

The scorched earth

Oil and war in Sudan

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The British connection

British companies are helping, directly and indirectly, to build the Sudanese oil industry

THREE BRITISH FIRMS are involved in Sudan's oil industry: Weir Pumps of Glasgow, Rolls Royce and, indirectly, BP. The first two provide equipment and operational support. BP own shares in two subsidiaries of CNPC, one of the major operators in the oilfields and the areas where the government has most forcefully pursued its scorched earth policy.

Weir Pumps: the heartbeat of a pipeline

Pumps are the heartbeat of a pipeline. Without them oil cannot flow; exports cannot happen; profits cannot be made. In Sudan's 1,600-km pipeline to the supertanker port at the Red Sea, British company Weir Pumps has played a key role.

Weir's contract to provide the pumping stations for the first pipeline to the Red Sea is worth £20 million. It is currently building stations with which Khartoum hopes to boost its production from 185,000–200,000 barrels per day to 400,000 – doubling at a stroke the revenue available from oil.

Weir issued a press release about its first contract, but made no announcement about the second. It is understood, however, that the second contract is worth 'substantially less' than the original one. A spokesman declined to say why Weir had made no announcement about its second contract with Khartoum. He said the company 'is not prepared to talk about it for commercially confidential reasons'.¹

In addition, Weir has brought Sudanese engineers working on the pipeline to Scotland to be trained. All the workers are believed to have been from the north of Sudan, and approved by the government.

Although Weir's involvement in Sudan has attracted little public attention, Andrew Rowe, MP for Faversham and Mid Kent,² has said the GNPOC project in which Weir is involved 'threatens to perpetuate the Sudanese war and undermine the fragile peace process' and called on the British government to 'refuse any export licences to Sudan'. When asked whether Weir accepts any responsibility for the devastation caused by oil, the spokesman replied: 'No comment'.

Rolls Royce: keeping the oil flowing

Rolls Royce plc provides both equipment and operational support to GNPOC. According to the company, it has provided 34 diesel engines which are

used by GNPOC to pump oil along the pipeline and for power generation purposes. It also works with a local Sudanese company, DAL Engineering, to provide maintenance and support. 'At any given time we will typically have between 12 and 20 expatriate engineers in the country,' Rolls Royce told Christian Aid.

This technical support is vital to getting and keeping the oil flowing. When Rolls Royce was asked whether the company has a security agreement with government forces and whether it had verified that government forces were not violating human rights, the company declined to speak further 'for reasons of corporate, operational and commercial sensitivity'.³

BP: an unethical portfolio?

BP's connection to Sudan is through its investments in PetroChina and Sinopec, subsidiaries of CNPC, one of the main oil extractors in Sudan today. It has announced investments of US\$578 million in PetroChina and US\$400 million in Sinopec. BP claims that none of its capital has been, or will be, used to finance operations in Sudan. Christian Aid believes this cannot be guaranteed, as we show here.

When Sinopec was floated on the New York Stock Exchange in October last year, BP, Shell and ExxonMobil bought Sinopec shares worth approximately US\$1.83 million, according to Sinopec's own figures. To encourage investors with human rights concerns, Sinopec claimed it had divested itself of its Sudan assets – a three-year, \$30 million investment in Block 6, north west of Heglig, through a subsidiary called Zhongyuan Petroleum.⁴ It said Zhongyuan staff had been transferred to CNPC four months before the flotation and claimed that 'neither the group [Sinopec] nor any of the subsidiaries have any investment in Sudan'.⁵

But as the flotation went ahead in October, the *Wall Street Journal* discovered a Zhongyuan executive still on site in Sudan. It quoted him as saying that Sinopec's work in Block 6 continued although it wasn't 'public information'. At Zhongyuan's still-operational Sudan office in China, a Zhongyuan executive said the company continued to provide services in Block 6.⁶

'Sinopec's so-called "cut in links to Sudan" reveals nothing more than the fungibility of tangible assets in

The only way for the BP firewall to work, said one political risk analyst, 'is for CNPC to get out of Sudan.'



Nuer soldiers in the south. Due to government restrictions it is nearly impossible to obtain photographs of government troops.

the Chinese state-controlled economic system,' said one Sudan commentator. 'In other words, one state-owned entity has simply moved a controversial asset out to another state-owned entity,' he said.

The BP 'firewall'

The issue of fungibility is also at the heart of concern over BP's initial US\$578 million investment in PetroChina, which was floated in March 2000, with CNPC retaining 90 per cent of shares. BP bought 10 per cent of the flotation, making it, with 2.2 per cent of PetroChina's shares, the single biggest minority shareholder.

Although PetroChina was floated as a 'domestic only' unit of CNPC with all its assets in China, this was an expedient creation designed to raise capital after it became clear that CNPC could not be floated in its own name because of the US embargo and criticism of its role in Sudan.

PetroChina's underwriters, Goldman Sachs, maintain they have created a 'firewall' between CNPC and PetroChina to prevent investments like BP's being used in any of CNPC's overseas ventures, including Sudan. PetroChina says the money will be spent on developing China's own oil and gas reserves, some of

which are in Chinese-occupied Tibet, and that the net proceeds of US\$2.47 billion from the flotation were put in a separate account by CNPC.⁷ But analysts estimate that some US\$270-US\$300 million of PetroChina's initial public offering (IPO), about ten per cent of the total, went directly to CNPC – and this was new money that could be included in CNPC's new investment in the Eastern Upper Nile.

The only way for the BP firewall to work, said one political risk analyst, 'is for CNPC to get out of Sudan'.⁸ Another analyst referred to the firewall as 'a smoke screen', in a study commissioned by Christian Aid⁹. BP's 'firewall' argument does not stand up to scrutiny:

- It is impossible to show that the profits of PetroChina that accrue to CNPC will not be used to fund its overseas oil development in Sudan. There is no independent scrutiny and no guarantee that funds will not flow between the companies.
- The only assurance BP has offered that there will be no fungibility is a 'pledge' from CNPC. But given the secretive, unaccountable nature of China's state-owned enterprises, these guarantees are flimsy. The company also says that its auditors, PriceWaterhouseCoopers (PWC), will

review the ringfencing of funds. But again the issue of secrecy remains.

- Mechanisms are in place in the agreement that funds can flow between PetroChina and its parent corporation, in any event. CNPC has an agreement to provide products and services to PetroChina and to charge PetroChina above cost. This money could be used to finance overseas operations. According to the *Financial Times*, from January–September 1999, PetroChina paid US\$5.5 billion to CNPC for a number of services – more than 50 per cent of its total outlays.¹⁰
- The assumption of billions of dollars of CNPC debt by PetroChina has freed up CNPC resources. Relieved of debt, CNPC is now able to use the money it has saved for other purposes. These could include financing operations, including those in Sudan.
- The management relationship between CNPC and PetroChina is also direct. According to the company prospectus, ‘CNPC’s ownership share will enable CNPC to elect [PetroChina’s] entire board of directors without the concurrence of any of [the] company’s other shareholders’. CNPC will be able to control the policies of the company, determine the timing and amount of dividend payments, and effect corporate transactions without the approval of minority shareholders.¹¹

In these circumstances, a dollar for PetroChina is essentially a dollar for CNPC – as even Chinese officials appear to acknowledge. At the time of its flotation last year, Sheng Huaren, a minister in China’s State and Trade Commission, stressed that PetroChina had no overseas assets but stopped short of giving an assurance that none of the proceeds of PetroChina’s listing would go to CNPC and from there be diverted to Sudan.¹² There is no means of monitoring this. The control over the flow of information in Chinese state-owned companies like CNPC regarding traded securities is almost total, making information about investment flows almost impossible to come by.

From CNPC’s point of view, it benefits from BP’s investment because the company absorbed a large portion of CNPC’s old debt – PetroChina came into being defined by the US\$15 billion debt inherited from CNPC, much of it accrued in Sudan. Freed from this debt, CNPC then had the financial means to expand its Sudan operations: late in 2000, CNPC took a 23 per cent stake in a new consortium in the Adar area in Block 3.

BP has argued that proceeds from PetroChina’s listing would never end up in Sudan because CNPC’s stake in the the larger grouping of oil companies, GNPOC, is now ‘self-funding’ – paid back through royalties.¹³ But CNPC’s new involvement in Block 3 necessitates additional capital. In the judgement of one industry analyst who wishes to remain anonymous: ‘American capital raised through a deal made possible by BP Amoco is now on its way to Sudan.’

Without independent scrutiny, of course, no one will ever know with absolute certainty whether PetroChina profits are making their way to the oilfields of Sudan. PriceWaterhouseCoopers, which has been advising CNPC on its US restructuring, will be monitoring the firewall. But CNPC, as a Chinese corporation, is not entirely subject to independent monitoring. In Christian Aid’s view, BP cannot guarantee the efficacy of the firewall and is risking its reputation as a company which is not contributing, even indirectly, to the war in Sudan.

What BP says

BP has written to Christian Aid stating its view that it is not directly active in Sudan while expressing its concern over human suffering in Sudan and its support for ‘fiscal transparency and respect for human rights in Sudan’.¹⁴ Its CEO, John Browne, winner of numerous accolades for being a champion of social responsibility, has pioneered a corporate commitment to business ethics through its much-publicised commitment to the UN Declaration of Human Rights. In late 2000, the company signed up to a voluntary code for US and UK oil and mining companies in an initiative which could have been tailor-made for Sudan. Led by the US and UK governments, the code seeks to ensure that companies will stop abuses by public or private security forces which protect company operations.

Why, then, is BP clinging to its indirect investment in Sudan? In its portfolio, BP, along with ExxonMobil and Shell, holds a major stake in two subsidiaries of one of the main companies, CNPC, complicit in Sudan’s oil war. Surely a commitment to human rights should involve a review of the company’s own portfolio investments – and immediate divestment of shares which compromise BP’s human rights obligations.

Recommendations

Christian Aid calls on:

**1. Oil companies currently operating in Sudan:
to immediately suspend operations until a just and lasting peace agreement has been agreed.**

Christian Aid is not calling for the operational oil companies to sell their concessions, nor to relinquish their investment in the Sudanese oil industry. But they must to send a clear message to the government of Sudan that it is unacceptable to violate human rights and humanitarian law in order to assist the production of oil.

To encourage the process of a lasting peace agreement and to prevent further human rights abuses, Christian Aid calls on the oil companies to guarantee the following actions before they resume operations in Sudan:

- Publicly urge the Government of Sudan and opposition groups to renew efforts in finding a just peace, based on the IGAD Declaration of Principles.
- Ensure that company infrastructure will not be used for military purposes that lead to violations of humanitarian law against civilians.
- Ensure human rights training for all security personnel employed to protect staff and business interests.
- Raise, with the Government of Sudan and SPLA as appropriate, reports of humanitarian and human rights violations and to encourage all sides to observe international humanitarian law and to take active steps to protect the civilian population.
- Disclose the nature and content of the above discussions.
- Publicly encourage Sudan to invite UN human rights monitors to investigate the human rights situation in the oil regions in Sudan, with no restriction on their mandate and movements.
- Develop and fully implement codes of conduct that refer to the protection of human rights and corporate responsibility with independent verification.

**2. Oil companies not yet extracting oil such as TotalFinaElf and those companies supplying equipment to the industry:
to refuse to begin operations, supply equipment, or take any further steps (involving financial, technical or human resources) until a just and lasting peace agreement is agreed.**

Those companies with actual or potential

contracts with the Government of Sudan should also follow the recommendations above.

**3. BP, Shell and other investors in China National Petroleum Corporation (CNPC) subsidiaries PetroChina and Sinopec:
to divest shares in PetroChina and Sinopec unless CNPC immediately suspends operations in Sudan;
to report to shareholders on plans for divestment at forthcoming company Annual General Meetings.**

**4. Shareholders, pension funds and other institutional investors:
to monitor the activities of any oil companies operating in Sudan, or indirect investors such as BP, for evidence of compliance with the above recommendations and to consider divestment if there is no compliance by the time of the companies' Annual General Meetings.**

**5. The Government of Sudan:
to take active and serious steps in finding a just and lasting peace agreement, based on the IGAD Declaration of Principles**

A. To stop all human rights and humanitarian law violations by:

- Actively protecting civilians in the war zones, including during military operations around the oilfields.
- Publicly condemning human rights violations committed against civilians by the government army and government allied militia in the war zones.
- Allowing UN human rights monitors free access to the region, with no restriction on their mandate and movements.
- Immediately allowing unrestricted access for humanitarian agencies to all government controlled areas.
- Stopping the practice of red lighting relief locations and air strips in southern Sudan, starting with the oil areas of Western Upper Nile.

B. To promote an equitable use of the oil reserves for all the people of Sudan by:

- Stopping the further sale of oil concessions in southern Sudan until the signing of a just and lasting peace agreement.
- Initiating discussions with the oil companies and independent experts on verifiable ways in which oil export earnings can be reserved for

humanitarian and development purposes and shared equitably by all regions of Sudan.

- To agree with the IMF an auditing arrangement to ensure that oil revenues are not used to fund excessive and abusive military or security forces' operations in any part of Sudan.
- To make such audits publicly available.

**6. The armed opposition:
to take active and serious steps in finding a just and lasting peace agreement, based on the IGAD Declaration of Principles**

To stop all human rights and humanitarian law violations by:

- Actively protecting civilians in the war zones, including during military operations around the oilfields.
- Publicly condemning human rights violations committed against civilians by their forces in the war zones.
- Allowing UN human rights monitors free access to areas under opposition control, with no restriction on their mandate and movements.

7. The IMF:

- To negotiate and agree with the Government of Sudan an auditing arrangement to ensure that oil revenues are not used to fund excessive and abusive military or security forces operations in any part of Sudan
- To make such audits publicly available.

8. The UK government:

- To renew efforts to bring about a comprehensive peace agreement between the Government of Sudan and all opposition parties, based on the IGAD Declaration of Principles.
- To fund, and provide diplomatic support to, any UN Human Rights monitors in Sudan and press for there to be no restrictions on mandate or travel.
- To place full diplomatic pressure on the Government of Sudan and the armed opposition to respect human rights and humanitarian law.
- To take steps to put in place strong and enforceable regulations of transnational corporations so that they cannot directly or indirectly be complicit in violating human rights.
- To monitor the activities of any national oil

companies operating in Sudan for evidence of compliance with the above recommendations.

9. The European Union:

- To support the recommendations above
- To investigate potential breaches of the EU arms embargo to Sudan.
- To include oil-related human rights violations as part of the ongoing EU dialogue with the Government of Sudan.
- To disclose the nature and content of the above discussions.
- To take steps to put in place strong and enforceable regulations of transnational corporations so that they cannot directly or indirectly be complicit in violating human rights.

10. The international community and particularly the governments of national companies investing in Sudanese oil industry:

- To renew efforts to bring about a comprehensive peace agreement between the Government of Sudan and all opposition parties, based on the IGAD Declaration of Principles.
- To fully fund, and provide diplomatic support to, any UN Human Rights monitors in Sudan and press for there to be no restrictions on mandate or travel.
- To place full diplomatic pressure on the Government of Sudan and the armed opposition to respect human rights and humanitarian law.
- To monitor the activities of any national oil companies operating in Sudan for evidence of compliance with the above recommendations.

References

Executive summary

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Chapter 1

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2. Human Rights Watch *World Report 2001*.
3. Business Wire, Vancouver B.C., 20 January 2001, on Sudan Thar Jath Well testing operation.
4. idem.
5. Interviewed in Mariel Lou, Bahr el-Ghazal, November 2000.
6. A partial list of the destroyed villages include: Kuach, Wicluak, Thoar, Daw Gawjal, Waw, Dhorbor, Kach, Gier, Gieni, Chottial, Bangna, Kuonyang, Norchieng Yar, Parjiek, Tiak, Raal, Dhorchieng Chuol, Kuorong, Khoreng, Kuerchieng, Pah and Lejak, according to the an aid worker who has flown over the Lundin road on numerous occasions.
7. Interviewed in Nhialdiu, May 2000.
8. Interviewed in Nhialdiu, May 2000.
9. Interviewed in Nhialdiu, May 2000.
10. Interviewed in Mariel Lou, Bahr el-Ghazal, in November 2000.
11. 'Lundin Oil: Lundin Strikes Oil in Sudan', news release, 5 March 2001.
12. Interviews in Lokichokkio in May 2000.
13. In March 2000 the Melut Petroleum Company (MPC) signed a \$30 million, three-year contract to explore 70,000 square miles in central Sudan including the Adar oilfields east of the White Nile. MPC's parent company, Fosters Resources, defaulted from the agreement a few months later because of controversy over investments in Sudan.
14. E-mail received on 26 May 2000.
15. Jacqueline Sheppard and Reg Manhas, Talisman Energy, 'Sudan experience offers corporate responsibility lessons, opportunities', *Oil & Gas Journal*, 13 November 2000.
16. Cited in John Harker, 'Human Security in Sudan: The Report of a Canadian Assessment Mission', Ottawa, January 2000, p.10.
17. Interviewed in Nhialdiu, May 2000.
18. As Talisman reported to Human Rights Watch.

Box

i Interviewed in Nhialdiu, May 2000.

Chapter 2

1. World Food Programme, news release, 27 July 1999.

2. WFP is currently testing hovercraft that will be used to explore the marshy grazing lands. It is not clear when they will be operational.
3. In a press release on 10 August 2000, Amnesty international said three relief planes – one chartered by Médecins Sans Frontières (MSF) and two by OLS – were narrowly missed by government air raids in the space of three weeks.
4. OLS, Location Security State, 4 February 2001.
5. Interviewed in Nhialdiu, May 2000.
6. One alternative strip, Toy, was used for only a month before Khartoum identified it and denied it.
7. Southern Leech State, 2000/2001 Annual Needs Assessment.
8. E-mail from OLS official, Lokichokkio, January 2001.
9. NGOs almost across the board require anonymity to protect themselves from reprisal.
10. Interviewed in Nhialdiu, May 2000.
11. Interviewed in Lokichokkio, November 2000.
12. Interviewed in Nhialdiu, May 2000.
13. Interviewed in Nhialdiu, November 2000.
14. Interviews with aid workers, Lokichokkio, November 2000.
15. Interviewed in Nhialdiu in May 2000.
16. Interviewed in Mariel Lou, Bahr el-Ghazal, November 2000.
17. Interviewed in Pagarau, Bahr el-Ghazal, May 2000.

Box 'Soft targets'

- i US Committee for Refugees, cited in 'Sudan's Military Bombed Civilian Sites 152 Times Last Year', *Africa News Service*, 23 January 2001.
- ii Commander Gadet's forces killed two health workers for MSF-Holland during an attack on Koch in October 2000. Gadet said he considers relief workers in government-controlled areas part of the enemy, but denied that the two had been targeted.

Chapter 3

1. IMF (2000) Sudan: Staff Report for the Article IV Consultation and Fourth Review of the First Annual Program under the Media Team Staff-Monitored Program.
2. Al-Share Al-Siyassi, 1 July 2000.
3. Lundin Oil, news release, January 2001.
4. Quoted by the Associated Press, 9 October 2000.
5. Interviewed in Tam, November 2000.
6. Ibid.
7. Interviewed in Lokichokkio, August 2000.
8. *Sudan Country Report*, EIU, November 2000, p. 19.
9. In one typical case, the *Sunday Times* disclosed in early 1999 that 6,000 metric tonnes of arms from Slovakia were destined for Sudan. The deal was cut

by a British arms broker and the shipment carried a false end-user certificate: the country of Chad.

10. Human Rights Watch report 1998, cited by Arthur Kransdorff in 'Memorandum on Sudan', a report for Christian Aid.

11. Human Rights Watch, op. cit.

12. Human Rights Watch, 'Sudan: Global Trade, Local Impact. Arms Transfers to all Sides in the Civil War in Sudan,' August 1998, vol.10. no. 4(A), cited in footnote 83.

13. Amnesty International, *The Human Price of Oil*, May 2000, p 12.

14. Poland said the tanks had been sold to Yemen and illegally diverted to Sudan.

15. Robin Hughes, 'Yemen receives Russian and Czech main battle tanks', *Jane's Defence Weekly*, 26 July 2000.

16. In October 2000, the same sources later claimed that Hover Dynamics had lost the contract.

17. Paul Jackson also said that the BO 105s were likely to have been bought on the second-hand market; only a handful had been built in the last few years. He said German, Spanish and reportedly the Iraqi army use the BO 105 for military purposes. Interview, London, December 2000.

18. Gen Abdul Rahman Saeed of the United Military Command, the anti-government forces fighting in northern Sudan, told Christian Aid his forces had shot down four Russian gunships. He said Khartoum had been able to replace them all. In 1989, as deputy chief of operations in the Sudanese armed forces, Gen Saeed was instructed to draw up a project for the defence of the oilfields – at a time when there were no foreign companies to protect. He judged that three brigades would be needed, each with 100 tanks, heavy artillery and helicopters. He estimated the cost at US\$1 billion.

19. *IISS, The Military Balance 2000-2001*, Oxford University Press.

Box

i Telephone conversation with Christian Aid, 18 December 2000.

Chapter 4

1. Human Rights Watch, unpublished manuscript, June 2000, pp 58-59.

2. Interviews with former local government and militia allies of the Government of Sudan, November 2000 and February 2001.

3. Harker report p. 48.

4. Letter to Harry Johnston, US Special Envoy to Sudan, 4 November 2000.

5. Interviewed in Tam, Western Upper Nile, November 2000.

6. Letter to Christian Aid from Mohd Ashar Bin Osman Khairuddin, Legal and Corporate Affairs Division, Petronas, 14 December 2000; letter to

Christian Aid from Reg Manhas, Senior Adviser, Corporate Responsibility, Talisman Energy, 6 December 2000; letter to Christian Aid from Ian Lundin, President, Lundin Oil, 30 November 2000.

7. Human Rights Watch, Colombia: *Human Rights Concerns Raised by the Security Arrangements of Transnational Oil Companies*, April 1998, p.4.

8. Telephone interview, 18 December 2000.

9. 'Talisman to drill three new exploration wells in Sudan,' Reuters, 20 November 2000.

10. E-mail from OLS sources in Lokkichokkio, December 2000.

11. 'Schoolchildren flee government bombing raids,' UN Integrated Regional Network (IRIN), 27 November 2000.

12. Interview in Tam, November 2000.

13. Rapport Research and Analysis defines itself as 'a security consultancy specialising in the provision of information-based security services for companies operating in areas of high risk.'

14. Interviewed in Wunchuei, Bahr el-Ghazal, in November 2000. Latjor now works for a European NGO as a nomadic health worker.

15. Talisman Energy, news release, 14 February 2000.

16. Telephone interview with Clive Russell, 15 December 2000.

17. Amnesty International, op. cit.

18. OLS security officials interviewed in 2000.

19. This was the post Deng held when he resigned in December 2000. State ministers are second-ranking officials in federal ministries.

20. Jacqueline Sheppard and Reg Manhas, Talisman Energy, 'Sudan experience offers corporate responsibility lessons, opportunities', *Oil & Gas Journal*, 13 November 2000.

21. *ibid.*

22. Harker report, p. 51.

23. *ibid.*, p. 63.

24. Meeting with Ralph Copeland, Talisman country director, Khartoum, 1 December 2000.

25. Letter to Christian Aid from Reg Manhas, Talisman, 6 December 2000.

26. GNPOC Code of Ethics, published on Talisman's website.

27. The Code obliges Talisman to support and promote the protection of international human rights in its sphere of influence and not to be complicit in human rights abuses. The code does not set standards or have a monitoring process.

28. PriceWaterhouseCoopers, *Verification of Talisman Energy's Corporate Social Responsibility Report 2000: an outline of the nature and scope of the*

verification work.

29. Conversation with Christian Aid, 18 January 2001.

30. Conversation with Christian Aid, 30 October 2000.

31. 'We will update information as the project progresses, bearing in mind that our reporting can be dependent on Government and joint venture partner approval,' Lundin Oil website, 'Q&A: Why has the Sudan project been delayed?'

32. Letter to Christian Aid from Reg Manhas, Talisman, 6 December 2000.

33. Amnesty International, news release, 10 August 2000.

34. Talisman website, 22 August 2000.

Chapter 4: boxes

i Quoted by Reuters, 13 January 2000

ii *Oil & Gas Journal*, 13 November 2000

Box: 'Some questions over Talisman's assistance.

Source: Harker report.

iii Toronto Globe and Mail, 23 October 2000

Chapter 5

1. Telephone conversation with Weir's public relations director, Emrys Inker, 18 December 2000.

2. An early day motion to the House of Commons on 11 February 2000.

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5. Sinopec company chairman Li Yizhong in the *Wall Street Journal*, 11 October 2000.

6. *The Wall Street Journal*, 11 October 2000.

7. Two separate accounts for all the proceeds from PetroChina's Initial Public Offering (IPO) were established – 90% going to PetroChina and 10% to CNPC.

8. Dennis Bennett, Washington state analyst in *Wall Street Journal*, 3 November 1999.

9. 'Memorandum on Sudan,' Arnold Kransdorff, a report for Christian Aid, 15 June 2000.

10. *Financial Times*, 8 March 2000.

11. PetroChina Company Prospectus, PetroChina Company Limited, amendment no. 9 to Form F-1, Registration Statement under the Securities Act of 1983, filed with the Securities and Exchange Commission on 29 March 2000.

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13. BP claims that proceeds from the PetroChina IPO will be used for staff retraining, reorganisation and reduced borrowings providing that 'they do not violate US sanctions on Sudan or any other country'. But its only guarantee that this will happen is a 'pledge' from CNPC.

The scorched earth

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Christian Aid links directly with people living in poverty through local organisations. It supports programmes with the aim of strengthening the poor towards self-sufficiency. Christian Aid also seeks to address the root causes of poverty by spending around 10 per cent of its income on development education and campaigning at home. Christian Aid is the official relief and development agency of 40 British and Irish churches. It works where the need is greatest in 60 countries worldwide and helps communities of all religions and those with none.

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