

La'o Hamutuk

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11 November 2009

To: Her Excellency Emilia Pires
Minister of Finance, RDTL

Dear Excellency,

La'o Hamutuk recently learned of an exchange of letters between yourself and the Investment Advisory Board which is interesting, although the information we have raises as many questions as it answers. We are writing to request some information from regarding an item discussed by the Fund's Investment Advisory Board last 18 September.

In the minutes of that IAB meeting item 4 (excerpted below) discusses a letter from your Excellency asking for advice about a proposal to deposit \$1.2 billion in a "blocked account" at HSBC in connection with Asian Champ Investment, Ltd.

It appears that the IAB did its job well, and unanimously advised you not to make this investment and to follow normal due diligence and planning processes.

Before La'o Hamutuk publishes or circulates anything on this topic, we would like to have complete and accurate information. Could you please provide copies of your letter to the IAB and the Board's response, the proposal from Asian Champ Investment and any other relevant material or information?

Also, if can answer any of these questions, we'd appreciate it.

- Did you accept the IAB's advice?
- What does "blocked account" mean in this context?
- Is the Asian Champ investment proposal still under consideration?
- Can you provide information about "Asian Champ Investment Ltd," (which appears not to have a presence on the internet unless it is under the name Champ Private Equity) and their connection with the Tasi Tolu hotel project?
- Has the Ministry received similar proposals for investment of Petroleum Fund money, and how have you responded to them?

Thanks very much. If you'd prefer to discuss these questions in person rather than by email or letter, we'd be happy to meet with you.

Sincerely,

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La'o Hamutuk Natural Resources Team

Charles Scheiner

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