

PRESS RELEASE

For Immediate Release

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Supreme Court Delivers Landmark Judgment in MV X-Press Pearl Environmental Disaster Case

Court Holds Ship Operators, State Authorities Liable; Orders USD 1 Billion Compensation for Sri Lanka

Colombo, Sri Lanka – In a historic judgment delivered today, the Supreme Court of Sri Lanka ruled on the catastrophic environmental disaster caused by the sinking of the *MV X-Press Pearl* in 2021, which led to unprecedented marine pollution and devastation along Sri Lanka's coastline. The judgment, spanning 361 pages, was issued by a Divisional Bench comprising Chief Justice Murdu Fernando, PC, and Justices Yasantha Kodagoda, PC, A.L. Shiran Gooneratne, Achala Wengappuli, and K. Priyantha Fernando, following 30 days of hearings.

Key Findings of the Judgment

1. Liability of Ship Operators and Agents:

- The Master, Owner (ESO RO Pte. Ltd. and X-Press Feeders), Operator, and local Agent (Sea Consortium Lanka Pvt. Ltd.) of the *MV X-Press Pearl* were found jointly and severally liable for:
 - Deliberately concealing critical information about the ship's hazardous cargo (including nitric acid leaks) from Sri Lankan authorities.
 - Violating international maritime laws (MARPOL, SOLAS, IMDG Code).
 - Causing the worst recorded marine plastic spill in history, with toxic debris washing ashore along Sri Lanka's western, southern, and northern coasts.

2. State Authorities' Failures:

- The **Marine Environment Protection Authority (MEPA)** and its Chairperson, Dharshani Lahandapura, failed to respond effectively to the disaster, violating statutory duties under the *Marine Pollution Prevention Act*.
- Former State Minister **Dr. Nalaka Godaheva** was held responsible for neglecting to constitute the Marine Environment Council, undermining Sri Lanka's preparedness.

- The **Attorney General** was criticized for:
 - Failing to prosecute the ship's operators under Sri Lankan law.
 - Unreasonably filing civil claims in Singapore instead of Sri Lanka's Admiralty Court.

3. Polluter Pays Principle:

- The Court affirmed the "Polluter Pays Principle," holding the *X-Press Pearl* group accountable for all environmental, economic, and health damages.

Court Orders

- **Compensation:** The *X-Press Pearl* group must pay an **initial USD 1 billion** to Sri Lanka, with the first installment due by **23rd September 2025**. Further payments may be ordered.
- **Restoration Mechanisms:**
 - Establishment of the **MV X-Press Pearl Compensation Commission** (chaired by retired Justice E.A.G.R. Amarasekera) to oversee compensation distribution.
 - Creation of the **MV X-Press Pearl Marine and Coastal Environment Restoration Committee** (led by the Secretary to the Ministry of Environment) to rehabilitate affected ecosystems.
- **Criminal Prosecutions:**
 - The Attorney General and Criminal Investigations Department (CID) were directed to expedite investigations and prosecute all offenders, including corporate officers of Sea Consortium Lanka Pvt. Ltd. for suppressing evidence.
- **Legal Reforms:** The Attorney General must review gaps in Sri Lanka's maritime laws and align them with international standards to prevent future disasters.

Background

The *MV X-Press Pearl*, carrying 1,486 containers (81 with hazardous chemicals), caught fire and sank off Colombo in May 2021, triggering Sri Lanka's worst maritime ecological disaster. The incident:

- Released toxic chemicals, microplastics ("nurdles"), and oil into the ocean.
- Devastated marine life, coral reefs, and coastal livelihoods, particularly fishing communities.
- Exposed systemic failures in Sri Lanka's disaster response and environmental governance.

Quotes from the Judgment

"The suppression of information by the ship's operators deprived Sri Lanka of critical response time, resulting in a preventable catastrophe."

"State authorities' inaction violated the fundamental rights of citizens under Article 12(1) of the Constitution."

Next Steps

The case will be mentioned again on **25th September 2025** to monitor compliance. The Supreme Court retains jurisdiction to ensure full implementation of its orders.

Appeal for Public Vigilance

The Centre for Environmental Justice (CEJ), which filed the original petition, hailed the judgment as a victory for environmental justice and urged transparent use of compensation for restoration and affected communities.

Centre for Environmental Justice

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