



The

Shwe Gas

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Indian Essar Oil Company Exploration Damages People Properties



photo: MT

Local rice fields, Shrimp farms and plantations were destroyed due to Essar's seismic surveying in Sittwe, Ponna Kyun, Rathidaung and other places in the onshore block L area, western Burma's Arakan in 2007.

Feb 20, 2008 (SGB)

Essar, an Indian private oil company, report that this year it will start drilling a test well for oil and gas at Burma's onshore block L and offshore block A-2 in Arakan State.

Essar signed a production sharing contract in May 2005 for both blocks, and has completed 3D and 2D seismic surveying in blocks L and A-2 without any protection of local livelihoods, the environment or local participation.

Seismic surveying was conducted by Essar for 3 months from January to March in 2007.

According to local people, many rice fields, shrimp farms and plantations were destroyed due to the company's seismic surveying last year.

Local are worried to lose their lands and properties when the company start test drilling as the military has often practiced land confiscations and forced relocation for their interest in Arakan.

In CNOOC's M block, in Kyauk Phyu Township in Arakan State, many people have already lost their lands and properties when CNOOC conducted seismic surveying and test drilling. Local people were also forced to work for free during the construction of drilling camps and roads by the local army which provided security for the Chinese oil drilling company.

Burma has no proper law for the protection of people's livelihoods or environment from multinational oil and gas exploration.

Editorial

Time for US's Chevron to Leave Burma

The US government has increasingly imposed financial sanctions against business tycoons and companies linked to Burma's military rulers after the bloody crackdown on pro-democracy protests in September 2007. At least 31 people were killed in the crackdown.

In February of this year, the US also added additional sanctions on Drug Lord Lo Hsing Han's family and their Asia World Company, one of the largest Burmese conglomerates. Lo's son Steven Law and his wife, Cecilia Ng, own over ten Singapore registered companies that are also included in the sanctions list. One of the companies owned by the couple is Singapore's Golden Aaron Pte. Ltd., which has interests in six oil and gas projects in Burma, in cooperation with China National Offshore Oil Company (CNOOC).

Though the US government is active in support of freedom and democracy for Burma's peoples, Chevron Corporation, one of the largest integrated US based energy companies, is involved in the military regime's largest source of revenue. The Yadana Offshore Natural Gas Project has exported natural gas to Thailand via pipeline since 1998.

Revenues to Burma's military junta from the export of the Yadana gas reached US\$ 2.16 billion in the 2006-7 fiscal year, accounting for 43% of Burma's total exports. According to Burma's Central Statistical Organization, the regime made US\$ 1.56 billion from export of the Yadana gas in just half of the current fiscal year - April-September 2007. The revenue from gas exports is increasing yearly and strengthening the military regime, which continues to ignore international sanctions and to buy more weapons.

Chevron became involved in the Yadana Project after buying the US's Unocal Corporation for US\$ 17.5 billion in 2005. Two original stakeholders in the Yadana Project, Unocal and France's Total, have faced law suits over human and labour rights violations that occurred during the construction of Burma-Thailand pipeline. The suits concerned violations by Burma's military forces, who were commissioned to provide security for the project. Total, Chevron, Thailand's PTTEP, and Burma's MOGE are all currently involved in the Yadana Gas Project.

After last year's bloody crackdown on monk-led protesters in Burma, activists around the world intensely called for oil and gas companies to divest interests in Burma. Activists charge that revenues from the sale of oil and gas help the military to block the freedom of over 50 million people in Burma. However, while two Canadian mining companies pulled out of Burma, major revenue providers Chevron and Total still refuse to leave Burma. Denmark's largest pension scheme, ATP, also holds DKK 953 million (over US\$ over 192 million) worth of shares in Total and DKK 169 million (over US\$ over 34 million) in China's PetroChina, which is also heavily involved in Burma's oil and gas sector.

As the US claims to be the major supporter of Burma's democracy movement, it is time for the US's Chevron to stand as the example among oil and gas companies. Chevron should end cooperation with the monk-killing Than Shwe regime and leave Burma until people of Burma are free and live in a democratic nation. ■

Gas Found During Tube Well Drilling in Arakan

Feb 28, 2008 (Narinjara)

Natural gas was found during drilling of a tube well in a village in Maungdaw Township in western Burma, with the gas still flowing from the mouth of the well, according to a local office report.

The report stated that the gas was found during tube well drilling at Mro Chaung Village in the north of Maungdaw Township.

The tube well drilling was being conducted by villagers under a program of ACF, an NGO working on rural development in Arakan State.

A local source confirmed the report and said the gas was found on 23 February when the drilling pipe reached a depth of 120 feet.

The drillers realized that they had struck gas when a flame erupted near the lit end of a cheroot being smoked by a worker. A witness said the flame was one foot over the tube well, and many local people came to the drilling site to see the flame once word got out.

The authorities have stopped the drilling and closed off the well by filling it in with soil, but the gas is still continuing to seep out of the ground at the well site.

The authorities are reportedly fencing off a 10 square feet area around the well with barbwire in order to prevent any accidents from occurring with the gas. ■

**NO Killing
for
OIL&GAS**

Treasury Sanction on Myanmar Traffickers Implicate CNOOC

Feb 27, 2008 (Forbes Magazine/US)

The latest sanctions issued by the U.S. Treasury have apparently implicated CNOOC, China's largest producer of offshore crude oil and natural gas, which is alleged to have been cooperating with a company run by a family notorious for its heroin-trafficking activities to explore oil and gas in Myanmar.

The Department of the Treasury on Tuesday announced economic sanctions against two key financial operatives of the Burmese regime: Steven Law (also known as Tun Myint Naing) and his father, Lo Hsing Han—as well as Law's wife, Cecilia Ng, and 14 companies under their control, for providing support to the government of Myanmar.

“In addition to their support for the Burmese regime, Steven Law and Lo Hsing Han have a history of involvement in illicit activities. Lo Hsing Han, known as the ‘Godfather of Heroin,’ has been one of the world's key heroin traffickers dating back to the early 1970s. Steven Law joined his father's drug empire in the 1990s and has since become one of the wealthiest individuals in Burma,” the Treasury said.

Major Burmese conglomerate Asia World Co. is the Lo family flagship firm sanctioned by the White House. The Treasury also blocked ten companies in Singapore that are owned by Cecilia Ng, from doing business with the United States.

David Webb, a business commentator and nonexecutive director of the Hong Kong Stock Exchange, further revealed that one of the companies in question has ties to the world's No. 1 offshore oil company. “What the Treasury didn't mention, but we can tell you, is that Golden Aaron is the joint venture partner of Chinese government-controlled CNOOC in exploring for oil and gas in Myanmar,” Webb said on his Web site. Golden Aaron is one of the Singapore companies Cecilia Ng controls.

The relationship can be traced back to October 2004, when the firms negotiated a production-sharing contract between Myanmar Oil and Gas Enterprise and a business group formed by CNOOC Myanmar, Golden Aaron and China Huanqiu Contracting and Engineering Corp. The partners agreed to cooperate in oil and natural gas exploration in Kyaukphyu Township of Rakhine state. According to Myanmar's official newspaper, CNOOC Chairman Fu Chengyu and Golden Aaron Director Chua Chay Jin attended the signing ceremony in Yangon.

In CNOOC's 2004 annual report, the oil giant also disclosed that it would serve as operator for a joint venture



Drug Lord Lo Hsing Han's Son, Tun Myint Naing or Steven Law and his Singaporean wife, Cecilia Ng won over ten companies were added in the US sanction lists in Feb, 2008.

formed with Golden Aaron and the China Global Engineering Corp. Through the joint venture, CNOOC currently owns five exploration licenses covering 73,152 square kilometers (28,244 square miles), whose terms are up on March 12 this year, unless they are renewed.

Besides its links to a family accused of drug trafficking, CNOOC also has reportedly been involved in clashes with workers in Myanmar. Ten citizens from Ye Nan Taung in Kyaukphyu Township were detained and questioned by government authorities following a dispute over working conditions at CNOOC in May last year. Workers threw stones at the company's office, to protest against low wages and long working hours, Burmese newsmagazine *The Irrawaddy* reported. The magazine was citing for its report an anti-junta group, the Shwe Gas Movement, which stressed that as long as companies continue to cooperate with the Burmese government, workers will experience persecution, injustice and inequality. ■

Myanmar Resources Offer Few Riches

Jan 31, 2008

By an Al Jazeera correspondent in Ramree, western Myanmar

The island of Ramree lies off the undeveloped west coast of Myanmar. It is a place rich in natural beauty, but an even more valuable resource lies just off shore.

The area is the site of South-East Asia's largest gas deposits, believed to be worth as much as \$52bn.

Myanmar's military rulers have dubbed the deposit "Shwe gas", or the golden gas.

But for those who live in the area, the golden gas has quickly lost its lustre.

Locals living on the nearby island of Maday say they have seen the land sold from underneath them to a Chinese gas development project.

The government, looking to boost its foreign currency reserves, has told residents they will be relocated within two years without compensation.

While the gas goes abroad and profit goes to the military, locals live without electricity for all but two hours a day.

"When the government tells us to relocate from our villages, we will have to do it," one local activist told Al Jazeera.

"Locals are passive and they don't take any interest in what's going on. Some educated people are interested but most of the people in our state are not educated, so they don't discuss it.

Even when the people do discuss it, they are scared."

The gas will help power China's development.

A 1,400-km pipeline will connect the village of Kyaukphu to the booming city of Kunming in southwest China.

Next to the gas, a second pipeline will carry oil to China.

The oil – from the Middle East and Africa – will arrive in Myanmar at a new deep water port on the island.

Nobody from the town is allowed to visit the site of the new harbour, next to a nearby naval base.

In addition to the rich gas deposits, the region also has its own source of oil at a site known as Yenang Taung, or the oil mountain.



The few local residents drilling for oil could be shut down at any time



A new pipeline will take Myanmar's oil and gas to fuel China's booming economy.

Tight security stopped us from filming there, but local activists managed to smuggle out some pictures.

Locals pay \$1,200 for the right to drill for oil, but that does not mean they will be able to profit from any discovery.

One local activist told Al Jazeera the government could move in at any moment and arrest those who are extracting oil.

With its rich natural resources the region

around Ramree island will soon be providing power and energy for millions of Chinese.

The revenue generated will help prop up Myanmar's repressive military government.

But the ordinary residents here will see little benefit.

In this oil and gas-rich area, once the sun goes down and the region's resources are piped across the border to China, the locals will once again be left in the dark.

PTTEP and CNOOC Swap Gas Blocks in Burma

Feb 13, 2008 (SGB& Angecy)

An agreement to swap in gas projects in military ruled Burma was signed between Thailand's PTT Exploration and Production (PTTEP) and the China National Offshore Oil Corporation (CNOOC). PTTEP will swap a 20% interest in Blocks M3 and M4 in the Gulf of Martaban for CNOOC's offshore A4 tract and onshore C1 acreage in western Burma, according to Oil and Gas Journal.

Maroot, PTTEP's president, was quoted by Energy Current as explaining that "the deal is aimed at reducing the risks for the two companies from the huge capital investment projects in Myanmar. Details of the asset swap will be finalized after the completion of exploration phases in the gas fields".

PTTEP was the sole stakeholder in Blocks M3 and M4, and is currently engaged in other blocks in the Martaban offshore area south of Rangoon, such as M7, M9 and M11. CNOOC holds stakes in C1, located in the Indaw-Yenan area in Chin State and Sagaing Division, and A4, located off the coast of Arakan State in western Burma.

Thailand is the single-largest purchaser of Burma's gas exports, shelling out US\$ 2.16 billion in the 2006-2007 fiscal year. This represented 43 % of the military regime's export revenue. Natural gas from Burma provides 20 percent of all electricity in Thailand.

To keep up with its demand for electricity, Thai companies are building hydropower plants in eastern Burma,

and have contracts to pay the military regime billions of dollars for the electricity generated there. The Electricity Generating Authority of Thailand has completed feasibility studies at the site of the planned Hat Gyi in Burma's Karen State. A private Thai company, MDX, has been given a contract to complete the larger Tasang Dam in Burma's Shan State.

China, one of largest supporters and trade partners of Burma's military regime, is also interested in Burma's oil, gas, and hydropower sectors in order to fulfill its own energy demand. In December of last year, it won a race with India to buy the gas from blocks A1 and A3 off the Arakan coast.

The gas from these blocks will be transported via pipeline from the Kyaukpyu port in Arakan State to Kunming, Yunnan Province. Despite pressure from the international community, China has refused to

discuss possible UN Security Council action against Burma's military junta. With all three of its major oil and gas companies now in Burma, China looks to be the largest future investor in Burma's oil and gas sectors.

Burma has an abundance of natural gas resources that are concentrated heavily in offshore areas, as well as vast oil reserves. Currently, oil companies, mainly from Australia, Britain, Canada, China, Indonesia, India, South Korea, Malaysia, Thailand and Russia, are operating 33 onshore and offshore projects in Burma, according to official sources. ■



NZ govt under fire for Burma contract

Monday, 4 February, 2008

New Zealand's ruling Labour Party has been accused of hypocrisy by allowing a state-owned company to carry out engineering work in Burma.

The main opposition National Party has questioned the decision of the government-owned Kordia engineering company of accepting the job of helping install a mobile phone network in the Asian country.

The United Nations has said at least 31 people were killed in Burma during a crackdown last year.

National Party foreign affairs spokesman Murray McCully said Burma was one of the world's most brutal and repressive regimes.

"New Zealand needs to be very clear and firm and consistent in its foreign policy," he told Radio New Zealand.

But the New Zealand government has defended Kordia's decision to do business in the country that is ruled by a strong-arm regime.

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Electric Power Sector Major Attractor of Foreign Investment in Myanmar

Tue 29 Jan 2008

Myanmar's electric power sector has attracted 6.311 billion U.S. dollars of foreign investment as of the end of 2007, the Weekly Eleven News, one of the leading private-run news journals, reported Tuesday.

Of a total contracted foreign investment of 14.736 billion dollars in 417 projects, the electric power sector stands as the biggest attractor of foreign investment, the report quoted the Ministry of National Planning and Economic Development as saying.

It was followed by oil and gas with 3.243 billion dollars, manufacturing 1.629 billion dollars, real estate development 1.056 billion dollars, hotels and tourism 1.034 billion dollars, mining 534.89 million dollars, livestock breeding and fisheries 324.35 million dollars and transport and communications 313.27 million dollars.

Of the 417 projects, electric power accounted for 42.83 percent, oil and gas 22 percent, manufacturing 11.06 percent, real estate 7.73 percent and hotels and tourism 7.02 percent, said the report.

The foreign investment in Myanmar came from 28 countries and regions, of which Thailand, Singapore, the United Kingdom and Malaysia were leading.

In 2005-06 fiscal year (April-March), Myanmar absorbed the highest annual contracted foreign investment

of 6.065 billion dollars which mainly came from Thailand with 6.03 billion dollars in a major power project — the 7,110-megawatt Tar-hsan hydropower project on the Thanlwin River in eastern Shan state's Tachilek.

In 2006-07, the country brought in 752 million dollars of investment with 471.48 million dollars in the oil and gas sector from the United Kingdom (240.68 million dollars), Singapore (160 million dollars), South Korea (37 million dollars) and Russian Federation (33 million dollars), and 281.22 million dollars in the power sector from China alone, according to the figures of the Central Statistical Organization (CSO).

Meanwhile, Myanmar companies made most investment in industry in 2007, followed by real estate, another local weekly the 7-Day reported earlier by quoting the Myanmar Industrial Producers Association.

Of the total private investment of 141.381 billion Kyats (about 112.2 million dollars) in 677 projects, that in industry amounted to 34.041 billion Kyats, while that in real estate 30.081 billion Kyats, the report quoted the Myanmar Investment Commission as saying.

Myanmar enacted the Foreign Direct Investment (FDI) Law in late 1988 when it started to adopt a market-oriented economic policy. ■

Russian Company to Explore Gold in Myanmar

Feb 16, 2008 (Xinhua)

A Russian company will conduct gold exploration in Myanmar's northernmost Kachin state and northwestern Sagaing division with the cooperation of Myanmar's mining authorities, the state-run New Light of Myanmar newspaper reported Saturday.

An agreement was signed Friday between the Victorious Glory International Pvt Ltd of the Russian Federation and the Geological Survey and Mineral Exploration Department of the Myanmar Ministry of Mines in the new capital of Nay Pyi Taw.

The Russian company will undertake gold exploration along the Uru River between Phakant of the Kachin state and Homalin of the Sagaing division, the report said.

Myanmar has also been encouraging the country's private sector to mine gold, allowing more such engagement by them at many prospective gold mining blocks across the country.

Till last year, 380 small blocks for gold mining had already been granted to private entrepreneurs, according to the state-run Myanmar Mining Enterprise (MME).

Besides the two divisions, small blocks in Kachin, Mon and Bago states and divisions are also under exploration.

As set by the state, private enterprises are allowed to conduct gold exploration activities on mining blocks under a lease term with the MME for at least three years, the sources said.

Official statistics show that foreign investment in Myanmar's mining sector has amounted to about \$534.19 million till 2007, since the country opened to such investment in late 1988.

Other foreign firms engaged in mineral exploration in Myanmar include those from Australia, China, Japan, Malaysia, Singapore, Thailand and the US. ■

Nobel Winners Seek UN Action for Arms Embargo and Targeted Banking Sanction on Burma

19 February 2008

Nine Nobel Peace Price recipients led by Nobel laureate Desmond Tutu call for the International community and the United Nations Security Council to impose arms embargoes on Burma and a ban on banking transactions targeting top Burmese leaders, as well as state and private entities that support the government's weapons trade.

"Many of the arms used by Burma's military regime to retain its hold on power have been sold to the regime by foreign governments. This is not acceptable – no nation should sell arms to a regime that uses weapons exclusively against its own people," Stressed in the statement.

"We can not, and we will not forget the events of the Saffron Revolution and the courage of the Burmese people in asserting their right to live in peace and freedom. Despite decades of repression and in a world wracked by violence, their peaceful demonstrations represent a model for the proper and rightful expression of political dissent of which they are entitled."

The laureates further remarked, "In spite of the overwhelming desire of the Burmese people for political change the regime has made no overtures and no progress on national reconciliation. They continue their refusal to engage the Burmese people and ethnic groups in substantive, meaningful dialogue. We stand firmly in support of our fellow Nobel Laureate Aung San Suu Kyi and have repeatedly called for her release, as well as the release of Buddhist monks and all political prisoners in Burma. The regime's "roadmap" and decades-long constitution process is flawed: it does not include participation of the National League for Democracy. The NLD and Burma's ethnic nationalities must play an inclusive role in determining a negotiated settlement and transition to democracy."



Nobel peace price winners

In September 2007, Burma's military regime, led by General Than Shwe, violently cracked down on nonviolent protesters led by Buddhist monks. The leaders were asking for tripartite dialogue between the military, the National League for Democracy (NLD) and ethnic nationalities with the goals of democracy development in the country. The nationwide peaceful marches ended with arrests, torture, and killings that continue to this day. Foreign-supplied weapons have also been used to violate the rights of women and children in the ethnic minority areas for more than a decade.

The statement was issued by Archbishop Desmond M. Tutu and signed by his holiness the Dalai Lama, Shirin Ebadi, Adolfo Perez Esquivel, Mairead Maguire, Rigoberta Menchu Tum, Prof. Elie Wiesel, Betty Williams and Jody Williams.



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The Shwe Gas Movement (SGM)

SGM includes regional and international NGOs. The 5 core members are SGM Bangladesh, SGM India, the All Arakan Students and Youths Congress (AASYC), the Arakan Oil Watch (AOW), and EarthRights International (ERI); partner organizations include the Korean House for International Solidarity (KHIS), the Korean Federation for Environmental Movement (KFEM), The Other Media in New Delhi, and a global network of activists. For more information and to download the full-length report "Supply and Command," please visit www.shwe.org.

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NZ Govt under fire-----

TOTAL OUT OF BURMA

Protesters in London called for French's Total to stop fuelling oppression in Burma on Jan 19, 2008.

Source: Indymedia, UK

The work was undertaken through a joint venture between Kordia and a Thai firm to work on mobile phone towers.

According to reports the work was being done for Myanmar Post and Telecommunications, an agency of the Burma government.

State Owned Enterprises (SOE) Minister Trevor Mallard said there were no United Nations or New Zealand sanctions in place against Burma.

He said he only learned of the \$NZ80,000 (\$A70,000) contract Sunday.

“It is not their (Kordia’s) job to take leadership on United Nations matters and frankly New Zealand tends to work, as far as leadership is concerned, in the Pacific. Our position on Burma is very clear,” Mallard said.

“It is a contract which will result in communications in that country being better, now I can’t see that that is a bad thing,” he said.

Kordia chief Geoff Hunt also defended his organisation’s conduct and said it could undertake further work in Burma in the future.

“We carefully checked if there are any trade sanctions in place before proceeding with that work,” he told the Radio New Zealand. ■

Source: AAP



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