

Mr. Philippe Maystadt
President and Chairman of the Board
European Investment Bank
100 boulevard Konrad Adenauer
L-2950 Luxembourg

3rd December 2003

Dear Sir,

I am writing with grave concern about the €60 million loan requested from the EIB for the Sepon Copper Project by Oxiana Limited in Lao PDR. I understand that the EIB Board will soon be deciding whether to approve this loan. I am writing to you to place my strong objection to this mining project. I trust that you will consider my concerns when you make your decision on this potential investment. This project will not meet its objectives and will actually result in economic, environmental and social losses for the people of Laos. Specifically the mine will:

- Not leave to poverty alleviation as nearly all profits will flow out of Laos to investors in rich countries.
- Contravene World Bank guidelines on mining particularly through pollution of rivers.
- Exclude participation of local people in project development.
- Destroy sacred ancestral lands of Indigenous People.
- Threaten endangered aquatic species such as three fish and one turtle species in the Nam Kok River.
- Deprive the local population of essential food and livelihood sources through pollution and destruction of local streams and rivers.
- Not have any comprehensive post mine closure programme, essential to ensuring that toxic waste does not leak out in future.
- Destroy hundreds of hectares of tropical forest and threaten important rainforest National Biodiversity Conservation Areas.
- Cause increased risks to mine workers and local people from unexploded bombs left over from the Vietnam War.

According to the environmental policy of the EIB:

'Where the environment is concerned the EIBs objectives are to preserve, protect and improve the quality of the environment, protect human health, ensure prudent and rational utilisation of natural resources and to promote measures at an international level to deal with regional or world-wide environmental problems'.

In view of the clear evidence that the Sepon Copper Project will meet none of these criteria and are set to make many of them far worse I trust that you will take seriously the commitments that the EIB has undertaken for its own operations.

The EIB environmental policy goes on to say that:

'In financing any investment, the EIB applies the core environmental management principles of 'prevention' precaution, and the 'polluter pays' as called for in EU policy'.

Given the high social and environmental risks at stake in this project I consider that if the EIB is to adhere to its own policies then it should employ the precautionary principle by not investing in this project.

I look forward to your response.
Yours sincerely,