

After Slovenia had failed to set forward a damages proposal, UK-based Ascent Resources announced it will initiate arbitration proceedings against Slovenia over the dispute over permits for gas fracking at its Petisovci field in northwestern part of the country. The company has estimated damage to be in excess of 100 million euros. Claiming that Slovenia is breaching its obligations to the detriment of the company's investments in Slovenia, procedures to start an investor dispute at international arbitration were formally started by Ascent Resources last July.

This could not happen before a three-month period has passed in which the parties would have the opportunity to settle the dispute amicably. The two sides entered negotiations last October, but the UK company said this would not prejudice its rights to pursue its investment treaty claim under the UK-Slovenia bilateral investment treaty and the Energy Charter Treaty. The deadline for a possible settlement in the direct negotiations had been set for 19 March.

This move comes after Slovenia rejected an amicable settlement with Ascent Resources on 19 March.

Last March, the Slovenian Environment Agency issued a decision that an environmental impact assessment is needed before a permit can be issued for extraction of gas in Petisovci by re-stimulating two currently producing wells as planned by Ascent Resources and its Slovenian partner Geoenergo. The decision was upheld by the Administrative Court in June.