

THE SHWE GAS MOVEMENT

CIVIL SOCIETY DEMANDS BURMA GAS PROJECT STOP, CITING HUMAN RIGHTS CONCERNS

For Immediate Release

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Chiang Mai, Thailand, June 26, 2008 -- An agreement was signed last week in Burma between a consortium led by the South Korean trading company Daewoo International, the military regime in Burma, and the China National Petroleum Corporation (CNPC) for the sale and transport of natural gas from Burma's Bay of Bengal to Yunnan Province, China. The deal marks a significant step toward a transnational gas pipeline to China that will result in massive human rights abuses in Burma, according to the Shwe Gas Movement (SGM).

Wong Aung, an ethnic Arakan from the area the proposed pipeline will traverse and the Global Coordinator of the SGM, says that "If Daewoo and CNPC go ahead with this project under the current military regime in Burma, we can expect a massive increase in militarization along the pipeline route, forced displacement of thousands of people and numerous villages, forced labor, and other abuses committed by the military - regardless of the companies' intentions."

The group is demanding the companies stop the project, citing the example of the Yadana gas pipeline in Burma, a project developed by Total of France, U.S.-based Chevron Corporation, Thai company PTTEP, and the state-owned Myanmar Oil and Gas Enterprise (MOGE). Constructed in the 1990s, the pipeline involved forced labor, forced displacement, rape, torture, and murder committed by the Burmese military tasked with securing the project. A recent report by the human rights NGO EarthRights International claims these abuses are continuing, and that companies associated with the project continue to face massive legal liabilities for abuses committed by the Burmese military. Both Chevron and Total settled lawsuits brought by victims of human rights abuses committed by the military.

The SGM are demanding that Daewoo stop the Shwe gas project until the people of Burma can be involved in development decisions and until their basic human rights are protected. "The people in Arakan State don't know about the company's plans for this project, they don't know what abuses they face if it goes through, and they don't know how the revenues from the project will be used by the junta," Wong Aung added.

According to a 2006 report by the SGM, the Shwe project will generate approximately US\$12-17 billion dollars for the military regime.

In 2006 Daewoo executives were charged in Seoul and later convicted of illegally exporting arms to the regime in Burma. According to Jockai Khaing, Director of the Arakan Oil Watch and member of the SGM, "Daewoo already has a serious credibility gap. What can we expect of a gas project led by a corporation that flouts the law to supply guns to a known violator of human rights?"

The deal last week also indicates that the state-owned Myanmar Oil and Gas Enterprise (MOGE) has exercised its option to buy into the Shwe consortium, which previously comprised Daewoo with a controlling stake (60 percent) and lesser stakes belonging to ONGC Videsh of India, Korea Gas Corporation, and the Gas Authority of India Ltd. The new ownership allots MOGE a 15 percent stake, Daewoo 51 percent, ONGC 17 percent, GAIL 8.5 percent and KOGAS 8.5 percent.

According to Mr. Kim of the Shwe Gas Campaign Committee in India, "This is significant. It means the junta is satisfied with the project's potential for profit and that the project is proceeding at an accelerated pace."

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For more information on the Shwe Gas Movement, a coalition of non-governmental organizations with offices in Thailand, India, and Bangladesh, visit, www.shwe.org