

Relief of Biafra oilfields raises Shell-BP hopes

By RICHARD SPIEGELBERG

Guarded optimism about restarting the flow of oil from Biafra was expressed by Shell-B.P. in London yesterday following confirmation that Nigerian Federal forces had gained control of the company's oil installations at Bomu and Ogoni in the breakaway state of Biafra.

Bomu, 40 miles from Port Harcourt, is one of the company's largest oilfields in West Africa. But it is not certain whether the oil pipeline and installation network linking the Bomu field to the company's terminal at Bonny on the coast is under Federal control.

There is also no indication whether the company's £14m. oil refinery at Port Harcourt has been recaptured, though unconfirmed reports yesterday suggested that Federal troops had seized the town.

The Federal offensive against Biafra comes at an opportune time for Shell-B.P. Last month, with other foreign companies operating in the breakaway state they were threatened by the Biafrans with a complete take-over of their interests if they failed to declare within a month their operating plans for the region. Shell-B.P. made no direct overtures to the Biafran Government and at the beginning of the month the company's offices in Port Harcourt were destroyed by rioting Biafrans.

A Shell-B.P. spokesman categorically denied reports over the weekend that either company might be involved in plans to build a second refinery on the Nigerian coast to process the growing out-

put of the massive oilfields in the Mid-west region as a hedge against a major prolongment of the crisis.

Shell-B.P. is now pressing ahead with plans to get oil moving out of Nigeria by the middle of next year. Over two-thirds of the company's oil production is locked up in the breakaway eastern region. Since last July the company's oil production, which had been running at the rate of 24m. tons a year, has been at a standstill.

Even if the Biafran issue is not settled in the near future, access to a large part of the company's oil reserves in West Africa, now inaccessible because of the war, could be achieved next year after the completion of a £17m. pipeline stretching 50 miles from Ughelli inland to a new second oil terminal 100 miles west of Bonny.

Since the middle of last year, Shell-B.P.'s oilfields in Biafra have been in the hands of a management committee specially appointed by the Government authorities. The company's total assets in Nigeria have been estimated to be worth over £100m.