

To Algemeen Burgerlijk Pensioenfonds  
c.o Mr. Jadoul  
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(e-mail : [m.veeren@abp.nl](mailto:m.veeren@abp.nl))

Rotterdam, January 13, 2005

**Subject:**  
**Kerr-McGee's involvement offshore occupied Western Sahara**

Dear mister Jadoul,

In October 2004, the American energy company Kerr-McGee renewed its contract with the Moroccan state oil company, ONHYM, for the reconnaissance of hydrocarbon resources offshore occupied Western Sahara. This they have done despite the illegality of hydrocarbon exploitation in the area. With this background, we would like to inform you about the current status of the territory and action that we believe should be taken by your agency.

In 2001, the oil companies Kerr-McGee and Total (former TotalFinaElf) signed reconnaissance contracts with ONHYM (former ONAREP). The UN Vice-Secretary General for Legal Affairs, Hans Corell, later stated that the contracts are not in themselves illegal. At the same time however, he concludes, "if further exploration and exploitation activities were to proceed in disregard of the interests and wishes of the people of Western Sahara, they would be in violation of the principles of international law (...)".

We have since recently been aware that in addition to regular seismic surveys, KMG has also performed a drop coring program, taking samples from the soils offshore Western Sahara. Having carried out these "further explorations", we now view KMG's activities to be in violation of the Hans Corell opinion and international law.

Corell further states that Morocco is *not* considered legally as the administrative Power of the area. This implies that ONHYM *under no circumstance* has the right to act on behalf of the people of the occupied territory. Our organization is convinced that there are now sufficiently strong legal arguments for having the question of KMG's exploration of hydrocarbons from the occupied territories decided by an appropriate legal body.

But more important than legal considerations are, by our opinion, the ethical aspects of such involvements. The reconnaissance contracts offer legitimization to Morocco's occupation of the territory. They have boosted Morocco's confidence about succeeding to integrate the occupied territory into Morocco, in violation of international law and of a number of UN Security Council and General Assembly resolutions. After signing the contracts with the two oil companies, Morocco has reinforced its rejection of the Saharawis' right to self-determination over the territory's future status. Thus, the contracts and the following seismic activities have worsened the climate for a peaceful solution in accordance with the peace plans already agreed upon by the parties in the conflict. The government in exile of the Saharawi Arabic Democratic Republic (SADR) has strongly condemned both the contracts

and the initial seismic surveys. It is also important to remember that the area is still an area of conflict, though under cease-fire, with the possible consequences that would have for the company, shall the hostilities resume.

There are also economic reasons not to invest in the Moroccan industry in the occupied territories. The Norwegian fund administrator Skagenfondene, has already sold its 100.000 shares in Kerr-McGee, taking a two million dollar loss. Due to the massive negative attention on Kerr-McGee's activities in the occupied territories, they have regarded the shares as too risky financially. Skagenfondene was the biggest Norwegian shareholder in the American oil company at the time. After that the SADR government urged the Norwegian Ministry of Finance to sell their shares in Kerr-McGee, November 30<sup>th</sup> 2004, the Ethical Council of the Norwegian Petroleum Fund is now undertaking a study whether to sell their shares.

For the letter sent by the Minister of Foreign Affairs of the Saharawi Arabic Democratic Republic, Mr. Mohamed Salem Ould Salek, to the Norwegian Minister of Finance, Mr. Per-Kristian Foss, please see <http://groups.yahoo.com/group/Sahara-Update/message/1427>.

The seismic survey company TGS-NOPEC signed in May 2002 contracts with Kerr-McGee, Total and the Moroccan state oil company. TGS-NOPEC completed their initial surveys in the area during the spring of 2003. Their contract provoked a campaign, urging the company to stop its activities and the shareholders to put pressure on the company. The campaign led to massive media attention in international press, and received support from a large number of NGOs and politicians, demanding the cancellation of the unethical contracts. Negative PR led to a substantial number of sell-outs from shareholders, including the Swedish ethical fund administrator Banco Funds, all criticizing TGS-NOPEC for bad ethical standards. When the Norwegian government questioned the legality of the contracts, it came as a result of the very same campaign. Being subjected to the arguments of the international solidarity movement, and after becoming fully aware of the controversy of the territory and their seismic survey contracts, TGS-NOPEC has stated that they will not engage in further contracts in the area (see [www.tgsnopec.no/whatsnew/newsframe\\_Update\\_Western\\_Sahara.htm](http://www.tgsnopec.no/whatsnew/newsframe_Update_Western_Sahara.htm)). The Dutch company Fugro NL continued TGS-NOPEC's seismic activities, but in July 2004 they cancelled further contracts due to our same arguments, and after a similar campaign. In January 2005, the Faeroese company Thor Offshore Services, who worked for TGS-NOPEC in Western Sahara in 2002, said they would carry out no more activities there due to the political situation. The French oil company Total withdrew from Western Sahara in November 2004.

The American energy company Kerr-McGee is today the only company left in the oil industry in Western Sahara after all other companies have left the occupied territory. The international solidarity movement for Western Sahara urges your share analysts to recommend your customers to blacklist Kerr-McGee shares from all portfolios. Having signed a contract with the occupying power Morocco, KMG's activities are unethical, probably illegal, and complicate the solving of the complex political conflict in the area.

We urge the blacklisting to be permanent until KMG has come with a public statement that 1) states they have terminated their exploration in Western Sahara; 2) in the same manner as have been done by all KMG's partners, states that KMG will not consider signing another contract until a peaceful solution to the conflict has been found and; 3) includes an assessment of the legal, political and ethical considerations that have been taken concerning the contracts and its termination.

If your agency shall ever need any information on Western Sahara, its legal status, the United Nations resolutions on the conflict, the situation for its refugee population or the violation of human rights in the occupied territories committed by the Moroccan state, please do not hesitate contacting us. We are more than happy to assist.

The information sent to you now, is a part of a globally coordinated effort to inform the 30 leading screening agencies in 14 countries worldwide about the KMG contract. Groups and individuals from US, Canada, UK, France, Switzerland, Holland, Belgium, Germany, Norway, Sweden, Italy, Spain, Japan and Australia are today making contact with their respective national screening agencies. The letter writers are all members of the International Coalition for the Protection of Natural Resources in Western Sahara.

Sincerely yours,

On behalf of the International Coalition for the Protection of Natural Resources in Western Sahara,

Mevr. L. den Haan  
Stichting Zelfbeschikking West-Sahara, president  
Tel. 010-2141191 / 06-10858899

A copy of this letter has been sent to Kerr-McGee.

Attached:

- A background document on the Kerr-McGee involvement in Western Sahara.