

CONTROLLER STEVE WESTLY

STATE OF CALIFORNIA

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.controller.ca.gov

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CONTACT: RUSS LOPEZ

916-445-2636

Controller Westly Opposes CNOOC/Unocal Merger

SACRAMENTO - State Controller Steve Westly today announced that he opposes a merger between California-based Unocal and the China National Offshore Oil Company (CNOOC). He announced his opposition in [letters](#) to CalPERS President Rob Feckner and CalSTRS Chairwoman Carolyn Widener.

“I am opposed to CNOOC’s bid to acquire Unocal,” Westly said. “This proposed merger raises legitimate concerns that oil will be diverted away from this country to meet the needs of China’s economy.”

Controller Westly is a trustee of both CalPERS and CalSTRS. CalPERS owns 1,236,930 shares of Unocal valued at more than \$80.4 million. CalSTRS owns 886,639 shares of Unocal with a market value of more than \$50.5 million.

Controller Westly requested that the CalPERS and CalSTRS boards to send a letter to the Unocal Board of Directors outlining his concerns. If the Unocal board agrees to CNOOC’s bid, Westly urged CalPERS and CalSTRS to vote against the merger.

In addition to expressing concern that a CNOOC takeover of Unocal could affect national security, Westly also cited CNOOC’s business practices as a reason to oppose the proposed acquisition.

“We have a responsibility to ensure the highest standards of corporate governance and responsibility,” said Westly. “The Chinese government, which owns 70% of CNOOC, procures oil from Sudan. That’s not the way we want our companies to do business.”

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