

Nigerian community fights Shell in UK court hearing

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A man tries to separate crude oil from water in a boat at the Bodo waterways polluted by oil spills attributed to Shell equipment failure

Legal arguments begin in court on Tuesday in a compensation claim brought by about 15,000 members of Nigeria's Bodo community against oil giant Shell for the damage caused by two spills in 2008.

Britain's High Court will consider the key legal issues ahead of a full

trial expected in May 2015, according to the community's London-based law firm, Leigh Day.

The two sides failed to reach a compensation deal last year, with Leigh Day calling Shell's initial offer "insulting".

Sources familiar with the talks said the British-Dutch company proposed a settlement of 7.5 billion naira (\$46 million, 35 million euros).

Lawyers for the villagers say the local environment was devastated by the two [spills](#), depriving thousands of subsistence farmers and fishermen of their livelihoods.

Martyn Day, senior partner at Leigh Day, said each individual would end up with around 275,000 naira (1,300 euros, \$1,700) after subtracting a lump sum to be paid to the community.

He claims most of the fishermen affected by the spills earn \$5,000 to \$8,400 per year.

"Our clients know how much their claims are worth and will not be bought off cheaply," Day said in a statement.

According to Leigh Day, experts estimate the spills in the cluster of fishing communities in Rivers state to be between 500,000 and 600,000 barrels.



A gas flare at Shell Cawtharine Channel, Nembe Creek in the Niger Delta on March 22, 2013

Shell was quick to acknowledge liability for the spills and formally agreed this with Leigh Day in 2011, but it disputes the amount of oil involved and the extent of the damage.

The company, the biggest producer of oil in Nigeria, has said that sabotage, illegal refining and theft have slowed the clean-up process.

Shell Petroleum Development Company of Nigeria Limited (SPDC) has also blamed lawyers for delaying the payment of compensation, saying the case should have been dealt with in Nigeria.

Nigeria is Africa's biggest crude producer, but much of the Niger Delta oil region remains deeply impoverished.

Decades of spills have caused widespread pollution in the region.

Shell says sabotage and oil theft are the main causes, but activists allege the firm has not done enough to prevent such incidents and clean them when they occur.

In a statement ahead of Tuesday's hearings, Mutiu Sunmonu, managing director of SPDC, said: "From the outset, we've accepted responsibility for the two operational spills in Bodo in 2008.

"They're deeply regrettable operational accidents, and they absolutely should not have happened.

"We want to fairly compensate those who have been genuinely affected as quickly as possible and clean up all areas where oil has been spilled from our facilities, including the many parts of Bodo which have been severely impacted by [oil](#) theft, illegal refining and sabotage activities."

He said the pre-trial hearings would address certain "technical, but highly important, legal questions regarding the interpretation of Nigerian law".

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