

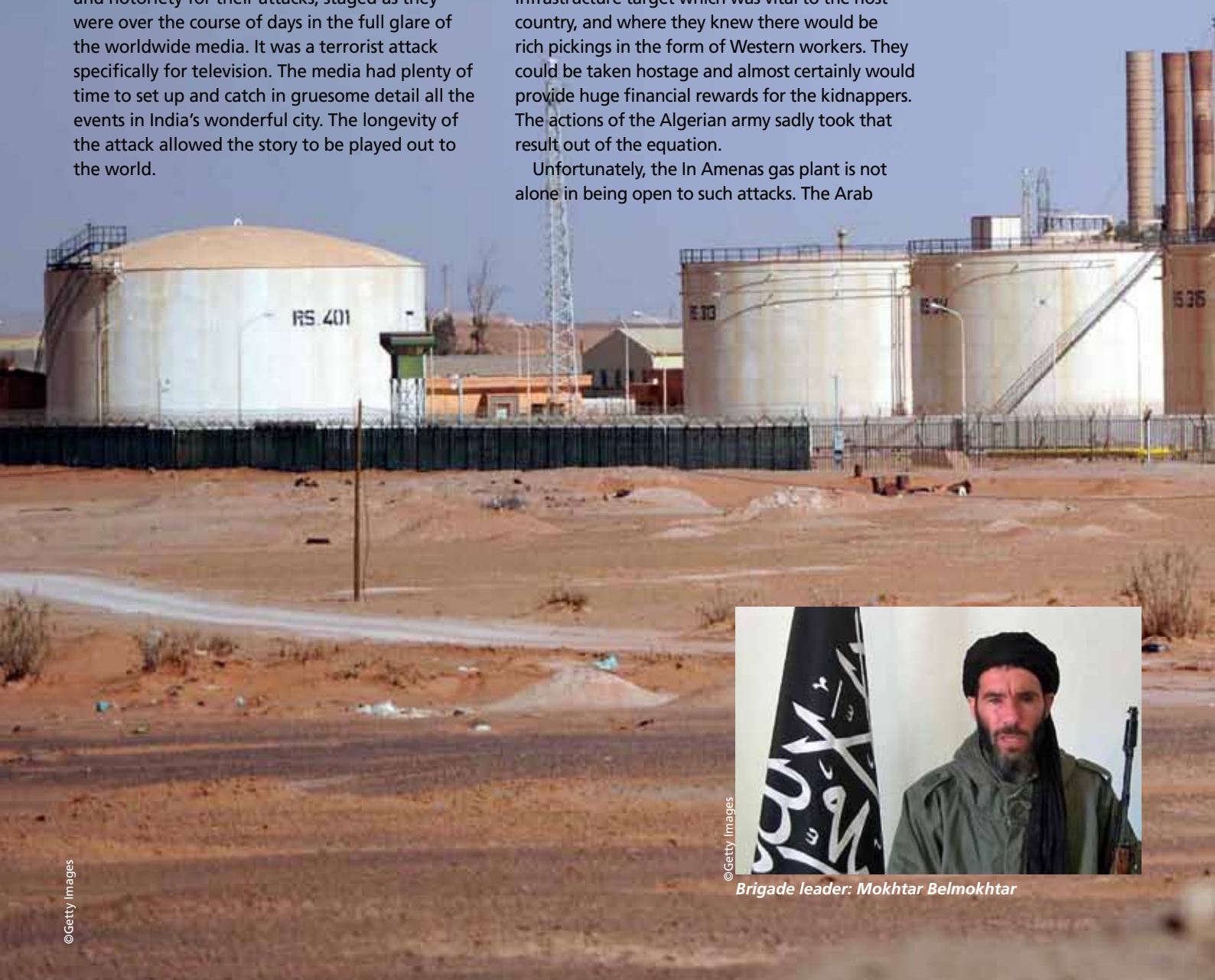
Chris Philips warns that isolated oil and gas facilities across Africa and the Middle East remain highly vulnerable to terrorist attack, and calls on the owners to provide adequate protection and insurance

OIL, GAS AND TERROR

It seems the current en vogue terrorist tactic has moved from placing bombs in busy places to full frontal attacks by groups of well-armed and trained terrorists shooting innocent people. The attacks in Nairobi last month and at the In Amenas gas plant in Algeria in January show how vulnerable we all are. We should not be surprised at all; these attacks should have been expected. But no-one expects it to happen to them. In 2008 the Mumbai terrorists gained such media success and notoriety for their attacks, staged as they were over the course of days in the full glare of the worldwide media. It was a terrorist attack specifically for television. The media had plenty of time to set up and catch in gruesome detail all the events in India's wonderful city. The longevity of the attack allowed the story to be played out to the world.

Of course we should always remember the many other types of potential threat, but the sheer difficulty in dealing with this fast-moving type of attack must make us think. The attack in Nairobi was very similar indeed to the Mumbai attack. It seems a great deal of pre-planning was undertaken, including hiding weapons inside the building to extend the killing time. The In Amenas attack, however, was different. This was almost a paramilitary army attacking a key critical infrastructure target which was vital to the host country, and where they knew there would be rich pickings in the form of Western workers. They could be taken hostage and almost certainly would provide huge financial rewards for the kidnappers. The actions of the Algerian army sadly took that result out of the equation.

Unfortunately, the In Amenas gas plant is not alone in being open to such attacks. The Arab



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Brigade leader: Mokhtar Belmokhtar

spring has opened many doors to previously subdued extremists, allowing them to attack vital facilities across Sub-Saharan Africa. Owners of oil and gas assets across all the troubled areas in the world must have been shocked to see how easily a multi-million pound site, supposedly in the middle of nowhere, could have been so easily attacked and damaged.

They will know that the next time – and there will almost certainly be a next time – the site could be destroyed. At the very least it could be put out of action for an extended period, maybe even years. Essential equipment in these assets is often not “off-the-shelf”. It has to be built especially for the site, which means a costly delay for a country dependent on the finance it generates.

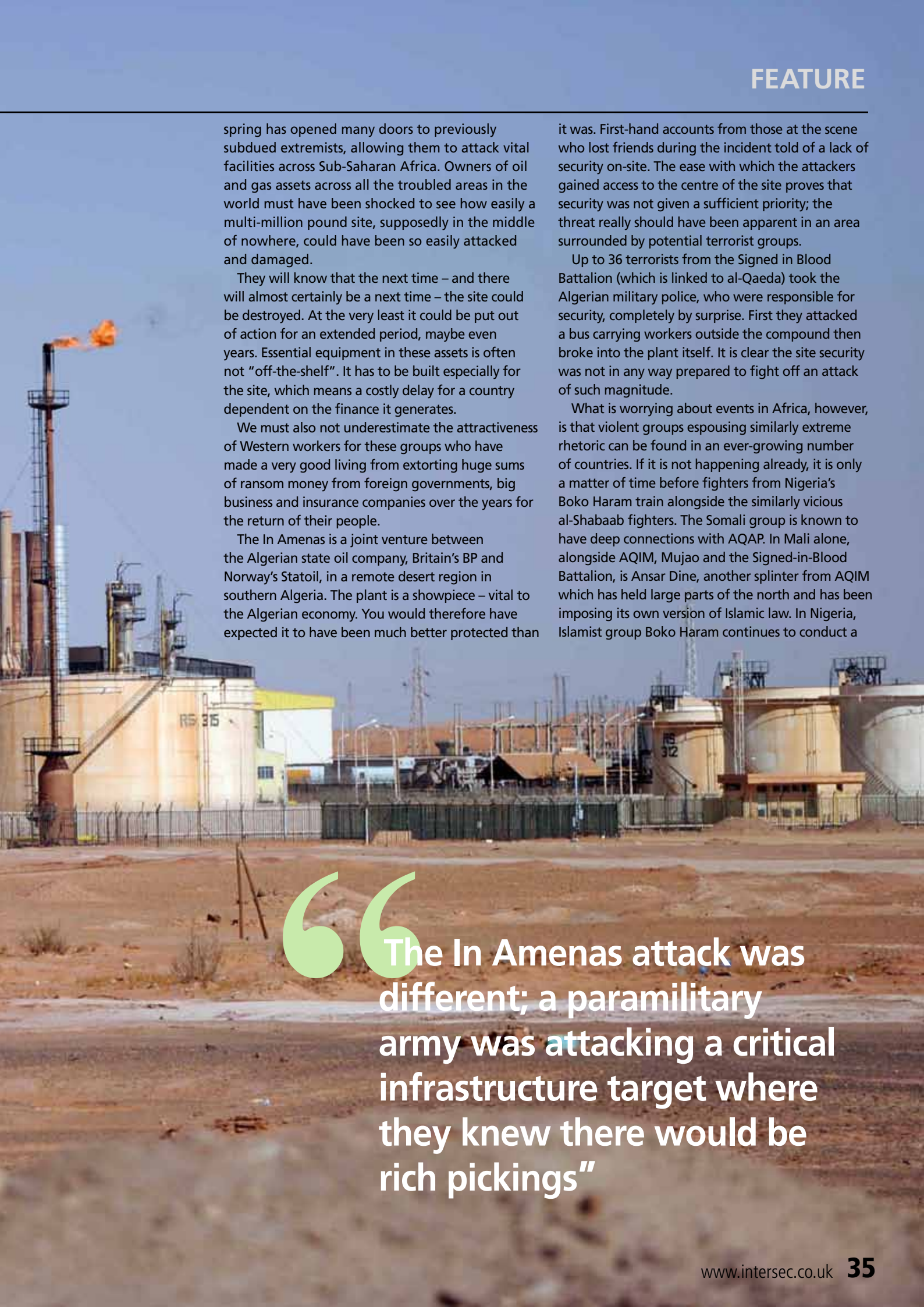
We must also not underestimate the attractiveness of Western workers for these groups who have made a very good living from extorting huge sums of ransom money from foreign governments, big business and insurance companies over the years for the return of their people.

The In Amenas is a joint venture between the Algerian state oil company, Britain’s BP and Norway’s Statoil, in a remote desert region in southern Algeria. The plant is a showpiece – vital to the Algerian economy. You would therefore have expected it to have been much better protected than

it was. First-hand accounts from those at the scene who lost friends during the incident told of a lack of security on-site. The ease with which the attackers gained access to the centre of the site proves that security was not given a sufficient priority; the threat really should have been apparent in an area surrounded by potential terrorist groups.

Up to 36 terrorists from the Signed in Blood Battalion (which is linked to al-Qaeda) took the Algerian military police, who were responsible for security, completely by surprise. First they attacked a bus carrying workers outside the compound then broke into the plant itself. It is clear the site security was not in any way prepared to fight off an attack of such magnitude.

What is worrying about events in Africa, however, is that violent groups espousing similarly extreme rhetoric can be found in an ever-growing number of countries. If it is not happening already, it is only a matter of time before fighters from Nigeria’s Boko Haram train alongside the similarly vicious al-Shabaab fighters. The Somali group is known to have deep connections with AQAP. In Mali alone, alongside AQIM, Mujao and the Signed-in-Blood Battalion, is Ansar Dine, another splinter from AQIM which has held large parts of the north and has been imposing its own version of Islamic law. In Nigeria, Islamist group Boko Haram continues to conduct a



“The In Amenas attack was different; a paramilitary army was attacking a critical infrastructure target where they knew there would be rich pickings”

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destabilising and murderous campaign of terrorism in a fight that is rooted in longstanding local social and economic tensions.

What adds to this lethal mix is the fact that these fighting groups have attracted an unknown number of foreign fighters. The UK is aware of many its passport holders being linked to these groups. A very prominent member of the attackers of the In Amenas attack was a Canadian citizen. AQIM's networks are known to stretch into France, Spain, Italy and even the UK.

It is clear that the bigger threat is to Western interests in Africa – sites such as In Amenas that will now be reassessed as potential targets for groups seeking international attention, or revenge for French-led efforts in Mali, or Western efforts to counter groups elsewhere. For the foreseeable future, oil and gas facilities will need to have large numbers of Western workers. This is an extra incentive for the Western-hating terrorist groups to attack these sites. Destroying a facility which is so important to the finances of fragile nation states who are struggling to come to terms with the new realities of a post-Arab Spring world is a mouth watering option.

These sites are invariably in remote locations, are often enormous and are often set over many miles of desert. Previously this has been seen as an advantage, in that they're difficult to approach unnoticed. But in the case of the In Amenas facility it was a weakness, as the defence was poor and reinforcements were far away. Sites of this size need multiple layered security, the implementation of a clear "island" site and a large, well-drilled defending force to prevent a successful attack.

Sites of such gigantic proportions require big budgets to develop physical security measures capable of withstanding such ferocious and well-armed attackers. I have personally seen locations similar to In Amenas, where miles of block walls have been built to surround the plant. Walls and moving sand are not a good mix, however. The sand simply piles itself against the wall, reducing its height on one side. Miles of wall can also be breached fairly easily by a bump from a 4x4. A basic security survey would have identified this issue.

But security measures, however expensive, must be up to scratch in order to counter this evolving threat. It is difficult to envisage how any site, (especially those which employ Western ex-pats) could not take the kidnap and ransom threat seriously. I suggest any

Remote oil and gas facilities remain highly vulnerable to attacks similar to that at In Amenas

ex-pat worker from anywhere in the world should ask his/her employers for confirmation that they have taken out insurance for this eventuality and, even more importantly, taken strong action to mitigate the risk of the kidnap in the first place. Any would-be Western employee should think twice about taking a contract anywhere in Africa without being satisfied they are being protected.

The cost of making sure these sites can survive an attack of the nature suffered at In Amenas will be high, although there may be an opportunity to recoup costs by insurance savings. Owners of major facilities such as In Amenas always have the option to commission Probable Maximum Loss (PML) studies on their sites. Terrorist attacks must now be regarded as a foreseeable risk to these sites. In today's litigious society, businesses must ensure corporate governance and duty of care responsibilities are integral to their crisis management strategy.

A PML study via the insurance industry allows a highly qualified security and insurance expert to review the security at a site and make an educated assessment of the likely cost of the damage of an attack. Having a better security regime would, by its very nature, most likely reduce the likelihood of a successful attack. I wonder if a security survey or a PML had been conducted at In Amenas? I bet it hadn't. If it had, surely the security holes would have been identified. The lessons learned from the In Amenas review show nothing an experienced security expert couldn't have told them before the event.

Insurance can play a major part in funding the necessary security increases at oil and gas sites. It is difficult to believe that terrorism insurance is not taken out by the owners of these assets. After the losses incurred during the In Amenas attack, I would be shocked if insurance premiums do not increase – especially with the sheer number of AQ groups operating in Sub Saharan Africa.

A PML which gives good recommendations for the business to secure its asset will reduce premiums which can then be used to pay for the extra security which can resist the attack. Surely this is a way to provide better security at no extra costs? A far-sighted and risk aware owner/insurer can help defeat terrorists. I wonder if they see it like that?

Chris Phillips GCGI FSy is founder and managing director of the International Protect and Prepare Security Office, specialising in strategic counter terrorism advice and best practice. He served for 30 years as a police officer, including time as police security co-ordinator (SECCO). Since retiring from NaCTSO he has worked as a consultant with blue chip companies. Chris is a fellow of the Security Institute.