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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

ALEXIS HOLYWEEK SAREI, et al.,

Plaintiffs,

Defendants.

No. 00-11695 MMM AIJx

DECLARATION OF SIR MICHAEL SOMARE, FORMER PRIME MINISTER OF PAPUA NEW GUINEA

I, Sir Michael Somare, hereby declare as follows:

My Background and Experience

- 1. I am the former Prime Minister of Papua New Guinea I am over the age of twenty-one and have personal knowledge of and am competent to testify to the matters stated below.
- I was the first Prime Minister of PNG and served in that capacity from September 16, 1975 to March 11, 1980, and again from

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August 2, 1982 to November 21, 1985. Prior to becoming the first

Prime Minister of PNG, I have served as a member of Parliament from

Government which was then under Australian adminstration; In 1999 I was appointed as minister responsible for Foreign Affairs and Bougainville, during that time I was also Minister for Mines.

The Relationship Between BCL and the Government of PNG

- 5. Through BCL, Rio Tinto exerted and exercised significant control over the government's actions on Bougainville.
- 6. PNG was BCL's minority partner at the Panguna mine. As the minority partner, the government took direction from BCL. The government coordinated with BCL (i.e., Rio Tinto) on all activities related to Bougainville, the mine and the government's efforts to reopen the mine. This was the way business at the mine was conducted; BCL gave the orders and the government executed them with the company's assistance and cooperation.
- 7. As BCL's partner at the Panguna mine, one of the PNG government's primary responsibilities was maintaining the security to ensure the continued operation of the mine. Strong security measures were needed in light on the local and long-standing opposition to the mine.
- 8. The mining operations at Panguna were a critical part of the PNG government's commercial endeavors. PNG was BCL's minority

partner at the Panguna mine, and whenever government action was called for on Bougainville, BCL was the one that requested it.

- 9. None of the actions taken by the PNG government concerning the allegations in this litigation were taken for any purpose other than as part of a private, profit-making commercial enterprise. More specifically, the actions taken by PNG to reopen the mine were not done for any public benefit, except derivatively as the money the government made in its joint venture with BCL would trickle down to benefit the PNG citizenry.
- 10. Rio Tinto understood that its instructions to the PNG government concerning or affecting the mine would be followed, as that had always been the case when it came to matters involving the Panguna mine.
- 11. Furthermore, because of the economic needs of the government, BCL knew the PNG government would take strong action to reopen the Panguna mine. In fact, after the mine was shut down, BCL pressured the PNG government to ensure that the government would do everything in its power to reopen the mine by threatening to pull all of its investments out of the country entirely. At the time, and throughout the 1980s and 1990s, Rio Tinto was investing heavily in PNG, in exploration, reinvestments in Panguna, the planned "Hidden Valley" project and the gold mine on Lihir Island. Rio Tinto's continued investment in PNG was vital to the government: the continued viability of the government, and derivatively the welfare of PNG citizens, was dependent on revenue from the Panguna mine.
- 12. In order to prevent Rio from abandoning all of its investments in PNG, the government complied with Rio Tinto's

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demands. These demands included, as the plaintiffs' complaint alleges, the demand that the medical blockade continue until the government had "starved the bastards out" and the mine was Had BCL not directed PNG to initiate the blockade and continue it, the blockade would not have occurred, or last for the many years that it did.

In sum, because of Rio Tinto's financial influence in PNG, the company controlled the government. The government of PNG followed Rio Tinto's instructions and carried out its requests. The actions taken by PNG in an effort to reopen the Panguna mine and suppress the local rebellion are examples of where PNG followed Rio Tinto's instructions. The actions taken by PNG were done to further a private commercial enterprise so that BCL and PNG could continue to reap the large profits from their joint business venture.

BCL's Was Involved in the Atrocities

- 14. BCL was also directly involved in the military operations on Bougainville, and it played an active role. BCL supplied helicopters, which were used as gun ships, the pilots, troop transportation, fuel, and troop barracks.
- 15. BCL's involvement in the atrocities alleged in this litigation was much more than direct participation. BCL; the mine and the large profits its operation generated, were the reason for the actions.
- Even before the bloodshed began, BCL knew bloodshed was likely to occur because it instructed the government of PNG to reopen the mine "by whatever means necessary." It was thus my understanding (and the common understanding) that BCL supported and

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ordered PNG's military involvement, including the inception and continuation of the blockade, to achieve the desired result of reopening the mine and restarting this highly profitable commercial venture.

- Over the years, I had several meetings with BCL officials about Bougainville and the Panguna mine. At one meeting between a senior representative from Rio Tinto, BCL's manager, myself and others, we discussed the killings and injuries that had occurred in the fighting to reopen the Panguna mine. During the course of the discussions, the representative from Rio Tinto instructed us as the government of PNG to continue the blockade and fight Bougainvilleans until the mine was reopened.
- Ultimately, it is my opinion that absent Rio Tinto's mining activity on Bougainville or its insistence that the Panguna mine be reopened, the government would not have engaged in hostilities or taken military action on the island. Although there is a historic tension between Bougainvilleans and the government of PNG, the tension would never have lead to 4 civil war without Rio Tinto and its command that the government take all necessary action to reopen the mine.

The Peace Process and this Litigation

As the Court is aware, a peace agreement has been 19. reached over the Bougainville conflict. Negotiations between representatives of the PNG government and the people of Bougainville began in earnest in July 1997, and concluded with the signing of the Bougainville Peace Agreement at Arawa, Bougainville on August 30, 2001. These negotiations were not affected (and have never been affected) by the existence of the litigation before this

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Court, which was brought by residents of Bougainville against Rio Tinto and its affiliate in September 2000. At no time did Rio Tinto or its affiliates participate in the negotiations. Further, Rio Tinto and its affiliates have not been an active participant in the negotiations and, to my knowledge, they have no legal interest in the subjects negotiated. To be sure, Rio Tinto and its officers (just as all people who conduct business on Bougainville) will benefit from the peace agreement, including they might receive amnesty from criminal prosecution under PNG's criminal laws for their participation in the atrocities. However, no provision in the peace agreement addresses or resolves any civil liability or international law claim, which I understand are the issues in this litigation.

agreement will not be affected by this litigation. The steps that remain for implementation of the Peace Agreement involve changes to the PNG Constitution, which will provide for a referendum on Bougainville Independence in 10-15 years time; the disposal of weapons, and taking necessary steps for the establishment of certain autonomous political structures between now and the referendum. These are steps that will occur at political levels and involve marshalling public support for the Peace Agreement. Rio Tinto and its affiliates will not be involved in these activities, and such activities will not be affected by the continuation of this litigation.

I was recently made aware of the PNG government's representations to the US State Department about this 'litigation. I

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find these representations offensive and inaccurate. I believe that these recent turn of events would not have taken place without Rio Tinto's application of some influence upon government representatives. I form this view given the experience I have had with Rio Tinto and BCL's representatives in the past, in addition, I have been reliably informed that Rio Tinto did send their representatives to make representations at the highest political and administrative levels.

I, Sir Michael Somare, declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

DATED: November 23, 2001, and signed at Wargaui.

SIR MICHAEL SOMARE

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