Purported Oil Spillage at Shell Manifold in Otuasega (reference page 19 of Platform Report)

In 2009, there was a reported oil spill inside Shell manifold at Imiringi near Otuasega. Shell, on their own, took responsibility for the clean-up of the affected areas in the manifold, excluding Saipem from operations. Even though Saipem was working around the area, the spill had nothing to do with Saipem operations. We are not aware if Otuasega community chiefs ever went to the area, which in any case belonged to Imiringi community, and being a Shell manifold area, the JTF (federal government Joint Task Force) soldiers in charge of the protection of the Oil Facilities (mandate is given by Nigerian Government) were not there at the instance of Saipem.

The Women Demonstration and Subsequent Work Stoppage at Ogboloma (reference page 44 of the Platform report):

The Gbaran Pipeline project (awarded to Saipem Contracting Nigeria Ltd from Shell) involved the laying of pipes across the Ogboloma community axis of Taylor Creek at Ogboloma.

- Shell had acquired the Right Of Way (ROW) and also agreed with the community to construct an “Integrated Water Project” as part of the approved GMOU (Gbaran Memorandum Of Understanding) for sustainable community development project established between Shell and the involved Communities. At the time when Saipem Contracting Nigeria Ltd (hereinafter Saipem) was to commencing its works, the Integrated Water project had largely been completed but there was no electricity to power the Scheme. The Community therefore stopped all Shell operations (including Saipem operations).

At the subsequent mediation forum organized by the Bayelsa State Ministry for Conflict Resolution held on 4th February 2009, it was agreed, among the other things, as follows:

- Saipem to give three additional employment opportunities to the communities through the PAC1 (Project Advisory Committee);
- Saipem to provide portable water to the community by trucking during the river crossing operation.

The above mentioned resolutions were accepted by the Community representatives and within two days Saipem implemented the resolutions incumbent on it. Despite these agreed actions and their implementation, some Community members instigated a group of women to commence a demonstration against the agreed resolutions and against their traditional ruler who had participated in the previous meetings. They succeeded in the removal of the traditional ruler and a subsequent mediation prompted the continuance of work on the river crossing. Provided that the water scheme was completed, Shell instructed Saipem to hire a power generating set from a community nominated contractor to power the water project throughout the river crossing operation. Than operations during river crossing went on smoothly.

We would like to underline that security of people and assets in Nigeria is managed by Saipem through the full respect of international standards and Nigerian laws. Based on these laws, the protection of facilities, people and assets is the sole responsibility of Nigerian Armed Military or Police Forces. The actions of these forces are dictated by their own rules of engagement in order to protect Nigerian national interests linked to the development of the Oil & Gas Industry.
Saipem under no circumstances can dictate to said military or police forces how to react to a security situation deemed dangerous.

However our security policy is focused on preventing conflicts, respects external stakeholders, local traditions and people. Consultations with Community representatives are always ongoing and Saipem is developing for its activities a huge level of Local Content. As part of its Local Content plan, Saipem engages local security companies to provided un-armed surveillance services of its facilities, personnel and assets. Security companies engaged in these services are contractually obliged to operate respecting Human Rights and Dignity and the Rules on the Use of Force; any violations of them would result in the immediate contract termination.

At this time, no local or foreign security company employed by Saipem to provide un-armed surveillance services has been involved in a confrontation or dispute with the local population.

The Sustainability Team
San Donato Milanese, 18 October 2011