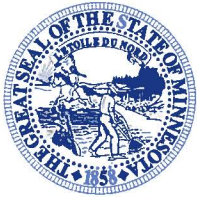


**MINNESOTA  
STATE  
BOARD OF  
INVESTMENT**



**Board Members:**

Governor  
Mark Dayton

State Auditor  
Rebecca Otto

Secretary of State  
Mark Ritchie

Attorney General  
Lori Swanson

**Executive Director:**

Howard J. Bicker

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[www.sbi.state.mn.us](http://www.sbi.state.mn.us)

*An Equal Opportunity  
Employer*

DATE: January 31, 2012

TO: Senator Mike Parry, Chair, Senate Committee on  
State Government Innovation and Veterans  
Senator Charles W. Wiger, Senate Committee on State  
Government Innovation and Veterans

Senator Claire Robling  
Chair, Senate Committee on Finance  
Senator Richard J. Cohen, Senate Committee on Finance

Representative Joyce Peppin, Chair, House Committee on  
Government Operations and Elections  
Representative Michael V. Nelson, House Committee on  
Government Operations and Elections

Representative Mary Liz Holberg, Chair, House Committee  
on Ways and Means  
Representative Lyndon Carlson, Sr., House Committee  
on Way and Means

Representative Morrie Lanning, Chair, House Committee  
on State Government Finance  
Representative Phyllis Kahn, House Committee on State  
Government Finance

FROM: Howard Bicker, Executive Director 

**SUBJECT: Report on Sudan Required by *Minnesota Statutes*, Section 11A.243.**

*Minnesota Statutes*, Section 11A.243 requires the State Board of Investment (SBI) to submit a report to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment concerning the SBI's identification of, communication with, and discontinuance of investment in certain companies with operations in Sudan.

Section 11A.243, subdivision 8, specifies that the SBI include in the report:

1. a summary of correspondence with companies;
2. a list of all investments divested;
3. a list of prohibited investments;
4. a description of any progress in having investment management firms create investment funds that exclude Sudan companies.

As provided for in Section 11A.243, subdivision 2, the SBI relies on publicly available information provided by the Conflict Risk Network (CRN) regarding companies with business operations in Sudan.

SBI divested 3,232,900 shares of three companies in 2011. One of the companies, JX Holdings, was removed from the restricted list and divestment list late in the year. SBI managers may purchase shares in the company in the future.

SBI sent letters to six companies in 2011 as required by the law. Attached are responses from the three companies that responded. Three of the six were removed from the restricted list after the letters were sent to them. At the end of 2011, SBI managers held no shares of companies on the restricted list.

Attachment 1 displays the current list of restricted stocks sent to SBI equity managers. The managers are explicitly instructed to refrain from purchasing shares in the stocks of companies on this list.

Enclosures

## ATTACHMENT 1

### **Restricted Sudan Stocks**

<b>Company Name</b>	<b>Country of Origin</b>
AviChina Industry & Technology Company Limited	China
China Gezhouba Group Company Limited	China
Daqing Huake Group Company Limited	China
Dongfeng Motor Group Company Limited	China
Hafei Aviation Industry Company	China
Harbin Dongan Auto Engine Company	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Jinan Diesel Company Limited	China
PetroChina	China
Sinopec Corporation AKA China Petroleum and Chemical Corporation	China
Sinopec Shanghai Petrochemical Company Limited	China
Sinopec Yizheng Chemical Fibre Company Limited	China
Wuhan Boiler Company.	China
China North Industries Group Corporation AKA CNGC/Norinco	China
Norinco International Cooperation Limited	China
Sichuan Nitrocell Company Limited	China
China North Optical-Electrical Technology Company Limited	China
AKM Industrial Company Limited	China
Sinopec Kanton Holdings Limited	Hong Kong
Kunlun Energy Company Limited	Hong Kong
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Indian Oil Corporation Ltd. AKA IOCL	India
Lanka IOC Limited	India
Mangalore Refinery and Petrochemical Limited	India
Mercator Lines	India
Oil and Natural Gas Company AKA ONGC	India
Alstom Projects India Limited	India
Oil India Limited	India
Egypt Kuwaiti Holding Company	Egypt
Kingdream PLC	Egypt/China
AREF Energy Holding Company	Kuwait
ONA S.A.	Morocco
Managem	Morocco
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Petronas Gas Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia
Petronas Chemicals Group Berhad	Malaysia

**ATTACHMENT 1**

**Restricted Sudan Stocks**

<b>Company Name</b>	<b>Country of Origin</b>
Ranhill Berhad	Malaysia
Scomi Group Berhad	Malaysia
Scomi Engineering Berhad	Malaysia
Electricity Generating PCL AKA EGCO	Thailand
Mercator Lines Singapore	Singapore
Alstom	France
KEPCO Plant Service & Engineering Company Limited	South Korea
LS Industrial Systems	South Korea
Nuinsco Resources Limited	Canada

Note: List contains parent companies and subsidiaries publicly traded.  
AKA means "Also Known As"

Source: Genocide Intervention Network

SBI Effective Date:

December 13, 2011

**CONFIDENTIAL**

Mr. James E. Heidelberg  
Manager, Public Programs  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
St. Paul, MN 55103-3555

Baar, October 27, 2011

Dear Mr. Heidelberg,

**Operations in Sudan**

I refer to the letter dated August 9<sup>th</sup> 2011 from Mr. Bicker addressed to our CEO. I have been asked to reply on behalf of the Company. I apologise for the delay in replying.

Our group is committed to good business conduct which includes compliance with all laws applicable to Glencore.

We note your organisation's commitment to policies seeking the taking of steps beyond the scope of international sanctions. However, in all the circumstances, including our compliance with all applicable laws (including relevant sanctions) we do not feel that it is appropriate for us to agree to your request.

Please note that this letter is provided to you for your internal purposes only and that its contents must not be under any circumstances disclosed to any other party whatsoever. This letter is not to be copied, reproduced or distributed to any other person without our prior written consent.

Yours sincerely,

  
John Burton  
Company Secretary

**GLENCORE**  
INTERNATIONAL PLC



KUNLUN ENERGY COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

昆侖能源有限公司

39/F 118 Connaught Road West Hong Kong

香港干諾道西118號39樓

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Fax 傳真: (852) 2868 1741 E-mail 電子郵件: [info@kunlun.com.hk](mailto:info@kunlun.com.hk)

09 June 2011

Minnesota State Board of Investment  
60 Empire Drive  
Suit 355  
St. Paul, MN 55103  
Attn: Howard Bicker –Executive Director

Dear Mr. Bicker,

We refer to your letter dated 4 April 2011 and declare that Kunlun Energy Company Limited and all of its subsidiaries have not carried out any business or joint venture in Sudan.

Thank you for your interest and concern in our company.

Yours sincerely,

For and on behalf of  
Kunlun Energy Company Limited

Zhang Bowen  
Chief Executive Officer



ทะเบียนการค้า / Registration No. 0107535000206  
บริษัท ปตท.สำรวจและผลิตปิโตรเลียม จำกัด (มหาชน)  
PTT Exploration and Production Public Company Limited  
A Company of PTT Group

PTTEP No. 910/L.006/2011

Finance Dept.

Tel.0-2537-4675, 0-2537-4611

February 11, 2011

James E. Heidelberg  
Manager, Public Programs  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
St.Paul, MN 55103-3555

Dear Sir,

Subject: No business operations in Sudan or Iran

Reference is made to your letter dated January 26, 2011, concerning business operations of PTT Exploration and Production Plc. or PTTEP in Sudan.

This letter is to inform you that PTTEP doesn't have any business operations in Sudan.

In addition, referring to your previous letter dated April 30, 2010, concerning PTTEP's operations in Iran. And the company already responded that PTTEP Iran Company Limited, a subsidiary of PTTEP, was an operator with 100% interest in an Iranian exploration field called Saveh Block. An exploration well was drilled and due to technical justifications and safety concerns, the well was written off in 2009.

At this time, please be informed that the company has officially relinquished the exploration field, Saveh Block, since October, 2010, with no further investment.

Should you have any additional queries, please do not hesitate to contact us.

Yours sincerely,

Chanamas Sasnanand  
Vice President, Finance Department