more than 50 years and will flourish in the coming decades with substantial growth in its use predicted. Many consider it the most realistic transition source of energy between the circumstances today and a future where fossil fuels are less readily utilised. LNG is also the most immediate source of relief from market disruptions brought about by conflict and other (e.g., sanctions-related) displacement.

Topical and currently relevant areas covered in the chapter include disputes relating to the failure to supply LNG. This section covers missed LNG cargos, sellers denying upward flexibility, hardship claims by sellers, and other seller failures to deliver.

Likewise, the publication covers disputes relating to the over-supply of LNG. This includes take-or-pay disputes, sellers denying downward flexibility, hardship claims by buyers, and other buyer failures to take delivery.

A separate section addresses the challenges that can be faced when asserting a claim for *force majeure* under long term LNG contracts or when developing new facilities and the need for mitigation when these circumstances arise (for example, sourcing from alternative supply sources).

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The final section covers disputes relating to rescheduling, diversions and destination restrictions in LNG contracts, disputes concerning reloading of LNG, and disputes relating to terminal capacity and use as well as disputes related to the price of LNG.

The energy industry has helped to nurture and shape the practice of international arbitration, and, for a host of reasons, such as resource nationalism, oil price drops, geopolitics, climate change, sanctions, and pandemics among others, the energy sector has remained one of the discipline's biggest users.

The authors are LNG partners Ben Holland and Steven Sparling. Our LNG partners offer unique insights as part of our highly-ranked International Arbitration practice.

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