

## PRESS RELEASE

Rotterdam, The Netherlands, Feb 28<sup>th</sup> 2005

### **Shareholders focus of campaign to end Kerr-McGee's involvement in Occupied Western Sahara**

Western Sahara Resource Watch, representing organizations in 20 countries, announced today a campaign against the American energy company Kerr-McGee (KMG). This Oklahoma City-based corporation is involved in the illegal, unethical and politically controversial plundering of hydrocarbons in the Moroccan occupied areas of Western Sahara. Morocco has illegally occupied Western Sahara since 1975 and the people of the territory, led by Polisario, are struggling for self-determination and independence. Kerr-McGee has been exploring for oil and gas in the territorial waters of Western Sahara since 2001 under license from the Moroccan state oil company, ONAREP. Today, the international solidarity movement for Western Sahara started contacting the company's 600 biggest shareholders, demanding that action be taken to prevent the company from renewing the contract that is set to expire May 1<sup>st</sup>.

Western Sahara is Africa's last colony. Formerly a colony of Spain, in May 1975 a UN mission determined that the people of Western Sahara overwhelmingly supported the liberation movement Polisario and were categorically for independence and against integration of the territory into Morocco. In mid-October of that year the International Court of Justice ruled that the people of Western Sahara have the right to self-determination including independence. Morocco rejected the Court's ruling and invaded the territory in the first days November, forcing a majority of the population into refugee camps in Algeria. Morocco has refused to implement a 1991 UN peace plan in which a referendum would allow the people of Western Sahara to choose between independence and integration into Morocco. The UN Legal Council says that Western Sahara is a non-self-governing territory and that exploitation of the territory's hydrocarbons would be illegal.

“It is remarkable that Kerr-McGee does still not understand the political, legal and humanitarian dimensions of the catastrophe they are inflicting to the Sahrawi people. For three years, the company has refused to listen to our arguments. Now we hope to get some assistance from their shareholders” said Richard Knight, a member of the Association of Concerned Africa Scholars and spokesperson of Western Sahara Resource Watch.

The campaign requests the shareholders to play a role as active investors, influencing KMG not to renew its contract May 1<sup>st</sup>. If the constructive shareholder pressure does not succeed in changing the KMG policy, the campaign demands the investors to divest.

So far, a Norwegian and a Dutch seismic survey company have decided to not continue the activities in Western Sahara due to the political implications of the contracts. This

happened as a consequence of active shareholder ownership and dozens of sell-outs over the last years. Also a Danish and a French company have left the area, making Kerr-McGee the only foreign company remaining in the Western Sahara.

One major investor has already divested from Kerr-McGee - the Norwegian fund administrator Skagenfondene has sold its 100.000 shares, taking a two million dollar loss. Due to the massive negative attention on Kerr-McGee's activities in the occupied territories, they regarded the shares as too risky. Now the government-owned Norwegian Petroleum Fund is considering if it should sell its shares, estimated to be worth over \$7 million.

“The campaign against Kerr-McGee has lead to an impressive mobilization worldwide. Today, 19 organizations on four continents have all started contacting their respective Kerr-McGee shareholders simultaneously. Last month, we contacted all screening agencies in the world, explaining them the nature of the contract, urging them to recommend their clients to sell. Now contacting the shareholders is a natural second step in our strategy,” said Liesbeth den Haan of the Netherlands Foundation for the Right to Self-Determination for the Sahrawi People.

No country recognizes Morocco's sovereignty over Western Sahara. The Polisario-formed government in exile, a founding member of the African Union which is recognized by 70 countries including South Africa, has heavily condemned the Kerr-McGee contract.

“Morocco's planned theft of Western Sahara's hydrocarbons is immoral and illegal. Since Kerr-McGee signed the reconnaissance contract with ONAREP in 2001, Morocco has stalled the UN-supported peace process. Morocco has even rejected a generous plan put forward by former U.S. Secretary of State James Baker. Kerr-McGee's activities have already blocked the peace efforts and contributed to rising tension in the region. If Kerr-McGee continues, there are definitely possibilities of taking legal actions against the company, and we strongly urge Kerr-McGee to not renew their contract. We are very sure that our measures will make Kerr-McGee withdraw, as the last company in the industry still operating in Western Sahara. The question is how and when”, said Jacob Mundy founder of Friends of Western Sahara ([www.friendsofwesternsahara.org](http://www.friendsofwesternsahara.org)).

For further information, or to receive a full version of the shareholder letter, please contact Richard Knight (New York, USA) tel (+1) 212-663-5989 [rknight1@juno.com](mailto:rknight1@juno.com), Jacob Mundy (Seattle, USA) tel (+1) 206-329-1341 [mundy@u.washington.edu](mailto:mundy@u.washington.edu), Tom Marchbanks – Western Sahara Campaign (UK) tel (+44) 794-955-6718 [wsc@gn.apc.org](mailto:wsc@gn.apc.org) or Liesbeth den Haan (Holland), tel (+31) 610858899, e-mail [st.zelfbeschikkingwest-sahara@planet.nl](mailto:st.zelfbeschikkingwest-sahara@planet.nl).

The campaign is coordinated by the newly founded Western Sahara Resource Watch. WSRW is a network of organizations that work to preserve the natural resources in Western Sahara for the usage of its people, inasmuch as their sovereignty over those

resources is a right with erga omnes character enshrined in several UN resolutions and human rights documents.