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An eye on P&I: A marine podcast from Marsh

Episode 20: The X-Press Pearl – The legal aspects



In May 2021, the container ship X-Press Pearl was lost off Colombo, Sri Lanka, following a fire and sinking that caused major pollution, including the release of persistent plastic pellets known as nurdles.

This incident has the potential to become the largest claim ever faced by the International Group Pool.

Key Points:

- Supreme Court of Sri Lanka ruling suggests claims could exceed USD3.1 billion, risking overspill and strain on mutual system.
- Related major claim: Dali ship incident (a blackout caused a pier strike, collapse of the Francis Scott Key Bridge and six deaths) with potential USD5 billion exposure.
- Ship's master detained nearly five years without trial; parallels with other high-profile cases.
- Sri Lanka not party to key maritime conventions limiting liability; International Convention on Civil Liability for Oil Pollution Damage (CLC) not applicable.
- USD1 billion interim payment ordered but unpaid as of April 2026.
- Questions over scientific basis for damage valuations; hope for clarity from court-established commission.
- Court questioned independence of expert body International Tanker Owners Pollution Federation Limited, though it uses established methods.
- Requests for refuge denied at multiple ports, making incident arguably avoidable.
- Current guidance on nurdle carriage seen as insufficient; calls for stronger measures.

Takeaway

The case sets a precedent on overspill risk, seafarer treatment, environmental damage assessment, places of refuge, and hazardous cargo regulation. Outcome remains uncertain; diplomatic solutions hoped for.

For more information please contact
our podcast hosts:



John Trew

Special Advisor

Marine, Cargo, and Logistics

+44 (0)7768 288 472

john.trew@marsh.com



Chloe Taylor

Client Executive

Marine, Cargo, and Logistics

+44 (0)7585 479 350

chloe.taylor@marsh.com

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