

Empire Oil: London's Dirty Secret

A DeSmog UK Special Investigation

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Global Research, May 15, 2018

[DeSmog UK](#) 14 May 2018

Region: [Europe](#)

Theme: [Environment](#), [Media Disinformation](#), [Oil and Energy](#)

The UK likes to brag about its credentials as a global climate leader. But a new DeSmog UK investigation reveals that beneath the green veneer lies some dirty business.

At the centre of it all is the City of London and its junior stock exchange, the Alternative Investment Market (AIM).

DeSmog UK's new three-part investigative series [Empire Oil: London's Dirty Secret](#), lifts the veil on a "boys' club" that generates wealth for The City from environmentally damaging activities in politically unstable regions.

Through detailed analysis of company activity and market data, it exposes how AIM's "light touch" regulation and complex offshore company structures create an opaque corporate environment in which conflicts of interest have been shown to thrive.

Part one, ['Black Gold': London's African Oil Hub](#), maps the London oil companies operating in Africa. It identifies:

- How the UK government provides ongoing support for international fossil fuel exploration despite its domestic and international climate change commitments;
- 12 private and public limited oil and gas companies headquartered in London that have operations in Africa, all of which have ties to tax-havens in British overseas territories and crown dependencies;
- The failure of international regulation to tackle issues regarding a lack of transparency for companies operating in unstable markets.



Part two, [Taking AIM: London's Wild West Stock Market](#), lifts the lid on London's junior stock exchange, the Alternative Investment Market (AIM). It shows:

- A history of scandals and company collapse on AIM, and a lack of public sanction and enforcement;
- A "light touch" regulation system behind which companies are rarely named and shamed for abusing the system;
- Fundamental problems with AIM's regulators, known as nomads, that also act as company brokers and can have vested interests in the companies they oversee;
- The potential for oil, gas, and mining companies to manipulate information about assets in politically unstable regions, and the obstacles to verification

for investors.

Part three, [Exposed: The Elite 'Boys Club' Running London's Opaque Oil Network](#), presents a case study of one company, Sirius Petroleum, that has maximised AIM's permissive regulation while attempting to set up dirty energy projects in Nigeria. It reveals:

- How companies can use complex offshore corporate structures and nominee accounts to disguise ownership of controversial companies and assets;
- Utilise AIM's light-touch regulation to generate revenue from private and major institutional investors (such as pension funds and high-street banks) for more than a decade without delivering on promised oil exploitation;
- How AIM's structures allow a "boys club" to carry out these activities with limited scrutiny and oversight.

The series fundamentally challenges the idea that London and the UK are global leaders in green business, and shows the urgent need for market reform.

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