





Press Release March 26, 2022

Civil society groups reiterate call on Japanese investors in Myanmar's Yetagun gas project to responsibly disengage

On March 25, it was <u>reported</u> in the media that ENEOS Holdings decided to disengage from the Yetagun gas project in Myanmar. The Japanese government (Ministry of Economy, Trade and Industry) is also <u>reportedly</u> planning a withdrawal. This follows <u>media reports</u> in February that Mitsubishi Corporation decided to leave the project. Though much too late, it is a measure of progress that the Japanese investors are moving toward disengaging from this problematic project. However, Mekong Watch, Friends of the Earth (FoE) Japan, and Justice for Myanmar (JFM) remain concerned whether the disengagement will be conducted in a responsible manner.

Mekong Watch, FoE Japan and Justice For Myanmar, again strongly urge the Japanese government, ENEOS (through its subsidiary JX Nippon Oil & Gas Exploration), and Mitsubishi Corporation to responsibly disengage from the project, after appropriate steps are taken to close the field, which is predicted to be near depletion. That would ensure future revenues do not flow to the Myanmar military, and that continued human rights and environmental impacts are avoided.

Japan's government and corporations have been deeply involved in the Yetagun field which began production in 2000, and have been complicit in the project's severe human rights impacts. JX Nippon Oil & Gas Exploration (a wholly-owned subsidiary of ENEOS) and its predecessor acquired rights to three offshore blocks in 1991-92 and developed the Yetagun field. Litigation documents and reports by NGOs have shown that in the late 90s, in order to "secure" the pipeline corridor to transport gas from the fields to Thailand, the Myanmar military was deployed along the pipeline route and subjected local ethnic communities to forced relocation, forced labor, looting, rape, and extrajudicial killings.

The Yetagun project is currently operated by a consortium led by Malaysian state-owned Petronas Carigali, Thailand's PTTEP, Japan's Nippon Oil Exploration (Myanmar), with the military-controlled Myanma Oil and Gas Enterprise (MOGE). Nippon Oil Exploration (Myanmar) in turn is jointly held by the Government of Japan through the Minister of Economy, Trade and Industry (50%), JX Nippon Oil & Gas Exploration (40%), and Mitsubishi Corporation (10%, acquired in 2013).

Revenues from gas fields developed since 2000 have generated significant income for the Myanmar military. Since the attempted coup d'etat in 2021, we have consistently maintained that doing business with the military-controlled MOGE finances the military. Mekong Watch, FoE Japan and Justice For Myanmar have been requesting the Japanese stakeholders including ENEOS to ensure that revenue from the project will not flow to the military, and to disclose the payments they have made or plan to make in connection with the project. However, none of the Japanese investors have taken specific measures or disclosed any information about payments.







In December, <u>leaked documents</u> published by Justice For Myanmar showed that the illegitimate junta leadership expressed strong interest in payments from the Yetagun project owed to MOGE.

While under control of the illegal military junta, MOGE cannot take appropriate measures towards closing the gas field in an environmentally responsible way, which is likely to be costly. The Japanese investors have profited from this project, and should fulfill their responsibilities in cooperation with other project partners until the gas field is responsibly closed.

We will continue to closely monitor the project until responsible disengagement is complete.

Yuka Kiguchi, Director of Mekong Watch, stated, "The Yetagun project has generated significant revenue for the Myanmar military for most of its production period. ENEOS must take responsibility for having benefited the military through payments to MOGE, but this cannot be done by simply withdrawing from the project. ENEOS must disengage with consideration for human rights and the environment based on the ENEOS Group Human Rights Policy."

Yadanar Maung, Justice For Myanmar spokesperson, commented, "We cautiously welcome ENEOS' and the Government of Japan's decision to withdraw and call on them to exit responsibly, ensuring that the illegal junta does not profit from their divestment. In the process of withdrawal, ENEOS and the Government of Japan must engage with the National Unity Government, which is the legitimate government of Myanmar, and stop treating the illegal junta as a government. The junta is a terrorist organistion that uses gas revenues to commit atrocity crimes with total impunity."

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