Nigeria's top court says Shell's appeal should be heard after oil spill claim

By Camillus Eboh

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Nigeria's Supreme Court on Friday ruled that Shell should be granted a hearing over an alleged oil spill in the Niger Delta after the Court of Appeal halted an asset sale and ordered a judgment claim to be paid prior to hearing its case.

The logo of British multinational oil and gas company Shell is displayed during the LNG 2023 energy trade show in Vancouver, British Columbia, Canada, 12 July 2023. Reuters/Chris Helgren/File Photo

The case, one of several against Shell Plc locally and abroad, started with a High Court ruling in November 2020 that ordered Shell to pay 800 billion naira ($878m) to communities of Egbalor Ebubu in Rivers state, who accused the firm of an oil spill that damaged waterways and farms.

Shell denies causing the spill.

Shell had appealed to stop the High Court from executing its judgment but the Court of Appeal ordered Shell to deposit the money in an account controlled by the court, before its appeal could proceed.

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Shell was also ordered to pause the disposal of local assets last June until the Supreme Court ruling, to allow for any compensation due to the Niger Delta Community.

Mohammed Ndarani, the community's lawyer, told *Reuters* that the Supreme Court had now returned the case to the Court of Appeal.

The Supreme Court ruled on Friday that the appeal court did not look into the merits of the case and directed that Shell be granted a hearing.

The case is being closely watched after the country's oil regulator refused to approve Exxon Mobil's $1.28bn asset sale to Seplat Energy in 2022, raising concerns among international oil companies about the difficulty of selling assets in Nigeria.

Shell, like other oil majors operating in the country, is focusing on deep water drilling and divesting from onshore operations, which are prone to crude theft and vandalism of pipelines, hitting Nigeria's oil production.

($1 = 911.44 naira)

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