

From: [removed-irrelevant]

Date: 23rd February 2006

cc: [removed-irrelevant]

To: PS/PUS

MALCOLM BRINDED'S CALL ON THE PUS, 23 FEBRUARY

SUMMARY

1. Good FCO/Shell co-operation on Nigeria, especially current kidnapping, to continue. Shell keen to see HMG looking for further opportunities to assist Nigeria with Niger Delta security and governance. PUS to see Shell in Lagos next week and cross-Whitehall meeting with Shell on Nigeria to be arranged. [removed-irrelevant]. PUS explained risks as HMG sees them, but confirmed that HMG support for Shell would continue. [removed-irrelevant]

DETAIL

2. Malcolm Brinded, Executive Director Exploration and Production, Shell International called on the PUS, accompanied by Chris Finlayson, Shell Country Chairman for Russia (recently ex-Nigeria) and John Crocker of Shell's International Directorate. Martin Donnelly, [removed-irrelevant] and myself joined the meeting. The discussion centred on Nigeria, [removed-irrelevant].

NIGERIA

3. Safe return of Shell contractor **hostages** in Nigeria uppermost in Brinded's mind. Shell grateful for good contacts and co-operation with FCO. [redacted] Shell, as HMG, urging **peaceful approach**. PUS confirmed that FCO makes hostage release highest priority and would keep very closely in touch with Shell throughout.
4. [redacted]. **Short-term impact:** Shell has had to shut-in 550,000 bpd of production, c.50% of Shell's Nigerian production, c.25% of Nigerian total production. [redacted].
5. [redacted]During last kidnap incident, near offshore Shell installation was attacked with RPG rounds.
6. Brinded highlighted magnitude of **Shell investment**; \$3.5bn planned, adding to c.\$6bn already invested. NLNG project now 21 million tonnes p.a. (mtpa) equivalent to c. one third of UK's current gas supply. By 2011, Shell's LNG plants in Nigeria will be exporting 50 mtpa, = c.75% of UK current gas supply = **c.40% of global LNG supplies**. LNG plants are all onshore, so could be directly impacted by security issues.
7. Longer-term, Shell seeks HMG assistance in developing Niger Delta Development Corporation (**NDDC**). Shell already gives \$150 million, [redacted]. Brinded urged greater DFID engagement with NDDC to provide support. Brinded felt with current President and his team, "this is the best chance we have" to improve matters.
8. **PUS going to Lagos** next week; ensure he sees Shell. [**Action:** CCEG].
9. PUS/Brinded agreed to a **half-day Shell briefing** for HMG (cross-Whitehall) on Shell's Nigerian operations and environmental and social activities. [**Action:** CCEG].