



### Nigeria attacks harm Shell exports

Oil producer Royal Dutch Shell says it may not be able to honour contracts for April and May after attacks on its pipelines in southern Nigeria.

The company declared the so-called force majeure following an announcement that it would have to cut exports from the region by about 169,000 barrels per day.

[The Movement for the Emancipation of the Niger Delta \(Mend\)](#) , which had claimed responsibility for the attack on the Bonny terminal last week which forced the cut, on Monday said it had sabotaged two more pipelines.

Tony Okonedo, a Shell spokesman, later said that he could "confirm two new attacks on the Soku-Buguma and Buguma-Alakiri pipelines".

He said the company was investigating the extent of the damage.

### High oil prices

Shell is Nigeria's largest oil operator and accounts for about half of the country's 2.1 million barrels per day output.

The reported attacks came as an international energy forum, which brings together oil producers and consumers in Rome, heard that the world was facing a long period of high oil prices. Unrest in Nigeria, along with the weak US dollar and the refusal of oil-producing countries to increase output, has pushed oil to a record \$117.81 a barrel in New York. At the same time, London's Brent North Sea crude for June delivery hit a record \$114.86.

Mend says it is stepping up its activities after the arrest of one of its leaders, Henry Okah, who is on trial for terrorism and treason.

The group has also called for mediation by Jimmy Carter, the former US president, with the aim of ending the long-running crisis.

### 'Ripple effect'

"Mend expressed its willingness to embrace a genuine and transparent peace programme without getting any response. The ripple effect of this attack will touch your economy and people one way or the other and hope we now have your attention," it said in a statement. It said that the attacks were a "way of saying 'welcome'" to a US warship, the high-speed vessel Swift, which has been visiting the Gulf of Guinea to conduct training with the Nigerian navy.

"Mr President [Bush], your warships do not intimidate us. Instead they only embolden our resolve in fighting the Goliaths of the world that support injustice," the statement said.

The group emerged in early 2006, launching bombing attacks on Nigeria's oil infrastructure that cut about one-quarter of the usual oil output in Africa's biggest crude producer.

It wants a greater share of oil revenues for areas that remain deeply poor despite the the country being Africa's biggest oil producer.

### Prices 'too high'

Nobuo Tanaka, head of the [International Energy Agency](#) (IEA), said that oil prices, at their current level, were "too high for everybody, especially for developing countries".

But Rafael Ramirez, Venezuela's energy minister, said that oil prices would remain as high as at least \$90 for the foreseeable future. "Oil prices can't fall ... production costs have increased," he said.

Fulvio Conti, chief executive of Italian energy giant ENEL, predicted that "oil prices will remain high as long as demand remains high".

The Organisation of Petroleum Exporting Countries (Opec) has insisted that increasing production would not resolve the situation.

"Opec is producing as much as the market requires. As a matter of fact, there's some surplus on the market," Hussain al-Shahristani, Iraq's oil minister, said.

However, Tanaka said that runaway oil prices could even spur some countries to speed up their investment in alternative and renewable sources of energy.