

Nigerian Rebels Destroy Shell Crude Pipeline

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Viva!

June 18 (Bloomberg) -- Nigerian rebels said they destroyed a "major" crude oil pipeline in Bayelsa state owned by Royal Dutch Shell Plc, Europe's biggest oil company, according to an e-mailed statement.



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High explosives were used to breach the delivery line for the Forcados export terminal at 8:30 p.m. yesterday, the Movement for the Emancipation of the Niger Delta said in the statement today. Crude oil rose after the statement was issued.

"Shell should take a cue from Chevron and vacate the Niger Delta region to avoid collateral damage to their investment and death to staff," rebel spokesman Jomo Gbomo said in the statement.

Shell told customers Nigerian shipments will be disrupted for a fifth month in July as violence escalates in Africa's largest oil producer, spokesman Precious Okolobo said yesterday. A Shell spokeswoman in London said she couldn't immediately comment on the attack and the company may release a statement later today.

A government offensive against armed groups since May has resulted in intense fighting in the western part of the oil-producing Niger delta region, where the Forcados terminal is located. Militant attacks have cut Nigeria's oil exports by more than 20 percent since 2006. Nigerian crude is the light sweet variety of oil favored by U.S. gasoline refiners.

The latest attack was carried out on what the rebels called the Agge/Odimodi axis of the line which is fed by the Tunu, Opukusu and Ugbotubu flow stations, the rebel statement said. Forcados oil terminal is located about 258 kilometers (160 miles) southeast of Lagos on the delta of the Niger river.

Crude oil for July delivery rose as much as 50 cents, or 0.7 percent, to \$71.53 a barrel on the New York Mercantile Exchange. It was at \$71.35 a barrel at 8:45 a.m. Singapore time. Prices are up 60 percent this year.

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