

'Niger Delta Avengers' Sabotage Oil Output

The group's attacks have cost Nigeria its position as Africa's largest producer and helped push up crude prices



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A fish farmer stands in mud polluted by oil in Nigeria in January. Almost all of the country's oil lies in the Niger Delta. Photo: George Osodi/Bloomberg News

By

Drew Hinshaw in Abuja, Nigeria, and

Sarah Kent in London

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A band of saboteurs that calls itself the Niger Delta Avengers has been prowling the swamps of Nigeria's petroleum-rich south for four months, bombing pipelines and diving underwater to destroy equipment.

The damage has helped tip Africa's biggest economy toward recession, and has cost Nigeria its position as the continent's top oil producer—a distinction inherited by Angola.

The Avengers struck again before dawn on Friday. A group of militants sneaked through marshland to bomb two pipelines, one owned by [Royal Dutch Shell](#) PLC and the other owned by Italy's [Eni](#) SpA, according to

Nigeria's navy. Shell confirmed signs of a spill from one of its pipelines and said it is still evaluating potential damage. Eni confirmed the attack but said it didn't contribute to any new supply disruption.

On the group's purported Twitter account, it called the Eni attack part of its promise "that Nigeria Oil production will be Zero."

The brazen strikes were the latest demonstration of destructive proficiency by the Avengers, which has considerably cut the amount of oil in global markets. The strikes have led Nigeria to shift some of the forces who have been fighting an Islamist insurgency.

On and off for years, criminal groups in the Niger Delta have extorted and bombed oil companies for profit. Pipelines have also been sawed open by oil thieves, seeking to siphon off their valuable content.

The Avengers seem to be more interested in undermining the administration of President Muhammadu Buhari, security consultants and government officials say. They say they are frustrated by the lack of information about who the Avengers are.

Mr. Buhari, a former military dictator from Nigeria's north who was elected last year, is unpopular in much of the country's south: He received just 13% of the vote in the Niger Delta.

"It is different this time," said Dolapo Oni, oil and gas analyst for Togo-based Ecobank Transnational Inc. "These guys are not stealing crude. They just bomb the pipelines and they run away. They just want to destroy."

With near-weekly attacks that began in February, the militants have taken about one million barrels of oil a day out of production, according to Nigerian oil officials. The attacks have intensified in recent weeks.

The lost production helped push [crude prices above \\$50 a barrel](#) recently for the first time since November. Roughly 96 million barrels of crude are produced globally every day, but supply exceeded demand by around 1.4 million barrels a day in the first quarter, according to the International Energy Agency, which monitors energy trends for industrialized countries, so the lost Nigerian production is almost as large as the excess daily output that has weighed down prices.

"It is clearly having a material impact," said James Davis, head of oil supply at London-based consultancy Facts Global Energy.

A few months ago, oil prices lingered at a 13-year-low. [Goldman Sachs Group](#) Inc. analysts predicted late last year that oil could fall as low as \$20 a barrel. Instead, a series of disruptions—including a worker's strike in Kuwait, a blockade in Libya, and wildfires in Canada—have pushed prices up.

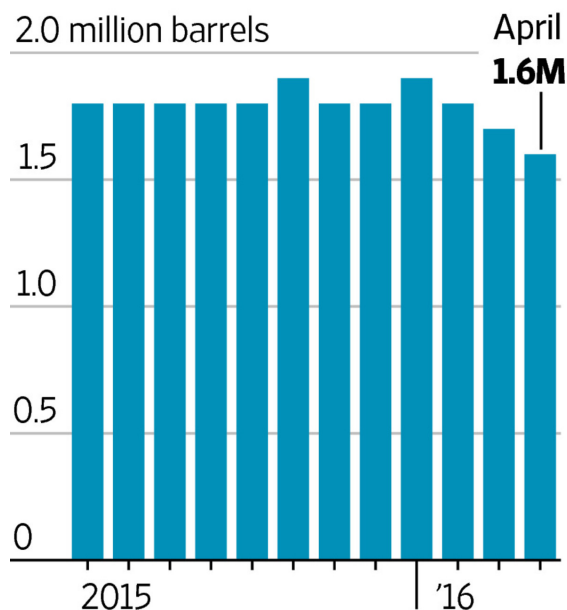
Nigeria's government has publicly asked the Avengers to negotiate: "This government is a listening government," said Lai Mohammed, Nigeria's information minister.

The Avengers have responded with a mix of threats, steep demands—such as redistribution of oil rights to local residents—and more attacks. The group has sabotaged at least 10 separate oil installations in the past month. It didn't respond to several emailed requests for an interview.

“To the International Oil Companies and Indigenous Oil Companies, it’s going to be bloody,” the Avengers said in an online statement. “Your facilities and personnel will bear the brunt of our fury.”

Falling Output

Nigerian oil production, in barrels per day, monthly average. Officials say it fell sharply in May.



Source: International Energy Agency

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Since the 1990s, Nigeria’s government has been at odds with the residents of the Niger Delta, the Portugal-sized swamp where almost all of the country’s oil lies. Decades of oil spills and a prevailing sentiment that the country’s vast petroleum wealth has enriched only a few have pushed locals to bomb pipelines, kidnap oil workers, and steal oil.

But until recently, Nigeria has been able to exercise some basic level of control. Since 2009, the government has paid militants to stay out of trouble. It has also hired thousands of militants to protect the pipelines they used to bomb and hacksaw open.

The attacks come at a perilous moment for the nation of 187 million. Even before the Avengers arrived on the scene, Nigeria’s government was running low on money. The country’s reserves have plummeted so precipitously that the central bank has rationed access to foreign currency since last year, forcing businesses to shut down because they can’t get the dollars they need to import spare parts or repay foreign lenders.

The economy contracted by 0.36% in the first three months of this year. It is now headed into an “imminent” recession, Godwin Emefiele, governor of the central bank, said in May.

Nigeria’s government says it is working as quickly as it can to repair the damage the Avengers have done. To

win support in the swampland region, Mr. Buhari has ordered a massive clean up operation there. Decades of oil spills have left the water so polluted that a United Nations report estimated a full cleanup would take 30 years.

The military is also sending more troops into the swamps, even as it battles the Islamist insurgency Boko Haram in the north.

To secure oil infrastructure, the army recently moved a group of U.S.-trained troops from the front against Boko Haram. It has also used surveillance planes to try to peer into the thick mangrove forests and find the Avengers' camps.

"The military will continue to do its best," said Rabe Abubakar, spokesman for Nigeria's Defense Ministry.

In May, the military posted troops around one of [Chevron Corp.](#)'s oil storage depots in the swamps. For three days, the Avengers had been vowing to attack it.

But instead of storming the depot, the militants bombed a nearby gas pipeline. Hours later, the militants bombed a pair of crude pipelines supplying nearby refineries.

"They knew exactly where to attack and the time to attack," said Mr. Oni, the oil analyst. "There was literally nothing you could do."

—Gbenga Akingbule in Abuja, Nigeria, contributed to this article.

Write to Drew Hinshaw at drew.hinshaw@wsj.com and Sarah Kent at sarah.kent@wsj.com