GTLK Malta Four Limited v Pola Maritime Limited and others [2026] EWHC

Robert Thomas KC and Koye Akoni

05 October 2026

In a decision of Ms Lesley Anderson KC, sitting as a Deputy Judge of the High Court, the Commercial Court granted summary judgment in excess of US$40 million plus interest in favour of the Claimant, GTLK Malta Four Limited, a subsidiary of the Russian state-owned JSC GTLK, against four defendant guarantors.

The claims arose out of twelve materially identical guarantees which guaranteed the obligations of Pola Logistics Limited, a Cypriot company that chartered seven vessels owned by the Claimant under ten-year bareboat charters on amended BARECON 2001 terms. In 2022, following Russia's invasion of Ukraine, JSC GTLK and some of its subsidiaries were designated under EU, UK and US sanctions regimes. As a result, although the Claimant was not directly designated, it was affected by the designation of its parent and ultimate parent companies. The impact of the designation on the Claimant subsequently abated after the Claimant's immediate parent company was put into liquidation by its investors in Ireland in 2023.

After the designation, Pola Logistics stopped paying hire and served notices purporting to terminate the charters for repudiatory breach and contending that the charters had been frustrated in the alternative. The Claimant rejected that the charters had been repudiated or frustrated, and in view of Pola Logistics' continued failure to pay hire, the Claimant itself (a) served termination notices and demanded the Purchase Option Price that became due on termination of the charters, and (b) made demands under the guarantees. Nothing was paid.

Three core issues arose: whether the guarantee obligations subsisted even if the charters were terminated or frustrated; whether the charters were validly terminated; and whether they were frustrated by supervening impossibility or illegality.

In finding in the Claimant's favour on all of the core issues, the Judge clarified several interesting matters of principle:

1. The charters were properly characterised as finance charters, being part of an arrangement whereby the Claimant financed the purchase of the vessels for Pola Logistics, took ownership of them on purchase as security for the financing and leased it to Pola Logistics, who would obtain title to the vessels when the finance was repaid through payments of hire.

2. Two savings clauses in the guarantees – comprising (a) an indemnity in the event that the underlying contractual obligation became "*unenforceable, invalid or illegal*", and (b) a provision that the guarantors' obligations subsist even if Pola Logistics was not legally obliged to pay hire on account of "*unenforceability, invalidity or illegality*" of the obligation – had the effect that the guarantees would respond even if the charters were frustrated.

3. Central to the nature of the charters was Clause 38.10, a "hell or high water" clause, which properly construed had the effect of allocating the entire risk of loss of use of the vessels to Pola Logistics, as the charterers.

4. Properly construed, an express quiet enjoyment covenant contained in Clause 42.1 of the charters in terms that "*neither the Charterers (nor any permitted sub-charterers) shall be disturbed or interfered with in their quiet and peaceful use, possession and enjoyment of the Vessel*" did not constitute an absolute guarantee by the Claimant against any and every disturbance of Pola Logistics' peaceful use, possession or enjoyment of the Vessels howsoever caused. The Defendants did not establish a real prospect of making out a breach of the warranty was because the warranty could not extend to matters whose risk was otherwise allocated to Pola Logistics under the charters, including by clause 38.10.

5. In *obiter* remarks, the Judge noted her agreement with the Claimant's argument that the effect of amendments to the standard BARECON form of clause 28(b) of the charters was specifically to remove any common law right of Pola Logistics to terminate the charters for breach, and to replace it with an indemnity as the sole remedy available.

6. On frustration, applying ***The Sea Angel's*** multi-factorial "wait and see" approach and comparing aircraft-leasing authorities such as ***Salam Air v Latam Airlines***, the Judge concluded the sanctions did not radically alter performance given (a) five to eight years remained to run on the charters, and (b) that clause 38.10 in any event left no room for the doctrine to apply.

7. The Judge accepted that the legal effect of supervening illegality affecting a contractual obligation to pay is to suspend the obligation to pay, not to frustrate the entire agreement.

Robert Thomas KC and Koye Akoni, acting on behalf of the successful claimant, were instructed by Craig Montgomery, Frank Clarke and Arthur Law of Freshfields.

@QuadrantLaw Quadrant Chambers Quadrant Chambers Quadrant Chambers

Robert Thomas KC

"*Excellent advocate and brilliant under pressure. A real street fighter.*" (Legal 500)

Robert is an established commercial silk. His practice focuses on the following core areas: shipping, commodities and international trade; energy and natural resources; international arbitration and commercial litigation (in particular, in commercial fraud and related relief). He has been consistently ranked as a Leading Silk in both directories, and has been praised (amongst other things) for having a "*fantastically effective and intellectual style*", for "*consistently deliver[ing] a first-class service*" and for his ability to handle "*difficult cases on a tight timetable*". Clients particular appreciate his tenacity and insightful cross-examination, as well as his appreciation of the commercial and practical considerations that are in play. He is also receiving an increasing number of appointments as an arbitrator.

>See Robert's full profile here

robert.thomas@quadrantchambers.com

Koye Akoni

"*Koye is unflappable. His advice is always clear and concise. He is extremely good on his feet and can hold his own against any KC.*" (Legal 500)

Koye has a general commercial practice that covers a wide range of areas, including international trade, aviation, energy, and shipping. He regularly appears as sole and junior counsel in international arbitrations and in the High Court, and has also appeared in the Court of Appeal, and in the Privy Council in Bahamasair Holdings Limited v Messier Dowty Inc [2018] UKPC 25. Koye acts for all parties across the commercial aviation chain, including owners, lessors, lessees, maintenance and repair organisations, and insurers. He is ranked in as a leading barrister in Aviation, International Arbitration, Shipping, and Commodities by Legal 500 and Chambers & Partners.

>See Koye's full profile here

koye.akoni@quadrantchambers.com