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# Colombia's Ecopetrol refinery awarded more than \$1 bln in arbitration

Reuters

June 8, 2023 8:03 AM GMT-5 · Updated 3 hours ago

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The logo of Ecopetrol is pictured at its headquarters in Bogota, Colombia August 11, 2017. REUTERS/Jaime Saldarriaga

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Ecopetrol SA

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BOGOTA, June 8 (Reuters) - Refineria de Cartagena (Reficar), a refinery owned by Colombia's largest company Ecopetrol ([ECO.CN](#)), is set to receive more than \$1 billion following an arbitration ruling in its favor against a group of contractors.

The International Chamber of Commerce ordered contractor CB&I to pay more than \$1 billion to Reficar, plus interest gains from Dec. 31, 2015, Ecopetrol, a majority state-owned oil company, said.

Reficar sought arbitration in March 2016 amid a dispute with consortium CB&I, made up of Contractor Chicago Bridge and Iron Company NV, CB&I (UK) and CBI Colombiana SA.

The unit accused the consortium of doubling construction costs during the renovation of the refinery and failings in the engineering, procurement and construction (EPC) contract.

"The unanimous decision of the arbitration tribunal confirmed contractor CB&I was responsible for breaching its obligations under the EPC contract," Ecopetrol said in a statement published late on Wednesday.

Furthermore, CB&I's claims for \$400 million were dismissed, Ecopetrol added, and the consortium was ordered to settle the EPC contract, as requested by Reficar.

The decision by the tribunal may be subject to formal corrections and clarifications, the statement added.

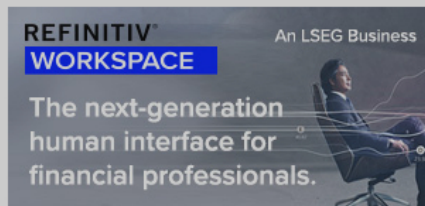
Reficar began operating at the end of 2015 following two years of delays and an investment of over \$8 billion, double the expected figure.

The refinery, in northern Colombia, can process up to 200,000 barrels per day (bpd) and is second only to the refinery in Barrancabermeja, which can process up to 250,000 bpd.

**Ecopetrol** generates most of the country's oil production. It owns the two main refineries as well as most of the pipeline network.

Reporting by Nelson Bocanegra Writing by Oliver Griffin; Editing by Sharon Singleton

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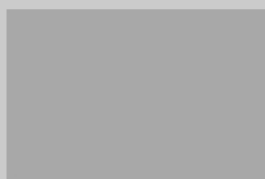
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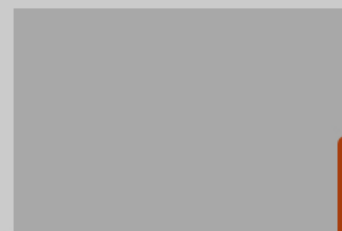
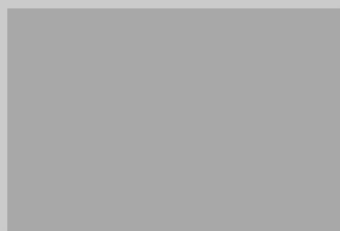
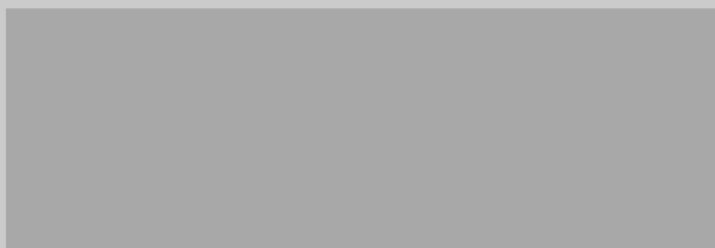
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