

**Kobre & Kim's Cross-Border
Disputes Team**

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Managing Cross-Border Enforcement Risk Amid Oil Market Volatility

Oil market volatility and geopolitical instability are increasing the enforcement challenges for distressed counterparties, sanctions exposure, and contested assets cross-border disputes. An enforcement-focused approach that prioritizes early asset identification, strategic jurisdictional choices, and alignment with recovery objectives is critical to preserving value and maintaining leverage in this environment.

Heightened geopolitical instability and extreme oil price volatility are increasing the risk of disruption across energy, commodities, and shipping markets. Sudden price swings, supply constraints, and logistical pressures are driving a growing number of disputes—from refusals to deliver or accept cargoes to breaches of supply and trading agreements and cascading failures across back-to-back contracts. These disputes are often compounded by shipping delays, insurance issues, and demurrage claims tied to disruptions.

However, these disputes rarely remain purely contractual. They frequently arise alongside counterparty distress, restructuring efforts, or fast-changing commercial challenges, particularly where counterparties operate through offshore or multi-jurisdictional structures. At the same time, sanctions regimes, regulatory scrutiny, and enforcement actions targeting vessels or intermediaries are adding further complexity. The central challenge in this environment is not just establishing liability, but preserving leverage and ensuring that assets are available for recovery.

Well-executed enforcement plans and strategies can help in preserving and ultimately collecting against the assets of a counterparty. For example, in a recent High Court dispute arising from South Sudan's alleged non-delivery of prepaid oil, Kobre & Kim represented Euro American International Energy LLC in proceedings concerning a £142 million shipment subject to an injunction restraining its disposition. The case highlights how competing claims over cargoes, resale to third parties, and shifting political engagement can rapidly transform contractual disputes into enforcement contests over control of physical assets. It also

underscores the importance of acting quickly across jurisdictions to protect proprietary interests, maintain leverage, and navigate evolving counterpart dynamics, even where interim relief is contested, modified, or ultimately discharged as negotiations progress.

Parties involved in these types of disputes should consider an enforcement-first approach from the outset, including:

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- **Identifying and targeting assets early:** locating cargoes, vessels, receivables, and affiliates to enable vessel arrests, asset seizures, or other enforcement actions
- **Aligning dispute strategy with recovery objectives:** using injunctions, freezing orders, and parallel proceedings to preserve value and prevent dissipation
- **Leveraging jurisdictional advantages:** pursuing claims in forums that offer robust discovery tools and enforceable remedies
- **Preparing for insolvency or restructuring risk:** anticipating how counterparty distress may affect timing, leverage, and recovery pathways
- **Using geopolitical dynamics strategically:** understanding how sanctions, regulatory action, or shipping restrictions may create both risk and leverage

Oil price shocks are not only increasing the volume of disputes, they are also reshaping them into cross-border enforcement challenges. Companies that act early to secure assets, coordinate multi-jurisdictional strategies, and align legal action with recovery objectives will be best positioned to protect value and maximize outcomes in an increasingly volatile market.

About Kobre & Kim

Kobre & Kim is a global law firm focused on disputes and investigations, often involving complex, cross-border enforcement challenges. Our firm:

- Has deep experience in enforcement actions, including those involving national security and economic sanctions, securities law, market manipulation, bribery and corruption, antitrust and competition, asset forfeiture, money laundering, extradition, fraud, and other misconduct.
- Provides offensive and defensive cross-border litigation and crisis management strategies in court and out-of-court.
- Operates free of conflicts with entrenched market participants, enabling it to act against key industry players in high-stakes disputes.
- Through its integrated global team, it acts in jurisdictions across North and South America, EMEA, Asia, and key offshore financial centers, strategically coordinating cross-border proceedings.