

Stockholm, 9 June 2010

## **ECOS open letter to the shareholders of Lundin Petroleum**

Dear Shareholders,

Contrary to Mr Ian Lundin's letter to you yesterday, the report UNPAID DEBT contains critical new evidence to support our position that Lundin, Petronas and OMV have violated norms of international law in Sudan.

When reading the report, you will find that Mr Ian Lundin's claim that our allegations are the same as those expressed by other organisations in 2001, is unfounded. You will also find that the worst events occurred after May 2001. This makes it impossible for Lundin to maintain that they have refuted our allegations already in May 2001.

The analysis of satellite images made public in UNPAID DEBT demonstrates a massive displacement of up to 80% of the population in the most densely populated areas of Block 5A between 1997 and 2003. The Consortium's close proximity to destroyed and deserted communities makes it unlikely that the companies were not aware of this.

UNPAID DEBT offers a detailed calculation of the damages and losses suffered by the population, estimating 12,000 deaths and 160,000 displaced, 20,000 people permanently uprooted, 500,000 heads of cattle lost, and incalculable loss of income and opportunities. This contradicts Mr Ian Lundin's strong feeling that Lundin's "*activities contributed to peace and development in Sudan*". We further note that none of the general statements contained in his letter to you is supported by the refutation of a specific fact or allegation contained in the report.

UNPAID DEBT quotes credible sources that the Lundin Consortium, in 2002 and 2003, employed as its Head of Security a former Colonel in the Sudan Armed Forces. He is believed to have served on the Special Security Council, which oversaw all military operations in the oil areas. ECOS calls for an investigation into whether he effectively reported to the head of the Special Security Council, while working for the Lundin Consortium.

ECOS submits that the Managing Directors and the Board of Directors of Lundin at the time have failed in their duty to conduct human rights due diligence as required by the 'prevent, respect and remedy' framework of the UN. This was recently implicitly admitted by Ms Christine Batruch, Vice-President of Lundin Petroleum, when she wrote that the company "was largely caught by surprise by the spread of the conflict in its concession, even though it could or perhaps should have been aware of the political risk if faced [in Sudan]."

Our aim is peace and peace requires justice. Oil should never again be a source of conflict in Sudan. The people in Block 5A desire reconciliation. Reconciliation requires that the truth is being said and injustices are being made undone. We trust that you will convey the message to Lundin Petroleum that responsible investors require the company to do whatever it takes to reconcile with the victims of Sudan's oil war in Block 5A.

Sincerely yours,

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