

APPENDIX 4

Correspondence From Religious and Civic Leaders to State Treasurers and U.S.
Pension and Mutual Funds



The Institute on Religion & Democracy

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Diane Knippers, President



RELIGIOUS FREEDOM

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202.296.5101, Fax: 202.296.5078
Nina Shea, Director

January 24, 2000

Mr. James Burton
Chief Executive Officer
California Public Employees Retirement System
400 P Street
Box 942701
Sacramento, CA 94229

Dear Mr. Burton:

We wish to bring the unfolding human rights catastrophe in Sudan to your urgent attention, and raise the possibility that your Pension Fund may be unwittingly empowering the regime directly responsible for it.

Specifically, we wish to note the activities of Talisman Energy Inc. (Talisman) and China National Petroleum Company (CNPC), the two principal sources of the regime's revenue. Talisman, listed on the New York Stock Exchange, has invested approximately \$750 million in the regime's principal consortium for oil revenues, the Greater Nile Petroleum Operating Project ("the Project"), and holds 25% of its shares. CNPC has invested \$1.5-\$2 billion in the Project, and holds 40% of its shares.

Oil revenues have insulated the Khartoum regime from international pressure to negotiate a just peace. Furthermore, regime officials have explicitly acknowledged that these oil revenues have been – and will increasingly be – dedicated to prosecuting its side of the conflict. In addition, just weeks ago international journalists observed Khartoum's Antonov bombers using Talisman's civilian airstrip. The U.S. House of Representatives, Nobel Laureate Elie Wiesel, and the East African Catholic Bishops Conference have all recently denounced the regime's military operations in south and central Sudan as "genocide." The State Department has recently declared the regime responsible for "egregious" religious persecution.

As an expression of our view of present conditions in Sudan and the activities of

by more than two hundred religious and civic leaders. We further enclose the powerful attachment to that letter, the *Washington Post* editorial of November 15, as well as a letter from Representative Frank Wolf (R-VA) to Securities and Exchange Commission Chairman Arthur Levitt regarding the CNPC plan to list on the New York Stock Exchange. We also enclose a recent *Wall Street Journal Asia* article which describes CNPC's efforts to restructure its prospective listing and enter the U.S. markets through a newly created holding company, "Petro China," and to conduct an Initial Public Offering for this new entity in the range of \$5-\$10 billion. We write to urge you in the strongest terms to divest any Talisman holdings you may have and, should it become available, to avoid any purchase of "Petro China" stock. In our view, to do otherwise would cause your Pension Fund to help underwrite the world's most egregious practitioner of terrorism, deliberate starvation, religious persecution, slavery and literal genocide. CNPC and its U.S. investment bank reportedly intend to represent to prospective investors that all IPO proceeds raised by Petro China will be directed solely toward its energy development operations in China. Nevertheless, the fungibility of money and the scale of CNPC's activities in Sudan thoroughly undermine the credibility of this restructuring effort.

It is significant that the value of Talisman shares have fallen by more than 20% during the past few months in the face of an active disinvestment campaign supported by many of the signatories of the December 9 letter, and following media reports on Talisman's involvement in Sudan. We believe that investors who have recently sold their Talisman shares have prudently understood that the company's intransigent support of the regime has put its operations in Sudan at high risk of immediate military reprisal and of ultimate expropriation when, as is inevitable, the present regime falls.

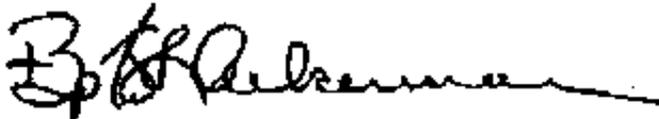
In addition to the concerns raised with respect to CNPC's current financial condition in two *Financial Times* articles of 23 December (see the attached), it is also likely that Petro China will face a divestment campaign similar to the one directed against Talisman if this holding company, or CNPC itself, proceeds with its multi-billion dollar IPO.

In sum, we are as determined to end the genocide in Sudan as were those who ended apartheid in South Africa, and we are thus determined that Talisman and CNPC, or a related holding company, must be held financially, legally and morally accountable for their present relations with, and support of, the regime in Sudan. We reiterate that the actions we urge you to take are based on our conviction that any direct or indirect material support for the Khartoum regime, particularly in the

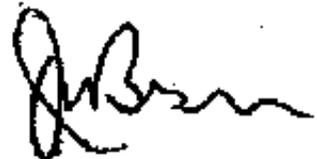
form of new oil revenues, will result in the perpetuation of a civil war that has already claimed the lives of more than two million Sudanese Christians and traditional African believers, and has displaced at least five million more from their homes and land.

We urge you to act on this basic principle.

Respectfully,



The Rt. Reverend Keith L. Ackerman
Bishop
Episcopal Diocese of Quincy



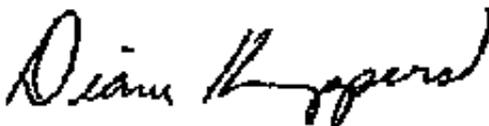
Commissioner John Busby
National Commander
The Salvation Army



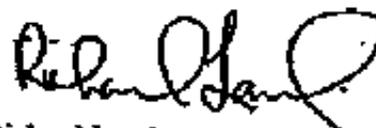
Charles W. Colson
Founder
Prison Fellowship Ministries



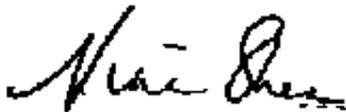
Rabbi Irving Greenberg
President
Jewish Life Network



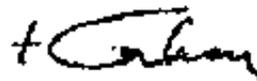
Diane L. Knippers
President
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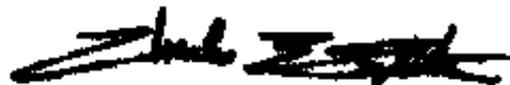
Richard Land
President, Ethics & Religious Liberty
Commission, Southern Baptist Convention



Nina Shea
Director
Center for Religious Freedom
Commissioner, U.S. Commission
On International Religious Freedom



His Excellency, Bishop Paride Taban
Catholic Diocese of Torit
Eastern Equatoria, Sudan



The Reverend Chuck Singleton
Senior Pastor, Loveland Church
Rancho Cucamonga, California