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Shell Sees Nigeria Corruption Trial Lasting Many Months-Memo

By Reuters

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LONDON — Royal Dutch Shell expects a landmark corruption trial over a Nigerian oil deal to last many months, warning staff of continued critical media coverage in the \$1.3 billion case, according to an internal memo seen by Reuters.

Shell's Legal Director Donny Ching encouraged employees to study an internal web page that the Anglo-Dutch company set up for the case before responding to questions from relatives and friends.

Shell and Italian peer Eni are defendants in a Milan bribery trial, now in its early stages, focusing on the 2011 purchase of Nigeria's OPL 245 offshore oilfield for about \$1.3 billion.

Eni CEO Claudio Descalzi and four ex-Shell managers, including former Shell Foundation Chairman Malcolm Brinded, are also on trial in one of the largest cases in the history of the oil and gas industry. All the accused have denied wrongdoing.

Milan prosecutors allege bribes were paid to win the licence to explore the field which, because of disputes, has never entered into production.

"We do not yet know how long the trial will last but expect this to be many months, continuing into next year," Ching said in the Sept. 20 memo, provided to Reuters by John Donovan, who runs the independent royaldutchshellplc.com website.

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The website often serves as a forum to criticise the oil major.

A Shell spokesman confirmed the authenticity of the document.

"We expect to see continued, often critical, media coverage around this issue," the memo addressed to all Shell staff said.

"As a result, I appreciate that you may find yourself having to respond to questions from relatives and friends. You can find more information about the case, which may also help with those discussions, on the OPL 245 intranet web page."

"Based on our review of the evidence available to us, we maintain there is no basis on which to convict Shell or its former employees. We will vigorously defend our position and believe that the trial judges will conclude that there is no case for us to answer," Ching wrote.

The Anglo-Dutch company also said that it was unclear if the conviction of two men over corruption in the deal in a separate case in Italy last month would have any impact on the larger case.

Shell distanced itself from the two men -- Nigerian Emeka Obi and Italian Gianluca Di Nardo -- who were found guilty of international corruption and each given four-year jail sentences.

"I would like to be clear that neither individual worked on behalf of Shell and Shell was not a party to their fast-track trial," Ching said.

"At this point, it is difficult to read anything into this verdict as far as the outcome of the trial in Milan involving Shell and its former employees is concerned," the memo said.

"I would therefore ask you not to engage in speculation on this."

(Reporting by Ron Bousso; Editing by Adrian Croft)