

## BP's Christmas ruined as Turkey is delayed

*Safety failures delay the opening of BP's BTC pipeline by a year*

BP's reputation faces a battering as completion of its flagship Baku-Tbilisi-Ceyhan pipeline (BTC) has been delayed by more than a year. The pipeline will not come on stream before April, due to the faulty construction work of BOTAS, the Turkish national pipelines company. Despite whistle-blowers' warnings about BOTAS' dangerous and inadequate construction practices, first brought to public attention by PLATFORM eighteen months ago, BP and the BTC lenders continued to claim that safety standards were being adhered to and the completion schedule would be met.

**BP created an incentive for rushed construction, prioritising costs above standards.**

The current and predicted delays will leave BOTAS (and hence the Turkish state) liable for over \$150 million in fines to BP.

The project, stretching from the Caspian Sea to the Turkish Mediterranean coast, was originally due for completion in May 2005. BP has been forced to postpone the completion date to spring/summer 2006 for safety checks and repairs.

BP originally tried to sell the delay as a deliberate and responsible choice, saying that: "Very scrupulous tests are carried out to reduce the risk of accidents." However by mid-December, David Woodward, Chief Executive of BP Azerbaijan, put the blame squarely on BOTAS and their construction errors in Turkey. The same day, a senior BTC Co. executive announced that planned capacity expansion was suspended in a bid to speed up the overall project. "Workers and equipment will be moved from these [pumping] stations to other sites, as the two existing stations will be enough for first volumes of crude."

As early as May 2004, ex-BOTAS contractors leaked information about the poor state of construction work. PLATFORM spoke to more than ten engineering specialists who had worked on the project, who cited falsification of records, the application of incorrect materials, inadequate safety precautions and suppression of internal concerns amongst other problems. Whistleblowers described BOTAS as "out of control", with BP unable or unwilling to push BOTAS to comply with international standards, preferring to prioritise its economic interest in having the project delivered on time.



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The project contracts incentivised a focus on cost-cutting and speed, not quality. BP pushed for a cut-price construction contract by the state-owned BOTAS; analysts estimated the bid was at least \$600m below the real cost. If BOTAS did not complete the Turkish section by its deadline of May 2005, it would be liable for heavy penalty fines. As a result, corners were cut. As the project fell behind schedule, standards were deprioritised.

Despite BP's awareness of safety and environmental risks caused by rushed construction work, they reiterated that they expected "the BOTAS construction techniques and testing regimes will ensure that the pipeline will be laid safely and that it will operate safely." Lenders including the British Export Credit Guarantee Department accepted BP's assurances and stood by their own belief that BTC remained "on time and on budget for completion in 2005."

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**New PLATFORM Iraq report makes global headline news, turn to page 4**



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## Peak oil - an oil geologist's perspective

There is considerable debate, both within and outside the oil industry, on whether global oil production has peaked here an oil geologist argues that we should take the threat seriously.

Peak oil has become a hot topic. The term is used to describe the point at which one half of the world's conventional oil reserves have been extracted and used-up, after which oil production begins its inexorable decline. There are still considerable differences of opinion about when peak oil will occur, if it hasn't already. Given current trends in demand, if the pessimists are right, we have perhaps 25-30 years of oil left.

It is oil geologists who find oil and come up with oil reserves figures, therefore it may be interesting to take a look at peak oil from an oil geologist's perspective. Despite numerous articles and government documents, peak oil remains a controversial subject, this may in part be due to a lack of understanding as to where reserve figures come from.

Because a geologist who makes a discovery has to sell it to management, figures are invariably optimistic.

### How do Geologists determine reserves?

Reserves are calculated initially by the geologist who mapped the field and these figures determine whether the field will be worth developing commercially. These figures are usually somewhat optimistic. Their calculation uses an equation involving rock volume, porosity, and oil saturation. These figures must be derived from a nearby or analogue field, they are very general in nature and do not capture local variations in the reservoir. It is only once the field is drilled that realistic figures can be determined. At this stage a range of reserves figures are reported. This statistical approach is used in assessing the financial risk involved in developing the field.

### Possible, probable and proven reserves

The terms possible, probable and proven oil reserves attempt to define levels of certainty. These terms are frequently used, but should be directly related to the number of wells drilled and reservoirs penetrated. However, the figures attached to these terms are speculative.

### Rate of recovery

Reserves figures are quoted as either oil in place, which is the total oil under the ground, or as recoverable oil. The rate of recovery is initially derived from nearby fields that are already producing, or from analogous fields. This figure, above all others, is crucial in determining recoverable reserves, yet it can be the number which is the hardest to establish.

### The geologist as an eternal optimist

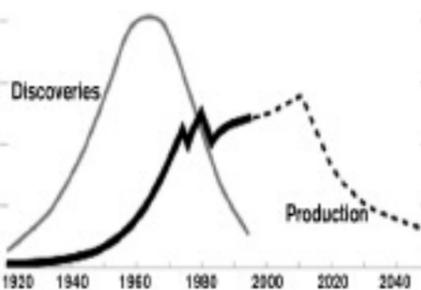
The exploration geologist who makes a discovery has to sell it to management. As a result, the figures are invariably optimistic, in the hope that the project will fly. It is almost always the case that figures are downgraded once a field goes into production, although it can still be a shock to the companies when actual reserves are lower.

### The political dimension

A report published in February 2005 by the US Department of Energy, the Hirsch report, recognised that peak oil is inevitable and that steps must be taken to mitigate its effects. This was the first time a major government report openly recognised a growing problem with global oil supply describing it as an "unprecedented risk management problem."

### Is there hidden oil?

There has been speculation that there may be large undiscovered reserves hidden deep below the surface in some remote corner of our planet, but from a geologist's perspective it looks very unlikely. Western Siberia for example may contain vast untapped reserves, but ultimately this will not arrest the overall decline in global oil production.



Since new oil discoveries have been falling, production will also inevitably fall

### Guest writers wanted

For the first time we publish a guest writer. The author is an oil geologist with 25 years experience. He currently works as an independent consultant and also contributes to PLATFORM's work. Opinions expressed in this article are those of the author and not necessarily those of PLATFORM. We would like to encourage other Carbon Web readers to contribute. If you have ideas you would like to share through the pages of Carbon Web please email: [info@platformlondon.org](mailto:info@platformlondon.org)

### Who do you believe?

Calculation of oil reserves is contentious, leading to overestimation in most cases, so who do you believe on how much oil is left? There is a growing body of experts who argue that we are now close to, or past the peak of global oil production. Their arguments have gained credibility and peak oil is no longer dismissed as alarmist scaremongering. There needs to be a far more open public debate on the issue and a greater sense of urgency in planning future energy supplies.

...continued from page 1

Although BP shares responsibility for the delays by creating the incentive for rushed construction, BP executive David Woodward has been reminding BOTAS of their legal requirement to pay \$500,000 per day in "liquidated damages" to the BTC consortium. By late March BOTAS will owe BTC Co. over \$150 million.

While considerable delays are likely to spark a financial wrangle between the BTC consortium and BOTAS, most heavily affected by the overrun are farmers who will lose another harvest to the pipeline. Turkish farmers living along the construction route struggle to scrape a living from their land in the best years, but those who have lost access to their land due to construction received a derisory one-off payment for crops not grown.

BP and the project lenders ignored repeated warnings about risks created by the contract structure and specific failings by BOTAS to adhere to construction standards at a time when they could have been rectified. Now BP are trying to apply a sticking plaster to the problems, at the cost of the Turkish taxpayer and people along the route. The prospects for a safe pipeline are not good.

## Remember Saro-Wiwa, 10<sup>th</sup> November

On 10<sup>th</sup> November 2005 events took place around the world to mark the 10<sup>th</sup> anniversary of the execution of Ken Saro-Wiwa and his eight colleagues. These are just some of the highlights. The Remember Saro-Wiwa project continues, including the commissioning of two Living Memorials, see: [www.remembersarowiwa.com](http://www.remembersarowiwa.com)



### Clockwise from top:

- Activists from London Risingtide hang nine nooses outside the Shell Centre.
- Winning artist Siraj Izhar explains his work.
- Winning artists Sokari Douglas Camp and Siraj Izhar at the ceremony on 10<sup>th</sup> November.
- Baroness Lola Young speaks at the ceremony.
- The Soothsayers play at the Remember Saro-Wiwa music and poetry night.
- Silent vigil outside Shell Centre, marking the 10<sup>th</sup> anniversary of the executions.
- Ken Saro-Wiwa mural in County Mayo Ireland, unveiled on 10<sup>th</sup> November.

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## Signing away Iraq's democracy?

PLATFORM's new report exposes the true cost to Iraq of the oil majors' agenda

As *Carbon Web* goes to press, Iraqi politicians are still haggling over the key roles in forming a new government. The outcome will be closely watched not only by Iraqis, but as a recent PLATFORM report reveals, by multinational oil companies, hoping to acquire a stake in Iraq's oil production.

The reasons for their interest are clear: Iraq holds 10% of the world's oil reserves, which are also among the most profitable to extract. Shortly before the 2003 invasion, the US oil major ConocoPhillips said "We know where the best [Iraqi] reserves are - we covet the opportunity to get those some day." Shell meanwhile aims to "establish a material and enduring presence in the country."

**Production sharing agreements could cost the Iraqi people \$74 - \$194 billion compared to oil development staying in public hands.**

Oil companies have lobbied hard for access to Iraq's oil, and also for control over it, through contracts known as 'production sharing agreements' (PSAs). The report entitled *Crude Designs*, is the first to highlight the devastating cost of this approach.

The report estimates the lost revenue over the life of the new oil contracts to be between \$74 billion and \$194 billion, compared with oil development staying in public hands. This represents between two and seven times the current Iraqi state budget.

Meanwhile, the contracts would ensure massive profits for the companies involved, with rates of return of up to

162%. The oil industry's profitability threshold is 12%, and only rarely do projects generate much more than 20%. Moreover such agreements would break with standard practices, used across the Middle East.

A key player in lobbying for PSAs was the International Tax and Investment Center (ITIC), a little-known lobby group, set up in the early 1990s to lobby for business-friendly economic restructuring in the former Soviet Union. Oil is especially prominent among its interests: its Board of Directors includes representatives of Shell, BP, ConocoPhillips, ExxonMobil and ChevronTexaco.

In 2004, ITIC began working on Iraq. With unfortunate choice of language, ITIC described the country as a "beachhead" for broader expansion of neoliberal policies across the Middle East.

Its influence should not be underestimated. The World Bank and IMF organised the meeting at which ITIC presented its arguments for PSAs to Iraq's Ministries of Oil, Finance and Planning. ITIC's views have also been copied directly into British Government "advice" to the Iraqi Oil Ministry.

Despite this, ITIC does not like the light of public debate - presumably preferring to deal with chief executives and government ministers. In November the president of ITIC walked out of a live radio debate with PLATFORM, when challenged on the quality of ITIC's economic arguments for PSAs in Iraq.

International interest in *Crude Designs* has been enormous, with extensive media coverage. The report has been downloaded from the web more than 60,000 times.

This response reflects the lamentable volume of public discussion on foreign interests in Iraqi oil - despite the widely held view that oil was a central reason behind the invasion. It also illustrates why the oil companies are so reluctant to show their faces in this debate. PSAs themselves enshrine secrecy. Running to hundreds of pages in complex legal and financial language, and generally subject to commercial confidentiality, PSAs are effectively immune from public scrutiny.

**PSAs lock governments into terms which cannot be altered for decades**

Furthermore, PSAs lock governments into economic terms that cannot be altered for decades - even if signed by a weak government under political pressure (and military occupation). Companies take control of production and depletion rates - one of the most important decisions in managing the economy, as oil accounts for 95% of Iraqi government revenue. Furthermore, PSAs generally exempt foreign oil companies from any new laws that might affect their profits.

For all the US Administration's talk of building democracy in Iraq, they are lobbying for a contractual system that would deprive Iraq of democratic control over its most important natural resource.

*Crude Designs* - co-published with Global Policy Forum, War on Want, NEF, Oil Change and The Institute for Policy Studies (IPS) is available at: [www.carbonweb.org/crudedesigns.htm](http://www.carbonweb.org/crudedesigns.htm)

## Take Action - release BTC campaigner from Turkish prison

A key human rights defender in Turkey has been sentenced to prison, on politically motivated grounds. Please lobby the Turkish government for his release.

Ferhat Kaya, a lawyer from Ardahan, Turkey, has tirelessly campaigned and advocated for those whose lives have been disrupted by BP's BTC pipeline construction. As a result of his work, Ferhat has seen his offices smashed, and has been intimidated, attacked and tortured while imprisoned.

Ferhat has now been sentenced to six months imprisonment on allegations that he referred to Kurdish rebel leader Abdullah Öcalan as "Mr Öcalan" during a public speech; the Turkish state deemed this to be an offence of supporting terrorism as it accorded respect to the Kurdish leader. The sentence includes an indefinite ban on any future role in public service, including voting, standing as a candidate in elections, or managing any trade union, association or company.

Write to the Turkish Government. More information and sample letter at: <http://www.baku.org.uk/action/ferhat.htm>

## BP's Indonesian adventure gets banks onboard

Lead arrangers have been announced in the financing of BP's controversial Liquefied Natural Gas (LNG) project in Tangguh, West Papua. With West Papua under Indonesian military occupation since 1962, project development is expected to increase militarization and repression. The banks announced are Bank of Tokyo-Mitsubishi, BNP Paribas, Fortis Bank, ING, Mizuho, Standard Chartered and SMBC.

In a year otherwise lean on large oil and gas projects, commercial banks are eager to invest, despite human rights and environmental risks. A number of Chinese banks have already made commitments totalling \$1.25 billion.

Built by BP with China's CNOOC and several Japanese companies, the \$5bn project has angered local communities due to lack of consultation and failed community investments, combined with an imminent ban on fishing, the primary local source of income and subsistence.

## Trade-unionists targeted

The family of Samuel Morales of the Colombian trade union federation CUT have received death threats from the rightwing paramilitary group AUC.



Photo: © Amnesty International/Marie-Anne Ventura [amnesty.org.uk/deliver/postcard/73.html](http://amnesty.org.uk/deliver/postcard/73.html)

Mr. Morales has been imprisoned since August 2004 facing jumped up charges of rebellion and terrorism. Mr. Morales has been key in highlighting human rights problems with Oxy and Repsol and BP oil developments in Colombia, demanding compensation for affected communities "The BP areas have been turned into zones of paramilitary control." he said. Between 10 and 15% of the Colombian army is said to be deployed alongside oil pipelines and facilities, while oil companies have made contributions to the military channelled through the Finance Ministry. Please send letters of support to Samuel Morales and co-defendant Raquel Castro.

[www.colombiasolidarity.org.uk](http://www.colombiasolidarity.org.uk) click on: 'Arauca'

## Oil execs lied to senate

A recently leaked White House memo reveals that oil executives lied to the US Senate. The chief-executives of five major oil companies told senate committees that their companies had not participated in discussions with Vice President Cheney's 2001 Energy Task Force. Yet the memo leaked to The Washington Post, reveals that Exxon, ConocoPhillips, Shell, BP and Chevron did meet with senior aides, or gave detailed recommendations to the task force. The task force was instrumental in developing strategy for America's future sources of energy, with oil being a key focus.

## EBRD gives Shell's costly Sakhalin II thumbs up

After months of indecision, the European Bank for Reconstruction and Development (EBRD) has approved Shell's costly Sakhalin II project. The project will bring oil and gas from off Russia's Sakhalin Island to far-eastern markets.

Despite severe delays, costs more than doubling and construction threatening both indigenous communities and endangered Western Gray Whales, political pressure forced EBRD to give the project the go ahead. Japan, set to receive much of Sakhalin II's gas, reportedly lobbied the EBRD heavily.

Dmitry Lisitsyn, of Sakhalin Environment Watch, said: "EBRD risks putting its reputation beyond repair by pronouncing Sakhalin II 'fit for purpose' even though key aspects of the project are themselves beyond repair; The science is out there, breaches of EBRD policies are explicit, 120 days of consultations will make little difference to the fundamental violations that Shell has already committed."

EBRD approval will encourage investment by private banks. ABN AMRO and Royal Bank of Scotland are both likely to be involved.

[sakhalin.environment.ru/en/](http://sakhalin.environment.ru/en/)

## Condoning corruption in Nigeria?

Ken Wiwa, son of murdered Nigerian activist and writer, Ken Saro-Wiwa, addressed a packed House of Lords committee room in late November speaking on the Niger Delta, Foreign Policy, Energy Security and Social Justice. Ken Saro-Wiwa was executed by the Nigerian state in 1995 with eight colleagues.

Panellists including Friends of the Earth director Tony Juniper and PLATFORM's James Marriott, expressed concern at the likelihood that the UK will shortly begin importing Liquefied Natural Gas (LNG) from Nigeria, a country renowned for corruption and social injustice. A day before the event, Prime Minister Tony Blair had discussed the imminent gas supply crisis alluding to the need for new supplies of natural gas. Speakers argued that current UK foreign policy effectively condones corruption.

The event on 24<sup>th</sup> November, chaired by Baroness Lola Young, also saw the launch of platform's book 'The Next Gulf, London, Washington and oil conflict in Nigeria,' and the republication of Ken Saro-Wiwa's prison diary 'A Month and a Day'.

[www.remembersarowiwa.com](http://www.remembersarowiwa.com)

## Arctic wildlife saved

Oil companies' hopes of gaining access to oil beneath Alaska's Arctic National Wildlife Refuge were again dashed in December. The latest attempt to open the refuge came as part of a bill to fund troops in Iraq and hurricane reconstruction but in a surprise move senate voted to remove the drilling clause from the bill and passed the remaining legislation unanimously. However, attempts to include the legislation in a future bill are expected.



Shell's Sakhalin II project threatens the Western Pacific Grey Whale with extinction.

**Flares no longer in fashion**

A recent victory in a Nigerian court could finally put an end to gas flaring in the country. The landmark case, brought against Shell Nigeria by Mr. Jonah Gbemre and the Iwerekan community in Delta State, argued that flaring violated their constitutional right to life and dignity.

In most countries, 'associated gas' from oilfields either flows into the domestic gas network or is pumped back underground but in Nigeria flares have burned day and night for 50 years producing more greenhouse gas emissions than all other sources in sub-Saharan Africa combined.

Under a 1984 law, flaring is effectively illegal but has been allowed to continue, with ministerial consent on a field by field basis. However, on 14<sup>th</sup> November Justice C. V. Nwokorie ruled in Benin City that the damaging practice of flaring must cease and that the permits system is defunct.

This is the first time that a Nigerian court has interpreted constitutional rights as environmental rights. The judge also ordered the Attorney General to meet with the Federal Executive Council, the country's highest executive body, to update the law. ExxonMobil, ChevronTexaco, TotalFinaElf and Agip, as well as Shell, will all be affected by the ruling.

Despite the victory, flaring continues in Nigeria. On 16<sup>th</sup> December 2005 Mr. Gbemre (with the support of Environmental Rights Action: Friends of the Earth Nigeria, the Climate Justice Programme and Friends of the Earth.) filed contempt of court proceedings against Shell for defying the court order to cease flaring.

FoE Nigeria [www.eraction.org](http://www.eraction.org)

**Double standards over disasters?**

A chemicals plant in northern China leaked up to 100 tons of benzene into the river Songhua in November, prompting a state of emergency. The city of Harbin, which relies on the river for drinking water, was without supplies for several days. By December 22<sup>nd</sup> a slick had reached the Russian city of Khabarovsk, but there officials insisted they had done everything possible to safeguard and filter water and that supplies would be maintained. Fishing however will be banned for up to two years.

Following the leak, media was quick to highlight incompetence of the Chinese operating company. By contrast, the massive explosion at a Total-Texaco depot in Buncefield, UK met with accusations that the Health and Safety Executive had not kept sufficient watch over the companies.



Photo: Friends of the Earth

Flares burn day and night in Nigeria, "Shell is contemptuous of our laws, of our peoples and of our environment. We are ashamed that our government is in an unholy wedlock with a corporation such as this." Reverend Nnimmo Bassey of Environmental Rights Action.

**Shell fails to deliver**

In November Shell announced that it had begun production from its deepwater Bonga field in offshore Nigeria. The announcement coming two years late brings into question the company's ability to manage large and difficult projects. Shell is under pressure because Sakhalin costs doubled (page 5), its oil sands project in Canada has seen cost overruns and delays in the completion of Nigeria's Bonny terminal could cost the company \$1.2bn.

The company's Nigerian production was set back at the end of December by a dynamite attack on a pipeline. Damage to pipelines is not unusual in Nigeria but last month's attack hit 200 000 barrels per day of Nigerian exports and pushed up global oil prices. Shell declared force majeure (a legal term allowing a party to a contract to breach its terms) and shut down the Bonny flowstation.

**Chad axes oil fund**

Chad's parliament has reversed a law that would have channelled profits from the World Bank backed Chad-Cameroon oil pipeline into projects to benefit the country's poor. The move also abolished Chad's oil fund, designed to save 10% of oil wealth for future generations. In response, the bank suspended all loans to Chad, including its 4% share of the pipeline's funding. World Bank President Paul Wolfowitz said that while this was one of the most drastic steps the Bank could take against a member country "This is a suspension, not a termination," adding that he hoped for further discussion. Chad's President Idriss Deby has the authority to send the law back to parliament.

**Browne regains his crown**

BP chief executive John Browne has again been voted top of the pops of Britain's businessmen. The annual survey of top executives carried out by pollsters Mori last year saw Browne loose his crown for the first time since 1999 to plucky Tesco chief Sir Terry Leahy. Browne presided over a strong year at BP buoyed by oil prices and an efficiency drive in downstream retailing.

**IPE - climate champions?**

In an end of year readers' poll, Environmental Finance magazine voted the European Climate Exchange (ECX), which traded €4.2 billion in carbon last year via London's International Petroleum Exchange best exchange in the EU. The EU market began a year ago, shortly before the Kyoto protocol came into force boosting interest in market mechanisms, which will allow companies to buy carbon credits rather than reduce their own emissions.

**Texas City safety was shelved**

Former US Secretary of State James Baker is leading an enquiry into the fatal accident at BP's Texas City refinery. BP Chief Executive John Browne said "I deeply appreciate Secretary Baker's willingness to lead the panel." His appreciation may stem in part from BP's favourable impression of Mr. Baker through working with his law firm Baker Botts who drafted host government agreements for BP's Baku-Tbilisi-Ceyhan (BTC) pipeline, agreements which exempted the pipeline from any safety laws more rigorous than current standards in the industry.

However it seems that in Texas City BP did not meet even these standards. Three years ago BP rejected a contractors' proposal to fit a flare at the plant which could have prevented the disaster. An evaluation of a pressure relief system would have been needed before any flare was fitted. By law BP should have undertaken the study but this had still not been done by March last year when the explosion occurred.

**Brown earns industry's wrath**

Gordon Brown has increased North Sea oil tax from 1st January. While companies operating in the North Sea will now pay 50% (rather than 30%) corporation tax, this is the only tax they pay. Unlike the rest of the world, the UK charges no royalties and no petroleum taxes. Research by economists Ian Rutledge and Phil Wright in the late 1990s found that, after tax, the UK is one of the most profitable operating regions in the world for the oil majors. And although this is the second time Brown has put up tax since 1997, he has also cut it twice.

Oil companies grumbled about the latest move. This reaction surprised Carbon Web. Oil companies' glossy reports constantly tell us about how much they like to spend on education, on the arts, and on roads and hospitals where they operate. Surely paying a fair rate of tax would help them do this?

**Beyond petroleum, but not everywhere**

Consistent with the re-emergence of 'Beyond Petroleum' BP's current branding exercise (See carbon web issue two) the company is to plough a staggering 2.6% of the its capital investment into renewable energy by establishing BP Alternative Energy, a new business division which will focus on BP's existing solar business, plus wind, hydrogen and combined-cycle-gas-turbine (CCGT) power-generation.

But the share of renewables in BP's capital investment could not match its share of the company's advertising. While the UN's Montreal Summit agreed that the way forward on climate change is more talk, BP joined in the talk-frenzy with yet more adverts on its approach to climate change. Oddly, however, the message to investors in Egypt was different to the message to the general public.

(see BP ads' left and below)

Normally the BP helios logo is accompanied by 'Beyond Petroleum' here it runs '40 Years in Egypt'

## Notes from Gog & Magog

In *Carbon Web* issue two we reported that amazingly, Sir Phil Watts, former chairman of Shell, had tried to take the Financial Services Authority (FSA) to court, and that his action had been rejected by the Financial Services and Markets Tribunal. Readers will remember we speculated that Sir Phil might quietly retire after this spat in the hope that the FSA would drop its pursuit of him for his role in Shell's 'reserves scandal'. The legal inquiry into the scandal had turned up gems such as the an e-mail from Walter Van der Vijver, head of Exploration and Production, to Sir Phil, Chairman, in which he said he was 'sick and tired of lying about the extent of our reserves issue'.

We underestimated Sir Phil, for far from stirring the hornets nest, his counter action seems to have put the FSA off. In November a fractional column in our pink rival, announced that the FSA was dropping its case.

A week later Sir Phil's lawyer Martyn Hopper of corporate law firm Herbert Smith - who had represented him since his 'resignation' 20 months before, proclaimed: "We are pleased to have helped Sir Philip vindicate the position he has consistently maintained, that he acted properly and in good faith at all times."

Martyn was a natural choice for Sir Phil. Prior to joining Herbert Smith, he worked for nine years as senior house lawyer in ...the FSA! For four years he was Head of the Market Integrity Group in the FSA's

Enforcement Division, and also worked extensively on FSA's Code of Market Conduct. Clearly his understanding of integrity and market conduct will have been instructive to Sir Phil.

Our disappointment at the limpness of the FSA was compounded by the timing of the bombshell, the announcement coming on the morning of 10<sup>th</sup> November. Precisely ten years to the day since the hanging of Ken Saro-Wiwa and his eight Ogoni colleagues.

Sir Phil and Ken Saro-Wiwa led intertwined lives. Sir Phil was Country Chairman of Shell Nigeria from 1991 to 1994 during the height of the Ogoni struggle that led up to Ken's arrest on false charges. He was Director of Shell Planning, Environment and External Affairs between early 1996 and July 1997 as the company battled to restore its reputation tarnished by Brent Spar and the hangings in Port Harcourt. Effectively, it was Sir Phil who launched the Shell's *Profits and Principles* report.

Shell reassures us in its Business Principles that 'We comply with all applicable laws and regulations of the countries in which we operate.' This whole story shows that the concept of "compliance" can be interpreted in some interesting ways.

Sir Phil and Ken Saro-Wiwa led intertwined lives, but separated by a vast differential of power.

## Saro-Wiwa Remembered

Irish protesters marked 10 years since the murder of Ken Saro Wiwa by unveiling a mural (picture page 3) of the Nigerian activist and writer, who was executed for protesting against destruction caused by oil companies in his native country. The campaigners, who oppose Shell's high-pressure gas pipeline in County Mayo, unveiled the mural outside the Shell/Statoil site in Bellanaboy on 10<sup>th</sup> November.

The previous day, activists from London Rising Tide hung nine nooses outside the Shell Centre in London in memory of Saro-Wiwa and his eight colleagues. Like their Irish counterparts, they highlighted the connection between the continuing struggle of the Niger Delta peoples and the plight of other fence-line communities worldwide.

In London 10<sup>th</sup> November saw a vigil outside the Shell centre, a celebration featuring afro-beat music and poetry and the announcement by PLATFORM of the winning artists for the Remember Saro-Wiwa living memorial. In a surprise decision, both Sokari Douglas Camp and Siraj Izhar will develop their proposals. Sculptor Sokari Douglas Camp's battle bus will be decorated with texts from Ken Saro-Wiwa's writings while Siraj Izhar will suspend representations of a carbon molecule above various London locations.

[www.remembersarowiwa.com](http://www.remembersarowiwa.com)

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