

Shell shuts key Nigeria pipeline due to oil leak

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A view of oil giant Shell's oil and gas terminal on Bonny Island in southern Nigeria's Niger Delta on May 18, 2005

Shell has shut a key oil pipeline in southern Nigeria to stop a leak caused by oil theft and sabotage, a spokesman said on Thursday, without disclosing the volume of output loss.

"We closed the Nembe Creek Trunkline on Sunday for the removal of crude theft points," spokesman Precious Okolobo told AFP.



Shell has deployed engineers to repair the pipeline in the Niger Delta region, which feeds the Bonny exports terminal and would reopen "as soon as repair works are completed", he added.

Oil majors do not usually give information on production losses.

Local media in Nigeria estimated that about 95,000 barrels of crude per day might have been shut in as a result of the closure.

Nigeria is Africa's largest producer, accounting for more than two million barrels per day.

Crude oil theft or "bunkering" is a major problem in Nigeria, with estimates that the country loses some \$6 billion in revenue per year as a result.

Such theft can involve thieves tapping pipelines to syphon crude for sale on the lucrative black market. It can lead to explosions, fires and oil pollution.

The Nembe pipeline has been hit repeatedly by sabotage and theft.

While Shell blames most of the spills on sabotage, activists argue that the company does not do enough to prevent such incidents and effectively clean up the damage when they do occur.

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