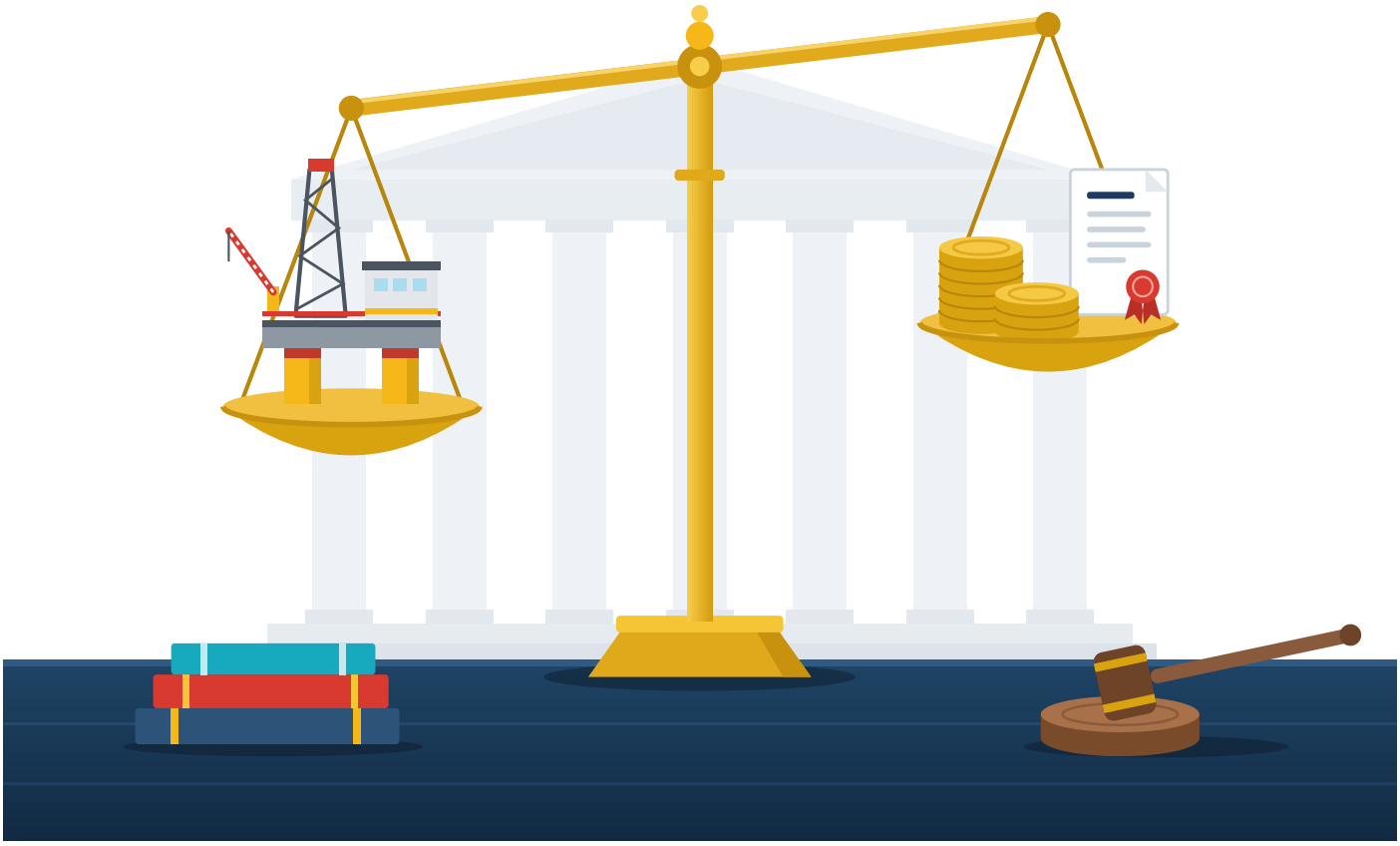


Awarded, but Not Settled:
Arbitration Lessons from the Dolphin Drilling Dispute

Introduction

In August 2026, General Hydrocarbons Limited (GHL) made a non-binding settlement proposal to Dolphin Drilling AS (Dolphin) involving a cash payment of part of an arbitral award and the potential redeployment of a Dolphin drilling rig to Nigerian waters.

The proposal followed a 14 July 2025 decision of the Federal High Court, Lagos granting leave Dolphin leave to enforce the arbitral award of approximately US$105 million. The award arose from Dolphin's termination, in April 2024, of a drilling, of a drilling contract involving the *Blackford Dolphin* rig over unpaid sums. Dolphin described GHL's approach as a positive development but indicated that the proposal terms were insufficient. Dolphin also confirmed that it would continue its efforts to recover the award regardless of any discussions.

The proposal also comes after the Asset Management Corporation of Nigeria (AMCON) appointed a receiver/manager over GHL in November 2025, following which GHL's creditors were invited to file their claims.



The development raises an important question for businesses involved in commercial disputes: can parties agree to settle after an arbitral award has been issued, and what happens to enforcement proceedings while negotiations continue?

Key Highlights

- **Arbitral awards remain enforceable:**

Under the Arbitration and Mediation Act 2023, a successful party may apply to the court to enforce an arbitral award. The party is not obligated to accept a reduced payment or an alternative settlement arrangement.

- **Settlement discussions do not automatically stop enforcement:**

A settlement proposal, particularly a non-binding one, does not prevent the successful party from taking steps to enforce the award. Enforcement will generally continue unless the parties agree to suspend it or a court orders a stay.

- **Receivership can affect enforcement and settlement:**

Where the party liable under an award is in receivership, the receiver's powers, the claims of other creditors and the assets available will shape both the enforcement strategy and who has authority to negotiate and approve a settlement.

- **Parties can agree to different settlement terms:**

Even after an award has been issued, parties may agree to payment by instalments, non-cash consideration or other commercial arrangements, such as the rig deployment proposed in this case. Any settlement agreement should clearly state when it becomes binding and how it affects the original award.

- **Court involvement may provide additional protection:**

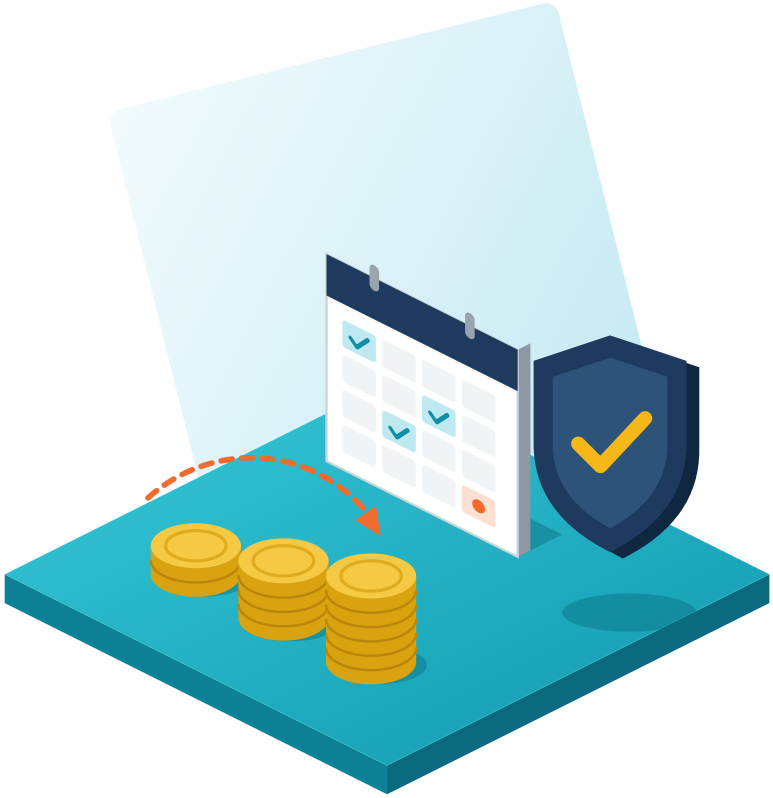
Where enforcement proceedings are already pending, parties may ask the court to enter their settlement terms as a consent judgment of the court. This can make it easier to enforce the agreed terms if either party fails to comply.

What This Means for Stakeholders

- **For businesses facing enforcement:** Proposing a settlement does not remove the obligation to comply with an arbitral award. Any proposed payment arrangement should be realistic, properly documented and supported by appropriate safeguards, such as security and guarantees.

- **For businesses enforcing awards:** Businesses may continue enforcement proceedings while considering settlement proposals, but should assess the payment arrangements, available security and consequences if the other party fails to pay.

- **For parties negotiating settlements:** Settlement agreements should clearly identify the obligations being settled, payment deadlines and what happens if either party fails to comply. They should also explain whether enforcement will be suspended and when the original award will be considered fully satisfied.



- **For creditors of distressed counterparties:** Where a counterparty is in receivership or similar proceedings, creditors should file their claims promptly, confirm who has authority to act for the counterparty and consider how any settlement interacts with the claims of other creditors.

The Road Forward

The Dolphin–GHL dispute shows that parties can negotiate a settlement even after an arbitral award has been issued and a court has granted leave to enforce it. However, settlement discussions do not automatically change existing obligations or prevent enforcement.

Businesses should therefore ensure that any settlement agreement provides clear payment terms, appropriate safeguards and certainty about the status of the original award. Where the counterparty is in financial distress, the authority of those negotiating on its behalf and the position of other creditors should also be addressed. Addressing these issues during negotiations can help parties resolve outstanding obligations and avoid further disputes.

For legal advisory on commercial arbitration, enforcement of arbitral awards, settlement negotiations and dispute resolution strategy, contact us at info@scp-law.com or visit www.scp-law.com.