

## The oil and gas bank

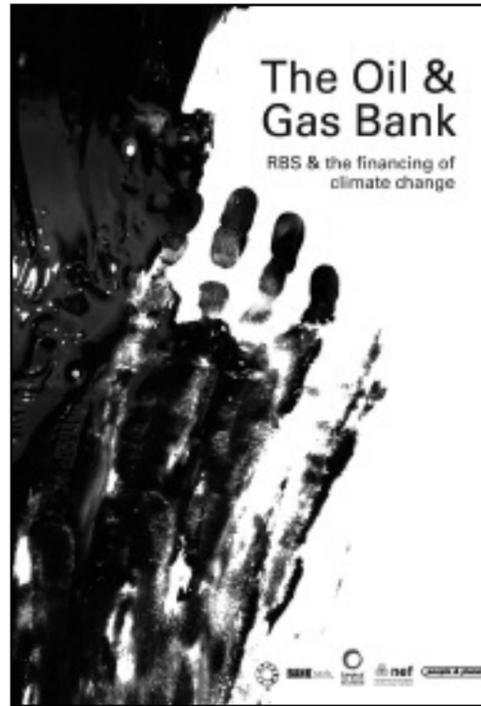
A recent report from PLATFORM uncovers the climate impacts of the Royal Bank of Scotland's identity as "The Oil & Gas Bank"

The report 'The Oil & Gas Bank - RBS & the Financing of Climate Change' investigates RBS-NatWest's role in fuelling climate change, forcing open new carbon frontiers, and exacerbating conflict. Working closely with oil corporations, RBS provides the cash to build and operate drilling rigs, pipelines and oil tankers from West Africa to the Caribbean, from the Caucasus to the Middle East.

### RBS loans play a central role in the extraction of oil and gas

At first glance, a bank's impacts on the climate appear minor: carbon emissions from computer screens and business trips. Yet RBS' core products - loans - play a central role in the exploration, extraction and shipping of oil and gas. While emissions from banks' internal energy use are comparatively low, the emissions embedded within RBS' financial products are staggering, and rising rapidly.

In 2005, RBS project loans to oil and gas released 36.9 million tonnes of CO<sub>2</sub>. By 2006, emissions had passed 43.7 million tonnes - greater than those of Scotland. If CO<sub>2</sub> molecules had corporate tags, the atmosphere would be full of RBS logos alongside BP, Shell and Exxon. The projects financed will



continue pumping for 20-30 years after deals are struck - RBS' drive to squeeze profit from fossil fuels locks huge emissions into our future.

While claiming credit for financing renewables, loans to this sector remain minor compared to the bank's involvement in oil and gas. Wind farms have become an additional rather than alternative field of interest. Further, RBS has been pumping finance into previously inaccessible fossil fuels including coal bed methane and tar sands.

...Continued on page 3

## A game as old as empire

Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the US Agency for International Development (USAID) and other foreign "aid" organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources... I should know; I was an EHM.

Thus wrote John Perkins in the opening paragraph of his 2004 book, *Confessions of an Economic Hitman*. The book became a bestseller, selling more than 500 000 copies in the USA alone. Now, twelve authors - including former economic hitmen, journalists, researchers and activists - tell their stories in the sequel, *A Game As Old As Empire*. Two chapters are co-written by PLATFORM.

\*

Dan Witt is an unlikely economic hit man. A short, enthusiastic American with round spectacles and neatly combed hair, his looks would be almost schoolboyish if it weren't for his sharp suits.

### With financial backing from oil companies Witt began pushing for Iraq to offer long-term contracts

Witt heads the International Tax and Investment Center (ITIC), pushing for corporate-friendly policies in developing countries. Kent Potter, a vice president of Chevron, captured ITIC's role by commenting, "In many ways, ITIC is like a private-sector version of the OECD or IMF."

ITIC began in the 1990s, aiming to write policies for the newly independent former Soviet republics, together with 85 of the world's largest multinational corporations. In summer 2003, Witt saw a similar opportunity in the restructuring of Iraq.

...Continued on page 3

## Inside this issue

- Feature - A change of culture at BP? . . . 2
- News - Nigerian Elections fuel chaos . . . 4
- Analysis - Iraq oil law in the balance . . . 5
- News - Around the world of oil. . . . . 6
- Notes from Gog & Magog. . . . . 8



www.carbonweb.org

## A change of culture at BP?

As Tony Hayward stepped up to become Chief Executive of BP, media attention focused on Browne's dramatic departure. But what does the Hayward era promise?

Hayward, like Browne, is a driller. With a PhD in geology, he spent 22 years in BP Exploration, mixing engineering, finance, and international politics. He played a key role in developing BP's position as President of BP Venezuela from 1995 to 1997. Ironically, President Chavez 'nationalised' BP assets in Venezuela the day Hayward took over from Browne (see page 6).

Hayward accused the BP leadership of being "too directive", saying that it "doesn't listen sufficiently well."

Despite Browne's fall, Hayward is keen to emphasise continuity. As he announced at BP staff meetings in March, "Any of you who are expecting a radical change are going to be disappointed." Hayward is very much Browne's pupil, describing working under him in the early '90s as "A tremendous learning opportunity. He really opened my eyes to business." This was in the period that won Browne fame for lobbying government to slash BP's tax bill in the North Sea.

Browne was supremely well networked, in the British establishment and in global political elites. Russia's president Putin was reputedly head-hunting him for a post-BP role, and many public figures signed a 'Friends of John Browne' letter that appeared in the Guardian and FT after his fall. But these connections accrue less specifically to the person of Browne, and more to the role of CEO at the UK's largest corporation. Browne's successor will inherit much of his network.

Alongside these continuities, there will be change. Each CEO has an opportunity to stamp their style on the corporation and Hayward set out his stall back in December when he accused the current leadership of being "too directive", saying that it "doesn't listen sufficiently well." These remarks were widely seen as directed at Browne.

Hayward faces an uphill struggle, especially in the US where he will grapple with continuing fallout from the 2005 Texas City explosion, Alaskan pipeline leaks and the recent shutdown of Whiting refinery in Illinois. Within a week of taking up his new position Hayward met with President Bush, inaugurating a new era in BP-US relations. However, Congressman Bart Stupak of the House Energy and Commerce Committee has demanded that Hayward testify at a hearing, since corrosion problems in Alaska stem from his time as head of BP Exploration

One hallmark of the Browne era was a dramatic increase in outsourcing. By the mid 2000s BP had three contracted staff to each direct employee. Hayward claims he will break from this trajectory, declaring that more functions will be brought back in-house, in part to address the challenge of safety and reliability.

BP's press department has kept the new CEO out of the limelight, a policy that is set to continue

The fact that Hayward's rise has received so little coverage in contrast to Browne's fall, is not incidental. Hayward had effectively been running BP for four weeks, since the BP AGM. Yet BP's press department has kept the new CEO out of the limelight, a policy that is set to continue. For example, the CEO will no longer present each quarter's results to analysts and press.

A vital question of corporate culture revolves around 'Beyond Petroleum'. Will Hayward retain Browne's slogan and determination to be a green brand leader, or will the contradiction between the brand and the pressure to find reserves lead to the demise of the motto?

...Continued from page 1

"What we started in '93, '94 with the Kazakhs; let's take some pages out of that playbook with the Iraqis," he mused.

With financial backing from six oil companies - BP, Shell, ExxonMobil, Chevron, Total and ENI - Witt began pushing for Iraq to offer long-term contracts, production sharing agreements, which could net the companies hundreds of billions of dollars.

While insisting that all he was offering was "advice" and "best practice", Witt worked closely with British diplomats, who arranged lobbying meetings between the companies and Iraqi ministers. When backed up by thousands of troops, such "advice" becomes hard to refuse. Now, an oil law is being considered by the Iraqi parliament, incorporating much of what Witt called for. But increasing numbers of Iraqis are against the plans. Even Witt concedes, "It's a very politically sensitive matter, to have foreigners come in and extract hydrocarbons." You bet it is, Dan.

\*

"I like Nigeria. I like the pulse of Africa. It is very stimulating. I will miss it." Nigel Watson-Clark's job was certainly stimulating: three and a half years, as a security officer defending Shell's offshore Echo Alpha oilfield. He was essentially a front-line soldier in the web of oil exploitation. His job was at the centre of a vortex of violence, the heart of the crisis that is oil - who controls it, who benefits and who suffers.



The sensational bestseller *Confessions of an Economic Hit Man* revealed just the tip of the iceberg. Now more economic hit men and investigators tell the whole shocking story.

Edited by Steven Hiatt  
Introduction by John Perkins  
Author of *Confessions of an Economic Hit Man*

## A Game As Old As Empire

The Secret World of Economic Hit Men and the Web of Global Corruption

On 11<sup>th</sup> January 2006, Watson-Clark spotted three speedboats approaching fast. His unit opened fire, but was out-gunned. Forced to surrender, he became a hostage. Watson-Clark's captors were from MEND, the Movement for the Emancipation of the Niger Delta, a group that represents youths radicalised in the struggle for a just distribution of the proceeds from oil.

That same day, China's foreign minister, Li Zhaoxing, arrived in Africa for a weeklong tour aimed at supplying China's growing need for oil and gas. Chinese moves into Africa have ruffled feathers in Washington. The conservative Heritage Foundation, long a supporter of repression when aligned with US corporate interests, complained that the USA's "vision of a prosperous Africa governed by democracies that respect human rights and the rule of law and that embrace free markets is being challenged by the escalating Chinese influence".

Watson-Clark was held for nearly three weeks. Two weeks after his release Nigerian military helicopters attacked the area, killing twenty people. The helicopters used an airstrip belonging to Shell.

The following month, Charles Dragonette, senior analyst at the US Office of Naval Intelligence, admitted that Shell had asked for US military protection. Dragonette was well-placed to observe that "Nigeria's Delta situation is not going to improve, certainly not anytime soon".

Buy the book for £11.19 (RRP £15.99)  
[mcgraw-hill.co.uk/empire](http://mcgraw-hill.co.uk/empire)

A Game As Old As Empire: The Secret World of Economic Hitmen and the Web of Global Corruption  
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Office of Governor Arnold Schwarzenegger

Browne was supremely well networked, here with Tony Blair and Governor of California Arnold Schwarzenegger, hosting the pair last year for a meeting on climate change at BP's Long Beach refinery.

## The RBS Oil & Gas Team

RBS' oil and gas activities are headquartered in the City of London at 135 Bishopsgate, towering over Liverpool Street Station. Steve Mills leads the Oil and Gas Team in sourcing the cash for controversial projects and striking deals with the world's largest and smallest oil companies. On any weekday, Steve could be assessing the risks and reasonable returns for an Exxon oilfield development off Nigeria, while beneath his window pedestrians head for lunch at nearby Brick Lane. His deputy Colin Bousfield may be submitting an aggressive bid to finance a borrowing base agreement with the Angolan state oil company. Advice specialist Michael Crosland may have started early, advising on the loan agreement that will make the enormous Qatargas 4 gas project a reality as commuters poured out of Liverpool Street Station. While tourists board the Central Line, heading for the West End, Steve checks upcoming deals with the Houston and Aberdeen offices.

Read The Oil & Gas Bank - RBS and the financing of climate change:  
[www.carbonweb.org/documents/Oil\\_&\\_Gas\\_Bank.pdf](http://www.carbonweb.org/documents/Oil_&_Gas_Bank.pdf)

...Continued from page 1

Jim McBride from RBS Houston stated recently "We believe there's going to be as much as \$40 billion spent on oil-sands development in Canada, so this is another energy-financing growth area for us." Strip-mining for tar sands threatens to decimate Canada's forests and wetlands, both major carbon store-houses.

No bank has fully addressed its climate responsibilities. Yet while competitors are beginning to recognise that they cannot speak about shifting to a low carbon economy while their investments accelerate climate change, RBS is burying its head in the sand.

## Nigerian elections fuel spiralling chaos

Large-scale bloodshed was avoided at April's Nigerian presidential election, but political stability for the oil majors is ever more uncertain as the Movement for the Emancipation of the Niger Delta (MEND) has stepped up its campaign of taking hostage foreign oil workers and bombing oil installations, significantly reducing on-shore oil production. MEND have made it clear that these actions are in protest at a fraudulent election - where rigging and intimidation marred the result and a warning to the incoming president that grievances have not been heard. The question remains, whether Yar'adua will stand by his election commitments to address the plight of communities in the oil rich Delta.

EU election observers condemned the vote but UK/US policy was perhaps best summed up by former Conservative overseas development minister, Baroness Lynda Chalker now Chair of Nigeria's Honorary International Investment Council (HIIC) who criticized the international media for exaggerating electoral fraud. The US and UK governments seem keen to see a smooth handover of power, however corrupt the process.

The Remember Saro-Wiwa Battle Bus continues its UK tour, keeping Nigeria in the public eye. After a stop at Battersea Park, London, the Living Memorial goes to Glastonbury Festival on 21st June followed by Liverpool and Hull.

[www.remembersarowiwa.com](http://www.remembersarowiwa.com)

## Chad oilworkers renew strikes

Esso oilworkers in Chad held a three day strike last month, demanding safer working conditions and better pay. The strike is the latest in a year of industrial unrest, brought about by the pay gap between workers in Chad and those in neighbouring Cameroon, who earn three times as much. ExxonMobil (Esso) operates the controversial Chad-Cameroon pipeline. Part funded by the World Bank, construction of the pipeline was plagued by labour and human rights violations.

[www.icem.org](http://www.icem.org)



Nigerians queue at the polls during April's elections

Stakeholder Democracy Network

## Delays mount in Kazakhstan

Kazakhstan's troubled Kashagan oil development has been delayed by a further three years and costs have doubled, Italian operator Agip was forced to admit. Meanwhile, the Kazakh government threatened to suspend Chevron's licence for its Tengiz project, following failure to dispose of hazardous sulfur extracted from the crude. Local communities and NGOs have been raising concerns over both Chevron and Agip's approach to dealing with the high sulphur levels in Kazakh oil (Carbon Web issue 6, page 2).

Despite these concerns, Kazakh crude has secured the long term future of BP's BTC pipeline with both Agip and Chevron joining the Kazakh state in a project known as the Kazakh Caspian Transport System (KCTS). Oil will be shipped across the Caspian to Baku and transferred to BTC.

BP's pipeline had originally been mooted as only a stopgap for Tengiz oil, with Chevron favouring a Russian export route. However, heavy US government lobbying in favour of BTC appears to have paid off, with Chevron's Kazakh oil now committed to the Western-controlled export corridor, guaranteeing pipeline operator BP's profits for the long term.

[www.crudeaccountability.org](http://www.crudeaccountability.org)

## Indigenous victories in Peru & Ecuador

A novel proposal by Ecuador's new government opens the way to keeping rainforest oil in the ground. President Correa's government has announced it will not extract Amazon oil - if the international community is prepared to provide aid equivalent to "at least half the resources" likely to be generated by extraction. The announcement was welcomed by indigenous communities and movements defending the Yasuni National Park, although there was doubt over whether the government will keep its promise.

Peruvian indigenous leaders disrupted a Houston presentation by Peru's state oil company as the government looked set to licence oil development across 70% of the Peruvian Amazon. Under pressure, the government agreed to revise three rainforest oil concessions to exclude areas where native Amazonian populations live in isolation. The government has also committed to review four other concessions. Meanwhile, Peru's human rights ombudsman has launched an investigation of all 11 new oil concessions, to determine whether they infringe the rights of indigenous communities. The move follows last year's victory by the Achuar nation who forced Pluspetrol to clean up its operations in their homeland (Carbon Web issue 6, page 7).

[www.amazonwatch.org](http://www.amazonwatch.org)

## Iraq oil law in the balance

As Carbon Web goes to press, the Iraqi government's end-of-May deadline for parliament to pass the controversial oil law is just days away. Like the US government's 2006 deadline, this one looks set to be missed - again due to arguments over Kurdish insistence that regions play the primary role in signing contracts with foreign companies, and in receiving revenues.

In many respects, the draft law is as bad or worse than expected. Not only does it allow contracts of up to 30 years with foreign companies (without requirement for parliamentary approval), it sets no minimum limit on Iraqi participation in contracts.

But since it was drafted last year, the law has faced increasing opposition - from the Iraqi Federation of Oil Unions, other trade-unions, civil society groups and oil experts. As a result, recently published appendices to the law limit the damage. While it was expected that some of Iraq's largest fields would be up for sale, instead around 84% of known reserves would remain controlled by the Iraq National Oil Company. A report by consultancy IHS however, predicts that Iraq's undiscovered reserves could be as large as proven reserves: all of these would go

to foreign companies, potentially giving them more than half of Iraq's oil.

It could yet get worse. The Natural Resources Minister of Kurdistan's Regional Government believes this division is too mean to the multinationals; he is apparently outraged that any of Iraq's oil should be controlled by Iraqis.

On the other hand, opposition to the oil law is now spreading to large sections of the parliament. The parliamentary arithmetic suggests that - in the absence of fraud, bribery or intimidation - it will be difficult to pass the law. However, given the stakes involved, none of these can be ruled out.

Rumours abound of threats against members of parliament who oppose the law. Even the pro-US, pro-oil-law government is not safe. Advisers to Prime Minister Maliki told Associated Press that he fears the USA will bring down his government if the oil law is not passed by June.

Much of US impatience comes from the Democrats. After President Bush vetoed a bill calling for a timetable for

## Take Action - Ask your MP to sign Early Day Motion 1180

We have both an opportunity and a responsibility to stand with Iraqis, saying "Hands off Iraqi oil". Early Day Motion (EDM) 1180 has been tabled in Parliament calling for the UK to disclose its involvement in Iraq's new oil law. Documents released under the Freedom of Information Act have revealed that Foreign Office and Treasury Officials have been actively involved in shaping the Oil Law and furthering the agenda of foreign oil companies. In order for the EDM to be successful, we need as many MPs as possible to sign the motion.

See [www.waronwant.org/?lid=14302](http://www.waronwant.org/?lid=14302) to find out if your MP has already signed EDM 1180.

[handsoffiraqoil@gmail.com](mailto:handsoffiraqoil@gmail.com)

troop withdrawal, Democrats are pushing instead for the oil law and other "benchmarks". A campaign led by Oil Change International is working hard to expose Democrats' hypocrisy and pressing for the oil law benchmark to be dropped.

Similar campaigns have been launched in Britain and Italy, PLATFORM is co-founder of Hands Off Iraqi Oil. There is still time to stop the oil law and early signs are that the issue could reinvigorate the anti-war movement. Many Iraqis would be glad if it did.

[www.handsoffiraqoil.org](http://www.handsoffiraqoil.org)

Oil Change International:  
[www.priceofoil.org](http://www.priceofoil.org)



Photo: Rebecca Fisher

Demonstrators at last month's Shell AGM demanded 'Hands Off Iraqi Oil'

**OPEC gains ground**

Angola joined OPEC's quota system in March, the first expansion of the oil producers cartel since Nigeria joined in 1971. Analysts dubbed the move a blow to Washington's policy of using oil from Atlantic Africa as a geopolitical counterweight to the OPEC-dominated Middle East. 40% of Angola's exports go to the US. However, OPEC is unlikely to demand imminent cuts in the country's production.

Angola's accession has further fueled speculation that Ecuador, which suspended its membership in 1992, is set for re-entry. Last month Ecuador's President Correa, seen as an ally of Venezuela's Hugo Chavez, said membership would open new opportunities of Ecuador, including access to loans from Middle Eastern banks.

In a separate blow to western corporate oil interests, Venezuela has continued to reclaim control of its resources. The Venezuelan State Oil Company has taken over 60% of refineries previously held by ConocoPhillips, Chevron, Exxon-Mobil, BP, Statoil and Total. Negotiations continue about possible compensation.

**Pressure builds to end oil aid**

Campaigners from the US End Oil Aid coalition are pushing forward with their campaign to cut oil industry subsidies. Last month New York Democrat congressman Maurice Hinchey introduced legislation calling on the World Bank, US Export Import Bank (Ex-Im) and US Overseas Private Investment Corporation (OPIC) to stop financing oil and gas projects.

Campaigners hope that language from Hinchey's bill will be adopted in other legislation, possibly when Congress renews OPIC funding later this year. Meanwhile, pressure is building to cut subsidies: the Clean Energy Act was approved by the House of Representatives earlier this year, yet remains stalled in the Senate. The act would repeal \$14 billion of the current \$64 billion in federal oil subsidies.

[www.endoilaid.org](http://www.endoilaid.org)

**Shell commits to 'unconventional' oil**

Shell moved last month to buy the 22% of Shell Canada it did not already own, signalling the company's long-term commitment to 'unconventional' oil. The oil major's plans for Alberta's tar-sands threaten to unlock tens of millions of tonnes of carbon. This scant regard for climate change is consistent with the company's internal target for global atmospheric CO2 of a worrying 550ppm (Carbon Web issue 7, Notes from Gog & Magog). Shell remains desperate to boost its reserves following the reserves scandal of 2004 and has committed over \$17 billion to upstream capital spending in 2007. Much of that is into unconventional oils such as tar-sands.

Despite its push into some of the world's dirtiest oil projects, Shell has launched an advertising campaign which depicts an oil refinery emitting flowers rather than smoke. In response, Friends of the Earth has filed a complaint to the Advertising Standards Authorities in Britain, Belgium and the Netherlands about exaggerated and misleading green claims made in the adverts.

**A Lament for the Bourbon Dolphin**

On 12<sup>th</sup> April the Norwegian registered North Sea supply vessel the Bourbon Dolphin capsized, with the loss of seven lives, including a 15 year old boy on work experience. An enquiry is under-way in Norway but has yet to publish its findings. Exactly one week after the disaster, North Sea oilworkers observed a two minute silence in memory of those who died. Carbon Web prints the words of one worker.



*It was poignant standing on the helideck, as the silence was called a flurry of snow paid us a visit, the squall whipping around the rig was chilling as we reflected upon those lost, and those left without.*

*Two minutes passed, and the silence was broken with a lament. It seemed as if the sound of the pipes cracked open the sky, the wind dropped and beams of sunlight fell on the distant installation Foinaven.*

*I know it was just the way the weather is up here and a lament on the pipes will stir the hardest heart, but I felt an overwhelming peacefulness, this was an experience that I will never forget.*

*I hope that those touched by this terrible tragedy will someday feel the peace that I felt during this moment. Rest their souls.*

**Wales pipeline - fight continues**

National Grid declared force majeure last month as a result of protests against its high pressure pipelines in South Wales. The declaration means that the company expects not to honor gas transport contracts, because the pipeline has been delayed. A high court judge caused further delays when he ruled planning permission for a pressure reduction station unlawful, yet planning permission for the same site was later granted when Neath/Port-Talbot councillors met again two weeks ago.

A protest camp near Brecon has appealed for help after being served with an eviction notice on 25<sup>th</sup> May. [www.fightthepipe.co.uk](http://www.fightthepipe.co.uk)

**Shell's failings leave 37 dead**

March US company filings highlighted Shell's health and safety failures as "unacceptably high". The company's shortcomings have largely escaped media attention, while rival BP has been under the spotlight since its 2005 Texas City disaster in which 15 people died. Last year, Shell operations led directly to 37 deaths. In response Shell appointed an insider, Kieron McFadyen to the new role of vice-president for health, safety and the environment. Nigeria was the most dangerous country, with 17 deaths, although the company's Sakhalin II project in Russia's far east also raised concern. Still struggling to rebuild its reputation following the reserves scandal of 2005, the oil major failed to perform against targets for health and safety, shareholder returns and 'operational excellence,' chief executive Jeroen van der Veer had his bonus cut as a result.

**Art not oil**

Without a hint of irony, The Guardian has chosen Shell as lead sponsor of its June Climate Summit. The news was greeted with dismay as London Rising Tide opened submissions for its 2007 Art Not Oil exhibition. The annual exhibition aims to challenge oil industry sponsorship and focus critical attention on BP's National Portrait Award and Shell's Wildlife Photographer Of The Year Award. Art Not Oil's online gallery currently features over 200 works exploring the destructive power of big oil and the role art can play in resistance.

[www.artnotoil.org.uk](http://www.artnotoil.org.uk)  
[guardian.co.uk/climatesummit](http://guardian.co.uk/climatesummit)  
 Please submit copies of your artwork by email to: [info@artnotoil.org.uk](mailto:info@artnotoil.org.uk)

**Exxon to face justice**

Pending Aceh human rights cases received a boost when a US court ruled that ExxonMobil could not dismiss a lawsuit brought by 11 Indonesians. The world's largest oil corporation will face charges that it was culpable for killings, assaults,

and arbitrary arrests while it collaborated with Suharto's dictatorship during the 1990s. The case, which began in 2001, alleges that Indonesian troops used ExxonMobil facilities and equipment to 'interrogate, torture and murder Acehnese civilians'.

Aceh, on the northern tip of the island of Sumatra,

received autonomy last year after 30 years of struggle and repression. The Indonesian government has pledged to establish a court by July, which will hear thousands of human rights cases. Meanwhile, the ExxonMobil case has been brought in the US under the Alien Torts Act which applies to crimes committed overseas.

**Victory in the Pipeline**

Campaigners against Shell's proposed high pressure gas pipeline in County Mayo, Ireland, won a significant victory in April. In a PR move, Shell had applied to drop the injunction which led to the jailing of the Rossport Five in 2005 (Carbon Web, issue 1). However, the men successfully argued that the injunction could not be dropped without addressing their concerns.

The judge imposed conditions on the dropping of the

injunction requiring Compulsory Acquisition Orders against landowners to be dropped and demanding that Shell meet €1 million legal costs associated with the injunction. The pipeline route is now legally defunct, it can only go ahead with the consent of landowners.

Counterclaims against Shell remain outstanding and the campaign against the company's Corrib gas project continues. Mayo residents are demanding a full, independent review and development based on community consent.

In a boost to the campaign, farmer Willie Corduff of the Rossport Five has been awarded the prestigious Goldman Environmental Prize. Awarded annually to six grassroots environmental heroes, the \$125 000 prize is the largest of its kind in the world, known as the Nobel Prize for the environment. Speaking about the prize, Corduff said: "More people in the world will realise what Shell is doing to our community - we can't afford to back down."

[www.shelltosea.com](http://www.shelltosea.com)

Photo: William Hederman



Willie Corduff, winner of the 2007 Goldman Environmental Prize, with his wife Mary, following his release from prison in 2005. Corduff and four other men spent 94 days in prison for obstructing Shell's high-pressure gas pipeline.

## Notes from Gog & Magog

### Thoughts on The Fall

Carbon Web spent Mayday gripped by the sudden downfall of Lord Browne, Chief Executive of BP. Now that the dust has settled, several things stand out.

Firstly, the hubris and deceit of men at board level. Carbon Web has been studying BP and Shell since 1996, and during those 11 years the two companies have had four CEOs in total. Of these, half have had to resign because they lied: first Phil Watts of Shell and now John Browne at BP.

Secondly, the power of a man in Browne's position. It is remarkable that he could injunct the reporting of the court case so severely that none of the media picked up what was raging in the High Court when covering Browne's January announcement of his plan to resign 18 months early.

Thirdly, Carbon Web notes how Browne was destroyed in part by the very thing that had enabled him to gain such prominence, his closeness to Blair. The full extent of that relationship was stunningly illustrated by Chevalier's revelations to the Mail on Sunday.

The final point of note is that as Browne departs he is outlasted by a cannier political figure, BP Chair Peter Sutherland. Browne and Sutherland's rivalry first became public in 2006, over the issue of Browne's proposal to take over Shell and his desire to stay beyond BP's statutory retirement age of 60. It seems Sutherland felt that Browne was becoming too large a public figure in his own right, eclipsing the company that gave him his power. Sutherland also disliked Browne's personality cult within the corporation, perhaps that reminded

BP old-timers of the bad days of Bob Horton, another BP CEO unceremoniously cast out in 1992. It is ironic that it was Browne's glory days that dispelled the clouds of the Horton era, and intriguing that Sutherland is also on the board of Goldman Sachs that discreetly dumped Browne as a non-executive after Mayday.

There is a sense that the Chevalier scandal provided an opportunity to give Browne the push. Certainly the company did so with marked brutality - minutes after being dethroned, Browne left BP's head offices alone into a media scrum. How did the media know he was coming? Was that a PR slip, or was somebody in the company keen to see Browne humiliated in front of the cameras? Either way, that old bruiser, Sutherland, sails on, as any blame for BP's woes is conveniently shouldered by the sacrificial king.

## Indonesian mudflow "cannot be stopped"

Geologists investigating the Indonesian mud-volcano reported to have been started by careless gas drilling (Carbon Web 6, p5) have concluded that the flow of 200 000 cubic metres per day cannot be stopped. James Mori, a Japanese geology expert, concluded that "It could be ten years, or even more. We do not know [when it will stop]".

Walhi (Friends of the Earth Indonesia) has begun legal action against the exploration company PT Lapindo Brantas over the mudflow, which has killed 13 people and left 8200 in temporary accommodation. The case demands payment of compensation, allocation of resources to stop the mudflow and that the company end reckless disposal of untreated mud and contaminated water.

There was outrage in Indonesia after a February government conference discussing the mudflow concluded that it was caused by natural tectonic activity and was not the result of drilling activities. Many have speculated that the meeting was rigged to avoid discussion of liability.

[www.eng.walhi.or.id](http://www.eng.walhi.or.id)



An oil tanker docks at BP's terminal near Ceyhan, Turkey. Banned from their traditional fishing grounds, local fishermen are losing their livelihoods. As Carbon Web goes to press, PLATFORM is conducting a fact finding mission in Turkey to assess the impact of BP's BTC pipeline.

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