

WWF: Shell Must Heed Scientific Findings; Whale Survival and Sakhalin Project in the Balance

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An independent assessment of the impact of an oil and gas development in the Russian Far East on endangered gray whales must dictate the fate of current Shell operations, a proposed offshore platform and undersea pipeline, according to WWF, the global conservation organization. On the eve of the publication of the independent review, WWF is calling on Royal Dutch Shell and Japan's Mitsui and Mitsubishi to act immediately on any scientific findings concerning development activities in the sole feeding grounds of the critically endangered western gray whale.

The three multi-nationals make up a consortium of shareholders in the Sakhalin Energy Investment Company Limited (SEIC), developing oil and gas reserves in the Sea of Okhotsk, off the northeast coast of Sakhalin Island in the Russian Far East - the summer feeding grounds of gray whales and the only known place where the female wean and feed their calves. WWF expects the independent review panel, set up under the auspices of World Conservation Union (IUCN), will confirm that the development is a threat to the survival of the gray whale.

"Unless this report clearly states that operations are compatible with whale survival, project backers must be prepared to radically rethink the project or even suspend operations immediately," said WWF Chief Operating Officer Paul Steele. "Shell must listen to the experts they asked to weigh in. In the past, they have indicated they would base their decisions on scientific guidance - we now expect them to act on the recommendations of the whale scientists."

The whales have already suffered during the first phase of the Sakhalin Energy project, which went into production five years ago. Scared away from their feeding grounds, the whales became emaciated and fewer calves were born. WWF is concerned that the next phase, which would run an undersea pipeline directly through their feeding grounds and place a platform even closer to them, is a major threat to the whale's survival.

The western Pacific stock of gray whales (*Eschrichtius robustus*) is critically in danger of extinction, with only about 100 animals remaining, only 23 of which are reproductive females. A position backed by the International Whaling Commission (IWC) in 2003 calls for urgent measures to be taken to protect the whales.

WWF, and more than 50 other NGO's, have previously expressed serious concerns about the project beyond the threat to the gray whale. These issues include concerns over plans to construct an onshore pipeline in an active seismic area and the disruption of important salmon spawning sites.

WWF is also urging a bank consortium led by the European Bank for Reconstruction and Development (EBRD) not to grant a loan for the project unless environmental and local community concerns are properly addressed.

"The Sakhalin oil and gas development is not only causing environmental problems", said Igor Chestin, director of WWF-Russia. "Local people, including indigenous populations, who had hoped for economic benefits feel betrayed as their means for traditional livelihood are being threatened by the massive project construction taking place. Shell and its operating company Sakhalin Energy have

simply ignored the interests of local peoples." Chestin added that fishermen are already suffering from depletion of stocks, and local land owners have not received any compensation for loss of land.

"Shell, Mitsui, and Mitsubishi and those financial agencies considering funding the project must pay attention to these scientific findings, or the whales and people of Sakhalin will suffer irreversible consequences", said Paul Steele. "Unless there is an unquestionable green light, Shell needs to seriously reconsider the project."

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