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Shell Sells Nigerian Oil Lease for \$1.7 Billion to Local Company

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Royal Dutch Shell Plc has completed the sale of its oil lease in Nigeria’s eastern Niger River delta for \$1.7 billion to the country’s Aiteo Eastern E&P Co. Ltd.

The divestment is part of Shell’s strategic review of its onshore portfolio in the West African nation and “is in line with the Federal Government of Nigeria’s aim of developing Nigerian companies in the country’s upstream oil and gas business,” it said in a statement on Wednesday.

Shell exited its interests in OML29, which includes the Nembe, Santa Barbara and Okoroba fields along with the Nembe Creek Trunk Line pipeline, the company said. Shell, the biggest oil producer in Nigeria, said Total SA’s local unit has also sold its 10 percent interest in the lease along with Nigerian Agip Oil Co. Ltd.’s 5 percent.

Oil majors, including Shell and Chevron Corp., are selling fields as they scale back Nigerian operations following unrest, violence and crude theft in the Niger delta. Nigeria’s daily output of about 2 million barrels of oil makes it Africa’s largest producer.

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