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WTO AN EXAMPLE OF LEGALIZED FRAUD ON VANUATU GOLD THROUGH KUTH GEOTHERMAL ENERGY PROJECT

Apostle Wendy-Myriam HIMFORD, President of CHRISTIAN DEMOCRATIC PARTY, 2012 General Election candidate for Port-Vila Constituency, condemns Vanuatu's membership to World Trade Organization (WTO) by the Kilman-led coalition government and disguised parliamentary opposition led by the Vanuaaku Pati (VP) :

"WTO is a legalized bid on Vanuatu's gold resources onshore and offshore¹. For instance, the current KUTH ENERGY (KEN) geothermal energy project on Efate island where capital Port-Vila is located is likely to be a conspiracy of a legalized and organized fraud to extract and rip off epithermal gold² under the Takara hot springs without regulation, without control and without payment of any royalties or profit sharing to the government of Vanuatu, Shefa province and customs owners."



KUTH ENERGY listed in Australian Securities Exchange (ASX) in September 2007 raised AUD 7.5 million. At 30 June 2009, KUTH had AUD 2.0 million in cash and was granted AUD 1 million by the Australian government AusAID/REDI programme to develop a "charitable 5MW Geothermal Power Plant in Vanuatu" worth USD 14,700,000 (1.4 billion VUV, around 10% of 2012 Vanuatu government Revenue Budget) of total investment³ to officially produce low cost electricity from hot springs reservoir to rural communities along the north west coast of Efate.

I – VP 1987 GEOTHERMAL ENERGY ACT CAP 197 TO RIP OFF EPITHERMAL GOLD

The truth is that the World Bank claims to be a development partner by playing the role of paternalistic regulator for strategic sectors such as energy, water and telecommunications when its aim is to make all "climate change projects" bankable for the interests of mining multinationals controlling WTO.

¹ Daily Post Friday January 6 2012 Article "Opposition MP calls on gov't to reconsider its position on WTO"

² MP Paul TELUKLUK stating that many deposits of natural resources have been discovered since 1995 Vanuatu Exploration Initiative funded by AusAID.

³ United Nations Environment Program - Climate Change Finance

Many UN and regional institutions such as SOPAC, SPREP and UNEP have contributed to the pre-exploration feasibility study of the emerging Green Energy Market of Forum Pacific Island Countries under the climate change program. UNEP for instance funded a USD 37,000 advisory support to Takara 5MW geothermal plant and provided third party expertise to the Vanuatu government to prepare for negotiations and the tendering process that has never been processed by eliminating competition barriers distorting national laws.

2011 World Bank Energy Review covers KUTH geothermal project under the “energy mix” legally binded in paragraph 46 of Johannesburg Plan of Implementation mandated by 2002 UN World Summit on Sustainable Development which is specific to mining and minerals industry development.

As soon as Steven KALSAKAU, minister for lands, natural resources and renewable energy, extended the KUTH ENERGY Takara geothermal prospecting licence late November 2011 revising the expiry date from April 1, 2012 to October 1, 2013⁴, it was then a clock-time rush for the government of the Republic of Vanuatu to complete the fraudulent ultrahazardous multi-billion USD deal by becoming member of the neo-liberal and neo-colonial World Trade Organization before the Eighth WTO Ministerial Conference in Geneva (15-17 December 2011).

KUTH is working under the regulatory framework of Vanuaaku Pati 1987 Geothermal Energy Act CAP 197 which regulates the exploitation of geothermal energy and gives the full power to control over all natural reserves of geothermal energy. “Energy means... **energy derived or derivable from within the ground or there under by natural heat**, and includes all steam, water or other fluid and **any mixture of all or any of them that has been heated by such energy**”.

In other words, “epithermal gold” deposited within the ground under natural heat is technically and lawfully classified as “energy mix”. This is how KUTH preaching selling environmental friendly geothermal energy to the poor Least Developed Country of Vanuatu when KUTH is more likely involved in a WTO/WORLD BANK conspiracy to defraud the government and people of Vanuatu by legalizing fraudulent exploration and extraction of epithermal gold and manipulating weak governance through legalized corruption.

II – GEOTHERMAL ENERGY, A HIGH RISK TSUNAMI DISASTER BUSINESS⁵

Australian KUTH geothermal drilling agenda is planned for April 2012 without any Environment Impact Assessment (EIA). The truth is that it is not the duty for the Department of Environment to carry out an EIA⁶ but KUTH ENERGY itself before any drilling operation just like NAUTILUS MINERALS Solwora 1 project in the Bismarck Sea of Papua New Guinea has to provide an EIA then challenged by an independent EIA conducted for Bismarck-Solomon Seas Indigenous Peoples Council protesting against the deep sea mineral project.

Coincidence, negligence or corruption ? The government of Vanuatu has granted Australian KUTH ENERGY Environment Impact Assessment-FREE, Geothermal Drilling Risk Assessment-FREE, Earthquake Risk Assessment-FREE, and even Social and Economic Impact Assessment-FREE when the drilling technology is itself the most dangerous in the mining industry and in particular the Hydraulic

⁴ Vanuatu Daily Post – Friday Nov 25, 2011 “Minister of Lands extends Takara Prospecting Licence” by Len Garae

⁵ RBS MORGANS Ltd – Special Bulletin : geothermal sector dated 10 November 2009

⁶ Vanuatu Daily Post – July 3 2011, “KUTH expect EIA standard at Takara” by Len Garae

Fracturing Drilling technology which engineers earthquakes, earthquake-induced landslides, volcanic eruption and tsunami.

Hydraulic fracturing is a well stimulation process used to maximize the extraction of underground resources – oil, natural gas and geothermal energy. The hydraulic fracturing process includes the acquisition of source water, well construction, well stimulation, and waste disposal⁷. Hydraulic fracturing involves the pressurized injection of fluids commonly made up of water and toxic chemical additives into a geologic formation. The pressure exceeds the rock strength and the fluid opens or enlarges fractures in the rock inducing earthquakes.

Efate located on a high stress seismic volcanic and geotectonic subduction zone with a convergence rate of average 103 mm/yr, best drilling sites always located on favourable underground faults and fractures, **any geothermal drilling would engineer a multi-chain of hazards from a strong onshore earthquake to eventual earthquake-induced submarine landslide with possible volcanic eruption profusing ash all capable of producing a very localized tsunami disaster of a few minutes⁸ killing people, damaging properties including wiping out half of the island of Efate and neighborhood.**

Port-Vila, located on Efate, is now considered the most dangerous capital of the world with 36,000 inhabitants exposed in a tsunami-prone zone. The worst case earthquake might cause losses of AUD 330 million (VUV 33 billion, twice the 2012 Vanuatu budget) damaging 200 buildings in central business district of Port-Vila estimated at AUD 40 million (VUV 4 billion) plus 1,500 buildings in peri-urban coastal settlements with potentially huge human losses.⁹

On top of that, toxic chemicals used during the drilling would simply contaminate the land, the underground water system, drinking water supplies¹⁰, subsistence agriculture, farming, and finally damage public health with a significant increase of non-communicable diseases such as cancer, blood cancer and cardio-vascular strokes to death : a crime against humanity.

The December 2011 parliamentary rush for Vanuatu to become a WTO-member is nothing less but the best USD multi-billion mining public tender deal for free (Zero value) with the best environmental damage liability regime package free (Zero legal and financial obligation) covered in the WTO-General Agreement of Trade in Services (GATS) for the foreign investors.

KUTH could guarantee importation of equipment import-duty free and exportation of gold export-duty free under WTO-General Agreement on Tariffs and Trade (GATT 1994) no matter any weak governance from all levels of authority. **The Forari industrial zone with the construction project of a wharf launched at Eton on Friday 7th January 2012 by Steven Kalsakau, minister for lands, Member of Parliament of Efate rural and Moana Carcasses, minister for finance, Member of Parliament of Port-Vila constituency (both of Green Party) is part of the infrastructure and logistics plan¹¹ of the**

⁷ Definition of US Environmental Protection Agency – Hydraulic Fracturing Research Study

⁸ USA OREGON Department of State Police – Oregon Senate Bill 577 : Uniform Tsunami warning signal

⁹ SOPAC Joint Contribution Report JCR 147 – Catastrophe Insurance Pilot Study, Port-Vila, VANUATU – Dec 2003

¹⁰ US Environmental Protection Agency

¹¹ Vanuatu Daily Post Mon Jan 9, 2012 “Carcasses reiterated ... It will be an important port for foreign going cargo ships to unload and load” by Godwin Ligo

organized and legalized rip off of the epithermal gold classified “energy mix” from a sub-lease 30-hectare land of North Efate transformed into a public land.¹²

Vanuatu being an offshore financial centre established by the British colonial government in 1971, it will be even easier for mining companies to fraud invoices, to cultivate legalized corruption and finally to declare the project not successful and non lucrative.

Selfishness, greed and irresponsibility of a few are just powerful to destroy a nation, her people, land, fauna and environment. **Apostle and Pastor Wendy HIMFORD is calling upon all wise citizens of Vanuatu, businessmen, women and youth to sign “OCCUPY WTO PETITION” to challenge the Bill for the Protocol on the ratification of Vanuatu’s accession to the World Trade Organization unconstitutional before the Supreme Court : “We have no choice but to fight for our constitutional rights for WTO is all about ANTI-Life, ANTI-Environment when God is all about PRO-LIFE, PRO-ENVIRONMENT.”**

Wendy HIMFORD, major with a master degree of International Trade in France, had stopped the accession of Vanuatu to WTO back in 2001 when she was Private Secretary to the deputy Prime minister and minister for trade. An alternative to WTO is the Keynesian Economic Model applied and proved successful from 1947 to 1970 in Europe after World War II. Alike, through Wendy HIMFORD’s 2001-2008 Keynesian economic policy, Vanuatu WTO-FREE achieved the highest economic growth rate of 7.4% of the Pacific region in 2006, an increase of 30% to 40% of the government revenue from 2003 to 2008 (around USD 40 million a year) by the making of a trustworthy investment climate attracting the highest direct foreign investment capital of 70.3 USD million in 2006.

APPENDIX

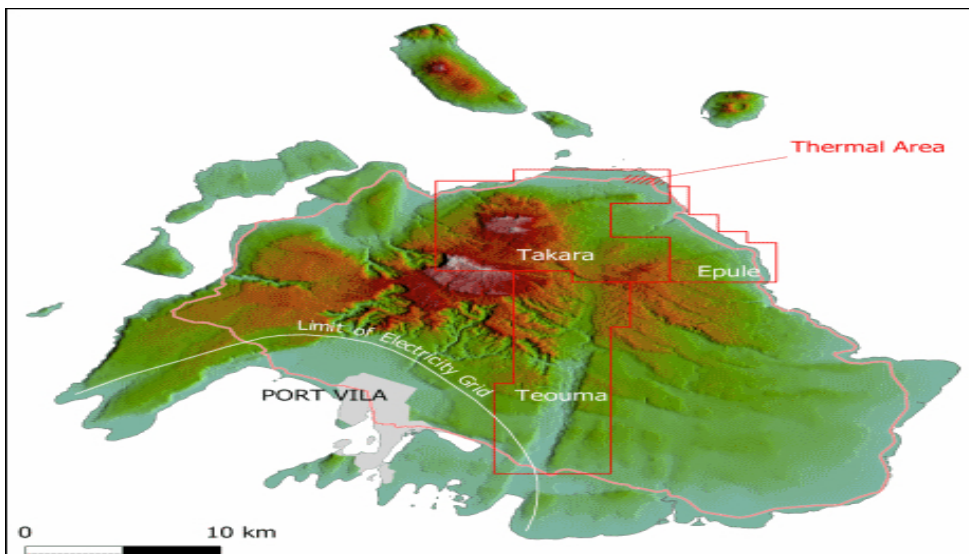


Fig 1 : KUTh ENERGY geothermal tenements in Efate, Vanuatu

¹² The case of Lihir Gold Mine in PNG with Geothermal Energy characteristics (Fig 6 and Fig 7)

Power source	Benefits	Limitations
Wind	Commercially proven Affordable capital cost Flexible in terms of scale	Intermittent energy source Limited number of suitable sites
Solar	Enormous energy source	Huge capital cost Intermittent energy source
Hydro	Commercially proven Suitable for baseload or peaking power	Lacks suitable sites/resource in Australia
Nuclear	Commercially proven Constant baseload or peaking Large uranium resource in Australia	Lacking public/political support High capital cost Produces nuclear waste
Wave	Close to majority of population and transmission infrastructure	Intermittent energy source Not commercially proven
Geothermal	Constant baseload Flexible in terms of scale Potentially large resource in Australia	Not commercially proven in Australia Exploration and drilling risk Distances to transmission an issue

Table 1 : Emissions free energy sources

Source: RBS Morgans

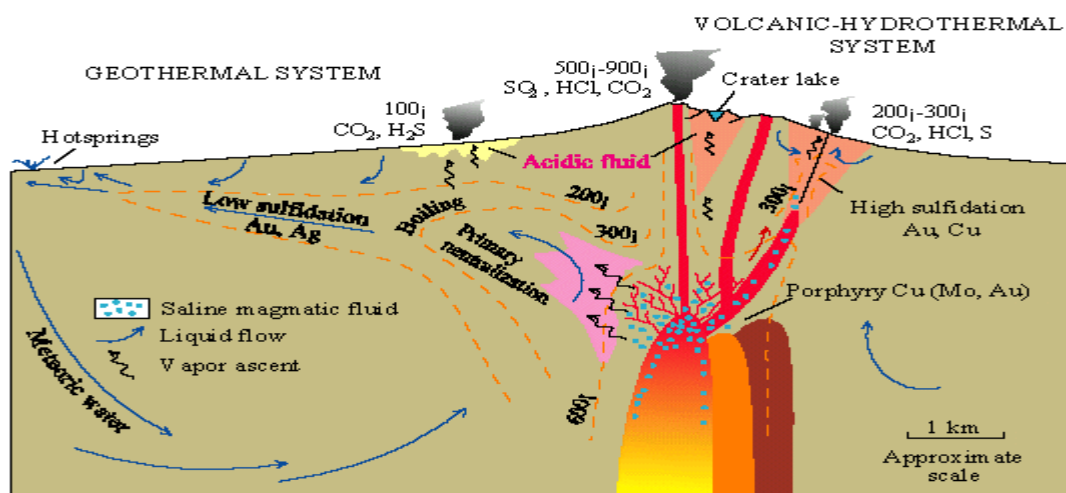


Fig 2 : Schematic cross-section showing shallow sub-volcanic intrusions and associated stratovolcano, and the active hydrothermal environments deduced for formation of high- and low-sulfidation epithermal ore deposits.

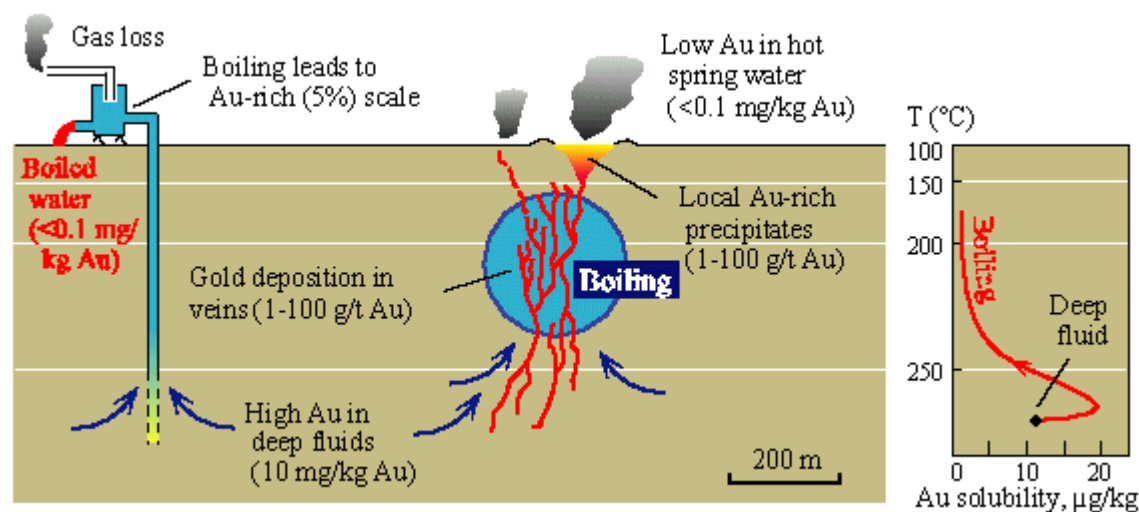


Fig 3 : Gold-rich scale in geothermal pipes indicates that gold concentration in deep waters (prior to boiling and gas loss) is about 10 mg/kg. In contrast, hot spring waters contain <0.1 mg/kg Au; thus, gold precipitates during ascent and boiling, potentially forming a LS epithermal gold deposit.

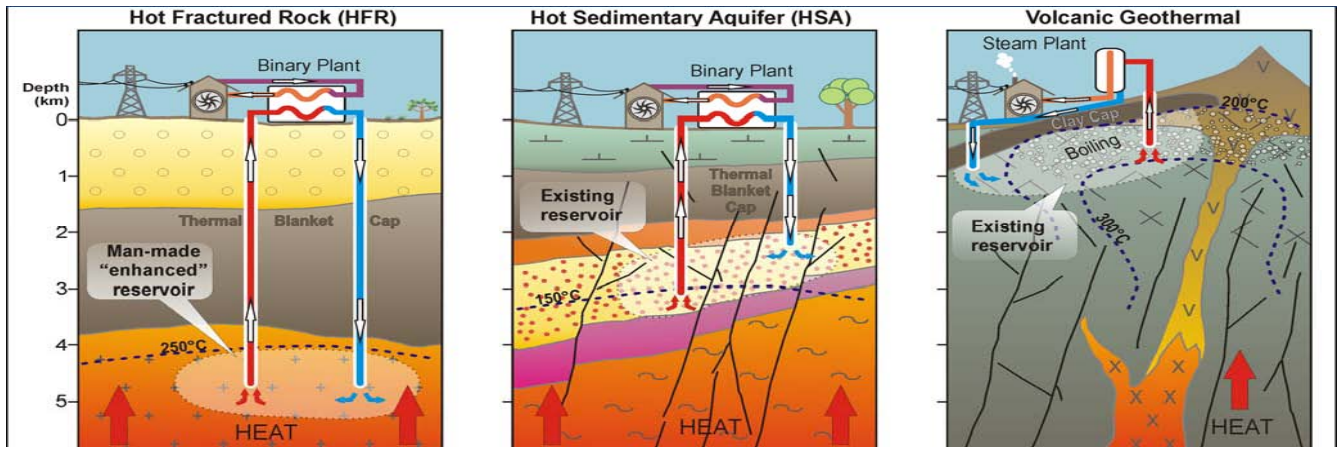


Fig 4 : The different geothermal system

Source : Hot Rock Ltd

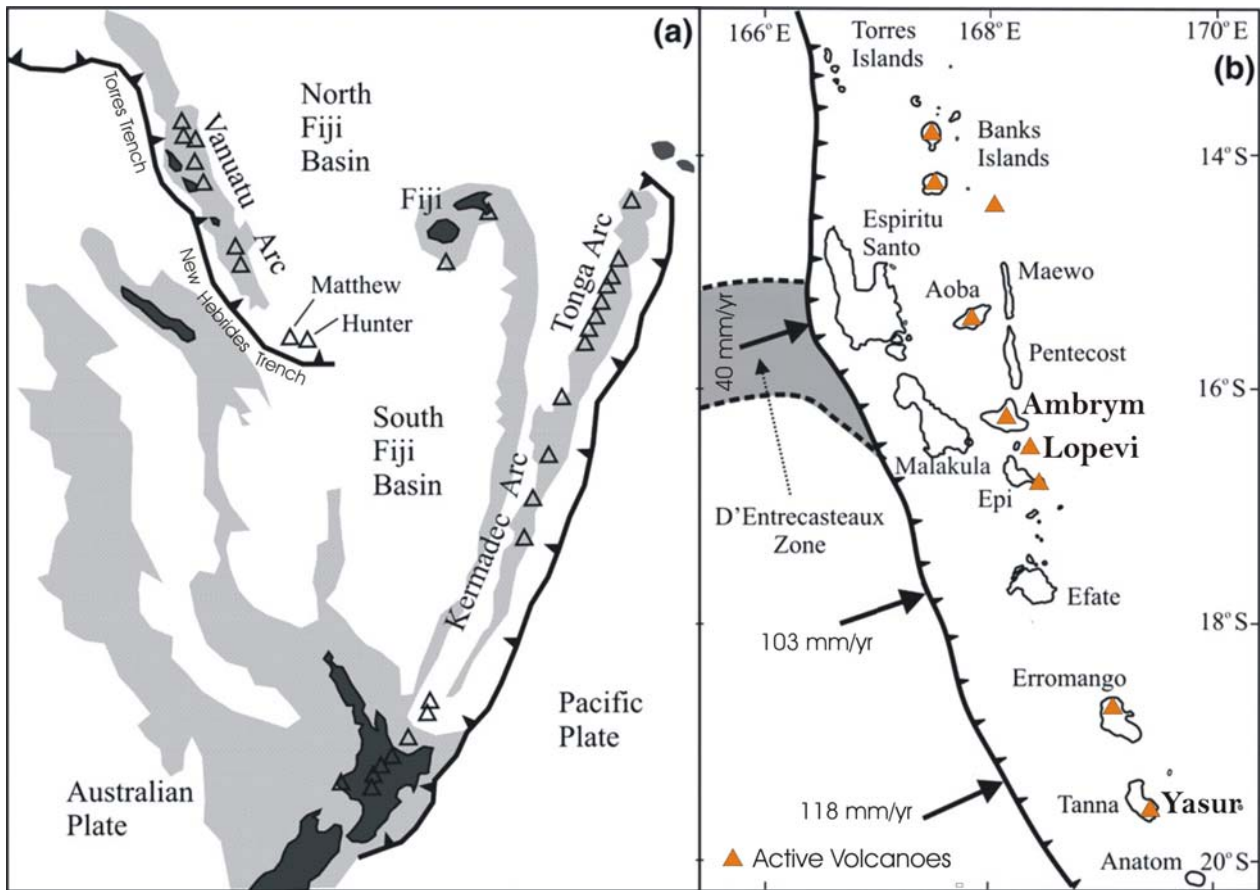


Fig 5:

- a) Location of the Vanuatu arc and New Hebrides trench in the southwest Pacific Ocean (modified from Handley et al. (2008) .
- b) Location of active volcanoes along the Vanuatu arc (excludes submarine occurrences), after Olson (1987). Subduction of the Australian plate slows to the north as the D'Entrecasteaux zone is approached.

The Case of Lihir Gold Mine in PNG with Geothermal Energy characteristics

Lihir Island is located in Papua New Guinea's (PNG) New Ireland Province, about 700 km northeast of Port Moresby



Fig 6 : The extent of the Lihir mine site on the north end of Lihir Island. (Source: Lihir mine brochure)



Fig 7 : Dumping of waste rock at sea

The processing of 104 million tons of proved and probable ore reserves against 341 million tons of waste rock. While some rock will be used to extend the land area near Luise Caldera, most material will be disposed of in the ocean about 1 km from the shoreline. Four barges operate 24 hours a day and dump between 1,400 and 4,600 tons of waste rock per hour (Shearman 2001) outside the harbor.