



global witness

Cheryl Yong
Head, Corporate Communications
Samling Global Limited
Room 2205, 22nd Floor, Harbour Centre
Wanchai, Hong Kong

19 August 2009

Dear Ms Yong

**RE: LIBERIA POISED TO HAND FORESTS TO TIMBER PIRATES,
GLOBAL WITNESS WARNS**

Thank you for your letter of 14 August regarding our statements on Samling's links with timber companies in Liberia and its international reputation.

I am writing to inform you that we stand by the statements that we have made. Firstly, our research does indeed show that Samling is linked to Alpha Logging, Atlantic Resources and Southeast Resources. In particular, we note the following:

- Southeast Resources is 60% owned by Woodman, a firm in which Samling Strategic Corporation acquired a 50% stake.
- Woodman also owns 60% of Alpha. An invoice issued by the official timber chain of custody monitor SGS to Alpha is addressed to a company owner with a Samling e-mail address: handc@samling.com.my.
- Atlantic Resources is linked to Samling via Perkapalan Damai Timar (PDT). PDT holds a 60% stake in Atlantic and a 5% stake in Samling Global. It has a series of interconnected relationships with other members of the Samling group of companies.
- According to official documents seen by Global Witness, Samling Global is providing the money to support PDT's funding of Atlantic Resources and the CEO of Samling Global is a director of both PDT and Woodman.

For further details on the findings of our research into these connections, please refer to our memorandum: 'Background investigations into companies bidding for Liberian forest management contracts', which can be downloaded from http://www.globalwitness.org/media_library_get.php/936/1250614488/global_witness_background_investigations_into_forest_management_contracts_15_july_2009.pdf.

We note that in your letter you do not appear to deny that Samling is connected to these three companies. We are also aware that, in a joint statement released on their behalf by a media consultant on 20 July, Alpha Logging, Atlantic Resources and Southeast Resources assert that: '*Woodman and PDT... are two separate companies*

from Malaysia, and both own 60% each of Southeast and Atlantic Resources Limited respectively. Further, PDT has 5% share in Samling Global which has agreed to provide US\$60m to Atlantic Resources Limited through PDT for logging activities in Liberia.'

Secondly, we stand by our assertion that Samling has achieved international notoriety as a result of its logging operations in a number of different countries. We would like to draw your attention to the following examples:

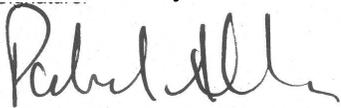
- Global Witness found Samling illegally sourcing timber from a Cambodian wildlife sanctuary in the 1990s. The Cambodian government, meanwhile, accused Samling of illegal logging on four different counts.
- In Guyana in 2007, Samling's subsidiary Barama was stripped of its Forest Stewardship Council certificate after an auditor found it logging without the consent of the indigenous people who owned the land. In the same year, the President of Guyana publicly accused Barama of conspiring with corrupt officials to defraud the government.
- In Malaysia, Samling is at the centre of a long-running and bitter conflict with indigenous minority groups who claim that the company is abusing their rights and destroying their livelihoods.
- In Papua New Guinea, a company controlled by Samling called Concord Pacific stands accused of using a road construction project as the cover for a massive illegal logging operation.

Finally I would like to assure you that Global Witness prides itself on its application of the principles of responsible journalism. In this regard your criticism of our decision to send Samling a 'right to reply' letter on 12 June is entirely misplaced. We contacted you at this early stage (over a month prior to publishing our statements) as part of our internal due diligence process, and in order to offer those named in our publications a fair opportunity to express their views on the matters raised by Global Witness. We make a point of incorporating responses from those we write about in the reports and statements that we publish.

We acknowledged the letter of 30 June that you sent in response and, as you have seen, we quoted it in our statement of 15 July. We note that in this letter you specifically chose not to answer any of our questions regarding the relationships between Samling and Alpha Logging, Atlantic Resources and Southeast Resources. If you wish to send us any information clarifying Samling's relationships with these companies, we would be delighted to publish it on our website.

In the interests of transparency we will be publishing your letter to us and our response on our website, alongside the statements with which you take issue.

Yours sincerely



Patrick Alley
Director