

Fidelity out of Sudan!

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DARFUR ACTIVISTS TO TARGET PETROCHINA STOCK OFFERING *Chinese Firm Expands Oil Presence in Sudan as Darfur Crisis Continues*

Washington, DC and Boston, MA, July 5, 2007 — Darfur activists have strongly cautioned potential investors against participating in PetroChina's forthcoming stock offering on the Shanghai Stock Exchange. PetroChina (PTR), the listed unit of China National Petroleum Corp. (CNPC), has applied for the share listing and will present its plan to shareholders at a meeting on August 10, 2007. PetroChina is currently traded on the Hong Kong and New York stock exchanges, through ADR in the latter case.

The offering comes in the midst of a growing, forceful international divestment campaign against the company. The Sudan divestment campaign has seen considerable success: over the past

two years, eighteen U.S. states, seven major cities, and 54 colleges have committed to adopt divestment policies. The campaign made notable progress when Fidelity Investments recently reduced their US holdings of PetroChina by 91%.

PetroChina is targeted because CNPC, its government-owned parent company, is the largest oil player in Sudan. This week, to add to its already massive presence in the country, CNPC was awarded the rights to a major offshore oil block in Sudan.

Up to 70% of the income generated from Sudan's lucrative revenue sharing agreement with CNPC is funneled into Sudan's military, and extensive documentation has established exceptional links between PetroChina and CNPC through frequent asset transfers and tremendous overlap in management.

KEY FACTS: PETROCHINA AND CNPC

- *The President of CNPC is the President of PetroChina. The Chief Financial Officer of CNPC is the Chief Financial Officer of PetroChina. The PetroChina Board is comprised of 13 Directors (of which one Directorship position is currently unfilled), only three of which are independent (and one of the three independent Directors is tied to the Chinese government). Eight out of the nine current non-independent Directors of the Board have a current or former connection to CNPC.*
- *PetroChina sends 35-44% of all net profit to CNPC in any given year. Critically, this dividend payment accounted for approximately half of all of CNPC's profits in 2005.*
- *PetroChina recently announced the construction of a new China-based \$1.6 billion refinery, set to come online in 2008, that will be primarily dedicated to refining Sudanese oil drilled by its parent company.*

For a complete report on the connections between PetroChina, CNPC and Sudan visit:

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Independent investment research firm, KLD Research & Analytics, Inc., recently concluded that **“investors should treat CNPC and PetroChina as if they were a single entity.”**

In 1999, CNPC's attempts to go public on the New York Stock Exchange were met with widespread criticism surrounding the company's activities in Sudan. CNPC was forced to create a subsidiary, PetroChina, to carry out the public offering. CNPC initially owned 90% of PetroChina; it has since reduced ownership to 88%.

While the new Shanghai offering of "A shares" might appear limited to investors from mainland China, it will also be open to entities deemed Qualified Foreign Institutional Investors (QFII) by the Chinese government. QFII's range from fund management agencies to commercial banks and include many of the largest current investors in PetroChina. A September 2006 list of QFII's includes **Deutsche Bank AG**, **JP Morgan Chase Bank**, **Goldman Sachs & Co.**, **Credit Suisse First Boston (Hong Kong) Limited**, **Merrill Lynch International**, **Yale University** and **Barclays Bank PLC** as well as the **Bill & Melinda Gates Foundation**, which has been criticized for its connection to Berkshire Hathaway, the largest US investor of PetroChina. Additionally, it has been reported that **UBS Securities Co.** will arrange the upcoming offering.

The Sudan Divestment Task Force and Fidelity Out Of Sudan will send a letter to all these institutions requesting that they publicly state that they will avoid the IPO. Any institutions that take part in the IPO will be targeted by activists for upcoming campaigns.

"Raising capital in the less public markets will not allow PetroChina or its investors to avoid the public scrutiny that has been focused on Fidelity, Berkshire Hathaway, and the other large investors in PetroChina," said Adam Sterling, director of the Sudan Divestment Task Force, a project of the Genocide Intervention Network. "The world is watching and will protest this new offering and the companies that participate in it."

"We appreciate that divestment may be difficult for large institutional holders but, after all the public discussion and concern, why would anyone want to increase their investment in the leading company funding the genocide in Darfur?" asked Eric Cohen, Chairperson of Fidelity Out of Sudan. "In fact, the offering raises pressure on Warren Buffett's Berkshire Hathaway to quickly call a special meeting of PetroChina to address its policies in Darfur. As an 11% holder of PetroChina's publicly traded shares, Berkshire is uniquely positioned to take this major action to shine light onto the company's position."

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About Sudan Divestment Task Force – As the coordinating entity for the Sudan divestment movement, the Sudan Divestment Task Force, a project of the Genocide Intervention Network, is actively involved in dozens of successful and developing targeted Sudan divestment campaigns around the world at the university, asset manager, city, state, and national levels. The Sudan Divestment Task Force has developed a unique approach to shareholder engagement and divestment, focusing its efforts on the most egregiously offending companies in Sudan. This approach, termed "targeted divestment", helps to maximize impact on the Sudanese government, while minimizing potential harm to both innocent Sudanese civilians and investment returns. More information can be found at www.SudanDivestment.org.

About Fidelity Out Of Sudan – Fidelity Out of Sudan is a non-profit, broad-based, public campaign to pressure Fidelity to divest its major holdings of PetroChina and Sinopec, two Chinese oil companies that are funding the genocide in Darfur. The ultimate goals are that Fidelity and other financial institutions adopt moral investment policies and that the Government of Sudan ends its deadly genocide in Darfur. More information can be found at www.FidelityOutOfSudan.com.