

When Does 'Commencement of Drilling' Commence'

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The English Commercial Court considered in *Vitol E&P Limited v. Africa Oil and Gas Corporation* the meaning of the phrase “commencement of drilling”, which had not been defined in the relevant contract and therefore was open to different interpretation by the parties.

The main issue considered by the Court was whether “commencement of drilling” in Clause 7.1 (B) of the Sale and Purchase Agreement (“SPA”) meant “*the initial turning of the drill bit into the seabed (also known as “spudding”)*”, as Vitol E&P Limited (“Vitol”) contended or whether it referred “*to a broader concept of the drilling process as a whole which commences with mobilisation of the rig*” as Africa Oil and Gas Corporation (“AOGC”) contended.

To read the full alert, click on the PDF linked below.

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