

Mr. Stinchell
Mr. S...-... ..
some of the... ..
can be... ..
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FROM: [REDACTED]
DATE: 30 April 1993

AHC

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cc: C(M)
Mr [REDACTED] / Mr [REDACTED] Dy
Mr [REDACTED]
Mr [REDACTED]
Mr [REDACTED] AD(E), FCO
Mr [REDACTED] OT4, DTI

SECURITY CONCERNS OF OIL DRILLING COMPANIES IN NIGERIA

1. On Wednesday 28 April I represented the High Commission at an informal meeting called by the Italian Ambassador at his residence to bring together the representatives of the oil drilling companies (who had earlier made a demarche to various Diplomatic Missions about their security concerns from communities in the oil drilling areas), the oil operating companies and interested representatives of the Diplomatic Missions.

2. The Italian Ambassador will be circulating a record of the meeting, but it may be worth summarising the main points now:

- (a) Mr Bernard Berjeaud of Sedco Forex of Nigeria Limited, Vice Chairman of the Nigeria Chapter of the International Association of drilling contractors, said that following the meeting at the Italian residence the drilling contractors would be having their first meeting with the oil operators. He undertook to inform the group of the result of that meeting. Mr Berjeaud also admitted that the Nigeria Chapter had not yet taken any action on the invitation from Chief Shonekan to receive a delegation from the Chapter to talk about their problems.
- (b) The representatives of the drilling companies and the oil operators all spoke with one voice about the nature of the problem - community problems in the area, normal crime against property and person and normal crime disguised as community problems. The main targets are the oil companies and the

drilling companies/

drilling companies. Situation was serious. There were considerable constraints about movements at night. The demands of the communities are legion: jobs, funding for projects, removal of environmental degradation. The Nigerian Government had responsibility to provide security. Many organisations were forming-up to give a voice to grievances which had built up over the last 25 years. The community's shopping lists were getting larger and the demonstrations were getting stronger. The Nigerian Government should make clear to the people concerned the limit of the oil companies' responsibilities. The problem is the Federal Government's not the oil companies. The State Governors concerned, the Chairman of the LGAs and other authorities, including the police, are sympathetic to the demands of the man in the street in the oil producing States for more visible revenue from the oil produced from their States. The OMPADEC (Oil Mineral Producing Areas Development Commission) should get going and start spending the money in the derivation fund.

- (c) The Shell representative (Dr Emmanuel Ojameruaye, Head of Government and Community Affairs) said that only three weeks ago all the oil operating companies had presented a detailed report on security in 1992, including the cost of these incidents to their operations, to the Secretary for Petroleum Resources, Philip Asiodu. He was sure that this would be passed to Chief Shonekan. So the Transitional Council and the Government were aware of the enormity of the problem.
- (d) The Italian Ambassador said that a list of security incidents experienced by all the drilling companies would be useful. Facts and numbers were important when Diplomatic Missions were called upon to make representations.
- (e) There was quite a long presentation by the Shell representative about the serious community troubles in the western division (Warri) at the beginning of this week. Subsequently I got more information from Mr [REDACTED], General Manager Commercial of SPDC in Lagos. In brief the problems started very

early on the/

early on the morning of Monday 26 April when a series of well orchestrated demonstrations succeeded in blocking out all of Shell's operations in the western division, by preventing all movement out of the Shell residential compound in Warri to the offices and by blocking key production facilities. The organisation behind the action is the Delta Oil Community Action Group, a co-operative of different communities who have come together in an organisation to exert pressure on the Federal Government through the oil companies. The effect of their action was devastating. Apart from closing down the operational headquarters in Warri, SPDC were forced to shut down a production well producing 150,00 barrels of oil per day, the Forcados terminal, which exports 460,000 BPD and the main gas station at Ughelle which supplies gas to the Egbin thermal station in Lagos. There was fortunately no overt violence but operations were effectively stifled. The action on this occasion was localised within the western division and was only directed towards Shell, but Shell is by far the largest operator in that region in any case. Following negotiations in which the Governor of Delta State was closely involved, the demonstrations were called off on Wednesday and production is back to normal.

3. COMMENT

Although we were slightly cynical about this initiative by the Italian Ambassador, the meeting was successful and obviously did serve the purpose of bringing together the oil operators and the oil drillers. It seems incredible that it has taken so long for the two groups to get together and we should keep an eye out for any report on their meeting. The Italian Ambassador stressed that this was not an EC Meeting and the record of the meeting would be "a non-paper". The important point was that Missions should be kept in the picture about the extent of the community problems if drilling companies or oil operators wanted them to intervene with Government. All the Diplomatic representatives present made the point that our main concern was to protect our own citizens and our own investments.

4. The incidents at the beginning of this week at Shell's western division in Warri were serious and show how easily action of this sort could disrupt the whole of Nigeria's oil industry. The Government will need to inject more urgency into Chief Horsfall's Commission (OMPADEC). The Commission must spend the derivation fund quickly and effectively and visibly. We had

confirmation recently/.

confirmation recently that John Wright, a retired colonial civil servant now living and working in Port Harcourt, has been appointed co-ordinator for OMPADEC. He takes up his appointment at the beginning of June. We should keep in touch with him and debrief him on progress on progress as the year goes on.



[REDACTED]
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YOUR TELNO 522 : NIGERIA NATIONAL PETROLEUM CORPORATION (NNPC)

SUMMARY

1. TOO EARLY TO KNOW EXTENT OF PROPOSED NNPC AUDIT, OR EVENTUAL FALL-OUT. INTERNATIONAL OIL MAJORS UNLIKELY TO BE AFFECTED.

DETAIL

2. THE PRIORITIES OF DON ETIEBET, (WHOM I KNOW WELL) NEW SECRETARY FOR PETROLEUM AND MINERAL RESOURCES, WILL BE TO BRING SOME ORDER INTO THE NNPC'S OIL REFINING AND FUEL DISTRIBUTION AND TO PUT NNPC'S OPERATIONS BACK INTO THE BLACK. BOTH ARE CRUCIAL TO THE POLITICAL STABILITY AND ECONOMIC WELL-BEING OF THIS COUNTRY.

3. THE GOVERNMENT HAS DISSOLVED THE BOARD OF DIRECTORS OF NNPC, THE THREE NNPC REFINERIES AND THE PIPELINE PRODUCTS MARKETING COMPANY (PPMC). (NOTE THAT NAPIMS, NIGERIAN GAS COMPANY, NETCO, NPDC, AND NLNG - ALL NNPC SUBSIDIARIES - HAVE SO FAR BEEN UNAFFECTED.) THESE COMPANIES ARE THOSE MOST CLOSELY IDENTIFIED WITH THE LACK OF FUEL AT THE COUNTRIES' PETROL PUMPS, AND THE DISRUPTION THAT THIS HAS CAUSED. IT IS CLEAR THAT MANY FORTUNES HAVE BEEN MADE AT ALL STAGES OF FUEL DISTRIBUTION. A WITCH-HUNT MAY FOLLOW.

4. WE HAVE SPOKEN TO SHELL, WHO HAD NOT HEARD OF THE PROPOSED INVESTIGATION INTO NON-TENDERED CONTRACTS. AS MOST OF NNPC'S CRUDE OIL CONTRACTS ARE NON-TENDERED, THIS WOULD BE A MAJOR DEPARTURE. AT PRESENT, IT IS A FREE-FOR-ALL, WITH PREFERENCES BEING GIVEN TO GENUINE END-USERS (I.E. COMPANIES WITH REFINING CAPACITY) OR TO COMPANIES ALREADY INVESTING IN NIGERIA. BUT THERE ARE SOME DUBIOUS CUSTOMERS ON THE CURRENT NNPC CUSTOMER LIST. SITCO (SHELL INTERNATIONAL TRADING COMPANY) USED TO HAVE A CONTRACT FOR 30,000 B/D. BUT THIS HAS BEEN WITHDRAWN RECENTLY POSSIBLY ON ACCOUNT OF SHELL'S POSITION IN NIGERIA LNG.

5. CONSTRUCTION, MAINTENANCE CONTRACTS ETC, LET OUT BY THE MAJOR

INTERNATIONAL COMPANIES IN JOINT VENTURES WITH MNPC WILL HAVE BEEN PROPERLY TENDERED. THIS WILL NOT NECESSARILY HAVE BEEN THE CASE WITH THE MNPC SUBSIDIARIES - E.G. THE REFINERIES. URGENT, UNEXPECTED REPAIR OR MAINTENANCE WORK FOR THE REFINERIES HAS OFTEN BEEN GIVEN TO CHIODA WITHOUT TENDERS. THIS MAY SOMETIMES HAVE BEEN JUSTIFIED BY THE URGENCY OF THE WORK.

6. WE HAD NOT YET HEARD ABOUT THE EXPLORATION CONTRACTS PURPORTEDLY SIGNED UP WITH LOCAL GOVERNMENTS BEFORE IBB'S DEPARTURE. FOR SOME TIME, THE MINISTRY OF PETROLEUM RESOURCES HAS BEEN AWARDED INDIGENOUS COMPANIES OIL EXPLORATION BLOCKS ON-SHORE OR IN THE RIVERINE AREAS. WE ARE APPROACHED FROM TIME TO TIME BY THOSE AWARDED A BLOCK, FOR HELP IN LOCATING A BRITISH INVESTOR PREPARED TO BRING IN THEIR EXPLORATION EXPERTISE AND THEIR MONEY. WE SUSPECT THAT MANY SUCH AWARDS ARE TO PAY OFF OLD DEBTS OR GRANT NEW FAVOURS. OFTEN, THE INDIGENOUS COMPANIES ARE UNABLE TO COME UP WITH THE SIGNATURE BONUSES IN TIME AND THE AWARDS LAPSE.

7. IT IS TOO EARLY TO ASSESS HOW DEEP THE PROPOSED MNPC AUDIT WILL GO. DON ETIEBET HAS NOT MUCH TIME, AND THE CYNICS AMONGST US WILL SAY THAT IT WILL GO THE WAY OF ALL INVESTIGATIONS - EVENTUALLY INTO THE SAND. WE SHALL MONITOR ANY POSSIBLE FALL-OUT FOR INTERNATIONAL (IN PARTICULAR BRITISH COMPANIES), BUT WE DOUBT THIS WILL BE SIGNIFICANT.

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ADDITIONAL 12

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HMT//AEF NS [REDACTED]
BANKE//MR [REDACTED]

HOME OFF//B3 DIV/MS [REDACTED]
ECGD//MR [REDACTED]
ASSESSMENTS STAFF//MR [REDACTED]
DTI//MR [REDACTED]
DTI//PEP [REDACTED]
DTI//OSO [REDACTED]

NNNN

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(21)



Mr [redacted] We have asked [redacted] to

Worry) ECCD's reply, which will give us an opportunity to register the FCO's (and BHC's) views.

But if Shell have (quite understandably) discounted ECCD/MMA already, it will be all the harder to make and win the case. Shall I summarize this for you?

Department of Trade and Industry

At Home House, 123 Victoria Street, London SW1E 6JH

Export Dept, 171-175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Export Credit Guarantee Dept
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LONDON
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A summary
note to Mr [redacted]
would be useful

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7 January 1994

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Contract	Sub-Taker
NIGERIA LIQUIFIED NATURAL GAS PROJECT	

Nigeria LNG project

TU 28/6

1. As you may already be aware there have been recent developments on NLNG, which are likely to result in renewed interest by Shell and main contractors such as Bechtel and Kellogg in seeking ECGD cover.
2. The project was relaunched on 17 December by the Nigerian Minister for Petroleum Resources following a restructuring of the company's equity. NNPC's shareholding has been reduced from 60% to 49% while Shell's shareholding has been increased from 20% to 24%; Elf's from 10% to 15%; Agip's remains at 10% and IFC has agreed in principle to take up a 2% share.
3. The two contractor consortia, led by Bechtel and Kellogg respectively, are currently rewriting the technical specification, based on Air Products technology, and redefining the LSTK price. The deadline for rewriting the technical specification is 1 July 1994 and for redefining the LSTK price 1 August 1994. The work has provided Bechtel, Hammersmith with about 80,000 man hours of work, while Kellogg, Wembley has a role in a similar 80,000 man hours study being conducted out of Houston, Texas.
4. Both contractors have given us early indication of interest in ECGD cover. Bechtel have pointed out however that Shell are likely to raise their own finance and contractors have not been given the role of approaching ECA's. Bechtel are anxious not to upset their client by conducting discussions with ECGD, which would cut across any discussions Shell may have in mind. I presume Kellogg, who feel confident that the US Exim Bank will cover this project, are in much the same position.

dti



5. When I spoke to Roger Mills - Hicks, ~~Regional Treasurer~~, Shell International in early December he told me that Shell would look to those ECA's giving positive indicators. He ~~seemed to suggest~~ that ECGD was not one of them and that Shell may ~~not even~~ approach ECGD.

6. Bechtel appear to have picked up similar vibes from Shell and suggested that unless ECGD provide cover for NLNG, little from this prestigious project is likely to come the UK's way.

7. According to Bechtel the UK stand to gain £150 million (should Bechtel win) in goods and services, but unless ECGD take a pro-~~active approach and give Shell some positive indicators~~, Bechtel feel very little other than engineering services may come to the UK.

8. There are a number of positive changes regarding the project itself. Shell will now have the two key management positions in NLNG Limited, namely the posts of Managing Director and Technical Director. The NLNG shareholders have agreed to put up front, into an ESCROW account, a sizeable proportion of the total equity committed. Kellogg have told us that the engineering of 13 LNG import terminals in Europe is going ahead. All moves in a positive direction.

9. It is quite some time since we discussed this project. I would be grateful for your comments, as we are anxious to help secure a share of this project for the UK.

Your sincerely

[Redacted signature]

Room 367
Projects and Export Policy Division 4a

cc Mr [Redacted]
Mr [Redacted]
Mr [Redacted]





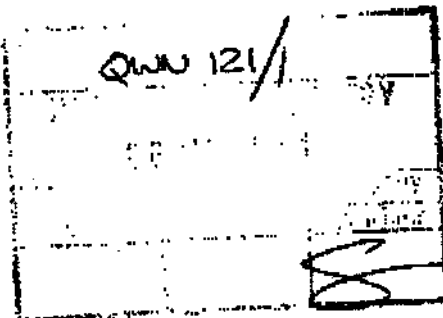
British High Commission Lagos

11 Ebeke Crescent Victoria Island Lagos

Telephone: 611551 2619531

10 February 1994

██████████
KAAA/3b
DTI
Kingsgate House
London



Doc ██████████

FIRST PORT HARCOURT BRITISH BUSINESSMEN'S MEETING

1. You will be interested to know that High Commissioner, ██████████ and myself, visited Port Harcourt yesterday for the first British Businessmen's Meeting in Port Harcourt in our new office. We had decided to keep initially to the fairly strict criteria we use for our monthly businessmen's meetings in Lagos. Even with those strict criteria, we had 20 local businessmen at our first meeting. We ran it in the same way that we run the ones in Lagos, which you have attended. The High Commissioner opened with a political briefing, followed by questions and general discussion. The senior representative from Shell Petroleum Development Company in Port Harcourt, Bob Butler, gave a short presentation on the situation in the oil industry. Again, this was followed by more discussion and inputs from other businessmen present. Because it was the first one in Port Harcourt and because not all those present yet knew each other, it was not quite as relaxed as our Lagos meetings. But we were pleased with the way it went and there was widespread support for further such meetings (we aim to hold them quarterly if possible).

2. We discussed with those present whether we should relax the criteria slightly to broaden the membership of the Group. This was generally accepted, although we all agreed that members of the Group would have to be British citizens. It was not quite so important that the companies in which they held senior positions should be British-owned or have a significant British shareholding. A couple of businessmen whom we would certainly invite to the next meeting are John Wright, who was a district officer in the region and has recently taken up an appointment in OMPADEC, the agency responsible for spending on development projects out of the oil deregation fund, and Chief Colin Dixon, Managing Director of Eagle Cement and Eagle Power, admittedly Norwegian-related companies. However, Colin Dixon is a widely respected British businessman in Port Harcourt, and it is thanks to him that we

/have



have electricity in our office as he has lent us a standby generator.

3. The Businessmen's Meetings in Port Harcourt will have a spin-off on our consular responsibilities. Regular visits for the briefings by the High Commissioner and members of our Commercial Department will certainly reassure the very large British community there that we are interested in their welfare. On this particular visit, the High Commissioner was able to pay a courtesy call on the new Military Administrator of Rivers State and expressed the hope to him that the new Administration would be as concerned for the security for British citizens in the area as the previous Administration.

4. We will be following up some of the new contacts we made through the British Businessmen's Meeting when we take [redacted] of Offshore Supplies Office to Port Harcourt (and Warri) next week and the week after.

5. Robin Gorham and Roger Clark held an equally successful British Businessmen's Meeting in Kano at the end of January.

With best wishes,

Yours ever,

[redacted]
[redacted]
Counsellor (Commercial)

cc: R. Drummond Esq, AD(E), ECO
[redacted] JEPD, DTI
Abuja
Port Harcourt
Lagos

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NY, TELNO 279

SUBJECT: OIL WORKERS STRIKE IN NIGERIA

SUMMARY

1. OIL WORKERS' STRIKE NOW BEGINNING TO AFFECT SHELL'S PRODUCTION SIGNIFICANTLY. FOR THE FIRST TIME IN 4 WEEKS, NIGERIAN GOVERNMENT'S REVENUES WILL SUFFER ACCORDINGLY. SHELL DO NOT YET PLAN TO SEND EXPATRIATE STAFF OR FAMILIES HOME.

DETAIL

2. THE MANAGING DIRECTOR OF SHELL NIGERIA CUT SHORT HIS HOLIDAY AND RETURNED TO NIGERIA AT THE WEEKEND. THIS WEEK HAS SEEN SOME VIOLENCE TOWARDS SHELL PERSONNEL (NIGERIAN) SOME SABOTAGE, AND INCREASING AWARENESS OF THE ABILITY OF STRIKERS TO CLOSE CHOKE POINTS SO AS TO RESTRICT THE OIL FLOW SIGNIFICANTLY. GAS SUPPLIES ARE ALSO REDUCED WITH CONSEQUENCES FOR ELECTRICITY GENERATION, PARTICULARLY, IN THE LAGOS AREA. FINALLY, A STRIKE BY AIR TRAFFIC CONTROLLERS IS PREVENTING SHELL FROM GETTING PERSONNEL TO AND FROM OIL FIELDS E.G. BY HELICOPTER.

3. ON 27 JULY, SHELL PUT OUT A STATEMENT TO THE EFFECT THAT THEIR CRUDE OIL PRODUCTION MIGHT BE REDUCED TO BELOW TWO THIRDS OF THE NORMAL LEVELS, IN THE FACE OF THREATS AND ATTACKS ON THE STAFF OF SHELL AND THEIR CONTRACTORS (TEXT OF STATEMENT BY FAX TO AD(E)).

4. THE MANAGING DIRECTOR OF SHELL NIGERIA HAS TOLD ME THAT HE HAS INSTRUCTED HIS STAFF NOT TO ENGAGE IN HEROICS. HE WILL NOT COUNTENANCE A SITUATION IN WHICH THE ARMY TRIES TO OFFER PROTECTION BEHIND WHICH NORMAL WORK IS CARRIED OUT. HOWEVER, THE COMPANY IS NOT ON A PARTICULARLY HIGH STATE OF ALERT, ALTHOUGH TRAVEL PLANS FOR NEW STAFF ARRIVALS AND THOSE RETURNING FROM LEAVE HAVE BEEN HALTED AND SOME OF THOSE ABOUT TO GO ON LEAVE HAVE BEEN ASKED TO ADVANCE THEIR PLANS (FLIGHT PERMITTING).

5. NIGERIAN MINISTERS HAVE PROVED DIFFICULT TO REACH. THEIR FIRST

REACTION WAS TO ASK THE STATE SECURITY SERVICES TO SEE HOW THEY COULD HELP - SHELL HAVE SENSIBLY DECLINED THIS OFFER WHICH WOULD INEVITABLY HAVE LED TO CONFRONTATION, VIOLENCE AND DAMAGE TO INSTALLATIONS.

6. OTHER OIL COMPANIES HAVE NOT SO FAR BEEN AFFECTED PARTLY BECAUSE THEY ARE SMALLER, AND PARTLY BECAUSE THEIR OPERATIONS ARE LESS VULNERABLE. HOWEVER, SHELL BELIEVE THAT THE STRIKERS' ATTENTIONS MAY NOW TURN TOWARDS THEM.

COMMENT

7. WE HAVE NOT BEEN ASKED TO INTERVENE WITH THE NIGERIAN GOVERNMENT OR TO ASSIST IN PLANNING FOR THE IMMEDIATE EVACUATION OF SHELL PERSONNEL. AS IT HAPPENS, WE HAVE A TEAM FROM THE MOD HERE NEXT WEEK TO DISCUSS SERVICES ASSISTED EVACUATION PLANS. IN THE MEANTIME, SHELL MAY INVITE US TO NETWORK INTO THEIR NEW SATELLITE BASED DIRECT COMMUNICATIONS SYSTEM. IF AND WHEN I SEE SENIOR MEMBERS OF THE GOVERNMENT. I SHALL TRY TO ESTABLISH IF THEY ARE YET TAKING THE ECONOMIC SITUATION SERIOUSLY AND URGE THEM TO AVOID A CONFRONTATIONAL UNIFORMED CHALLENGE TO THE UNIONS.

8. FCO PLEASE COPY AS NECESSARY TO INTERESTED DEPARTMENTS INCLUDING CONSULAR DEPARTMENT.

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QUN 12/11

PLEASE PASS TO CONSULAR DEPARTMENT

SUBJECT: SHELL OPERATIONS AND EXPATRIATE STAFF IN NIGERIA

SUMMARY

1. SHELL NIGERIA MOVE EXPATRIATE STAFF GRADUALLY ONTO BACHELOR STATUS. [REDACTED] MY NEW DHM, NOW VISITING PORT HARCOURT AND WARRI, THE TWO DIVISIONAL HEADQUARTERS OF SHELL IN NIGERIA, TO MAINTAIN CONTACT WITH SHELL MANAGERS AND PERSONNEL AND TO MEET BRITISH COMMUNITY.

DETAIL

2. SHELL HAVE TOLD US THAT THEY HAVE DECIDED TO REDUCE GRADUALLY THE NUMBER OF DEPENDANTS ACCOMPANYING THEIR EXPATRIATE STAFF IN NIGERIA. ALL DEPENDANTS ALREADY OUT OF NIGERIA WILL NOT RETURN AND, AS DEPENDANTS LEAVE NIGERIA ON PLANNED LEAVE JOURNEYS THEY TOO WILL NOT RETURN. THE EFFECT WILL BE TO MOVE ALL EXPATRIATE STAFF GRADUALLY ONTO BACHELOR STATUS. TIMING OF THE DECISION WAS PARTLY DICTATED BY THE APPROACH OF THE NEW SCHOOL YEAR. LOCAL SHELL SCHOOLS IN PORT HARCOURT AND WARRI WILL BE OPENED FOR NIGERIAN AND EXPATRIATE CHILDREN CURRENTLY IN THE TWO DIVISIONS.

3. SHELL IS ALSO CONCERNED TO KEEP THEIR EXPATRIATE NUMBERS IN NIGERIA TO AN OPERATIONAL MINIMUM. THEY ARE NOW DOWN TO ABOUT 300 EXPATRIATES (INCLUDING DEPENDANTS). IF ALL DEPENDANTS RETURNED AND THEY WERE UP TO FULL OPERATIONAL STRENGTH THEIR NUMBERS WOULD INCREASE TO 900. SECURITY IS NOT IMPROVING AND SHELL ALREADY HAVE PROBLEMS PROVIDING FUEL, ELECTRICITY, AND WATER TO THE REDUCED NUMBER OF EXPATRIATE STAFF.

4. BRIAN ANDERSON, CHAIRMAN/MD OF SHELL IN NIGERIA, GAVE US ADVANCED NOTICE OF THIS DECISION.

5. I ASKED [REDACTED] TO VISIT PORT HARCOURT AND WARRI OVER THIS

PAGE 1
UNCLASSIFIED

HOLIDAY WEEKEND TO KEEP IN TOUCH WITH THE SHELL EXPATRIATE AND
BRITISH BUSINESS COMMUNITY IN THOSE AREAS.

COMMENT

6. IT WILL BE IMPORTANT THAT THIS MOVE BY SHELL IS NOT
MISINTERPRETED BY OTHER EXPATRIATES. THE PROCESS WILL BE
GRADUAL. WE SEE NO REASON TO ALTER OUR CONSULAR ADVICE FOR THE
PRESENT.

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CONSULAR D
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MR [REDACTED]

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FM LAGOS
TO ROUTINE DTI
TELNO INTRA 060
OF 121316Z OCTOBER 94
INFO ROUTINE FCO, ABUJA, UKDEL IMF/IBRD WASHINGTON, ECGD
FOR OSO AND XAAA/3B FROM DHM
SUBJECT: NIGERIA LNG PROJECT

2- NLNS
M 21/12

Quid 163/1

SUMMARY

1. INTERNATIONAL FINANCE CORPORATION (IFC) APPRAISAL REPORT EXPECTED TO BE FAVOURABLE. IFC TO CHAIR JOINT MEETING IN PARIS WITH EXPORT CREDIT AGENCIES (ECAS) ON 8 NOVEMBER. UNIQUE SAFEGUARDS BUILT IN TO PROJECT DESIGN.

DETAIL

2. AT MEETING IN THE HIGH COMMISSION ON 7 OCTOBER, OERLEMANS, THE SHELL-APPOINTED MANAGING DIRECTOR OF NIGERIA LNG LIMITED, BRIEFED THE HIGH COMMISSIONER ON THE LATEST STATE OF PLAY. HE SAID THAT THE IFC HAD SUBMITTED THEIR DRAFT APPRAISAL REPORT ON 7 OCTOBER. THIS WOULD BE FINALISED SHORTLY AND MADE AVAILABLE TO ECAS BEFORE THE PROPOSED JOINT MEETING WITH THEM IN PARIS ON 8 NOVEMBER.

3. OERLEMANS AND HIS TEAM OUTLINED THE MAIN FEATURES OF THE PROJECT WHICH WERE DESIGNED TO ADDRESS CONCERNS OF POTENTIAL LENDERS:

- (A) 50:50 LOAN/EQUITY RATIO (IE PROPORTION OF EQUITY HIGHER THAN USUAL FOR SUCH PROJECTS),
- (B) ALL EQUITY ALREADY PAID UP-FRONT AND IN OFFSHORE ESCROW ACCOUNT,
- (C) MAJORITY OF LNG SALES AGREEMENTS ALREADY CONCLUDED,
- (D) MAJORITY OF LNG SHIPS ALREADY ACQUIRED BY COMPANY AT FAVOURABLE COST
- (E) NIGERIAN GOVERNMENT SHARE IN PROJECT NOW BELOW 50PCT,

- (F) STRONG IFC ROLE IN PROJECT,
- (G) STRONG SHELL MANAGEMENT ROLE,
- (H) STRONG CONSORTIUM NOW SELECTED (IE TSKJ JOINT VENTURE) WITH COMPETITIVE PRICING,
- (I) PROTECTED FOREIGN CURRENCY REVENUE OFFSHORE,
- (J) PROJECT LOCATION ON BONNY ISLAND EASILY PROTECTED.

4. OERLEMANS STRESSED THE IMPORTANCE TO THE PROJECT OF LIMITED RECOURSE PROJECT FINANCING THROUGH THE ECAS. THEY WOULD BE LOOKING TO THE UK FOR SUPPORT IN THE REGION OF USDLR200 M TO USDLR250 M. HE RECOGNISED THAT THE ECAS WOULD HAVE CONCERNS ABOUT THE 'NIGERIAN FACTOR', BUT REPEATED THAT MANY OF THE FEATURES DESCRIBED ABOVE WERE UNIQUE TO SUCH A PROJECT AND WERE BUILT IN TO REDUCE PERCEIVED RISKS TO A MINIMUM.

COMMENT

5. NIGERIA LNG LIMITED IS ANXIOUS TO MOVE FORWARD ON THE PROJECT FINANCING, NOW THAT THE DECISION ON THE SELECTED CONSORTIUM HAS BEEN TAKEN. IFC ROLE IS CRUCIAL. ALTHOUGH WE HAVE NOT YET SEEN THE DRAFT APPRAISAL REPORT, WE UNDERSTAND IT IS FAVOURABLE. WE SHOULD BE INTERESTED IN A REPORT FROM ECGD ON 8 NOVEMBER PARIS MEETING.

MASEFIELD

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for Nya/Oil industry



No. Mr. [Name] on 21/7
A useful visit
P/9



British
High Commission
Nigeria

12

11 Ekin Crescent
Victoria Island
Lagos

Telephone: 619331

With Compliments

(12)

FROM: [REDACTED]
DATE: 5 September 1994

High Commissioner

cc: DHC, Abuja c.a.
Mr [REDACTED]
DA O/F
Mr [REDACTED]
Mr [REDACTED]
Mr [REDACTED]
Amb, FCO
Consular Dept, FCO

QWN 162/1

VISIT TO PORT HARCOURT AND WARRI: 27 - 31 AUGUST 1994

QWN 121/1
21

Objectives

1. As agreed with you, and with Mr Brian Anderson, Chairman/Managing Director of Shell Petroleum Development Company of Nigeria in Lagos, I visited Port Harcourt and Warri for four days at the end of August. My main objective was to meet with senior management of Shell in both Port Harcourt and Warri, the two operating divisions, both with large numbers of British expatriate staff, particularly in the light of the decision by Shell to reduce the numbers of staff and dependants here (our telno 323 of 30 August). I also wanted to meet as many of the British staff and families serving with Shell in the divisions, as well as other British expatriates. A further objective in Port Harcourt was to visit our small commercial/liaison office in town and make one or two calls on British-related companies in the area.

2. My timetable depended much on the Shell Bristow twin otter flights to Warri and Port Harcourt. With the current fuel shortage, these flights have been restricted to a minimum.

Shell - Port Harcourt

3. Shell Managers and staff in both divisions made me very welcome. In Port Harcourt I stayed with Mr and Mrs [REDACTED] (he is Logistics and Procurement Manager for Shell Eastern Division); the [REDACTED] hosted a dinner for me to meet senior managers; Mr [REDACTED], Operations Manager, hosted a dinner for me to meet the "workers" and other expatriate staff; I had a meeting with managers on their contingency plans, and Mr [REDACTED], General Manager, Eastern Division, hosted a reception for me to meet all the British Shell staff serving in Port Harcourt, together with our Community Liaison Officers (CLOs). At this reception I said a few words about our relations and interface with Shell, the help we got from them with our CLO network, and about our attitude towards the current political crisis.

[REDACTED]

Shell - Warri

4. I had less time in Warri but was able to meet senior management there, together with one of our Community Liaison Officers. With the agreement of the existing Senior Community Liaison Office in Warri and Mr [REDACTED], Divisional General Manager of Shell Western Division in Warri, we have agreed that the Shell CLO representative, Mr [REDACTED], or in his absence, Mr [REDACTED] will take over the CLO coordinating role for Warri. This makes good sense as Shell have the best communications. Again in Warri, Mr [REDACTED] hosted a large reception for me to meet the expatriate Shell community and other expatriates in Warri. As in Port Harcourt, I addressed the group.

The Strike

5. My overall impression was that Shell expatriate staff and other expatriates in the local community were coping extremely well with the crisis. Shell and the other oil operators were devoting all their efforts to keeping as many wells operating as possible with their reduced staff. Shell's production in the two divisions was down to about 500,000 barrels of oil per day, about 50% of their normal production levels, but they were producing this amount with probably one tenth of the normal staff. Shell management was equally concerned about the future of the oil industry: all their actions in relation to the current PENGASSAN and NUPENG strike have been designed to cause minimum damage to the long-term future of Shell's operations in Nigeria. Striking PENGASSAN and NUPENG workers are being paid in full by Shell (there are no union strike funds). But after any return to work there will be negotiations with the unions on penalties which the striking worker may need to face.

6. Shell have learnt a number of lessons from this strike. In the first place, they have realised how overstuffed they are. Expatriates, senior Nigerian staff and some contracted staff are in some cases producing better results than several times the number of Shell's regular staff. I was taken to the main Shell gas supply plant a short way outside Warri near Ughelli. This plant supplies gas to the three main NEPA electricity generating plants at Egbin, Sapele and Ughelli, as well as to the two large Blue Circle Industries cement plants outside Lagos at Ewekoro and Shagamu. This plant is the economic hub of Nigeria as the electricity supply situation in the country would collapse totally without it. Shell told me that it was working better now than it had been for several years. Non-specialist senior expatriate and Nigerian staff were operating, maintaining and repairing the plant. I was also told that contracted local community workers based at

/well heads

[REDACTED]

[REDACTED]

well heads and flow station installations were working much better with the local workers better motivated under expatriate supervision than they were with the PENGASSAN union member workers. This situation could cause a problem when the striking PENGASSAN workers return.

7. When I was in Port Harcourt and Warri, there was a feeling that the majority of the PENGASSAN workers wanted to get back to work. Shell had succeeded in getting the message through to them that they were hurting Shell (and eventually themselves) much more than the government.

8. The oil service and contracting industry in the area is very depressed. Those that are managing to hold on are not getting paid. Many of the smaller contracting firms have folded up (eg, Tristar Nigeria Limited).

9. On the personal level, both Shell and other expatriates were having to devote much time and effort to simply living and obtaining, in particular, petrol and diesel to keep their offices and homes running. As in Lagos, fuel was in very short supply. But there was the usual pattern of those fuel stations that had fuel giving out the fuel only at night at high black market rates. In Port Harcourt, Lt Col Komo, the State Administrator, had apparently commandeered a number of tankers and ensured that each filling station got at least one tanker load of fuel. So there was still traffic around but, of course, the huge queues outside most of the petrol stations contributed to the overall sense of congestion. Cooking gas was in very short supply, as this is a by-product of the oil refineries. A refill for a gas cylinder which five or six weeks ago cost N700 was now costing N3,000. The shortage of cooking gas and of kerosene was having a disastrous effect on the environment. All the local markets are bustling with traders selling wood; most of it green and recently cut down.

Expatriate community and the crisis

10. I sensed no feeling of panic in relation to the situation in the country. Most of the larger companies I came across were taking steps to work out contingency plans in the event of any major trouble - Kellogg, working on the NAFCON fertilizer plant, King Wilkinson in Warri, and Oceaneering all have well-advanced contingency plans. Shell, with the largest stake in the area and the largest number of expatriates, are extremely well-organised. But there appeared to be slight differences of approach between the Eastern Division in Port Harcourt and the Western Division in Warri. Port Harcourt, mainly under the Operations Manager, Mr [REDACTED], has been taking more extreme measures to conserve fuel stocks. Staff

/living at
[REDACTED]

[REDACTED]

living at the residential area are not allowed to have more than two air conditioners on together at any one time. This has meant they have been able to cut the use of standby generators to a minimum. All staff from top managers down to clerical workers are being bussed in from the residential area to their office area, again to save fuel. Staff are not allowed to use their private cars to leave the compound. The main purpose of these measures is to enable Shell to sit out any crisis as long as possible and to keep operational as long as possible. As we know already Port Harcourt have very detailed contingency plans. These are being kept close to their chest, although they were fully shared with us both on the earlier visit by Mr [REDACTED] and Mr [REDACTED] and on my visit. But full details are not being shared with Nigerian management in Port Harcourt, not even with Mr Egbert [REDACTED], the Nigerian Divisional General Manager.

11. In Warri, there is not quite the same sense of crisis. Shell staff are still using their own cars to get to and from the office (but in Warri the offices are much closer to the residential area than in Port Harcourt); the standby generators are on full. Contingency planning is in place and in Warri in full consultation with Nigerian managers.

Contingency Plans

12. Contingency plans by both Shell Divisions cover the eventuality of other British and foreign nationalities in the area making a break for the Shell residential area at a time of extreme crisis. In both divisions, the exact number of other expatriates likely to seek to take advantage of Shell evacuation plans is, of course, unknown. In Port Harcourt, Shell are stocking the residential area with emergency fuel, water and provisions to cater for such an influx. Western Division in Warri expect the same influx but would also expect any expatriates taking advantage of the Shell plans to bring their own stocks of food and possibly drinking water with them to the residential area. For obvious reasons, Shell in both Divisions are anxious lest information of their plans and expectations should leak out to the expatriate community. The public position is that all private companies are expected to have their own contingency plans. But Tim Warren, the GM in Warri, asked me to inform the British expatriate community at the reception he gave for me that it would be a sensible precaution for expatriates to keep up their stocks of basic provisions and water. One of the benefits of Shell in Warri taking over the coordinating role for the Community Liaison Officer network in Warri will be a rather more systematic and comprehensive recording of other British citizens in the area. However, all accept that in the last resort you cannot force British citizens to register.

Other Nationalities

13. The even bigger unknown is the number of British citizens of Nigerian origin who might choose to take advantage of any evacuation at a time of real crisis. I discussed with Shell Managers; both in Warri and Port Harcourt, the question of nationalities joining the Shell evacuation plan who might have difficulty in being admitted to the UK or other European countries. Shell themselves did not think they had any such expatriates working directly for them but, of course, they could not speak for all the contractors and certainly not for the wider expatriate community. I offered our assistance at a time of extreme crisis. Managers in both divisions, however, have pointed out that if it came to the crunch, travel from Lagos to Rivers and Delta State would probably be impossible and in any case the fewer staff and officials Shell had to look after and cater for the better at such a time of crisis.

Shell Decision on Expatriates

14. The Shell decision to keep back from Nigeria those dependants and children who were already out of the country and not to allow other dependants to return to Nigeria when they went on their normal leave with their spouses, had been met by Shell staff with mixed feelings. The older and more experienced expatriate staff understood and accepted the decision. However, some of the younger ones did not and I was told that there had been further discussions between staff headquarters in Lagos and London on the terms of financial support for families in this situation. But I think all held the view strongly that it would be a retrograde step if Shell were to move permanently onto bachelor status for their operations in the divisions. Most people felt that family life was extremely important for morale.

Comment

15. I think Shell found the visit useful. From our point of view, it served the purpose of reassuring Shell and individual British expatriates serving with Shell of our concern and interest in their welfare (even if in practice we are relying on Shell to cope). One or two of the Dutch expatriates serving with Shell I met commented that they wished they saw a little more of their own Embassy down there. Some Italian contractors I met were somewhat less diplomatic in their remarks about their own Italian Embassy in Lagos! In general, the infrastructure which Shell has at its disposal (stocks of fuel, transport, helicopters, small planes and oil service barges and ships) makes their contingency planning much more superior than that of any other operator, contractor, company or government. It is certainly in our own interests to foster the relationship with Shell which is good and close.

16. I believe that the current crisis reinforces the case we

/have

[REDACTED]

have made in the current TMR exercise for reinforcement of our consular/commercial resources. Pastoral visits by consular and commercial staff to areas of Nigeria where there are concentrations of British expatriates are extremely important. But because of the size of the country and poor communications, they are time-consuming. We must also be in a position here to ensure that we do not neglect the outlying industrial centres commercially, once the economic recovery begins to take off - whenever that may be.

[REDACTED]

[REDACTED]

pa (Niger/Trade)
3/1 JJK
Mr Powell
Mess Chem of

35

Reference.....

FROM: [REDACTED]
DATE: 16 December, 1994

Useful visit to the franchise - I suspect Mr Anderson
is in trouble with Head Office about X
TD

DHM
HC

cc: C(M)
DA (P.F.)
Mr [REDACTED] (E)
PCO
Mr [REDACTED]
Consular Dept, FCO

Qwal 12/11

VISIT TO PORT HARCOURT: 12 - 13 DECEMBER, 1994

1. I visited Port Harcourt mainly to touch base with Shell in order to introduce myself and to discuss Contingency Plans which I am reviewing. I also discussed consular and visa matters within our office there and was able to help with three consular cases on the morning of 12 December.
2. Shell's Operations Manager, Mr [REDACTED] and our senior Community Liaison Officer (CLO), Mr [REDACTED] (also Shell), made me very welcome. I stayed with Mr [REDACTED]. The Canadian CLO, Mrs [REDACTED] and her husband hosted a small dinner for me.

SHELL

3. There is concern within Shell about their Nigerian operation. The local Shell expatriate view is that Shell have made two mistakes, first in having an agreement whereby they must sell their production to the Nigerian National Petroleum Corporation (NNPC). Some of their rivals apparently sell to their own companies outside Nigeria. Shell's other problem was to localise some senior positions. This is a problem in Port Harcourt, less so in Warri. Their major current problem is the debt owed to them by NNPC. Their MD, Mr Brian Anderson, has authority from Head Office to extend up to US\$ 300m in credit to NNPC. At the beginning of November he had gone over his limit to the extent that Shell were owed US\$ 280m. At that point he took a "sporting chance" and continued supplying crude to NNPC. The result is that Shell are now owed around US\$ 380m. Mr Anderson is currently in Europe where he will be discussing Shell Nigeria. There are a variety of options open to Shell, with the worse case scenario being the virtual closure of their operations in Nigeria, running it on a caretaker basis. I think this unlikely. It was however clear they are tightening their belts. One school of thought is that they should continue doing so, reducing their workforce (expatriate and Nigerian) by 25%.

/THE

THE ENVIRONMENT

4. Shell are exercised over the recent Channel 4 programme about their actions in the East. They say there is a ground swell movement against them, e.g. TSB are recommending that people buy fuel other than Shell's. And they are worried lest this gain world-wide momentum.

SHELL CONTINGENCY PLANS

5. During the recent Pengassan and Nupeng strikes Shell reduced their expatriate workforce to 93, which they believed was a manageable number to evacuate if necessary. Numbers have now risen to their pre-strike level of 390, including dependents, mainly British and Dutch. Their evacuation plans are comprehensive. As reported in paragraph 12 of [redacted]'s minute of 5 September, Shell would not want to raise the expectations of the expatriate community by letting their plans become widely known. However, Mr [redacted] believes that in a crisis expatriates will try to seek refuge in the Shell compound. I share this view. He further says Shell will not turn any expatriates away. I repeated our offer of whatever assistance we could provide in times of crisis. I added that our priority was to British subjects whereas Shell's was to their expatriate staff. In the event of a crisis the High Commission would have to be flexible and recognise this.

PROBLEMS AFFECTING THE BRITISH COMMUNITY

6. The main problem which the community currently faces is the hassle of transiting Lagos airport and then Port Harcourt airport, and running the gauntlet of copious "security" checks between the latter airport and town. Eight checks/road blocks are not uncommon. To avoid this problem, Shell have fixers in Lagos airport and the Shell aeroplane used by staff now fly between Lagos and the military airport at Port Harcourt where staff are then bussed under armed guard to town. Others are not so lucky. It is difficult for us to take any definitive action. But we should try. As a first step I suggest the High Commissioner writes to the State Governor. If this is agreed, I will draft. And I can then try to call on him on my next visit. I will also complain to Immigration in Lagos about their airport staff.

HIGH COMMISSION OFFICE

7. Our Commercial Officer, [redacted] mentioned that when there were problems during the summer, a number of Brits called at our office for advice which he was not in a position to give. The main focal point for this is our senior CLO, [redacted], whose first priority must be to Shell employees. Mr [redacted] would like to see a non-Shell CLO appointed to cater for non-Shell employees. As we have two such CLOs ([redacted] and [redacted]) this puzzled me. I therefore said that if we had some form of communications with our Port Harcourt office, at times of tension we could constantly up-date Mr

/Azumah.

so that he could field enquiries. He readily agreed that this would solve the problem. Having subsequently spoken to Mr [REDACTED] I do not believe there is a problem communicating with non-Shell expatriates.

FUTURE VISITS

8. What does exist is rivalry between [REDACTED] and our Port Harcourt receptionist, [REDACTED] who is also a CLO and the wife of a member of Shell's expatriate staff. I have minuted separately (not to all) about [REDACTED] duties on the Consular and Visa fronts. An ex-member of our Lagos Consular Section has also given offence to both Shell and CLOs in Port Harcourt. I think I have managed to convince Messrs [REDACTED] and the CLOs I met that we should look to the future and not incidents in the past. All welcomed the contact they had with my predecessor, Mr [REDACTED]. They also found Mr [REDACTED]'s September visit very useful. To ensure our contact remains close Mr [REDACTED] has offered me a Friday to Monday programme (tentatively 13 to 16 January 1995) to see Shell's operations and to meet Brits. Because they have British wives at Shell they have extended their invitation to include my wife and have offered seats on their Twin Otter aircraft. I have accepted their offer, but [REDACTED] will be unable to do so as our son returns to the UK that weekend.

COMMENT

9. I am glad I made this early visit to Port Harcourt. I believe Shell welcomed it too. It also helped maintain our contact with resident Brits which, given Nigeria's turbulent history, they welcome. This visit and my previous one to Abuja have been instructive with the result that I am now beginning to get a feel for the Nigeria which exists outside Lagos. I believe I am now in a position to review our Contingency Plans. I will be making no drastic changes. There will be a few minor ones, some procedures in Consular Section will be modified and I shall be recommending a possible improvement in our Lagos communications network. If the last item is technically feasible, we may have to approach London for a modest amount of money.