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# Nigeria attack stops Shell's Bonga offshore oil

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(Adds U.S. contractor released, paragraph 8)

By Nick Tattersall

ABUJA, June 19 (Reuters) - Militants in speedboats attacked Royal Dutch Shell's (RDSa.L) main offshore facility in Nigeria on Thursday, cutting the country's oil output by a tenth and raising fears of a new campaign against deepwater installations.

The strike on Shell's Bonga field, which lies some 120 km (75 miles) off the coast and has a nameplate capacity of 220,000 barrels per day, forced the Anglo-Dutch giant to stop output from the \$3.6 billion facility.

The rebel Movement for the Emancipation of the Niger Delta (MEND) -- which until now has mainly blown up oil pipelines and kidnapped expatriate workers in the shallow creeks of southern Nigeria -- warned the attack may not be its last in deep waters.

"The location for today's attack was deliberately chosen to remove any notion that offshore oil exploration is far from our reach," the group said in an e-mailed statement, telling oil firms to remove expatriate workers from Nigeria.

"Oil and gas tankers are also warned to avoid Nigerian waters. They stand the risk of laden crude oil or natural gas tankers being attacked," the group said.

International oil companies have been increasingly focusing on offshore projects in Nigeria, partly to offset the risk to onshore operations in the Niger Delta, where a violent campaign of sabotage has cut output by a fifth in recent years.

After the Bonga attack, MEND gunmen came across a separate oil supply vessel and seized its U.S. captain -- working for oil services firm Tidex, contracted to Chevron (CVX.N) -- in what security sources said appeared to be an opportunistic strike.

MEND later said it had released the man to his employers.

MEND and other militant groups say they are campaigning for a fairer share of oil wealth for local communities in the Niger Delta, whose land and water have been polluted by oil extraction for five decades.

## OFFSHORE ATTACKS RARE

Pipelines in the region are exposed and often unguarded, making them easy targets for anyone with access to explosives. But significant attacks on offshore facilities are more complicated to carry out and have been relatively rare.

MEND said its main target had been Bonga's computerised control room, from where crude exports are coordinated, but its detonation engineers had been unable to gain access.

"Our next visit will be different," the group said.

Fears of supply disruption in Nigeria, home to sub-Saharan Africa's biggest oil industry, have sent jitters through an already volatile global oil market.

President Umaru Yar'Adua has promised a peace summit next month to address the root causes of the unrest in the Niger Delta, but MEND has said it will not take part.

Shell said it was too soon to say how long output would be shut down following the attack on Bonga, which it said had targeted a floating production storage and offloading vessel.

"It acts as a flow station, as a terminal. It is the heart, the hub of the field," Shell spokesman Precious Okolobo said.

Offshore installations in Nigeria are seen as more secure than those onshore,

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partly because MEND and other militant groups have tended to use small boats not designed for deeper waters.

Shell's Bonga field has helped offset losses from the delta, while Chevron's (CVX.N) Agbami and Total's (TOTF.PA) Akpo fields -- both deep offshore -- are due to come on stream this year.

But offshore security appears to be deteriorating. Seafarers' unions have urged shipping firms to grant crews emergency rights such as war-risk bonuses for operating in Nigerian waters, following a spate of attacks on merchant ships.

Nigerian navy spokesman Henry Babalola said armed youths in military fatigues attacked an oil security vessel and kidnapped two crew members in a separate incident on Thursday.

For a factbox on Nigeria's lost production double click on [ID:nL19617394]

For a chronology on attacks in the Niger Delta, double click on [nL19909287]

For a factbox on the significance of the attack on Bonga, double click on [nL19827694] (Additional reporting by Randy Fabi; Editing by Tim Pearce)

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