

BUSINESS

Shell will sell big piece of its Nigeria oil business, but activists want pollution cleaned up first



FILE - A member of Shell staff on the Bonga offshore oil Floating Production Storage and Offloading vessel off the coast of the Niger Delta in Nigeria, Monday, Dec. 26, 2011. Shell said Tuesday, Jan. 16, 2024 it agreed to sell its onshore business in Nigeria's Niger Delta to a consortium of companies in a deal worth \$2.4 billion, the latest move by the energy company to limit its exposure in the West African nation amid long-running complaints of environmental pollution caused by the oil industry.

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BY [TAIWO ADEBAYO](#)

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ABUJA, Nigeria (AP) — Shell said Tuesday it agreed to sell its onshore business in Nigeria's Niger Delta to a

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investment in Nigeria on our deepwater and integrated gas position."

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The buying consortium is Renaissance, which consists of ND Western, Aradel Energy, First E&P, Waltersmith and Petrolin, Shell said. After an initial payment of \$1.3 billion, the London-based energy giant said it would receive an additional \$1.1 billion.

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The assets that Shell is selling are largely owned by the Nigerian government's national oil company NNPC, which holds a 55% stake. To finalize the agreement, the government must give its approval. Shell operates the assets and owns a 30% stake, with the remaining share held by France's TotalEnergies at 10% and Italy's Eni at 5%.

The assets include 15 onshore mining leases and three shallow-water operations, the company said.

Activists in the Niger Delta, where Shell has faced decadeslong local criticism to its [oil exploration](#), plan to ask the government to withhold its approval if the company does not address its environmental damage.

"It would be a matter of very grave concern if the obvious legacy issues, especially the environmental and decommissioning issues, are not adequately and transparently addressed before and by any eventual divestment," said Ledum Mitee, a veteran environmental activist and former president of the Movement for the Survival of Ogoni People.

Nigeria heavily depends on the Niger Delta's petroleum resources for its earnings. However, pollution from oil and natural gas production has prevented residents from accessing clean water, hurt farming and fishing, and heightened tensions.

Militants have exploited the situation, and at one time almost halted the oil industry with attacks on facilities and kidnappings of foreign citizens for ransom before a government amnesty package.

Despite joint military operations and a government benefits program for former militants that accompanied the amnesty deal, the Niger Delta remains volatile. The oil industry faces risks of violence, including pipeline vandalism by oil thieves, whom companies often blame for oil spills.

Fyneface Dumnamene, director of the Youths and Environmental Advocacy Centre, urged the Nigerian government to require Shell and the new buyers to provide a plan for addressing environmental damage and compensating communities before granting approvals.

Shell told AP in a statement that the sale has been designed to preserve the company's role to "conduct any remediation as operator of the joint venture where spills may have occurred in the past from the joint

venture's operations."

If the transaction is approved, Shell will still have at least three subsidiary operations in Nigeria, namely, its Gulf of Guinea deep-water operations, an industrial gas business and solar power for industrial activities.

All are separately incorporated subsidiaries and outside the scope of the transaction with Renaissance, Shell said.

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