

The parties participated in the arbitration proceeding in *Transocean Offshore Gulf of Guinea VII Limited v. Erin Energy Corporation (f/k/a CAMAC Energy Inc.*, Arbitration No. 163241, before the London Court of International Arbitration. (Docket Entry No. 24 at 1). The arbitration arose from a dispute over a contract for drilling equipment, personnel, and services in the waters off the coast of Nigeria. (Docket Entry No. 25-1 at 5). Before the arbitration hearing and findings, the parties consented to the entry of an arbitral award by the tribunal. (Docket Entry No. 24 at 4); (Docket Entry No. 25-1 at 6–7); (Docket Entry No. 28 at 1).

The tribunal issued two awards: a first partial final award by consent, (Docket Entry No. 25-1), and a partial final award on legal costs, (Docket Entry No. 26-1).¹ After providing background on the underlying dispute and the parties’ subsequent agreement, the consent award stated: “WE DECLARE AS FOLLOWS,” followed by six declarations about the amounts the respondent owed the petitioners. (Docket Entry No. 25-1 at 7). The consent award then stated: “WE ORDER AND DIRECT AS FOLLOWS,” followed by the associated terms and conditions. *Id.* at 7–9. The award is attached to this Memorandum and Opinion as Attachment 1.

III. The Parties’ Contentions

The petitioners, Transocean and Indigo, argue that the respondent, Erin Energy, has not paid the amounts it owes under the consent award and the legal-costs award. (Docket Entry No. 24 at 7). They petition for confirmation of the awards under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, codified in the Federal Arbitration Act, 9 U.S.C. §§ 201–08. *Id.* Transocean and Indigo argue that their action is timely, that the award is sufficiently definite, and that there are no grounds for vacatur. *Id.* at 7, 10–14.

¹ The partial final award on legal costs is not challenged.

They argue that the court has subject-matter jurisdiction over this action because the consent award is subject to the Convention, *id.* at 8, and that “[t]he argument that an award is not enforceable under the New York Convention simply because the award is consensual ignores the fact that the entire arbitration process is founded on the consent of the partes” *Id.* at 9; *First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938, 943 (1995) (“[A]rbitration . . . is a way to resolve those disputes—but only those disputes—that the parties have agreed to submit to arbitration.”). Lastly, Transocean and Indigo argue that the tribunal made the consent award under its authority to resolve the parties’ dispute. (Docket Entry No. 24 at 10).

Erin Energy argues in response that subject-matter jurisdiction is lacking because the consent award is not subject to the Convention. (Docket Entry No. 28 at 2–5). Erin Energy cites the 2016 United Nations Commission on International Trade Law Secretariat Guide on the Convention, which states: “The Convention is silent on the question of its applicability to decisions that record the terms of a settlement between parties. During the Conference, the issue of the application of the Convention to such decisions was raised, but not decided upon. Reported case law does not address this issue.” *Id.* at 2. According to Erin Energy, the Convention’s silence meant that it was not intended to apply to consent awards. *Id.* at 2–3.

Erin Energy argues that a consent award is fundamentally different from other arbitral awards because an arbitral award represents the tribunal’s conclusions, not the parties’ agreement. *Id.* at 3. Erin Energy points to the London Court of International Arbitration’s rules as evidence that consent awards are treated differently from other arbitral awards. *Id.* Rule 26.2 states: “The Arbitral Tribunal shall make any award in writing and, unless all parties agree in writing otherwise, shall state the reasons upon which such award is based.” Rule 26.9 states:

In the event of any final settlement of the parties' dispute, the Arbitral Tribunal may decide to make an award recording the settlement if the parties jointly so request in writing . . . , provided always that such Consent Award shall contain an express statement on its face that it is an award made at the parties' joint request and with their consent. A Consent Award need not contain reasons. If the parties do not jointly request a Consent Award, on written confirmation by the parties to the LCIA Court that a final settlement has been reached, the Arbitral Tribunal shall be discharged and the arbitration proceeding concluded by the LCIA Court

Id. Erin Energy argues that Rule 26.2 requires every "award" to include written reasons, and that consent awards are not "awards" because Rule 26.9 exempts them from the written-reason requirement. *Id.* at 3–4.

IV. The Legal Standards

A. The Convention Requirements for Arbitral Award Confirmation

In 1970, Congress enacted enabling legislation for the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 9 U.S.C. §§ 201–208. "The goal of the Convention, and the principal purpose underlying American adoption and implementation of it, was to encourage the recognition and enforcement of commercial arbitration agreements in international contracts and to unify the standards by which agreements to arbitrate are observed and arbitral awards are enforced in the signatory countries." *Scherk v. Alberto-Culver Co.*, 417 U.S. 506, 520 n. 15 (1974) (citation omitted). The Convention grants district courts subject-matter jurisdiction over actions to confirm arbitral awards to which the Convention applies. *See* 9 U.S.C. § 203 ("An action or proceeding falling under the Convention shall be deemed to arise under the laws and treaties of the United States. The district courts of the United States . . . shall have original jurisdiction over such an action or proceeding"); 9 U.S.C. § 207 ("Within three years after an arbitral award falling under the Convention is made, any party to the arbitration may apply to any court having jurisdiction under this chapter for an order confirming the award as against any other party to the

arbitration.”); *see also Vaden v. Discover Bank*, 129 S. Ct. 1262, 1272 n. 9 (2009) (“[The Convention Act] does expressly grant federal courts jurisdiction to hear actions seeking to enforce an agreement or award falling under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.”); *Base Metal Trading, Ltd. v. OJSC “Novokuznetsky Aluminum Factory”*, 283 F.3d 208, 212 (4th Cir. 2002) (“[T]he Convention and its implementing legislation . . . give federal district courts original jurisdiction over actions to compel or confirm foreign arbitration awards.”); *Daihatsu Motor Co., Ltd. v. Terrain Vehicles, Inc.*, 13 F.3d 196, 198 (7th Cir. 1993) (stating that “§ 203 of the Convention’s enabling statute . . . along with § 207, vests district courts with the authority to confirm foreign arbitral awards”). The Convention applies to arbitral awards “arising out of a legal relationship, whether contractual or not, which is considered as commercial.” 9 U.S.C. § 202.

Under the Convention, if a party applies for a court order confirming an arbitral award, the court—assuming jurisdiction—must confirm the award unless there are grounds for vacating, modifying, or correcting it. 9 U.S.C. § 207 (“Within three years after an arbitral award falling under the Convention is made, any party to the arbitration may apply to any court having jurisdiction under this chapter for an order confirming the award as against any other party to the arbitration. The court shall confirm the award unless it finds one of the grounds for refusal or deferral of recognition or enforcement of the award specified in the said Convention.”). The confirmation of an arbitral award is a summary proceeding that converts a final award into a court judgment. *Encyclopaedia Universalis S.A. v. Encyclopaedia Britannica, Inc.*, 403 F.3d 85, 89 n.2 (2d Cir. 2005); *Yusef Ahmed Algahanim & Sons v. Toys “R” Us, Inc.*, 126 F.3d 15, 23 (2d Cir. 1997); *Val-U Const. Co. of S.D. v. Rosebud Sioux Tribe*, 146 F.3d 573, 582 (8th Cir. 1998); *Cullen v. Paine, Webber, Jackson & Curis, Inc.*, 863 F.2d 851, 854 (11th Cir. 1989); *Taylor v. Nelson*, 788 F.2d 220, 225 (4th Cir. 1986).

Judicial review of an arbitral award is “extraordinarily narrow” and “exceedingly deferential.” *Prestige Ford v. Ford Dealer Computer Servs., Inc.*, 324 F.3d 391, 393 (5th Cir. 2003); *Gulf Coast Indus. Workers Union v. Exxon Co.*, 991 F.2d 244, 248 (5th Cir.1993); *Psarianos v. Standard Marine, Ltd.*, 790 F.Supp. 134, 135 (E.D.Tex.1992), *aff’d*, 12 F.3d 461 (5th Cir.), *cert. denied*, 511 U.S. 1142 (1994). The grounds for vacatur or modification are limited to: incapacity or legal invalidity, improper notice or inability to present case, improper scope, improper arbitral authority composition or failure to follow arbitral procedure, award set aside or suspended or not yet binding, incapable of settlement by arbitration, and recognition or enforcement would be contrary to public policy. The party opposing enforcement or moving to vacate has the burden of proof. *Encyclopaedia Universalis*, 403 F.3d at 90; *Lummus Glob. Amazonas S.A. v. Aguaytia Energy del Peru S.R. Ltda.*, 256 F. Supp. 2d 594, 604 (S.D. Tex. 2002) (citing *Spector v. Torenberg*, 852 F.Supp. 201, 206 (S.D.N.Y.1994)).

B. The Standards for a Motion to Dismiss for Lack of Subject-Matter Jurisdiction

Federal Rule of Civil Procedure 12(b)(1) governs challenges to a court’s subject-matter jurisdiction. “A case is properly dismissed for lack of subject matter jurisdiction when the court lacks the statutory or constitutional power to adjudicate the case.” *Bloom v. Mem’l Hermann Hosp. Sys.*, 653 F. App’x 804, 805 (5th Cir. 2016). “Lack of subject-matter jurisdiction may be found in the complaint alone, the complaint supplemented by the undisputed facts as evidenced in the record, or the complaint supplemented by the undisputed facts plus the court’s resolution of the disputed facts.” *Gonzalez v. United States*, 851 F.3d 538, 543 (5th Cir. 2017).

The burden of proof for a Rule 12(b)(1) motion to dismiss is on the party asserting jurisdiction. *Ramming v. United States*, 281 F.3d 158, 161 (5th Cir. 2001). Accordingly, the

plaintiff constantly bears the burden of proof that jurisdiction does in fact exist. *Id.* When examining a factual challenge to subject-matter jurisdiction under Rule 12(b)(1), which does not implicate the merits of plaintiff’s cause of action, the district court has substantial authority “to weigh the evidence and satisfy itself as to the existence of its power to hear the case.” *Arena v. Graybar Elec. Co.*, 669 F.3d 214, 223 (5th Cir. 2012). The court has wide discretion to allow affidavits or other documents and to hold a limited evidentiary hearing to resolve disputed jurisdictional facts. *See Superior MRI Servs., Inc. v. All. Healthcare Servs., Inc.*, 778 F.3d 502, 504 (5th Cir. 2015). The court may consider matters outside the pleadings to resolve factual challenges to subject-matter jurisdiction without converting the motion to dismiss to one for summary judgment. *See Battaglia v. United States*, 495 F. App’x 440, 441 (5th Cir. 2012).

V. Analysis

A. The Motion to Dismiss

Erin Energy’s only argument against confirming the arbitral award is that it is a “consent award” and therefore not subject to the Convention. Erin Energy concludes that the petition must be dismissed because the court lacks subject-matter jurisdiction. (Docket Entry No. 28). In lieu of citing case law, Erin Energy cites the 2016 United Nations Commission on International Trade Law Secretariat Guide on the Convention, which states that neither the Convention nor reported case law specifically address consent awards. *Id.* at 2. That is no longer the case.

In 2017, in a case with analogous facts and legal issues, the Southern District of New York held that an award “entered into by consent of the parties, as opposed to being based on an arbitrator’s resolution of the factual and legal disputes,” covered by and subject to the Convention. *Albtelecom S.H.A v. UNIFI Commc’ns, Inc.*, 2017 WL 2364365, at *5 (S.D.N.Y. May 30, 2017). The

petitioner in *Albtelecom* sought confirmation of an arbitral award decided by an arbitrator of the International Chamber of Commerce's International Court of Arbitration. The award was based on the parties' consent. *Id.* at *1. The respondent's "sole argument" against confirmation was that the award was made by the parties' consent, which the respondent asserted showed that the parties had resolved their dispute "outside of arbitration." *Id.* at *5. The *Albtelecom* court disagreed for two reasons. First, though the parties could have dismissed the arbitration to pursue a private settlement agreement, they instead "affirmatively asked [the arbitrator] to adopt as part of an . . . arbitral Award, *in haec verba*, the terms of their settlement agreement in the Award." *Id.* Second, the respondent cited no case law to support treating a consent award as outside the Convention, or entitled to less preclusiveness or enforceability, than an award entered through an adjudicative proceeding by the tribunal, even if the parties do not agree with the outcome. *Id.* As the court explained:

There is no reason for such an exception. On the contrary, the opposite rule would discourage resolution of disputes in mid-arbitration. Parties who initiate arbitration under the [arbitral court] might be less willing to settle, were the implication of a settlement that the resulting Award would lose its enforceability under the New York Convention. There is indeed limited law on this point, presumably because Awards achieved following the parties' consent are less likely to result in later disputes. But the limited available precedents reflect recognition and enforcement of Awards entered into based on stipulations by the parties.

Id.

The analysis in *Albtelecom* is thorough and persuasive. This court reaches a similar result. The parties in this case did not dismiss the arbitration. Rather, they opted to continue the arbitration proceedings even after they came to their own agreement. While the tribunal did not make findings or reach legal conclusions, it made an award that bound the parties, within its power. (Docket Entry No. 25-1 at 7–9). No binding or persuasive statutory language or case law requires a court to hold that a tribunal must reach its own conclusions, separate from the parties' agreement, to make a valid,

binding award subject to the Convention. As the *Albtelecom* court noted, this rule would dissuade parties from seeking arbitration in the first place or benefitting from the efficiencies it is meant to provide.

Erin Energy cites the London Court of International Arbitration rules, but they hurt, not help, its argument. Rule 26.2 states that “any award” made by the tribunal must be in writing “and, *unless all parties agree in writing otherwise*, shall state the reasons upon which such award is based.” (Docket Entry No. 28 at 3 (emphasis added)). Rule 26.9 states that a consent award “need not contain reasons.” *Id.* Erin Energy argues that an “award” cannot be a consent award because Rule 26.2 requires *any* award to contain reasons and Rule 26.9 permits consent awards without reasons. But Erin Energy ignores the punctuation in Rule 26.2 and the text of Rule 26.9. “[U]nless all parties agree in writing otherwise” in Rule 26.2 refers to consent awards, confirmed by the procedure in Rule 29.2. “In the event of any final settlement of the parties’ dispute, the Arbitral Tribunal may decide to make an award recording the *settlement if the parties jointly so request in writing . . .*” *Id.* (emphasis added). Rule 26.2, in other words, states that all awards, except for consent awards, must state the reasons the award is based on. The rules make no distinction between consent awards and other arbitral awards.

Because the consent award made by the London Court of International Arbitration is subject to the Convention, this court has subject-matter jurisdiction under 9 U.S.C. § 203 to confirm the arbitral awards in this case.

B. Confirmation of the Arbitral Awards

Because the petitioners brought this action within three years after the arbitral awards were made, the first partial final award by consent and the partial final award on legal costs must be

confirmed unless there are grounds to refuse or defer recognition or enforcement. 9 U.S.C. § 207; (Docket Entry No. 25-1 at 10 (consent award made on July 19, 2017); (Docket Entry No. 26-1 at 7 (legal costs award made on October 24, 2017)). The Convention lists seven grounds for refusing to enforce an arbitral award. Convention, art. V; *Tricon Energy, Ltd. v. Vinmar Int'l, Ltd.*, No. 4:10-CV-05260, 2011 WL 4424802, at *12 (S.D. Tex. Sept. 21, 2011), *aff'd*, 718 F.3d 448 (5th Cir. 2013) (citing *Admart AG v. Stephen and Mary Birch Found., Inc.*, 457 F.3d 302, 307–08 (3d Cir. 2006) (listing the seven grounds)). “The party opposing enforcement of an arbitral award has the burden to prove that one of the seven defenses under the New York Convention applies.” *Encyclopaedia Universalis*, 403 F.3d at 90; Convention, art. V (“Recognition and enforcement of the award may be refused, at the request of the party against whom it is invoked, only if that party furnishes to the competent authority where the recognition and enforcement is sought, proof that [one of the defenses applies].”); *Lummus*, 256 F. Supp. 2d at 604 (S.D. Tex. 2002).

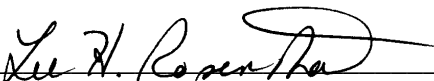
Erin Energy does not argue that the awards should not be confirmed on any ground but lack of subject-matter jurisdiction. Based on a “narrow” and “deferential” review of the arbitral awards, the court finds that the awards must be confirmed. *Prestige Ford v. Ford Dealer Computer Servs., Inc.*, 324 F.3d 391, 393 (5th Cir. 2003); *Gulf Coast Indus. Workers Union v. Exxon Co.*, 991 F.2d 244, 248 (5th Cir. 1993); *Psarianos v. Standard Marine, Ltd.*, 790 F.Supp. 134, 135 (E.D. Tex. 1992), *aff'd*, 12 F.3d 461 (5th Cir.), *cert. denied*, 511 U.S. 1142 (1994). There is no basis to vacate or modify either of the awards. The awards reflect that both parties fully participated in the arbitration proceedings.

VI. Conclusion

Transocean’s and Indigo’s motion to enforce the arbitral awards and for entry of final

judgment under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, (Docket Entry No. 24), is granted. Erin Energy's motion to dismiss for lack of subject-matter jurisdiction, (Docket Entry No. 29), is denied. The first partial final award by consent, (Docket Entry No. 25-1), and the partial final award on legal costs, (Docket Entry No. 26-1), are confirmed as this court's judgment.

SIGNED on March 12, 2018, at Houston, Texas.



Lee H. Rosenthal
Chief United States District Judge



AWARD

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قرار التحكيم

LAUDO ARBITRAL

SENTENCE ARBITRALE

АРБИТРАЖНОЕ РЕШЕНИЕ

LCIA 
Arbitration and ADR worldwide

Arbitration No: 163241

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IN THE LONDON COURT OF INTERNATIONAL ARBITRATION

AND

IN THE MATTER OF THE LCIA ARBITRATION NO 163241

BETWEEN

(1) TRANSOCEAN OFFSHORE GULF OF GUINEA VII LIMITED

(2) INDIGO DRILLING LIMITED

Claimants

- and -

(1) ERIN ENERGY CORPORATION

(FORMERLY CAMAC ENERGY INC.)

(2) ERIN PETROLEUM NIGERIA LIMITED

(FORMERLY CAMAC PETROLEUM LIMITED)

Respondents

FIRST PARTIAL FINAL AWARD BY CONSENT (THE "CONSENT AWARD")

WHEREAS

- (A) On 27 November 2014 the Claimants and Second Respondent entered into Drilling Contract No: CPL/WELLS/14/099/1 (the "**Contract**").
- (B) By a parent company guarantee dated 25 November 2014 (the "**Parent Company Guarantee**"), all of the Second Respondent's obligations to the Claimants were unconditionally and irrevocably guaranteed by the First Respondent, which is the Second Respondent's parent company.
- (C) The Contract provided for the Claimants to furnish the drilling unit, the Sedco Express, associated equipment and personnel and to provide drilling services in waters offshore Nigeria (the "**Contract Services**").
- (D) The parties extended the contract term by way of a number of amendments. The sixth and final amendment extended the term to 19 June 2015.
- (E) The Contract was completed on this date to the satisfaction of the Second Respondent.

- (F) Between December 2014 and June 2015, the Claimants issued invoices (the "Invoices") under the Contract totalling US\$55,342,523.72 and NGN106,133,523.80. The net sums due to the Claimants under the Invoices were US\$49,671,000.04 and NGN105,712,000.39.
- (G) Between December 2014 and August 2015, the Second Respondent paid the Claimants US\$35,640,027.22 against the Invoices.
- (H) Pursuant to Clause 7.3 of the Contract, the Second Respondent, as required by Nigerian law, withheld taxes and levies totalling US\$4,127,339.15 (the "Taxes") from the payments made to the Claimants referred to at Recital G above.
- (I) The Taxes comprised withholding tax of US\$1,876,063.25, VAT of US\$1,876,063.25 and NCD Levy of US\$375,212.65.
- (J) Clause 7.1 (b) of the Contract required the Second Respondent to pay all taxes for which it is liable by reason of the performance of the Contract Services by the Claimants.
- (K) The Second Respondent is required by Nigerian law to pay withholding tax and VAT to the Federal Inland Revenue Service ("FIRS") and NCD Levy to the National Content Development Monitoring Board ("NCDMB"). These authorities are hereinafter referred to as the "Authorities".
- (L) The Second Respondent has not paid the Taxes to the Authorities.
- (M) Clause 18.2 of the Contract provided for arbitration under the LCIA Rules.
- (N) The Claimants' Request for Arbitration was submitted to the LCIA on 22 January 2016.
- (O) By a letter dated 9 March 2016 the parties were notified by the LCIA that, pursuant to Article 5 of the LCIA Rules, the LCIA Court had appointed Sir David Steel, Derrick Dale QC and Sir Richard Aikens to be the Tribunal in the said Arbitration, with Sir Richard Aikens presiding.
- (P) The parties served their pleadings on 6 April 2016, 4 October 2016, 1 November 2016 and 5 December 2016.
- (Q) The Respondents subsequently amended their Statement of Defence on 27 March 2017 and the Claimants amended their Statement of Reply on 7 April 2017.
- (R) Witness statements were exchanged on 26 April 2017. The Claimants served reply witness statements on 10 May 2017.
- (S) The parties exchanged skeleton arguments on 1 June 2017.
- (T) In their skeleton argument, the Respondents confirmed that liability under the Contract was not in issue, and the matters for resolution were limited to quantum and interest.

(U) The Respondents also agreed that the sums of US\$14,028,560.67 and NGN11,799,762.94 were due under the Invoices.

(V) The Respondents also accepted the validity of the Parent Company Guarantee.

BY CONSENT OF THE PARTIES

NOW, WE, Sir DAVID STEEL, DERRICK DALE QC and SIR RICHARD AIKENS, "THE TRIBUNAL", HEREBY SETS OUT ITS FIRST PARTIAL DISPOSITIVE AWARD:

WE DECLARE AS FOLLOWS:

1. The Respondents are liable to pay the Claimants ~~furth~~er US\$14,028,560.67 and NGN11,799,762.94 under the Invoices.
2. The Claimants have withdrawn their claim for any further sums claimed under the Invoices, save for an indemnity in respect of the Taxes and the sums at paragraph 3 as more fully set out below.
3. Withholding tax of US\$701,902.41 and NGN23,399.63; VAT of US\$701,902.41 and NGN23,399.63; and NCD Levy of US\$140,380.48 and NGN4,679.93 ~~is~~ are all payable to the Authorities on the sums referred to at paragraph 1 above.
4. The total amount of withholding tax payable by the Second Respondent to the FIRS (taking account of the sums set out in Recital I and those set out in paragraph 3 above) is therefore ~~US\$2,577,965.66 and NGN23,399.63.~~
5. The total amount of VAT payable by the Second Respondent to the FIRS (taking into account the sums set out in Recital I and paragraph 3 above) is therefore US\$2,577,965.66 and NGN23,399.63.
6. The total amount of NCD Levy payable by the Second Respondent to the NCDMB (taking into account the sums set out in Recital I and paragraph 3 above) is therefore US\$515,593.13 and NGN4,679.93.

WE ORDER AND DIRECT AS FOLLOWS:

7. The Respondents shall pay the Claimants US\$14,028,560.67 and NGN11,799,762.94 forthwith.
8. Upon the issuance of this Consent Award, the Respondents shall within 7 days send the Claimants the letters set out at Appendixes 1 and 2 hereto.

9. The Respondents shall pay the sums referred to at paragraphs 4, 5 and 6 above when due to the Authorities (or in accordance with any payment terms agreed between the Second Respondent and the Authorities) and provide the Claimants with the proof set out in Clause 7.3 of the Contract that they have done so.

10. If the Respondents do not pay any of the sums referred to at paragraphs 4, 5 and 6 above to the Authorities when due and the Authorities issue any request, demand or notice ("Demand") requiring the Claimants to pay such sums, including any interest, fines or penalties thereon, then within 30 days of the Claimants, at their election, sending (i) an email to the then current Managing Director of the Second Respondent and/or the then current Chief Financial Officer of the First Respondent or (ii) a letter by recorded delivery to the Registered Office of the First Respondent notifying them of such Demand the Respondents shall either:
 - (i) pay any sums referred to at paragraphs 4, 5 and 6 above which remain unpaid and any interest, fines or penalties thereon to the Authorities and provide the Claimants with the proof set out in Clause 7.3 of the Contract that they have done so; or
 - (ii) pay any outstanding sums referred to at paragraphs 4, 5 and 6 above which remain unpaid and any interest, fines or penalties thereon to the Claimants, who shall immediately pay the sums received from the Respondents to the Authorities.

11. In the event that the Respondents fail, within 30 days of any notification by the Claimants in accordance with paragraph 10, to pay any of the sums referred to at paragraphs 4, 5 and 6 above pursuant to paragraphs 10(i) or (ii) above:
 - a. the Respondents shall be liable to indemnify the Claimants in respect of any such sums contained in any Demand and payable by the Claimants to the Authorities including, if necessary, any sums payable by way of past and continuing interest contained in such Demand;
 - b. the Claimants shall be entitled, immediately and within a period of 6 (six) months thereafter, to request that the Tribunal shall immediately and without further submissions make a further award or awards in favour of the Claimants in which the Claimants shall be awarded such further sums as are necessary to provide such indemnity; and such further award or awards shall stipulate that the sum (or sums) awarded shall be payable forthwith by the Respondents to the Claimants;
 - c. the right to such further award or awards shall be established by the Claimants presenting to the Tribunal an original or certified copy of the Demand or Demands from the Authorities. The quantum of such further award or awards shall be the sum contained in the Demand or Demands; and
 - d. upon the Tribunal issuing such further award or awards and upon receipt of the same money from the Respondents of all such sums as are awarded, the Claimants shall pay the sums contained in the Demand to the Authorities.

12. The Respondents shall pay simple interest at a rate of 5% per annum on the sums awarded under paragraph 1 above from 21 August 2015 until payment. The accrued interest as of 6 June 2017 is US\$1,260,648.74 and NGN1,060,362.26.

13. The Respondents are to bear the Claimants' legal costs ("**Legal Costs**") of this arbitration. The parties shall endeavour to agree the quantum of the Legal Costs within 7 days of the date of this Consent Award. If no agreement is reached, the quantum of the Legal Costs shall be determined by the Tribunal without an oral hearing in a further award having received written submissions from the parties as follows:

- a. The Claimants to serve their written submissions within 21 days of the Consent Award.
- b. The Respondents to serve their written submissions in response within 35 days of the Consent Award.
- c. The Claimants to serve their written submissions in reply within 49 days of the Consent Award.

14. The total costs of the arbitration (other than the legal or other costs incurred by the parties themselves "Legal Costs") to the date of this Award, which are to be borne by the Respondents, have been determined by the LCIA Court, pursuant to Article 28.1, to be as follows:

Registration Fee:	£1750
LCIA's administrative charges:	£8,696.69
Tribunal's fees:	£39,865.00
Total Costs of Arbitration:	£50,311.69.

15. The liability of the Respondents in respect of the sums referred to at paragraph 1 above shall be joint and several and payment to one or other of the Claimants shall discharge liability to that extent to both of them.

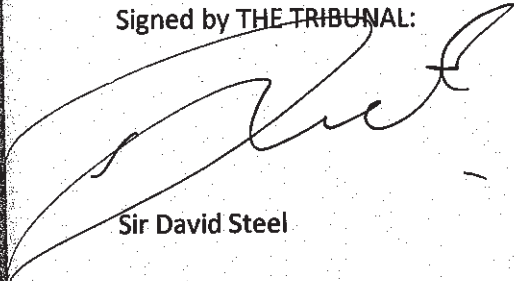
16. This Consent Award being a Partial Award, the Tribunal reserves in full its jurisdiction and powers to address and decide any issue or matter not here finally decided by one or more further orders or awards including without prejudice to the generality of the foregoing:

- a. the assessment of Legal Costs if not agreed; and
- b. any further sums due from the Respondents to the Claimants in order to indemnify the Claimants as set out in paragraph 11 above.


17. In the event that any member of the Tribunal resigns, falls ill or for any other reason is unable to continue as arbitrator, the parties agree that the LCIA Court shall immediately appoint a replacement.

The seat of the arbitration is London, United Kingdom

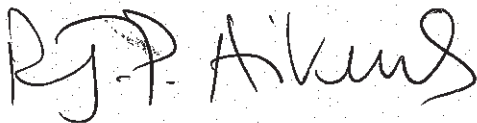
Signed by THE TRIBUNAL:

A handwritten signature in black ink, appearing to read 'Steel', written in a cursive style.

Sir David Steel

A handwritten signature in black ink, appearing to read 'Derrick Dale', written in a cursive style.

Derrick Dale QC

A handwritten signature in black ink, appearing to read 'R.J.P. Aikens', written in a cursive style.

Sir Richard Aikens

Dated: 19 July 2017

APPENDIX 1

[ERIN PETROLEUM NIGERIA LETTERHEAD]

[ADDRESSED TO TRANSOCEAN OFFSHORE GULF OF GUINEA VII LIMITED AND INDIGO DRILLING LIMITED]

FIRST LETTER

[Date]

Dear Sirs

Drilling Contract No: CPL/WELLS/14/099/1

1. We, Erin Petroleum Nigeria Limited, entered into the above contract with Transocean Offshore Gulf of Guinea VII Limited ("Transocean") and Indigo Drilling Limited ("Indigo").

2. Pursuant to invoices issued by Transocean and Indigo under this contract, we paid a total of US\$35,640,027.22, allocated as follows:

(i) Transocean – US\$18,527,445.44

(ii) Indigo – US\$17,112,581.99

3. The table below provides a breakdown of the net sums paid to Transocean and Indigo, and the WHT, VAT and NCD Levy that we have deducted and withheld.

SCHEDULE OF NET AMOUNT DEDUCTIONS ON PAYMENTS TO DATE (CONSOLIDATED)						
Description	Invoiced Amount Net of VAT	Gross Invoice Amounts	ACTUAL STATUTORY DEDUCTIONS			Net Amount Paid
			WHTax	VAT	1% NCD	
INDIGO						
Dayrate Invoices	\$17,800,115.49	\$18,690,121.26	(\$890,005.77)	(\$890,005.77)	(\$178,001.15)	\$16,732,108.56
Recharges	\$381,139.50	\$381,694.56	(\$555.06)	(\$555.06)	(\$111.01)	\$380,473.43
TOTAL	\$18,181,254.99	\$19,071,815.82	(\$890,560.83)	(\$890,560.83)	(\$178,112.17)	\$17,112,581.99
TRANSOCEAN						
Dayrate Invoices	\$19,710,048.34	\$20,695,550.76	(\$985,502.42)	(\$985,502.42)	(\$197,100.48)	\$18,527,445.44
Recharges						\$0.00
TOTAL	\$19,710,048.34	\$20,695,550.76	(\$985,502.42)	(\$985,502.42)	(\$197,100.48)	\$18,527,445.44
GRAND TOTAL						
Dayrate Invoices	37,510,163.83	39,385,672.02	(1,875,508.19)	(1,875,508.19)	(375,101.64)	35,259,554.00
Recharges	381,139.50	381,694.56	(555.06)	(555.06)	(111.01)	380,473.43
TOTAL	\$37,891,303.33	\$39,767,366.58	(\$1,876,063.25)	(\$1,876,063.25)	(\$375,212.65)	\$35,640,027.43

4. We have deducted total WHT of US\$1,876,063.25, VAT of US\$1,876,063.25 and NCD Levy of US\$375,212.65 in accordance with the relevant laws and we confirm we have not paid any of these sums to you. We acknowledge that we, not Transocean or Indigo, are legally responsible for paying them to the Federal Inland Revenue Service and the National Content Development Monitoring Board.

5. In accordance with the provisions of the Companies Income Tax [Rates Etc. Of Tax Deducted At Source (Withholding Tax)] Regulation 1997, we set out at Annex 1 hereto a schedule showing details of the invoices covered by the above amounts.

Yours faithfully

Erin Petroleum Nigeria Limited

ANNEX 1

	Curr	Amount + NCD	VAT	Tot Inv Amt	VAT	WHT	NCD	Net Payments	Inv Date	Inv #
Dec '14 Operating - 10%	USD	\$68,674.24	\$3,433.71	\$72,107.95	(\$3,433.71)	(\$3,433.71)	(\$686.74)	\$64,553.79	15-Jan-15	10114-CAMACTEMF007
Jan '15 Operating - 71%	USD	\$6,657,863.64	\$332,893.18	\$6,990,756.82	(\$332,893.18)	(\$332,893.18)	(\$66,578.64)	\$6,258,391.82	4-Feb-15	10114-00001706
Feb '15 Operating - 71%	USD	\$6,021,284.03	\$301,064.20	\$6,322,348.23	(\$301,064.20)	(\$301,064.20)	(\$60,212.84)	\$5,660,006.99	3-Mar-15	10114-00001813
Mar '15 Operating - 71% (part thereof)	USD	\$5,052,293.59	\$252,614.68	\$5,304,908.27	(\$252,614.68)	(\$252,614.68)	(\$50,522.94)	\$4,749,155.97	10-Apr-15	10114-00001997
Various warehouse recharges	USD	\$64,107.15	\$93.38	\$64,200.51	(\$93.38)	(\$93.38)	(\$18.67)	\$63,985.12	29-Jan-15	10114-00001630
TOPAZ Mogan Boat and related charges	USD	\$317,032.35	\$461.70	\$317,494.05	(\$461.70)	(\$461.70)	(\$92.34)	\$316,478.31	29-Jan-15	10114-00001631
TOTAL		18,181,255.00	890,560.83	19,071,815.83	(890,560.83)	(890,560.84)	(178,112.17)	17,112,582.00		
Dec '14 Operating - 90%	USD	\$618,068.18	\$30,903.41	\$648,971.59	(\$30,903.41)	(\$30,903.41)	(\$6,180.68)	\$580,984.09	15-Jan-15	10155-CAMACTEMF008
Jan '15 Operating - 20%	USD	\$2,719,409.09	\$135,970.45	\$2,855,379.54	(\$135,970.45)	(\$135,970.45)	(\$27,194.09)	\$2,656,244.54	4-Feb-15	10155-00000072
Feb '15 Operating - 20%	USD	\$2,459,387.70	\$122,969.89	\$2,582,357.59	(\$122,969.89)	(\$122,969.89)	(\$24,593.98)	\$2,311,833.83	3-Mar-15	10155-00000091
Mar '15 Operating - 20%	USD	\$2,723,400.22	\$136,170.01	\$2,859,570.23	(\$136,170.01)	(\$136,170.01)	(\$27,234.00)	\$2,559,906.21	10-Apr-15	10155-00000099
Apr '15 Operating - 50%	USD	\$4,539,710.10	\$226,985.51	\$4,766,695.61	(\$226,985.51)	(\$226,985.51)	(\$45,397.10)	\$4,267,327.49	5-May-15	10155-00000103
May '15 Operating - 60%	USD	\$3,829,229.75	\$191,461.49	\$4,020,691.24	(\$191,461.49)	(\$191,461.49)	(\$38,292.30)	\$3,599,475.07	4-Jun-15	10155-00000106
June '15 Operating - 60%	USD	\$2,820,833.30	\$141,041.67	\$2,961,874.97	(\$141,041.67)	(\$141,041.67)	(\$28,208.33)	\$2,651,583.30	26-Jun-15	10155-00000108
TOTAL		18,710,048.34	985,502.41	20,695,550.75	(985,502.42)	(985,502.42)	(197,100.48)	18,527,445.43		
GRAND TOTAL		37,891,303.34	1,876,063.24	39,767,386.58	(1,876,063.25)	(1,876,063.25)	(375,212.65)	35,840,027.43		

APPENDIX 2

[ERIN PETROLEUM NIGERIA LETTERHEAD]

[ADDRESSED TO TRANSOCEAN OFFSHORE GULF OF GUINEA VII LIMITED AND INDIGO DRILLING LIMITED]

SECOND LETTER

[DATE]

Dear Sirs

Drilling Contract No: CPL/WELLS/14/099/1

1. We, Erin Petroleum Nigeria Limited, entered into the above contract (the "Contract") with Transocean Offshore Gulf of Guinea VII Limited ("Transocean") and Indigo Drilling Limited ("Indigo").
2. We explained in our First Letter of today's date that pursuant to invoices issued by Transocean and Indigo under the Contract (the "Invoices"), we paid a total of US\$35,640,027.22, allocated as follows:
 - (i) Transocean – US\$18,527,445.44
 - (ii) Indigo – US\$17,112,581.99
3. We explained that we have deducted total WHT of US\$1,876,063.25, VAT of US\$1,876,063.25 and NCD Levy of US\$375,212.65 from the payments to Transocean and Indigo in accordance with the relevant laws. We also confirmed that we had not paid any of these sums to Transocean or Indigo.
4. On 22 January 2016, Transocean and Indigo commenced arbitration against us and our parent company, Erin Energy Corporation (together, the "Respondents") under London Court of International Arbitration Rules claiming payment of further sums under the Invoices.
5. By consent of the parties, the Tribunal has made the enclosed award dated [x] (the "Award").
6. In the Award, the Respondents have been ordered to pay Transocean and Indigo US\$14,028,560.27 and NGN11,799,762.94 under the Invoices. These sums are net of statutory deductions.

7. The table below provides a breakdown of the net sums which the Respondents have been ordered to pay Transocean and Indigo in the Award, and the WHT, VAT and NCD Levy that we shall be taken to have deducted and withheld in accordance with the relevant laws.

SUMMARY OF NET AWARD AMOUNT DUE						
Description	Invoiced Amount Net of VAT	Gross Invoice Amounts	EXPECTED STATUTORY DEDUCTIONS			Net Amount Payable/ Paid
			WHTax	VAT	1% NCD	
INDIGO						
Dayrate Invoices	\$12,805,114.06	\$13,445,369.76	(\$640,255.70)	(\$640,255.70)	(\$128,051.14)	\$12,036,807.22
Recharges	\$2,065,729.29	\$2,127,376.00	(61,646.71)	(61,646.71)	(12,329.34)	\$1,991,753.24
TOTAL (US\$)	\$14,870,843.35	\$15,572,745.76	(\$701,902.41)	(\$701,902.41)	(\$140,380.48)	\$14,028,560.45
Recharges	11,827,842.50	11,851,242.13	(23,399.63)	(23,399.63)	(4,679.93)	11,799,762.94
TOTAL (NGN)	NGN 11,827,842.50	NGN 11,851,242.13	(NGN 23,399.63)	(NGN 23,399.63)	(NGN 4,679.93)	NGN 11,799,762.94

8. As shown in the table above, Erin Petroleum Nigeria Limited shall be taken to have deducted total WHT of US\$701,902.41 and NGN23,399.63; total VAT of US\$701,902.41 and NGN23,399.63; and total NCD Levy of US\$140,380.48 and NGN4,679.93.

9. We acknowledge that we, not Transocean or Indigo, are legally responsible for paying the sums at paragraph 8 above to the Federal Inland Revenue Service and National Content Development Monitoring Board.

10. In accordance with the provisions of the Companies Income Tax [Rates Etc. Of Tax Deducted At Source (Withholding Tax)] Regulation 1997, we set out at Annex 1 hereto a schedule showing details of the invoices covered by the above amounts.

Yours faithfully

Erin Petroleum Nigeria Limited

Encs

	Inv Curr	Amount + NCD		Tot Inv Amt	VAT	WHT	NCD	Net Cash Receivable	Inv Date	Inv #
		Amount	VAT							
Mar '15 Operating - 71% (part thereof)	USD	\$1,615,341.44	\$80,767.07	\$1,696,108.51	(\$80,767.07)	(\$80,767.07)	(\$16,153.41)	\$1,518,420.95	10-Apr-15	10114-00001997
Apr '15 Operating - 50% INDIGO portion	USD	\$4,539,709.56	\$226,985.48	\$4,766,695.04	(\$226,985.48)	(\$226,985.48)	(\$45,397.10)	\$4,267,326.99	5-May-15	10114-00002138
May '15 Operating - 50% INDIGO portion	USD	\$3,829,229.75	\$191,461.49	\$4,020,691.24	(\$191,461.49)	(\$191,461.49)	(\$38,292.30)	\$3,599,475.97	4-Jun-15	10114-00002237
June '15 Operating - 50% INDIGO portion	USD	\$2,820,833.30	\$141,041.67	\$2,961,874.97	(\$141,041.67)	(\$141,041.66)	(\$28,208.33)	\$2,661,583.31	25-Jun-15	10114-00002402
January 2015 Catering Recharge	USD	\$183,400.00	\$9,170.00	\$192,570.00	(\$9,170.00)	(\$9,170.00)	(\$1,834.00)	\$172,396.00	16-Feb-15	10114-00001731
February 2015 Catering Recharge	USD	\$178,900.00	\$8,945.00	\$187,845.00	(\$8,945.00)	(\$8,945.00)	(\$1,789.00)	\$168,166.00	2-Mar-15	10114-00001783
Screen Shakers and Gasket Rings	USD	\$26,875.03	\$39.14	\$26,914.17	(\$39.14)	(\$39.14)	(\$7.83)	\$26,828.06	27-Mar-15	10114-00001976
March 2015 Catering Recharge	USD	\$235,000.00	\$11,750.00	\$246,750.00	(\$11,750.00)	(\$11,750.00)	(\$2,350.00)	\$220,900.00	31-Mar-15	10114-00001985
April 2015 Catering Recharge	USD	\$238,450.00	\$11,922.50	\$250,372.50	(\$11,922.50)	(\$11,922.50)	(\$2,384.50)	\$224,143.00	5-May-15	10114-00002133
May 2015 Catering Recharge	USD	\$200,700.00	\$10,035.00	\$210,735.00	(\$10,035.00)	(\$10,035.00)	(\$2,007.00)	\$188,658.00	2-Jun-15	10114-00002234
June 2015 Catering Recharge	USD	\$164,700.00	\$8,235.00	\$172,935.00	(\$8,235.00)	(\$8,235.00)	(\$1,647.00)	\$164,818.00	25-Jun-15	10114-00002401
NOV Devlin Technicians	USD	\$138,650.54	\$199.01	\$138,849.55	(\$199.01)	(\$199.01)	(\$39.80)	\$136,411.73	29-Jan-15	10114-00001632
Grease and other materials	USD	\$4,490.08	\$10.69	\$4,500.77	(\$10.69)	(\$10.69)	(\$2.14)	\$4,477.25	28-Apr-15	10114-00002085
Screen Shakers and Gasket Rings	USD	\$18,197.40	\$43.33	\$18,240.73	(\$43.33)	(\$43.33)	(\$8.67)	\$18,145.40	28-Apr-15	10114-00002103
Winch Rental (26 Dec 2014 - 14 Jan 2015)	USD	\$6,845.03	\$13.30	\$6,861.33	(\$13.30)	(\$13.30)	(\$3.26)	\$6,825.47	28-Apr-15	10114-00002080
Winch Rental (15 Jan - 14 Feb 2015)	USD	\$10,609.81	\$25.26	\$10,635.07	(\$25.26)	(\$25.26)	(\$5.05)	\$10,579.50	28-Apr-15	10114-00002100
Winch Rental (15 Feb - 05 Mar 2015)	USD	\$6,502.79	\$15.48	\$6,518.27	(\$15.48)	(\$15.48)	(\$3.10)	\$6,484.21	28-Apr-15	10114-00002101
Winch Rental (06 Mar - 31 Mar 2015)	USD	\$8,898.55	\$21.19	\$8,919.74	(\$21.19)	(\$21.19)	(\$4.24)	\$8,873.12	28-Apr-15	10114-00002102
Reimbursable services	USD	\$18,791.33	\$44.74	\$18,836.07	(\$44.74)	(\$44.74)	(\$8.95)	\$18,737.64	28-Apr-15	10114-00002104
Reimbursable - Shaker Screens	USD	\$11,405.10	\$27.16	\$11,432.26	(\$27.16)	(\$27.16)	(\$5.43)	\$11,372.51	18-Jun-15	10114-00002321
Reimbursable - Gasket rings	USD	\$13,614.40	\$32.42	\$13,646.82	(\$32.42)	(\$32.42)	(\$6.48)	\$13,575.50	18-Jun-15	10114-00002322
Reimbursable - Seal, Packers etc	USD	\$196,610.78	\$266.33	\$196,877.11	(\$266.33)	(\$266.33)	(\$53.27)	\$196,291.18	18-Jun-15	10114-00002323
3 Personnel for CCTLF PO 0001535481	USD	\$135,428.86	\$197.23	\$135,626.09	(\$197.23)	(\$197.23)	(\$39.45)	\$135,192.18	30-Jun-15	10114-00002406
Intels Pilotage Dec'14	USD	\$201,639.00	\$293.65	\$201,932.65	(\$293.65)	(\$293.65)	(\$58.73)	\$201,286.62	30-Jun-15	10114-00002408
Recharge Devlin Technicians 0001501083	USD	\$245,332.74	\$357.28	\$245,690.02	(\$357.28)	(\$357.28)	(\$71.46)	\$244,904.00	30-Jun-15	10114-00002410
Recharge Devlin Technicians 0001501083 (Deputed portion)	USD	(\$2,412.15)		(\$2,412.15)	\$0.00	\$0.00	\$0.00	(\$2,412.15)	30-Jun-15	10114-00002410
CAMAC Fuel Credit 265m3	USD	(\$174,900.00)	\$0.00	(\$174,900.00)	\$0.00	\$0.00	\$0.00	(\$174,900.00)	30-Jul-15	10114-00002490
TOTAL (US\$)		14,870,843.34	701,902.41	15,572,745.75	(701,902.41)	(701,902.40)	(140,380.48)	14,028,560.46		

	Inv Curr	VAT on		Tot Inv Amt	VAT	WHT	NCD	Net Cash Receivable	Inv Date	Inv #
		Amount	Mark up							
Recharge 2015 NNRA Permit	NGN	5,150,000.00	7,500.00	5,157,500.00	(7,500.00)	(7,500.00)	(1,500.00)	5,141,000.00	13-Jul-15	10114-00002491
Recharge Express Inward Clearance	NGN	2,508,187.50	5,971.88	2,514,159.38	(5,971.88)	(5,971.88)	(1,194.38)	2,501,021.24	13-Jul-15	10114-00002492
10 Ton Winch Rental Apr-Jun'15	NGN	4,169,655.00	9,927.75	4,179,582.75	(9,927.75)	(9,927.75)	(1,965.55)	4,157,741.70	16-Jul-15	10114-00002493
TOTAL (NGN)		11,827,842.50	23,399.63	11,851,242.13	(23,399.63)	(23,399.63)	(4,675.93)	11,799,762.94		