

Press Release

First successful charge of Russian property in London by Yukos shareholders

LONDON, FEBRUARY 1, 2024 – After the Russian Federation failed to comply with a London High Court order to pay legal costs to the former Yukos majority shareholders following the rejection of the Russian Federation’s claim to sovereign immunity, the shareholders obtained an interim charging order over a vacant plot of land in Kensington belonging to the Russian Federation. This is the first successful charge over Russian property in England ever.

GML CEO Tim Osborne, who leads the former majority shareholders in their fight to hold Russia accountable for the expropriation of their investments in Yukos, considers this a historic step: *“Russia makes it a point to ignore court judgments, making it very difficult if not impossible for its victims to get justice”*, Mr. Osborne notes. *“This historic first charge over Russian property in England is a testament to our commitment to hold Russia accountable for its actions by pursuing Russian state assets worldwide until justice is done”*.

In 2014, an independent Arbitral Tribunal in The Hague awarded the former majority shareholders in Yukos Oil more than \$50 billion in compensation for the illegal expropriation of their investments by the Russian Federation. Since the Russian Federation refused to pay, the shareholders started legal proceedings in London for permission to enforce their awards against Russian state property in England and Wales.

Russia’s attempt to argue that it was protected by sovereign immunity against the proceedings before the Courts in England and Wales [was rejected in November 2023](#), after which the London High Court [ordered Russia to reimburse the former shareholders](#) for the legal costs they incurred in relation to Russia’s claim to immunity. Russia’s unpaid bill amounts to approximately 960.000 British pounds.

After Russia had failed to pay the Court-ordered costs within the 28-day deadline, the former majority shareholders successfully obtained an Interim Charging Order over a vacant plot of land at 245 Warwick Road in Kensington, which the Russian Federation bought in 2006 for £8 million.

The Russian Federation has the right to challenge the Interim Order at a hearing on 12 April, 2024.

Meanwhile, legal proceedings for recognition and enforcement of the \$50 billion awards in London and Wales continue. The next London High Court hearing in these proceedings is scheduled for 13 June 2024.

About GML

GML, through its wholly-owned subsidiaries, Yukos Universal Limited and Hulley Enterprises Limited, together with Veteran Petroleum Limited were the majority shareholders of the former Yukos Oil Company. In 2014, an independent Arbitral Tribunal in The Hague awarded them more than \$50 billion in compensation for the illegal expropriation of their investments by the Russian Federation.

In its Final Award, the independent Arbitral Tribunal concluded that:

- *“Russian courts bent to the will of Russian executive authorities to bankrupt Yukos, assign its assets to a State-controlled company, and incarcerated a man who gave signs of becoming a political competitor”;*
- *“... [T]he State’s campaign of intimidation and harassment not only disrupted the operations of Yukos but also contributed to its demise”;*
- *“... [T]he primary objective of the Russian Federation was not to collect taxes but rather to bankrupt Yukos and appropriate its valuable assets.”*

The Russian Federation appealed the decision in the Dutch court system. In 2016, the District Court of The Hague set aside the Arbitral Awards on grounds of jurisdiction. In February 2020, the Court of Appeal of The Hague quashed the decision of the District Court and reinstated the Arbitral Awards. The Dutch Supreme Court affirmed the substance of that ruling in November of 2021 and referred one minor issue, which had earlier been rejected by the Hague Court of Appeal on procedural grounds, for full consideration by the Court of Appeal in Amsterdam. The Hague Court of Appeal [confirmed](#) that the shareholders can continue to enforce the awards while the appeal on this remaining issue is pending.

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