

**Press review:  
Mining in the South Pacific**

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**Abbreviations in common use:**

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

**Websites:**

Radio New Zealand: <http://www.radionz.co.nz/international>

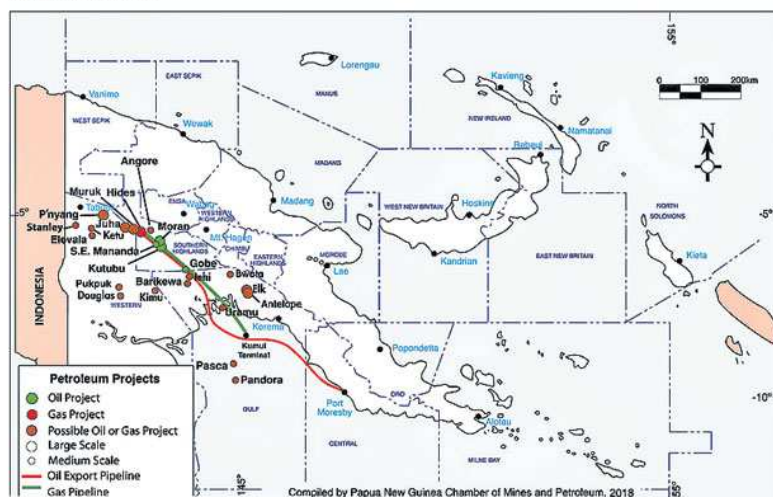
PNG Post-Courier: <http://postcourier.com.pg/>

PNG National: <http://www.thenational.com.pg/>

**Huge potential in resource sector**

December 30, 2022, The National Business

Petroleum Projects Map



Petroleum projects in the country.

If some of the major projects are developed at this time, they will in total bring in US\$30 billion (about K103.2 billion) into the country's economy, according to PNG Chamber of Mines and Petroleum. Chamber president Anthony Smare told the recent 16th PNG Mining and Petroleum Investment Conference in Sydney that the country would be delivering four major resource projects. "It is the first time that PNG can deliver not just one but four major resource projects to the tune of over US\$30 billion in capital investment within a very short window. You have the Papua LNG with US\$12 billion (about K42.25 billion) capital cost, P'nyang with US\$10 billion (about K35.2 billion), reopening of Porgera, Wafi-Golpu copper gold project, which could be around US\$6 billion (about K21.1 billion) or potentially higher. If you have the Pasca gas project of US\$2 billion (about K7 billion), you are talking about well over US\$30 billion. And that is the impact you can consider on the GDP at the moment which is around US\$27 billion (about K95 billion)," Smare said. Here is a summary of the resource projects and their development updates of the year.

### **Petroleum**

**PNG LNG:** The PNG LNG (liquefied natural gas) project has paid over K14 billion to the State since the start of production, according to ExxonMobil PNG Ltd. In 2021 alone, the State earned record revenues from the project, with over K2.2 billion delivered to the Government. Revenues delivered by the PNG LNG project include K7.1 billion flowing to Kumul Petroleum Holdings Limited (KPHL) and an estimated K4.5 billion in various taxes paid to the Internal Revenue Commission (IRC). "The revenues and associated benefits from the PNG LNG project provide the PNG Government the opportunity to promote sustainable, long term economic development. We are extremely proud of our performance in contributing to the PNG economy," ExxonMobil PNG managing director Peter Larden said.

"Since 2014 we have delivered over K14 billion to the country, including some K4.5 billion in taxes. This includes the April payment of K1.1 billion in estimated tax for the first four months of 2022 linked to increased global oil prices and sustained volumes. This is one of the largest single tax payments by the PNG LNG project to date. We are pleased to see this increased revenue going to the State." ExxonMobil PNG Ltd (33.2 per cent), a subsidiary of Exxon Mobil Corporation, built and operates the PNG LNG project on behalf of joint venture partners Santos Limited (42.5 per cent), KPHL (16.8 per cent), JX Nippon Oil and Gas Exploration Corporation (4.7 per cent), Mineral Resources Development Company Ltd (2.8 per cent). Petromin with a 0.2 per cent stake was incorporated into KPHL in 2016.

**Papua LNG:** In February, TotalEnergies reassured communities in Gulf that the US\$10 billion (about K35.2 billion) Papua LNG project was back on track. The front end engineering design (Feed) was set for June and final investment decision (FID) next year. New senior vice-president TotalEnergies E&P Asia-Pacific, Julien Pouget, who was in the country travelled to Poroi Two and met locals, said the project was back on track and the people of Gulf would now see increased activity. Pouget spent two days in the province seeing firsthand the terrain and landscape of petroleum retention licence (PRL 15), the Elk Antelope fields and met staff at the Herd base. In July, the French company said its Papua LNG joint venture had decided to launch the first phase of Feed studies for the Papua LNG project's upstream production facilities. Studies for the downstream liquefaction facilities were also progressing in line with the overall project schedule, with an objective of launching the integrated Feed in the fourth quarter of 2022. The project is targeting a FID around the end of 2023, and a start-up at the end of 2027.

**P'nyang:** Prime Minister James Marape said in Parliament last month that the State negotiating team was working towards a gas agreement for the P'nyang project in Western. He said the heads of agreement (HOA) had been secured and were moving into the next level of agreements to ensure the project was in order. Marape and his delegation executed the HOA for the P'nyang gas agreement and an equity purchase HOA with ExxonMobil in Texas, US, three months ago. The HOA

captured fiscal, regulatory and licensing terms that were negotiated. The equity HOA provided for the State to acquire at cost 10 per cent additional equity from ExxonMobil in the P'nyang project. "So the heads of agreement is secured. Now the State negotiating team are working to ensure that gas agreement is delivered to the expectations that we want," the Prime Minister said. He added that negotiations for P'nyang were still ongoing and would be completed with a gas agreement. "In the next phase, we will be engaging with the Western government."

**Pasca:** In July, Petroleum and Energy Minister Kerenga Kua said the K2.7 billion Pasca A gas project in Gulf was expected to get off the ground soon following talks between the State and developer Twinza Oil Ltd. Minister Kua described the deal reached between the State negotiating team (SNT) and Twinza as the best by far in terms of petroleum resource development in the country. The project is 95-kilometres south of Gulf and 100-metres under the surface. Kua said the volume of reserves was 0.4 billion cubic feet. "This project throughout its life will give us a total benefit package of 55 per cent, calculated on what financial modellers, and economists called as nominal cash flow basis," he said.

The 55 per cent is made up of two per cent royalty, according to the Oil and Gas Act (1998). There is no specific landowner as the resource is offshore. Benefits will go to the Gulf provincial government. Twinza country manager Roppe Uyassi said first production was planned for the third quarter of 2025. Twinza chief executive officer Robert Gard in August said the project would go ahead once the gas agreement was signed and the petroleum development licence (PDL) is approved. "We are awaiting finalisation and signing of the gas agreement and approval of the petroleum development licence. "We are ready to proceed with Feed and project financing arrangements," he said. The benefits of the project include:

- K500 million per year to the State (tax, levies, royalties);
- K8.6 billion revenue to PNG over the life of the project;
- K18 billion contribution to gross domestic product over the life of the project;
- K400 million per year spent in PNG annual operating costs; and,
- 300 construction and 500 permanent jobs in PNG both direct and indirect.

Gard said more than 70 local companies have already been identified as service providers to the on-going operation. "Direct jobs include offshore, supply base and office workers such as operating, maintenance, onshore support, marine support, catering staff, management and office support," he said. "Indirect jobs include security, airline operations, hotel and transport, meals and catering supplies, spares and materials supply, helicopter logistics, training and professional services." Twinza is an Australian upstream energy company developing the Pasca A liquids-rich gas field in the Gulf of Papua. The company has operated in PNG since 2011 and has invested over K350 million to fully evaluate the field.

## **Mining**

There is no other major gold-copper project after the ones at Wafi-Golpu and Frieda River are developed, Mineral Resources Authority (MRA) managing director Jerry Garry said recently. He said challenge for the industry now was the depletion of reserves. The extractive industry is said to account for more than 80 per cent of the country's revenue. Garry said the only copper producing mine at Ok Tedi could be closed by 2032. "If we get Wafi-Golpu and Frieda River off the ground, we will enjoy a healthy production outlook of around 500,000 tonnes a year to a maximum of 650,000 or 700,000 tonnes per annum, which will place PNG in the top six or top 10 copper producing nations in the coming years. That's a good outlook for copper. In gold, we will be reaching two million ounces a year going into 2023. So in terms of the outlook, it looks good. The challenge we have is the depletion of these major reserves that we have. When Wafi-Golpu and Freida River

are commissioned as mines, the reserves will be depleted with no more major reserves. The challenge for us now is to find the next Porgera, or next Ok Tedi, or the next Lihir,” Garry said.

**OK Tedi Copper/Gold Project:** Mid this year (June), operator of Ok Tedi mine, Ok Tedi Mining Ltd (OTML), said in its 2021 report that the operation was transitioning from current lower grade ore to high grade ore sources. Two months later, in August, the company was quoted saying it was committed to ensuring that the closure of the mine is done in accordance with the approved mine closure plan when production ceases. The plan which has been developed and updated since 1997 includes the decommissioning of mining infrastructure, rehabilitation of operation sites, ongoing monitoring of the affected environment, transfer of public infrastructure or services currently provided by OTML, and establishment of a fund to implement the plan.

This was highlighted during the Mine Closure Consultation Meeting held then, which was organised by the Mineral Resources Authority (MRA) and attended by landowners, government and OTML representatives. The meeting was held to discuss OTML’s closure plan which is being reviewed and will be submitted to the MRA before the end of this year. State Enterprises Minister William Duma during a visit to the mine in October, assured the company of Government’s support so that it delivered maximum returns to its PNG shareholders. “The Government recognises the importance of Ok Tedi as a State asset, and as a major contributor to the national economy, and will continue to support the company to continue operating for as long as possible with the requisite social and environment licence,” Duma said.

Earlier this month (Dec 4), the OTML board announced the resignation of managing director and chief executive officer Musje Werror, after serving since June 1, 2020. Werro had been with OTML for 30 years. Mark Thompson had been appointed as acting CEO. Last week, the company announced a dividend of K300 million to be paid to shareholders on or before the end of the month. Mine life was further extended from 2032 to 2033. The mine is fully PNG-owned, with Kumul Minerals Ok Tedi Ltd holding 67 per cent of shares on behalf of the State, and three entities representing the people of the Western sharing the remaining 33 per cent. They are the Mineral Resources Ok Tedi No 2 Ltd and Mineral Resources Community Mine Continuation Agreement Limited each owning 12 per cent shares, and Mineral Resources Star Mountains Ltd holding the remaining nine per cent.

**Wafi-Golpu:** In September, Morobe, under new governor Luther Wenge, agreed to move ahead with the US\$5.4 billion (K18.5 billion) gold-copper Wafi-Golpu project, withdrawing the court cases it filed against the joint venture. Wenge said the province was ready to sign the mining lease agreement to accept the mine, and the deep sea tailing placement (DSTP) method of mine waste disposal. Newcrest and Harmony Gold Mining Company Ltd each own 50 per cent of the Wafi-Golpu project through the Wafi-Golpu Joint Venture (WGJV). Wenge was addressing the first provincial executive council meeting held at the Tutumang in Lae. Prime Minister James Marape this month said he would make an announcement on the completion of the fiscal terms for the Wafi-Golpu project in Morobe before the end of the year. “My Government is committed to ensuring that we get better fiscal terms from large scale projects such as those proposed for the new Porgera gold mine, Wafi-Golpu, and the gas projects, P’nyang and Papua LNG project,” he said.

**Lihir Gold Project:** The Lihir gold mine in New Ireland, operated by Newcrest Mining Limited has contributed about K238 million in total tax and production levy to the Government, for the last financial year (July 2021 to June 2022). This was highlighted at the induction of Members of the 11th Parliament held in Port Moresby in September. PNG country manager Stanley Komunt said an additional K85million was also paid to Government as royalties with K1.2 billion paid to PNG suppliers for operating costs and more than K553 million paid to Lihirian vendors. He said the company provided approximately US\$487 million (about K1.7 billion) to the country’s foreign

exchange balance. Newcrest recently announced that its chief executive officer Sandeep Biswas is retiring from the role effective immediately, after eight years with the miner. He will stay on as an adviser until March 2023. Chief financial officer Sherry Duhe, who joined the company in February, will step in as interim chief executive while a replacement is sought.

**Kainantu Gold Project:** K92 Mining Ltd enjoyed a good year. In February this year, K92 Mining Limited, operator of the Kainantu gold mine, spent more than K30 million on exploration in 2021, and had K50 million budgeted for this year for exploration at its mine in Eastern Highlands. Chief executive officer John Lewins said its stage three expansion was expected to be commissioned in 2024. The company recorded a strong second quarter in terms of production according to figures released in July. The next month, in August, K92 Mining recorded strong financial results for the 2022 second quarter (Q2). The company said it also had a strong focus on safety with one of the best safety records in the Australasia region since commencement of operations.

Record plant throughput of 108,853 tonnes was processed during the quarter, or 1,196 tonnes per day (tpd), significantly exceeding the stage 2 expansion run-rate and a 44 per cent increase from the second quarter of 2021. It also recorded a net income of US\$5.1 million (about K17.54 million) or \$0.02 (about K0.06) per share, a 17 per cent increase from Q2 2021 and quarterly revenue of US\$37.4 million (about K128.63 million), a five per cent increase from Q2 2021. Last month, K92 Mining reported revenue of US\$36.4 million (about K 124.93 million), net income of US\$3.1 million (about K10.64 million) and operating cash flow of US\$12.8 million (about K43.93 million), another strong result for the company for the third quarter. CEO Lewins said the third quarter represented “yet another major step forward for the company.”

**Porgera:** The Porgera gold project in Enga has been the centre of discussions throughout the year. Various groups, individuals, as well as the private sector have been calling for the reopening of the mine. The closure of the mine has been partly blamed for the pressure on the economy in the areas of especially lack of foreign currency. Kumul Mineral Holdings Limited said in June that a new company would be incorporated as soon as the shareholders’ agreement on the new Porgera mine is signed by the Mineral Resources Enga (MRE) Barrick Gold president and chief executive officer Mark Bristow in July said care and maintenance of the mine costs K35 million a month. Bristow was in the country for a three-day visit. He said further delays in restarting the mine would affect benefits for stakeholders, including the Porgera community. The mine is into its third year of care and maintenance while the plan to restart it is on hold, awaiting the completion of talks with landowners.

The most important is the execution of the shareholders’ agreement by the Mineral Resource Enga Ltd (MRE). Bristow said Barrick Niugini Ltd (BNL) was continuing talks with the State negotiation team, the MRE and the Porgera Landowners Association. The miner and Kumul Minerals Holdings Ltd (KMHL) signed the shareholders’ agreement in April but MRE finally signed in August. Bristow had said once the shareholders’ agreement and other associated agreements were signed, BNL would commence with incorporation of the new project company — New Porgera Ltd. Bristow had added that they would also submit an application to MRA for a new Special Mining Lease (SML). Key landowner groups of the Porgera mine, the Porgera Landowners Association (PLOA) and newly-established Lease for Mining Purpose Landowners Association (LMPLOA), signed an agreement in September to provide support for peace restoration efforts in the Porgera valley. The first board meeting of the New Porgera Ltd (NPL) was held on Oct 12, which approved steps to advance reopening of the mine.

**Tolukuma:** Locally-owned company, Lole Mining Limited, was given a 10-year mining licence for the Tolukuma project in Central. Founder and executive director Howard Lole said in April that he hoped to make Lole a premier mining company in the country. “I incorporated Lole Mining two

years ago with an ambitious dream to make it a premier mining company in PNG one day in the future,” Lole said. “I believe that we have a future and a great opportunity to make Lole Mining a premier mining company in PNG in the future, going forward with its current portfolio of one mining lease (ML 104) and nine exploration licences and applications, totalling 10 tenements, including the tenements secured through the recent takeover of Frontier Copper PNG.” In October, it was reported that the transfer of tenements for the Tolukuma Mine was completed after the company paid K20 million to the liquidator, Pini Accountants and Advisors. MRA boss Jerry Garry said this was the first time for a private Papua New Guinean company to venture into the mining business.

**Simberi:** In May this year, operator St Barbara reported that the front end engineering and design (Feed) study for the Simberi sulphide project in New Ireland was nearing completion. The company said significant increases in equipment and construction costs were being experienced across the industry and these trends were also evident in various components of the Feed study. The project was granted approval-in-principle for its sulphide expansion project by then Environment, Conservation and Climate Change minister Pogio Ghate on June 10. The Simberi operations consists of an open cut mine on the northernmost island in the Tabar group of islands. The sulphide project was said to have the potential to extend the life of mine by at least 10 years.

### **Jan 10 set for oil and gas benefit group hearing**

By CLARISSA MOI, December 30, 2022, The National

THE National Court has directed the chairman of a clan in Kutubu, Southern Highlands, to serve necessary documents on the State before the next hearing for a benefit group. Asi Ibusubu, chairman of Bunu Yadobo clan incorporated land group (ILG), has filed an application for leave to review a decision by Petroleum Minister Kerenga Kua on Nov 23. This was in relation to the confirmation of beneficiary clans for the upper and lower Foe regions and benefit-sharing percentage distributions within the Kutubu petroleum development licence two (PDL 2) area of the Papua New Guinea Liquefied Natural Gas (PNG LNG) project in Southern Highlands. Kua, Department of Petroleum secretary David Manau and the State were named as defendants in this proceeding. Ibusubu’s lawyer Kevin Makeu told the court presided by Judge Colin Makail at Waigani yesterday that there was an application for a leave to review. Judge Makail asked if the necessary documents were served on the State. “I cannot hear this case until the documents are served on the State,” he said. Makeu noted that the government offices were closed for the festive period until Jan 3. Judge Makail said: “Serve the documents by next Tuesday and the hearing will follow suit.”

### **KPHL extends offer period**

December 29, 2022, The National Business

SANTOS Ltd says Kumul Petroleum Holdings Limited (KPHL) has extended its offer period for the five per cent stake in PNG LNG project to April 30. Santos, in an announcement on Sept 27, said it had received a binding conditional offer from KPHL to acquire a five per cent interest in PNG LNG for asset value of US\$1.4 billion (about K4.80 billion), including a proportionate share of PNG LNG project finance debt of about US\$0.3 billion (about K1.03 billion). The offer is conditional on KPHL obtaining waivers of certain pre-emptive rights by other PNG LNG project participants under the project operating agreement to allow the transaction to proceed. The offer is expressed to be irrevocable, except in limited circumstances, and was open for acceptance until Dec 31, 2022,” Santos said.

“KPHL has advised Santos it has now extended the period in which the offer will remain open until April 30, 2023. Santos has agreed to deal exclusively with KPHL during this period regarding the

sale of equity in PNG LNG.” KPHL managing director Wapu Sonk said in September that the additional project equity would ensure a boost in their annual cash flow and significantly raise national ownership in the project. “To secure this offer open for acceptance until Dec 31, 2022, we have made a part payment of US\$55 million (about K189.83 million) to Santos. These funds will be held by Santos,” he said. After the equity acquisition, the State’s participation in the project will increase to around 22 per cent. Santos, which will retain a 37.5 per cent interest, has confirmed receiving the offer from KPHL.

### **IRC begins tax audit on two mining companies**

December 28, 2022, The National Business

THE Internal Revenue Commission (IRC) has started a comprehensive tax audit on two major mining companies in the country. Commissioner-general Sam Koim said: “We have been profiling these two companies (names withheld for confidentiality reasons) for over a year. “The letters formally notifying them of the audit were signed and served today (last Thursday). “We understand that mining is a capital-intensive operation and requires significant investment. Be that as it may, our mineral resources are finite and non-renewable, and we will run out one day. “The Government needs to extract a substantial proportion of the value of the resources extracted for the benefit of its citizens, present and the future.”

This involves the designing and implementation of an appropriate contractual and fiscal system. “The one we have is a concessionary fiscal regime where mining companies pay taxes if they make a profit,” Koim said. “The regime creates higher incentives for operators to inflate their costs. While the Government is negotiating better deals for our people in the new mines, the IRC has a responsibility to ensure that the existing mines are paying their fair share of taxes.” He said PNG had a self-assessment tax regime where the taxpayer assessed its own liability, declare it on oath to the tax office and paid on time.

“That is the tax regime that predominantly exists all over the world where most of these multi-national corporations operate,” Koim said. “If the tax office considers that the taxpayer has made false declarations or substantially reduced the liability without justification, the tax office audits that taxpayer with a view to amending the assessment.” Koim assured taxpayers that “we are not introducing a new law but simply enforcing the existing laws”. “Extractive sector entities had not been scrutinised by the tax office, assuming that they were always doing the right thing. The patterns of abuse are worrying hence we are taking these compliance audits,” he said.

### **Mine safety training prepares workers for project**

December 28, 2022, The National Business

MICK and Rii Trading graduated about 150 employees after four months of mine safety training under its civil contract to prepare them for the operation of the Wafi-Golpu project next year, an official says. Chief executive officer Irene Jimari said the training was basically for the employees to be aware of the risks associated in the mining industry. “Safety is paramount in mining so we did the training to prepare them for the operation of Wafi-Golpu next year,” Jimari said. “The employees must know about mine hazards, they must know about the policies so they will be prepared and avoid the risks.” The company also graduated 25 women in tourism and hospitality, carpentry and mine security.

Jimari said the company was honoured to join established companies and take part in the project. “We are ready to help in the Wafi-Golpu’s construction phase and support the Hengabu tribe and

Demango clan,” she said. “We are also ready to work with the investors, Newcrest and Harmony.” Mick and Rii Trading is a small-to-medium enterprise operating under Minziong Ltd along with its joint ventures, Lavang and Lutu. “Minziong is the major company, and it has its joint ventures with Lavang and Lutu,” Jimari said. Minziong Ltd is a civil construction company which has won a contract for part of the construction of the Wafi-Golpu project. Jimari said the company was now also recognised as a landowner firm in Wafi after signing a contract with the principal landowner, the Demango clan of the Hengabu tribe.

### **Miner buried alive**

By Sampson Bonai, Post-Courier, December 23, 2022

A FAMILY in Bulolo is in mourning after their father was buried alive in a tunnel which was dug to look for gold. The Wau-Bulolo district, Morobe Province, is an old gold mine field that sees settlers, locals and outsiders visiting the area, setting up camps and illegally digging for gold at old mining sites. However, for two men, their attempts at becoming rich turned out deadly. One was buried alive and died while another suffered serious injuries to his body. Bulolo police said the two men did not return at the expected time that they had told their family, so their families went looking for them. The two men had dug a tunnel in a location near the Bulolo Forestry plantation at Number 10.

According to Bulolo police, the two miners were inside the tunnel and the land collapsed and buried them alive. Their relatives went looking for them and discovered that they were buried. Bulolo police warned the illegal miners not to place their lives at risk by engaging in illegal mining activities. “A man has lost his life while the other is recovering from the injuries he sustained while engaging themselves in illegal mining activities on restricted area,” Bulolo police station commander Senior Sergeant Fred Lelesi said. “The illegal miners should not enter restricted areas and engaged in illegal mining activities or chopping down the trees.”

### **Central awaiting LNG cut for development plans**

December 22, 2022, The National

CENTRAL Governor Rufina Peter says the provincial government is dependent on its proceeds from the Liquefied Natural Gas (LNG) projects to implement development plans “The Government, through the Kumul Petroleum Holdings must pay the province’s benefits from the LNG project. “The benefits are from the agreement signed between the Government and the four upstream and downstream provinces (Central, Gulf, Western and Hela). “In particular, the Government should be clear if there have been any outstanding from the development levies and the Infrastructure Development Grants,” she added. Peter spoke to Prime Minister James Marape and State Enterprises Minister William Duma during the launch of the Hiri-Koiari five-year development plan. According to ExxonMobil, the benefits sharing agreements are between the landowners, local level governments and provincial governments and the Government. It addresses the distribution of benefits, including those received by the State under the Oil and Gas Act.

### **Temaru rejects claims he did a China seabed deal**

Radio New Zealand on 22 December 2022

French Polynesia's pro-independence leader Oscar Temaru has accused the environment minister of defamation over seabed mining. Last week, the minister, Heremoana Maamaatuaiahutapu, said Temaru's party didn't support an assembly vote on a seabed mining moratorium because Temaru had



signed a mining contract with China when he was president. Temaru denied this, saying it had never been a policy of his Tavini Huiraa party to sell off the country or its soul. The moratorium called for a block on any activity until more is known as there had to be evaluations to understand the risks seabed mining posed to the environment.

Temaru said his party didn't support the assembly's moratorium text because it didn't tie mining rights to decolonisation. The Tavini wants the moratorium linked to a 2016 UN resolution which urges the administering power to guarantee the permanent sovereignty of the people of French Polynesia over its natural resources, including marine resources and submarine minerals. While Temaru's party wants to formalise recognition of the property rights of French Polynesia, France considers the exclusive economic zone of French Polynesia to be a French national asset. French Polynesia's exclusive economic zone (EEZ) is more than 4.7 million sq km and accounts for almost half of the water surface under French jurisdiction.



Oscar Temaru Photo: RNZI/Monica Miller

Temaru said the UN process called on France to respect the territory's right to sovereignty over all resources, including those at sea. He said under French law, the state could claim French Polynesia's resources if they were declared of strategic value. Paris believes it has the rights to the territory's seabed and continental shelves, which are thought to be rich in rare earths. Three years ago, France submitted a claim to extend the continental shelves in French Polynesia by almost a quarter of a million sq km. The submission had been made in New York at the Commission on the Limits of the Continental Shelf in the presence of Maamaatuaiahutapu.

In 2019, a lawyer of the group Blue Ocean Law Julian Aguon said while France had designs to exploit seabed resources it also had fiduciary obligations as by law the indigenous people had permanent sovereignty over natural resources. He said France was a party to both the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights, which were binding treaties. Aguon said a precedent was set by the International Court of Justice when it ruled in favour of Nauru which challenged Australia for breaching trusteeship obligations over phosphate mining.

## **Heed advice on waste, govt told**

By REBECCA KUKU, December 21, 2022, The National Main Stories

OPPOSITION Leader Joseph Lelang wants the Government to listen to concerns raised by its own experts and civil society in relation to significant threats to the lives of people and the environment from the waste disposal plans for the Wafi Golpu mine project. Lelang made the call after receiving an open letter from a coalition of civil society organisations over current plans that propose a pathway for millions of tons of toxic waste from the mine to be transported through a part of Lae city. “(I received) an open letter from the coalition which comprises the Evangelical Lutheran Church of PNG, the Centre for Environmental Law and Community Rights, Jubilee Australia Research Centre and the Mineral Policy Institute. These last two organisations are Australian non-governmental organisations.

“I am satisfied that their concerns are genuine as they draw upon research work commissioned by the Government Conservation and Environment Authority (Cepa) which describes the tailings pipeline proposal as an ‘ecological disaster waiting to happen’. “I must also state here the importance of an early start-up for this mine which has been delayed so many years already. I am aware of the positive impact the mine will have on our foreign exchange earnings, on employment for our people and on other positive flow-on effects the mine will have throughout the economy. “What is required here is a delicate balancing act but it must happen. This is all the more urgent because the pipeline will run directly through the centre of Lae, along Mangola St, Markham Rd, Airways Avenue and Independence Drive. According to the coalition, the pipeline will carry heavy metals such as arsenic, lead, mercury, nickel, chromium. Manganese, zinc and more,” he said.

Lelang said the pipeline will run close to Angau Memorial Hospital and Malahang Health Centre, Busu Secondary School and Immanuel Lutheran School, Malahang Technical Secondary School, Brian Bell Plaza, Rabtrad Shopping Centre, Government offices, National Maritime Safety Authority, PNG Ports Corporation, Huon District offices, police stations, fresh grocery markets, businesses, churches, sporting grounds, drinking water outlets, people’s homes and through the village of Yanga. “The recent 7.6 magnitude earthquake on September 11 caused considerable and multiple structural damages which brought the city of Lae to a standstill. As the Bumbu fault line passes directly under the city with another, the Gain fault line, is just 15km, the risk of a future earthquake causing damage, including rupture of toxic waste pipeline cannot be ignored. “The danger to lives and extensive environmental damage is very real. The Government has a duty to the people to ensure resource development is conducted responsibly, and without risk to lives and the environment,” Lelang said.

## **Uncertainty over reopening of mine**

December 21, 2022, The National, Editorial

NEWS reports in the media do not and cannot tell the whole story of what is going on in the Porgera valley since the closure of the mine in April 2020. We only see pictures and read about major crime and collapse of business including small household income generating activities. The struggles of the faceless and nameless hundreds more who are impacted by the mine closure obviously are the untold stories about the reality of life in the valley. It is quite possible that without the discovery of gold in the 1938 and further exploration work leading up to the eventual opening of the Porgera mine in 1989, the valley would have remained another hard-to-reach area of the country. The opening of the mine literally opened up another world to the isolated communities there and allowed them access to modern health and education services as well as business opportunities and employment. The newly established mining township then made it possible for government services

to be provided. Everything including those government services basically revolved around the mine or were dependent on its operations.

And where an entity other than the state serves as a proxy government providing those basic socio-economic services, its absence or departure can be quite a blow. Around the country there are churches, large agricultural companies, mining companies and other such establishments providing services the Government would have been unable to provide. The Government allocates limited resources through annual budgets to provinces and when the provinces in turn divide the cake between district administrations, very little by way of actual project development or improved services get underway because much of whatever is allocated gets used up in administration and emoluments. In remote districts the situation is even worse. But by some divine provision, a lot of major resource extraction activities are going on in very remote parts of the country. Without the major project developments these corners of the country would still remain out of sight and out of mind.

This is the case in the Porgera valley of Enga where before the closure of the gold mine in April 2020, life in the valley basically centred around the mineral being dug up, refined and exported. Following the closure, the Government has given assurance time and again that the mine but the impacted communities and business operators would want to see that happening sooner rather than later. Woman business leader Elizabeth Iarume was the latest to join others in the Porgera to call on the Government to fast track the mine reopening. The absence of government services and lawlessness are real concerns for the communities. People who had lived off the mine for years now have difficulties in adjusting to new ways of life.

At the start of the project in 1989, the population of the Porgera sub-district was approximately 10,000 people. Today the population is much larger consisting of the locals and settlers drawn by new opportunities. The mine had been the only service provider and the locals are wondering what would happen if the mine remains shut for much longer. The welfare of the people is a growing concern in the valley. There is a growing sense of desperation and fear for the worse among businesses and the ordinary people in Porgera valley. Even after numerous announcements or explanations for the deferral of the reopening, people will still be impatient because of the urgency of their immediate predicament. The reopening of the mine will not only return economic activity to the valley but also in many ways be a life saver for some in the Porgera valley.

### **Shoot-to-kill order is not the answer, says Ipatas**

BY MAL TAIME, Post-Courier, December 20, 2022

ENGA Governor Sir Peter Ipatas has opposed Prime Minister James Marape's "shoot-to-kill" announcement in the three Highlands provinces of Enga, Southern Highlands and Hela. He said the "shoot-to-kill" order will not be accepted, and said that as a government, they must come down to the root of the situation to address law and order problems. Sir Peter said he made several calls to the government to bring in the Australian Federal Police to help fix the law and order situation in the country, but the government continues to ignore the call. "I made this call for eight solid years in the National Parliament and nothing is done, I asked former prime minister Peter O'Neill and now I made the same call to Prime Minister James Marape to liaise with his Australian counterpart and ask for federal police and yet nothing is done," Sir Peter said.

He said the Australian Federal Police will only help in training members of the RPNGC to curb law and order and not take over from their positions and ranks. Sir Peter said our police force needs to be polished up. He said the country has already gone to the dogs because of the continuous law and order problems, and it needs to be fixed before it gets worse. Sir Peter said the police force in the country cannot do anything to address the ongoing law and order in the country because of claims

of bribery. He said armed criminals are walking around with guns in public places, putting fear in innocent people and this shows that there was no control over law and order in the country. Sir Peter said the country is plagued with law and order problems and the government needs to seek assistance to fix this. He said how can the government make an announcement for the police and PNGDF engaged in the three Highlands provinces kill their own countrymen, this was unfair.

### **PM extends joint security presence**

By REBECCA KUKU, December 20, 2022, The National Main Stories

PRIME Minister James Marape has announced an extension of military and police presence in Hela, Southern Highlands and Enga for another 12 months. The special operation begins on Jan 1. Marape said the operation would be different from previous call-outs and would give more power to police and army to protect lives and public properties. “The special operation will also cover important resource project areas like Porgera, Hides and Kutubu as well as all areas of Hela, Southern Highlands and Enga. “Those who carry guns — homemade or factory made — will be jailed for life under laws already passed by Parliament. We have seen the weaknesses of the last two to three years, and we will be giving more powers to police and army to carry out their work.”

“I do not want to see one more police officer or soldier losing their lives to criminal elements. “If you are enemy of police or army, then you are an enemy of the State and society,” he said. Police commissioner David Manning told *The National* that the call out extension for 12 months will run through till Feb 20, 2024. Manning said the call out was to restore peace and security back into the communities after General Election 2022 (GE22). “We have already begun deployment, and the call out operations will begin on Jan 1. “Due to manpower challenges in the constabulary, the Papua New Guinea Defence Force will be assisting us in this extension of the call out in Hela, Southern Highlands and Enga,” he said.

PNGDF commander Major General Mark Goina said he was waiting for the Police Commissioner to put together a plan for the one-year extension and give him a copy before he can say anything on the matter. “We will just be assisting police, so police will take the lead, our plans will be based off from whatever plan police puts forward and we will provide manpower and support to implement the call out,” he said. Meanwhile, the newly appointed chief secretary Ivan Pomaleu said he has not sighted the National Executive Council decision to extend the call out and was not able to comment on the subject. A K11 million special call-out operation was first announced in 2017 that saw 300 security personnel from both Police and the PNGDF deployed to Hela to deal with the escalating tribal fights.

### **Mine closure affecting SMEs**

By MICHAEL PHILIP, December 20, 2022, The National

INCREASE in law and order issues in Enga after the Porgera Mine closure is affecting small-medium enterprises (SME) in agriculture, a business woman says. Enga Women in Agriculture Association president Margaret Potane told *The National* that the need for the Government to fast track negotiation process would help bring back normal operations in agricultural businesses. “We rely on mine operations to do our businesses,” she said. “That’s where our focus is, that’s where money comes from, allowing businesses to flow. “Law and order issues have taken away the opportunity for us to get back to our normal business operations. “All we rely on is the government.

“When business operations are affected, the people too, will be affected and it is already happening.” According to Potane, business activities had come to a stand-still since the closure and they

were affecting so many people. She said local farmers in the agriculture business were the ones mostly affected with the shut-down of government services again being an extra burden to them. “We have a lot of women in the agriculture businesses and these women are locals,” she said. “They are not educated but they love farming the land and earning income. “The mine is our service provider and right now I don’t know how we can get back to normal operations. “All means and ways of making businesses as well as promoting SMEs now have completely shut.” Potane said the situation was of great concern for business houses.

### **Ok Tedi announces K300 million dividend**

December 20, 2022, The National

OK Tedi Mining Ltd (OTML) has announced a dividend of K300 million to be paid to shareholders on or before the end of the month. Chairman Dr Roger Higgins thanked employees, contract partners and mine-impacted communities for their support this year. “While 2022 was always going to be a challenging year as the company transitions to higher grade ore sources, and faced the additional cost associated with a sharp escalation in oil price, we are pleased to report Ok Tedi remains profitable and continues to deliver for our shareholders. “We now look forward to copper grade improving by more than 20 per cent in 2023 as the transition continues,” the chairman said. “This and a further extension of mine life (from 2032 to 2033) in the latest strategic business plan recently approved by the OTML board gives rise to growing optimism.” He said Ok Tedi continued to investigate further mine life extension scenarios.

### **PNG needs to save or risk economic Dutch Disease, says economist**

December 20, 2022, The National Business

PAPUA New Guinea (PNG) needs to save revenues generated from its booming resource export industry or risk having the impacts of the Dutch Disease on its economy, associate professor Martin Davis says. In economics, the Dutch Disease is the apparent causal relationship between the increase in the economic development of a specific sector and a decline in other sectors. “We think about an economy as having three sectors. We have the booming sectors, for example the LNG and resources sectors. Then you have the non-booming resource sector, things like agriculture, manufacturers, things that PNG is already doing,” Davis said. “And then you have the non-traded goods sector, things like retail trade services industry, construction and things that are not actually internationally traded. They do not have an internationally determined price.

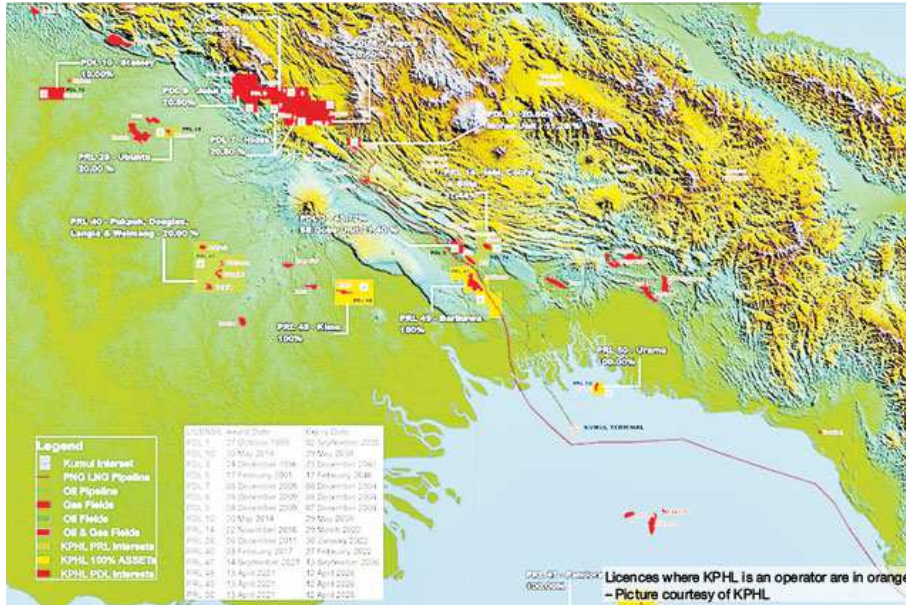
“The idea here is that when you have a boom and there can be many causes of a boom, when LNG starts up, that one example, or when LNG and gold price shoots up, all of these things can cause what we call the Dutch Disease. “You get the foreign exchange coming in, that increases in foreign exchange supply and causes the Kina to appreciate and get stronger. “As the Kina gets stronger, it means that all the things that you currently produce, all of your manufactured and agricultural goods become more expensive in foreign currency terms. “So those goods now that used to be relatively cheap for international buyers, now as the Kina gets stronger, those goods are now no longer cheap. “It hurts the exports of the non-booming sector like the construction, manufactures and agricultural sectors.

“It will cause our manufacturing sector to become less competitive. So international buyers will not buy as much of our manufactured goods. It causes the manufacturing sector to contract,” he added. Davis said the second damaging effect was macro-economic instability. “What is happening here is that as your resource sector exports expand, you are squeezing out your other export sectors, your manufacturing and agriculture and you are becoming more reliant from export receipts from that

resource sector,” he said. “Know that resource prices, things like oil, gold, copper, etc, have very volatile prices. “So what that means is that when you become more dependent on that source of export and even tax revenue, you become more exposed to the volatility of those prices.”

## KPHL weighing commercial licence options

By SHIRLEY MAULUDU, December 20, 2022, The National Business



KUMUL Petroleum Holdings Limited (KPHL) continues to weigh its options to commercialise licences it holds, managing-director Wapu Sonk says. “KPHL has entered into midstream of production, downstream and infrastructure projects to diversify the products and its generation and distribution. “And as the petroleum industry adviser to the Government and state agency, we also aim to be a good corporate citizen. “Basically, we are here to create wealth and opportunities for Papua New Guinea (PNG) and its citizens. “This is the 10th year for the audited financial report.” Sonk said KPHL had, in the last two years, taken out four PRLs (petroleum retention licences).

Speaking at the company’s recent annual general meeting highlighting the different licences that the company holds, he said: “We are the 100 per cent operator of PRL 47, PRL 48, PRL 49, and PRL 50. That is Pandora, Kimu, Barikewa and Uramu discoveries. “We are working on certifying those reserves, confirming and recertifying those reserves and looking for partners for development options,” he said. “KPHL does not want those licensees that we now have or are in control to be stranded anymore. We are working with our development partners ExxonMobil, Total to actually take advantage of the synergies that exist within the existing facilities and are yet to build new infrastructure to commercialise these stranded fields.” Meanwhile, Sonk said a key issue for the Government was to strengthen the mandate and independence of KPHL to enable it to grow as a national petroleum company that include:

- INTRODUCING fiscal regime reforms to capture more benefits for the country;
- AGREEING to a transparent dividend policy with the State; and,
- PROGRESSING the national Sovereign Wealth Fund (SWF) for PNG as a buffer for KPHL against “easy access” to KPHL’s funds by the Government and foster fiscal discipline.



## **Parking fund needed: Academic**

By DALE LUMA, December 20, 2022, The National Business

THE Organic Law for the Papua New Guinea (PNG) Sovereign Wealth Fund (SWF) that was passed in 2015 needs to be amended to have a parking fund set up, associate professor Martin Davis says. “Currently, the law only has a stabilisation fund, an intergenerational fund and a savings fund,” he said at a seminar on the issues and challenges of the SWF. The Government made a maiden deposit of K5.6 million into the SWF last month which represented seven per cent of K80 million in dividends paid by Kumul Consolidated Holdings (KCH) to the State. “Significant revenues from resources are coming. So this is an opportunity to get the house in order,” Davis said. “It will be good to get some direction on the SWF Act and the setting up of that and what needs to be done.

“Even if it means money in and money out, it is good to have the processes and procedures set up. “From the perspective of just looking at the literature and thinking about what we want to do, the Act has a stabilisation fund, intergenerational equity fund and a savings fund, but there is no parking fund,” he said. “So, now might be a good time to amend the law to have a parking fund. “Part of that not only involves putting the fund away, but also involves sourcing and looking at potential or actual investment projects. Davis also suggested that PNG signs up to become part of the Santiago Principles, an organisation set up by the IMF (International Monetary Fund) to promote transparency, good governance, accountability and investment – all that the SWF stands for. “Finally, it would be good to have more clarity on what is going on with the division of dividends between KCH and the Government, and how that process works,” Davis said.

## **Porgera LO’s welcome announcement**

Post-Courier, December 19, 2022

Prime Minister James Marape’s announcement for re-settlement of Porgera’s special mining lease landowners is welcomed by the Porgera Landowners Association and its Land Negotiation Committee. Deputy Chairman of the Porgera Landowners Association (PLOA), Dickson Pundi and the Land Negotiating Committee have expressed their deep appreciation and gratitude to the Marape-Rosso Government for its commitment towards the re-settlement exercise of special mining lease (SML) landowners who are directly impacted and affected by the last 30 years of mining operations. Mr Pundi highlighted the special and significant action of the government by appropriating funds for the whole re-settlement exercise in the Supplementary Budget 2022 and the 2023 Budget Appropriations.

“It is no longer rhetoric or only words – but indeed a new reality, now that the government has incorporated the first K210 million funding in the Supply Bill 2022,” he said. “I expect that the balance will be made available in the 2023 Budget Appropriations and this would undoubtedly address the SML landowners’ major concern of a credible and plausible re-settlement plan for the mining impacted communities still living on their traditional and customary land over the past 30 years without appropriate relief to them from the previous tenement holders.”

Mr Pundi said they are poised in anticipation for the launch of the government sponsored re-settlement program subsequent to the execution of an appropriately constructed re-settlement agreement well prior to the new mine operations commencement. “We acknowledge by this action that we shall again live and work alongside an extremely intensive mining operation for a further 20 years, as we had done so in the last 30 years of intense mining activities and operations under the previous SML1,” he said. Chairman of the PLOA Negotiating Committee, Maso Mangape said the SML landowners themselves will be involved in their corporate entity engaged in the resettlement project

to the exclusion of all others and the National Government will have oversight to ensure implementation under terms and conditions being worked out.

### **Reopen mine, leader urges**

By KELVIN JOE, December 19, 2022, The National Main Stories

PEOPLE in Porgera-Paiela, Enga are being deprived of basic services due to increasing law and order issues following the closure of the mine, says Porgera Women in Business group president Elizabeth Iarume. She said the Government needed to fast track the negotiation process to reopen the mine to address social and economic problems in the valley. “The Government should reopen the mine if they are concerned about the wellbeing and lives of the ordinary people in the district because the mining was the only service provider in the valley,” she said. Iarume said health and education services were among other deteriorating Government and non-governmental services while tribal fights escalated over the last two years. “We have cried and raised our concern to the relevant authorities in place after Pogera and Paiam town were completely destroyed but they could not do much to consider to address our distressed situation,” she said.

“Right now there is no Government services, schools are closed, public services shut down. “Other important service like banking is no longer available in the area. “The royalties from the mine were stopped and we are still stranded because no one has come to help us. “We wanted the mine to be opened up because it was the only service provider in terms of employment, education, health services and banking, and provided an avenue for business activities. “If the mine closed for that long, how can the people survive and live in the valley? “We have the security forces on the ground but they are outnumbered and they cannot do much to contain that situation.” She said the provincial government needed to stand up and address law and order issues along with the reopening of the mine. “It was really a sad part for us the land owners,” Iarume said. She said people were unable to adjust to agriculture and farming.

### **Gastkommentar Der Tiefseebergbau bedroht den Ozean**

*Die Meere sind wichtig für das Klima. Berlin und Paris vereinbaren deshalb eine Pause beim Tiefseebergbau – andere Staaten sollten folgen, fordern Steffi Lemke und Hervé Berville.*

*Handelsblatt, 16.12.2022*

Steffi Lemke ist Bundesumweltministerin, Hervé Berville ist Staatssekretär der französischen Premierministerin und zuständig für Meeresangelegenheiten.

In unserem [Kampf gegen die Klimakrise](#) und die Naturzerstörung haben wir einen mächtigen Verbündeten, der häufig unterschätzt wird: der Ozean. Er spielt eine Schlüsselrolle bei der Regulierung des Klimas. Er absorbiert 90 Prozent der Wärme, die durch die Klimakrise zusätzlich entsteht, und über 20 Prozent der menschengemachten CO<sub>2</sub>-Emissionen. Er bietet zahllosen Arten eine Heimat, versorgt uns mit Sauerstoff und dient als Transportroute, Nahrungs- und Einkommensquelle. Er ermöglicht den internationalen Austausch und so manches Freizeitvergnügen. Dennoch gerät der Ozean zunehmend unter Druck. Wir beginnen gerade erst, seine wichtigen Funktionen zu verstehen, und zerstören sie zugleich durch Erderhitzung, Umweltverschmutzung und andere menschliche Aktivitäten. Die Klimakrise ist eine existenzielle Bedrohung. Sie verursacht gravierende Veränderungen – steigende Temperaturen, steigende Meeresspiegel, die Versauerung des Wassers, sogar veränderte Meeresströmungen. Das hat dramatische Auswirkungen auf die im Meer lebenden Arten. Ganze Meeresökosysteme verschwinden, die Speicherung von Kohlenstoff wird gehemmt.





*Die Autoren*

### **Steigende Rohstoffpreise rücken die Suche nach Ressourcen am Meeresboden in den Fokus**

Zusätzlich zeichnen sich weitere Risiken ab: Steigende Rohstoffpreise und zunehmende Nachfrage rücken den Abbau von Rohstoffen am bisher unberührten Meeresboden verstärkt in den Fokus. Ihr Abbau könnte die Meeresumwelt weiter schädigen. Deutschland und [Frankreich](#) sind überzeugt, dass es schlicht nicht möglich wäre, irreversible Schädigungen der biologischen Vielfalt im Meer durch Aktivitäten im Zusammenhang mit dem Tiefseebergbau auszuschließen. Wir sind der Auffassung, dass der derzeitige Wissensstand nicht ausreicht, um überhaupt Entscheidungen zum Tiefseebergbau zu treffen.

Deshalb werden wir bis auf Weiteres keine Tiefseebergbau-Verträge unterstützen, weder in unseren Gewässern noch außerhalb der nationalen Hoheitsbereiche. Richtlinien für den Tiefseebergbau sollten mit der erforderlichen Zeit und Sorgfalt erarbeitet werden. Gemeinsam wollen wir deshalb Programme für die Erkundung der Meeresökosysteme auf den Weg bringen – mit dem alleinigen Ziel, wissenschaftliche Erkenntnisse zu gewinnen und zu teilen. Heute wenden wir uns an alle Länder, die sich bereits für ein Moratorium oder eine vorsorgliche Pause ausgesprochen haben, und auch an alle, die das noch nicht getan haben: Setzen wir das Vorsorgeprinzip konsequent um – damit wir nichts tun, was die Menschheit später bitter bereut.

### **Wir sind entschlossen, den Ozean zu schützen, und rufen alle anderen Länder auf mitzumachen**

Gemeinsam können wir die Vielfalt des Lebens im Meer bewahren. Wir müssen dabei zum Wohle der Menschheit handeln – manchmal vielleicht auch gegen unmittelbare Wirtschaftsinteressen. Wir sind entschlossen, Initiativen zum Schutz des Ozeans auf den Weg zu bringen. Und haben damit bereits begonnen: Frankreich hat 33 Prozent seiner Meeresgebiete unter Schutz gestellt. Unter französischer Führung sind beim One Planet Summit in Paris im Januar 2021 mehr als 60 Staaten übereingekommen, bis 2030 mindestens 30 Prozent der Land- und Meeresfläche weltweit unter Schutz zu stellen. Inzwischen sind es schon mehr als 100 Staaten. Unter deutscher Präsidentschaft hat sich die G7 auf einen Ocean Deal verständigt. Die Bundesregierung verleiht mit ihrer Meeresoffensive dem Schutz der Meere politisches Gewicht, national und international.

Konkret geht es um die Erarbeitung einer neuen, verbindlichen Meeresstrategie, den Einsatz von naturbasierten Lösungen gegen die Klimakrise und um Maßnahmen zur verstärkten Bekämpfung der Umweltverschmutzung und zum Schutz der biologischen Vielfalt im Meer. Dennoch ist klar, dass wir ambitionierter handeln und noch viel weiter gehen müssen. Wir setzen uns engagiert für

ein starkes Ergebnis der derzeit laufenden Weltnaturkonferenz in Montreal ein. Auch die Verhandlungen zum Schutz der biologischen Vielfalt auf Hoher See, die im Februar 2023 in New York stattfinden werden, sind entscheidend. Wir wollen einen verbindlichen, ambitionierten Vertrag, der die Ausweisung neuer Meeresschutzgebiete ermöglicht und das Vorsorgeprinzip strikt anwendet.

Auf der Grundlage ihrer langen, vertrauensvollen und engen Freundschaft kämpfen Frankreich und Deutschland gemeinsam für den Schutz der biologischen Vielfalt im Meer. Der Ozean ist das gemeinsame Erbe der Menschheit. Er muss Ort der Zusammenarbeit, des Teilens und des Multilateralismus sein. Regierungen müssen anerkennen, dass unsere Aktivitäten weltweit dramatische Auswirkungen haben. Wir sind entschlossen, den Ozean zu schützen, und rufen alle anderen Länder auf mitzumachen.

*Die Autoren: Steffi Lemke ist Bundesministerin für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz. Hervé Berville ist Staatssekretär der französischen Premierministerin und zuständig für Meeresangelegenheiten.*

### **PM to share Wafi-Golpu terms soon**

December 16, 2022, The National

PRIME Minister James Marape says he will make an announcement on the completion of the fiscal terms for the Wafi-Golpu project in Morobe before the end of the year. “My Government is committed to ensuring that we get better fiscal terms from large scale projects such as those proposed for the new Porgera gold mine, Wafi-Golpu, and the gas projects, P’nyang and Papua LNG project,” he said. “In P’nyang, we achieved a 63 per cent benefit split outcome which is a record. “I have achieved more than the previous governments and a large part of this is due to the leadership of the State negotiating team over the last two years.” Responding to question by Deputy Opposition leader Douglas Tomuriesa on how much Government was paid to consultants to negotiate for the country’s resource projects, Marape said: “considering the work of the State team in negotiating an estimated US\$30 billion (about K105 billion) worth of resource projects, arguing over the payments to advisers and advisory firms shows inexperience and immaturity. “The Government part of the negotiation is supported by technical advisers and advisory firms where required who are procured internationally. “These advisers support public servants who serve the interest of the State negotiating team over and above their day-to-day duties. “The consultants are paid industry rates within the legal limits of the authorising officer and within the terms of their contracts.”

### **KPHL gives State K400mil as dividend**

By SHIRLEY MAULUDU, December 16, 2022, The National

KUMUL Petroleum Holdings Limited (KPHL) has given K400 million as a dividend to Government for the 2022 financial year. State Enterprises Minister William Duma received the cheque from KPHL board chairman Dr Benedict Yaru during the company’s annual general meeting (AGM) yesterday. KPHL managing director Wapu Sonk said K200 million had been presented earlier in the year. “KPHL has experienced excellent financial results over the year so we are more than happy to announce dividends to the State totaling K400 million. “Part payment of K200 million has been paid earlier in the year and today (yesterday) we make the final payment of K200 million,” Sonk said.

KPHL also presented an unqualified audited report for 2020 to Prime Minister James Marape as company trustee. Duma was pleased that KPHL had been doing well over the years as a nationally-owned company. “When the leaders of this country in their wisdom decided to establish this

company, they had grand visions,” he said. “They were able to learn from Malaysia and Indonesia and they established our own company to do similar for ourselves and our country. “What we have seen over the years is progress of this very important company to where it is now.”

## MRDC 2019 books check out

By PETER ESILA, December 16, 2022, The National Business

Prime Minister  
James Marape



PRIME Minister James Marape received the audited financial accounts for Mineral Resources Development Company Ltd (MRDC) for 2019 yesterday in Port Moresby. MRDC managing director Augustine Mano said that the unqualified 2019 financial report for the first time was the way forward to ensure its books were clean. “Here for the first time, the auditor general has engaged Ernst and Young, they have looked at the audits, and for the first time, it is unqualified, it is a first for MRDC, it is a standard that we have set, if there is any perception about MRDC,” Mano said. An unqualified report means clean, reflecting that the accounts were properly kept in accordance with compliance requirements under international accounting standards.

“Going forward, 2020 and 2021, because it is a clean audit, it is much easier,” Mano said. He said MRDC had 22 different companies. All 22 of them are all bigger than MRDC and five of them independent, the rest are subsidiaries. “Total portfolio is about K7 billion and we do not get any government subsidy,” Mano said. “We survive on the management fees by those 22 subsidiaries, almost 80 per cent of the revenue comes from the management fees, 20 per cent recent comes from the investment that we do.” Marape commended MRDC for being transparent and said he would present the report in Parliament as a public document.

“MRDC is a success story for the Pacific, over K7 billion portfolio is a testament of the growth that has been taking place in our country, and economy as well as the growth in MRDC, the company has gone from strength to strength,” he said. “When we passed the MRDC Authorisation Act 2020, I stressed that MRDC was incorporated under the Companies Act and therefore must be independent and perform as a company, in compliance with company law, its constitution and trust deed requirements. “MRDC has been subjected to public criticism regarding various matters relating to project benefits for landowners. The board and management have been questioned in various forums about the status of the company accounts.” Marape, who is a trustee/shareholder of the company, said he expected the audited financial accounts for the subsequent years of 2020 and 2021 to be completed within the first quarter of next year.

## **Shoot to kill: PM**

December 16, 2022, The National Main Stories

PRIME Minister James Marape says there will be engagement rules, including operational orders for shoot to kill in high-risk situations. Marape said he would be announcing a new call-out extension for military presence in Hela, Enga and Southern Highlands. "I will also be mounting a new call-out extension for one year in Hela, Enga and Southern Highlands with greater role for the military to report to provincial police commanders. "There will be orders for shoot to kill in high-risk situations. "We have also approved K30 million for land acquisition," Marape said.

Hela governor Philip Undialu yesterday said security deployment will not address the ongoing law and order issues describing it as 'band aid' solution and waste of public funds. "Help me build capacity, give me police (535 positions have been approved). I need policemen on the ground, build police houses," he said. The Prime Minister is expected to launch the sealing of the Halimbu-to-Koroba section of the Highlands Highway in Koroba today. "We have issued a K90 million contract with the first stage of K30 million to seal from Tari to Kopiago under the Connect PNG Programme," the PM said.

## **Undialu against SOE**

December 15, 2022, The National Main Stories

Hela Governor Philip Undialu says state of emergencies (SOE) or deployment of security into the province will not address the ongoing law and order issues. He described them as 'band aid' solutions and waste of public funds. Undialu said: "Every time we talk about state of emergency, it's costing millions of kina. "I don't need a state of emergency declared for Hela, a SOE is becoming an enterprise for certain group of people, they are profiting out of law and order (issues) in my province. "Help me build capacity, give me police (535 positions have been approved). "I need policemen on the ground, build police houses. "Provincial Government is willing to counter fund. "I want long term solutions. "I have 60 policemen (Hela) compared to 400,000 people, 60 per cent of that total population are youths.

"We have systematically failed Hela by denying the right to have sufficient security, court system not built. "Provincial Government has been doing what it can. "Entire Koroba Lake Kopiago, not even one single police. "I have 20 houses in Kopiago, no police there, that means there are around 120,000 people and nil police. "If there is no police, no court system, no jail, what do you expect people to do? "Only way is for people to resort to violence to deal with issues, that's what's happening in Margarima. "Let's get it right, so much negativity about my province, you give me police and you question the ability of the province. "You give me 535 police or half of it, then you question whether we are able to deal with all these issues. "For the last 12 years, we have been dependent on hired police, SOE is not new to Hela," he said.

## **Marape denies hidden motives in Porgera reopening delay**

December 15, 2022, The National Main Stories

Prime Minister James Marape says there are no ulterior motives in delaying the reopening of the Porgera gold mine in Enga except to ensure that all stakeholder views are considered. Marape was reacting to a statement by Deputy Opposition leader Douglas Tomuriesa yesterday for Government to speed up reopening of Porgera and also start the Wafi Golpu, Paska and Papua LNG unless it had hidden agendas to delay. Marape claimed that Tomuriesa never negotiated with stakeholders on national projects and could only make uninformed statements. Tomuriesa also asked Government to

explain how much was paid to consultants in the State Negotiation Team (SNT) for the country's resource projects. Marape said: "The Government together with Barrick have jointly concluded all the important milestones contained in the Porgera project framework agreement, signed in April 2021.

Since then, we have concluded the commencement agreement, the shareholders agreement and now Kumul mining is completing the operators agreement which is between the new joint venture company and the Barrick operating entity rather than with the State. "The New Porgera Ltd has been incorporated and the State parties are now 51 per cent majority owner of the mine which means the risks and responsibilities that must be negotiated through the various legal agreements are different and more complex than what the State is used to. They must now go through the regulatory process with the Mineral Resources Authority in accordance with the Mining Act which will include dealing with licensing, other technical regulations and a development forum for the landowners and provincial government stakeholders."

He said it was now this internal process and the settlement of legacy issues that the old Porgera Joint Venture between the Mineral Resources Enga (owned jointly by the landowners and Enga government) and Barrick, that needed be to settled, that will drive the timing of the reopening of the mine and not further commercial, technical and administrative negotiations with the Government. "PNG deserves the best outcome in our resources negotiations and our stakeholders have a right to be heard," he said.

"There are no ulterior motives in the delay, other than to ensure that all stakeholders' views are considered. It was important for both Barrick and the Government to secure the support of the Enga government and the landowners in the early part of the negotiations, and with the signing of the revised PPCA in September 2022, those issues are now sorted out. "The government is working through a process of properly establishing the SNT as an organisation. But these two processes are happening simultaneously. "We have had State Negotiation Teams since 2007 when we started negotiations on the PNG LNG project, and we are fortunate that a handful of these experienced resources are still around. These are high value industries and we have had some high quality resources who have effectively secured important gains for our people."

### **Landowner execs facing money laundering charges**

December 15, 2022, The National

TWO executive members of the Simberi mining area land group and their lawyers are facing money laundering charges at the Waigani Committal Court. Magistrate Danny Wakikura said lawyer Ritcher Habuka, 60, from Tandual village in Pak Island of Manus and Melchie Penge, 53 of Bauri village on Simberi Island, Namatanai, New Ireland, were charged with money laundering and conspiracy to fraud. Magistrate Wakikura said Habuka had an additional charge of dishonestly applied along with their other co-accused Johnathan Rumet. Rumet, however, was not present in court yesterday to hear his charges. Police alleged that on Feb 3, Penge, while presenting himself as the president of the Simberi Mining area association incorporation (SMAA Inc) against a National Court Order had conspired with Rumet, Ritcher and other man namely Esorom Banamu to transfer K6.1 million to a Bank of South Pacific account named Pacific Horizons Legal Services Ltd.

It was alleged that Penge was elected through an unlawful election of board members, clan representatives and directors to the SMAA Inc staged by Electoral Commission officers Alwyn Jimmy and John Mark. Ritcher was the principal lawyer at the Pacific Horizons Legal Services Ltd who was engaged by SMAA Inc. It was alleged that Ritcher, Penge and Rumet used the money for their personal expenses as shown in transactions to certain hotels and hire car companies (named).



By doing so, they had deprived the people of Simberi mining area of the money which was alleged to be royalties from the St Barbara mine on Simberi Island. Ritcher, Penge and Rumet were arrested on Dec 2 and were currently on bail. Magistrate Wakikura said he would arraign Rumet tomorrow and transfer the case to Kavieng district court.

### **Chamber commends Maru and Bishop**

Post-Courier on 14 December 2022

The Chamber of Mines and Petroleum has commended a former Australian foreign minister and a PNG minister for setting the tone for last week's mining and petroleum conference in Sydney. The chamber said the sentiments expressed by Julie Bishop and PNG's Minister for International Trade and Investment Maru at the 16th mining and petroleum investment conference and exhibition have largely highlighted the purpose of the event. "From an international trading perspective, the chamber is particularly pleased with the dialogue that occurred, with representation from the government of Papua New Guinea, by Richard Maru, Minister for International Trade and Investment and former Australian Foreign Minister, Julie Bishop," the chamber said in a statement yesterday.

The chamber said Mr Maru drew attention to the post-independence era, when a single mine was able to prop PNG's economy, to this year, where only eight projects are fully operational. The chamber said Mr Maru used that as the reason the government will be going all out to bring in incentives to bring in more exploration dollars. "Importantly, the minister informed the conference that the GPD growth from 1960 to 2022 shows investor partnership has raised PNG's economy from US\$5 billion to an expected US\$101.0 billion by the end of 2022," the chamber said. The chamber also praised Ms Bishop for giving a compelling speech on PNG and Australia's relationship, offering PNG as an equal economic partner. The chamber said the opening remarks by president Anthony Smare, paved the way for strong discussions on bilateral trade, development of the PNG economy.

### **Govt assessing Hela situation**

December 14, 2022, The National Main Stories



PRIME Minister James Marape says the Government is looking into all options, including strengthening present callout orders for Hela. He said that in response to Opposition Leader Joseph Lelang's

suggestion for a state of emergency (SOE) to be declared in Hela in light of recent violence and arson. Lelang urged Marape to declare an SOE and a callout of the military to curb ongoing violence and recover high-powered weapons. Marape said he appreciated the Opposition's call and concern for an SOE to be declared in Hela. Last week, landowner company, Trans Wonderland Ltd lost millions of kina worth of properties at Nogoli and Komo.

Police Commander chief superintendent Joseph Tondop said police have started investigations into the deaths and burning down of properties at Nogoli and Komo. Police also reported that almost 30 lives have been lost and millions of properties destroyed over the last two months due to ongoing fights in different parts of the province. Tondop said police were yet to get more details on the casualties. Tondop last night said fights in different parts of the province have been brought under control. "Team (Police and PNGDF) have intervened, managed to bring situation under control," he said.

"More than 15 lives lost at Koroba station. "Fight in Kopiago, more than 10 lives lost. "Hides, big destruction, two camps for TWL (Trans Wonderland Ltd) burnt to ashes, two lives lost. "My focus is to stop the fight, prevent loss of lives and properties. "We can go into peace mediation, do cease-fire." Meanwhile, Koroba Lake Kopiago MP William Bando said ongoing fights by people from North Koroba have spilled to Koroba station. He expressed concern on women and children who continue to be victims in payback killings.

### **Clans join case over gas benefits**

December 14, 2022, The National Main Stories

THE National Court has allowed leaders of two clans in Angore, Hela, to challenge a March 30 (2022) decision of Petroleum Minister Kerenga Kua on the identification of beneficiary clans. Judge Nicholas Miviri, presiding at Waigani yesterday, granted leave for Polopu chairman David Hayabe and Pai Nanai chairman Pai Wasa to join the proceedings as the fourth and fifth defendants. The Petroleum Development Licence 8 (PDL 8) clans want a review of a decision contained in the ministerial determination which was published in a national gazette on March 30 whereby the Polopu and Pai Nanai clans were included. This was in relation to the identification of the beneficiary clans in the Papua New Guinea Liquefied Natural Gas project impact areas of Angore wellhead block 1715 PDL 8 in Hela's Tari-Pori.

Halepura chairman Hari John Akiye, Tope chairman John Poi, Juluma chairman Himiya Jula and Tapu Yalo chairman Philip Pokopi were named as plaintiffs. Their lawyer, Judy Nandape, said the National Court had referred them to a mediation headed by deputy chief justice Ambeng Kandakasi in 2015 where 49 clans were identified and a consent order was signed and office bearers were elected. After that, a mediation agreement was signed. They were to return to court when the ministerial determination was published on March 30 with 51 clans confirmed, including Polopu and Pai Nanai. They want the court to declare Kua's decision with the inclusion of Polopu and Pai Nanai clans as null and void.

Judge Miviri said the court was satisfied that Hayabe had met the test for joinder of parties, given he had sufficient interest in the proceedings. He said the court was also satisfied that Wasa be allowed to join because his name appeared on the final court annexed mediation report for Angore PDL 8 prepared by the Department of Justice and Attorney-General to the Petroleum Department secretary on March 4. Petroleum secretary David Manau, Kua and the State were named as defendants. The court, in considering the additional defendants to the proceeding, vacated the trial date of Feb 8. Judge Miviri then fixed Feb 6 for the matter to return for a further directions hearing.

## **Lihir forgery case moved to New Ireland**

By MELYNE BAROI, December 14, 2022 The National

THE case of a man who allegedly produced 17 fake documents to divert royalties from the then Lihir Gold Ltd to landowners in New Ireland has been transferred to New Ireland. Magistrate Danny Wakikura, in a committal court in Waigani yesterday, said for the convenience of eyewitnesses and place of alleged offences, the case has been transferred to be heard on Feb 28. Philemon Toizik, 76, from Lihir Island's Urutok, was an interpreter to landowners of 116ha in Wanbuo land and 100.2ha in Lankahaniu, the late Camilus Kalayen and his sister, the late Anna Abasbas during a land marking in 1984. At the time, there were ongoing land disputes.

It was alleged that on Oct 4, 2017, by using fake supreme and national court orders, Toizik created seven bank accounts with Bank of South Pacific of which three were under the names Nick Aiyen, Mark Aiyesen and Thomas Pulman. Toizik allegedly forged a disputed settlement between Kalayen and Abasbas with other interest parties. It was alleged that with those bank accounts and a forged record of mediation land forms and other agreements, Aiyen, Aiyesen and Pulman have had over a million Kina diverted into their accounts. On June 10, 2017, a nephew of Kalayen and Abasbas, Peter Kalayen, reported the matter to police. Toizik was on bail.

## **Govt looks to refine gold at home**

December 13, 2022, The National Business

MINISTER for Finance and National Planning Rainbo Paita says more returns will be made from the gold mined in PNG through downstream processing. Paita said the establishment of a National Refinery and Mint would see the refining of gold in the country. "The gold refinery will ensure we can see and measure the level of gold PNG is producing," he said. "We have done some work on it in the last two to three years and we are going to bring a clearer version of that project next year. "The office of the Prime Minister, Commerce and Industry, including us at the National Planning, are to ensure we refine all our gold in country so we must know how much gold we are producing and exporting.

"If we have to go down the path of building reserves and gold bullion, we must have the refinery in the country. "In 2020 statistics, we were on the tenth in the world's biggest gold producers. "That is in terms of gold we are producing in the mines as well as alluvial mine, but if we can get that gold and refine it, and put a Kumul logo on it, we can quantify exactly where we are placed in terms of gold market and the level of the amount of gold we produce as a country. "Downstreaming in gold and precious metals will happen next year. "Once we finalise the last vetting process, we are going into that space," he said.

Paita said the Government was taking a sector by sector approach in the downstream processing space hence for marine resources, the Pacific Maritime Industrial Zone was the key project while in the forestry space, State-marketing option was a priority. "We have to add value to most of our resources," he said. "Downstream processing add value to the products before export and at the same time create jobs for our people. "We also create the technical know-how so we can be able to work in our own industries and understand our own resources to be able to add value as a country."



## Moratorium on seabed exploitation approved in Tahiti

Radio New Zealand on 13 December 2022

The French Polynesian assembly has adopted a formal declaration for a moratorium on any plan to allow seabed mining. 45 members voted for, and 11 against the text, which aims to block any such activity until more is known. It said there had to be evaluations to understand the risks of seabed mining to the environment. The text said this was a precautionary approach which built on the principle that the polluter paid.



Nodule Collector Photo: Cook Islands Seabed Minerals Authority

In September, the advisory social and economic council had opposed seabed mining. At the COP27 meeting in Egypt last month, the French President Emmanuel Macron called for a global ban on seabed mining. The French government said such a ban was stronger than a moratorium and would also apply to France's exclusive economic zone, which includes French Polynesia's waters. French Polynesia's EEZ is more than 4.7 million square kilometres and accounts for almost half of the water surface under French jurisdiction.

## KPHL on track with 5 per cent stake in LNG

BY MELISHA YAFOI, Post-Courier on 12 December 2022

Kumul Petroleum Holdings Limited is still in communications with its Joint Venture partners to raise US\$1.1bn (K3.8bn) to buy a 5 per cent share in PNG LNG that is on offer by Santos. KPHL managing director Wapu Sonk said that the purchase of 5 per cent share is a very strategic one for KPHL. He reiterated that KPHL is interested to take the share in PNG LNG project because it has a long life ahead of it. "The Papua LNG will come into PNG LNG project and that will further extend the life of the PNG LNG Project so we want to be strategically positioned in PNG LNG project that is why we are looking for \$1.1bn US to take up 5 per cent that is on offer from Santos. "That transaction is going to close in June/July 2023 and we are working through with our financiers and Santos and with our Joint Venture partners in order to get the waivers from our joint venture partners as a key hurdle, clearance that we need to get for the transaction to close. The target is June/July next year." Santos in its recent market announcement has maintained that it will deal directly with KPHL regarding this offer.

## **Foe Landowners not happy with decision**

Post-Courier on 8 December 2022

THE Foe Landowners Association has declared its intention to go to court if a Ministerial determination (G878) dated November 25, 2022, is not rescinded. The Ministerial determination (G878) was made pursuant to section 169 and 170 of the Oil and Gas Act to identify the landowners and determine the benefit sharing for the Foe region or people in PDL2. In a press conference last week, Association chairman Johnny Yawari and executives called on Minister Kerenga Kua and the Department of Petroleum and Energy to consult relevant authorities on the ground or they will challenge the decision in court. Mr Yawari said the association represents 139 LLGs, 99 for upper Foe and 45 for lower Foe including other communities who are not in the beneficiary list but are impacted by the exploration and developments on the ground.

“Foe Association is the umbrella association and it is the custodian of the Foe people by mandate, we have the power to negotiate, by power to incorporate ILG’s, by power we have the authority to split any benefits because we are mandated by the people of the one hundred and thirty five ILG’s and you the Department of Petroleum and Energy should show respect and consult us before you go and do other things. “We never agreed on a percentage split, normally in a percentage split you have to have everyone involved seated at a round table. “As the current chairman with my executives, we have never been informed by the Department of Petroleum and Energy at any one time that there is going to be a percentage split so we are inviting you guys to come and participate.

“We are looking at about one hundred fifty to sixty ILG’s who will miss out on the beneficiary list.” “Department of Petroleum and Energy, you do not have any powers to split the benefits, you are just there to facilitate,” Mr Yawari added. “We are calling on you Minister (Kua Kerenga) to revoke the decision and sit at a roundtable and discuss this issue. Whatever happens we are ready to go to court to challenge this decision.” Association treasurer Nelson Kigiri said all ILGs are behind the chairman and are calling to the department to revert the decision and consult them. “Revoke the decision or we go to court because you have not consulted us and we are waiting for the clan vetting which has not yet been completed,” Mr Kigiri said.

## **Waves of investments coming, says MRDC boss**

December 8, 2022, The National Business

*THE next wave of mining and petroleum investments in the country presents great opportunities for landowners in wealth creation* [emphasis R.S.], says Mineral Resources Development Company (MRDC) managing director Augustine Mano. “The next wave refers to Papua LNG to be operated by Total Energy, P’nyang Gas by ExxonMobil and the Wafi-Golpu gold and copper project by Newcrest,” he said. “Collectively, these three projects will inject almost K90 billion into the country in capital expenditure alone over eight years. “The impact of these expenditure during construction phase of these projects on GDP (Gross Domestic Product) growth will be huge.

“Business and employment opportunities, and foreign exchange earnings will be massive,” Mano said. Speaking at the PNG Mining and Petroleum Conference in Sydney this week, Mano said when Papua LNG and Wafi begin production in 2027/28, and P’nyang Gas in 2033, revenue would significantly increase. “So against this backdrop, what are the business opportunities for MRDC and landowners in the next wave?” he asked. “We have to be talking opportunities greater than the traditional security, catering, or lodging contracts, the usual spin-offs.”

## Pasca prepped to bring in K8.6 billion

Post-Courier on 8 December 2022

One of the country's "Big 5" new resource projects, the Pasca Development Project, will generate K8.6 billion revenue for Papua New Guinea at K500 million per year. The project is set to be a US\$1.5 billion direct foreign investment and has K18 billion GDP impact. Twinza Oil executive chairman Stephen Quantrill, in his presentation in Sydney, said the project is ready to go with the first production set for 2027, and first State revenue in 2026. "Twinza has commenced evaluation of potential CO2 sequestration in Pasca. As the field was buried, gas was compressed into the primary gas column leaving a residual gas column with secure sea. "Potential CO2 storage capacity is 50 million tonnes in primary reservoir and 150 million tonnes in residual gas column," he said.

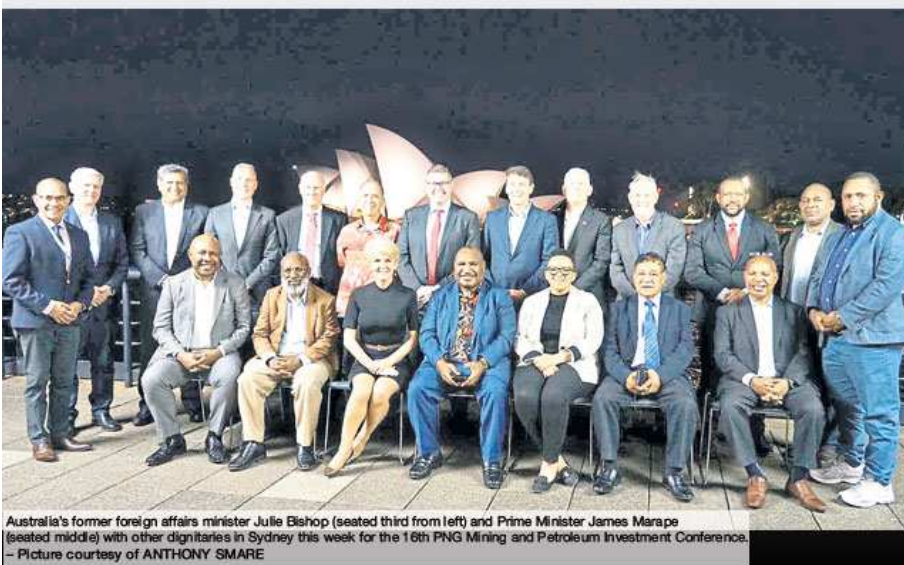
Mr Quantrill said the company has invested more than K350 million since 2008. Twinza Oil had its Pasca PDL application done in 2015 with the Gas agreement terms in 2021 with an advanced FEED-ready design. The Pasca project wins for PNG will include:

- US\$1.5 billion of Foreign Direct Investment.
- 10% DMO for LPG: aligned with PNG's 2030 strategic plans.
- First State revenues in 2026 and
- K18 billion GDP impact.

The project's PNG Economic Vision 2025 include 2 per cent of global LNG supply, proximity to key markets and supply response threat 2020. The project term sheet was signed with the State Negotiating Team in 2021, with additional and final terms agreed and announced by government. "Further investment and project financing is pending the Gas Agreement and K500 million per year to the State with tax, levies and royalties of K8.6 billion revenue to PNG, and over the life of the project there will be 300 construction and 500 permanent jobs in PNG direct and indirect," Mr Quantrill said.

## Use them or lose them, PM tells investors

By SHIRLEY MAULUDU, December 8, 2022, The National Business



Australia's former foreign affairs minister Julie Bishop (seated third from left) and Prime Minister James Marape (seated middle) with other dignitaries in Sydney this week for the 16th PNG Mining and Petroleum Investment Conference.  
– Picture courtesy of ANTHONY SMARE



Celestine Ove, of Santos PNG, interacting with other participants at the conference.

COMPANIES in the resource industry that do not show any interest in developing their respective licenses may have them made redundant, Prime Minister James Marape says. The prime minister made the statement at the 16th Papua New Guinea Mining and Petroleum Investment Conference in Sydney, Australia, this week.



Mineral Resources Development Company managing director Augustine Mano interacting with other participants of the conference this week.

“In 2025, we will shift all licences and projects that have had no substantial progress into a new hybrid production-sharing regime, hence, if you want to enjoy the present concessional regime we have, then you must progress to show your seriousness,” Marape told the conference. “I ask investors who already have an interest or an asset in my country, please progress the project to the next stage because 2025 is coming upon us.



Nasfund chief operating officer Rajeev Sharma, client relations team leader Raela Wari and chief executive Ian Tarutia at the Nasfund booth. – Picture courtesy of Nasfund

“If we, in the last three years, have had our petroleum and mining negotiating teams plus our state negotiation team progress the Papua LNG, Pogera Gold Mine, P’nyang LNG, Pasca Gas Condensate and Wafi-Golpu simultaneously, we can handle your project too. “Our royalty tax concessional regime will run its full course with those projects that have made substantial progress in exploration, data update and development endeavours.





Executive director of PNG Chamber of Mines and Petroleum Professor Albert Mellam, Petroleum and Energy Minister Kerenga Kua, PNG high commissioner to Australia John Kali, Justice Minister Pila Niningi and PNG Chamber of Mines and Petroleum president Anthony Smare at the conference this week.

“However, those warehousing licences with no activity in either exploration or development will face natural redundancy, as PNG migrates into a hybrid production-sharing regime that we will negotiate with the PNG Chamber of Mines and Petroleum.” Marape told investors that the country was serious about local participation in projects and the benefits that would come with it. “Our negotiations will not only be on royalties, taxes, levies, rates and equities,” he said.



Attendees at the conference in Sydney this week. – Pictures supplied

“We will also push for greater local content in the construction and operational phases as well as moving to full downstream processing of PNG products, including refining gold and copper to export finished products and full utilisation of gas for domestic use at the earliest. “We would also ask all investors in PNG to offset their global and PNG carbon footprints by participating in the conservation of my country’s tropical rainforest and mangroves, because that is also making PNG better.”

### **K45mil projects await approval**

December 8, 2022, The National Business

THE Mineral Resources Authority (MRA) is processing and monitoring more than K45 million worth of new capital investments in mining projects, and about K10 billion investments in sustaining capital expenditure on existing mines. “Some important mining projects had already been approved while others are currently going through the approval process. These projects are worth a total of K13 billion of potential new capital investment,” Mining Minister Sir Ano Pala said. “Projects going through the approval process are the K5.3 billion Wafi-Golpu copper project, comprising K2.5 billion sustaining capital expenditure, and the K7.2 billion Frieda River copper and gold project.” Speaking at the 16th PNG Chamber of Mines and Petroleum Conference in Sydney, Australia, this week, Sir Ano said the projects approved were the Woodlark Gold Project and the K3.331 billion Central Lime Cement Project.

He said the Ramu Nickel Cobalt mine would be undertaking a K1.5 billion expansion programme. Sir Ano said the Government had approved the conversion from oxide to sulphide ore processing for the Simberi project and the extension of the mining lease for the Hidden Valley project. “More

recently, the application for extension of the special mining lease for Ok Tedi Mine and the K92 Mining lease were being processed,” he said. “We are confident of permitting Wafi and Frieda River projects upon completion of negotiations in the coming weeks. Wafi is going well. “The gaps in the negotiations are narrowing and we are confident of an announcement soon. “These mega projects will take five to seven years of construction and we hope to see the mining projects in operation well before 2030,” Sir Ano added.

### **Foe PDL 2 LOA unhappy**

Author: Frieda Kana, Loop PNG, December 7, 2022

Landowner executives of Upper Foe and Lower Foe who are beneficiaries of PDL 2 project, expressed disappointment in a newspaper advertisement dated Friday November 25, 2022 of a gazette notice regarding the benefits of the gas project for PDL 2 landowners The Namaporo Landowner Association and the Foe Landowner. Foe Association Chairman, Johnny Yawari affirmed they are the principal signatories to the gas agreement and also licensed based LBSA in Kaibo; Moro representing 139, 96 for Upper Foe, and 45 for Lower Foe. He said the alterations in the ILG decreasing the number from 139 to only 16 will cause confusion and chaos among the landowner beneficiaries.

Yawari is now calling on the Department of Petroleum & Energy to revert the decision, and consult with the Foe Association as the umbrella association. “I don’t know what type of criteria Petroleum Energy is using to advise the minister to get him to make the determination of these ILGs. And we had never agreed on a percentage split. Normally a percentage split you have to have everyone involved. And as the current chairman of Foe Association, we had never been informed by DPE at one time. Foe Association and Namaporo are the principal signatures to the Kutubu Agreement (dating back (to) 1992, revised in 1996 and (the current),” Yawari said.

### **OTML projects K19bil dividend payout in 11 years**

December 7, 2022 The National Business



Cameron Clark

OK Tedi Mining Ltd (OTML) will generate more than K19 billion in dividends for Papua New Guinea over the next 11 years, says its general manager commercial and chief financial officer Cameron Clark. “Although the mine had been impacted by high fuel costs, and the expected low grade ore transition in 2022, OTML remained profitable and was committed to delivering for its shareholders. “The outlook for Ok Tedi is a positive one. The company has tripled its value in the last six years and extended mine life by seven years. “This has been made possible by a combination of technical improvements, cost improvement, accelerated mining rates and internal investment in key strategic projects,” he added.

Speaking at the PNG Mining and Petroleum Investment Conference in Sydney yesterday, Clark said dividends in the next 11 years would exceed what had been paid in the last 35 years. “Along with taxes, royalties and compensation payments of about K7 billion, the overall benefit generated by Ok Tedi in the future was expected to be about K30 billion. “We have solid plans in place, and therefore execution of those plans remain the key to ensuring this value is realised,” he added. He said

OTML continued its efforts to extend mine life beyond 2033, having spent more than K350 million on exploration in recent years. “We have a 2039 mine life case. However, this case reduces net present value by 30 per cent and causes additional environmental impact, and therefore, requires further work before it can be considered a viable option,” Clark said.

### **Santos seeing strong production growth in Gobe, Kutubu**

December 7, 2022 The National Business

SANTOS is seeing strong production from the PNG LNG project and record export rates from its Gobe and Kutubu fields since its merger with Oil Search, says the company. “In September, we received a binding conditional offer from Kumul Petroleum to acquire a five per cent project interest in PNG LNG. “And the Papua LNG project pre-Feed (front-end engineering and design) activities continued at pace,” Santos president (upstream oil and gas) Brett Darley said. He said next year would be a busy year for Santos with a significant work schedule:

- INFILL drilling campaign;
- KUTUBU refinery rebuild;
- GOBE life extension;
- CONTINUOUSLY working with Santos’ joint venture partners on Angore field development; and,
- WORK towards Papua LNG final investment decision.

Speaking at the 16th PNG Mining and Petroleum Investment Conference in Sydney yesterday, Darley said Santos was aiming for its biomass project in Morobe to sequester more than eight million tonnes of carbon dioxide over its life, which he said would be a great step towards decarbonisation in PNG. “As Santos looks to decarbonise its operations, PNG will remain a key focus in our strategy,” Darley said. “Santos is developing its three-hub carbon capture and storage (CCS) strategy. “As we seek to decarbonise our economy, carbon capture and storage will be critical in achieving that goal. “Australia needs to get behind CCS because we know net zero cannot be achieved without it,” he added. “If Australia and the world are serious about net zero, then we must be serious about decarbonising existing energy sources as the market evolves over time for new clean fuels such as hydrogen.”

### **Govt extends K92 mining lease**

December 7, 2022, The National Business

K92 MINING Inc has been issued a 10-year extension to its mining licence by the Government, says chief executive John Lewins. He said this in Sydney, Australia, yesterday after Mining Minister Sir Ano Pala announced during the PNG Mining and Petroleum Investment Conference that he had signed for the extension. “We applied for the extension at the beginning of the year and the application has gone through the formal process, which includes warden’s hearings in the local communities, technical evaluation by the Mineral Resources Authority (MRA), including compliance with environmental and safety standards. Based on a positive recommendation from MRA, the extension was granted,” Lewins said.

He said K92 would now go ahead with stages three and four of its expansion which would see the capacity of the project increased to 1,200,000 tonnes per year by 2024 producing around 300,000 ounces (ozs) per annum. Lewins said the completion of stage four would increase the mine’s output to 1,700,000 tonnes per year, producing half a million ounces per annum. The planned expansions will see K92’s workforce increase to 2,000 by 2024 and a further 500 by 2025.

Lewins said the extension of their mining lease and the approval of the expansion by the K92 board were milestones for the Kainantu gold mine, Papua New Guinea, the communities, investors and other stakeholders. “It will boost the PNG economy, in terms of jobs, exports, royalties and income tax,” he said. “We also plan to expand our community programmes as we expand the mine, so community benefits continue to grow. “Beyond the mine expansion, as we approach the New Year, we are excited about our exploration programmes in Kainantu. “We plan to expand the number of drill rigs next year from the 11 currently operating, with a focus on resource expansion of our vein fields and porphyries.”

### **Caledonian Union won't join nickel sector working group**

Radio New Zealand on 6 December 2022

The pro-independence Caledonian Union has ruled out joining a working group on the nickel sector. The group is one of many announced by the French prime minister Elisabeth Borne in October as Paris plans to draw up a new statute for New Caledonia. Nickel accounts for the vast bulk of exports from New Caledonia, which has about ten percent of the global ore reserves. With one key producer, SLN, facing insolvency within months, the French interior minister Gerald Darmanin has refused to guarantee a further bail-out, saying a comprehensive long-term strategy needs to be developed. The Caledonian Union's Gilbert Tyuienon said any discussion must take into account New Caledonian interests.

### **PNG targets K200 billion**

By REBECCA KUKU in Sydney, December 6, 2022 The National Business

PRIME Minister James Marape says Papua New Guinea has been working on five major projects in the last three years to reach a K200 billion economy. “The projects are the Papua LNG, Pogera Gold Mine, P’nyang LNG, Pasca Gas Condensate and Wafi-Golpu mining,” he told the 16th Papua New Guinea Mining and Petroleum Conference in Sydney, Australia, yesterday. “We are in ‘deep waters’ in various stages of those projects as far as agreements and developments are concerned. “There is no turning back and we look forward to substantial concrete progress on project development. “These projects, being developed from 2023 to 2032, will be the impetuous, the next wave responsible for PNG’s economy to be catapulted, surpassing the K200 billion economy I envisioned on May 30, 2019. “Every other project that you all have interest in, like Frieda, Kili Tege, Yandera, Pandora, Stanley and Ketu Elalava, is a bonus on top of these projects.

“Investors who already have an interest or an asset in PNG, please progress the project to the next stage before 2025. “If we, in the last three years, have had our petroleum and mining negotiating teams plus our state negotiation team progress, we can handle your project too.” Marape said by 2025, PNG would shift all licences and projects that had no substantial progress into a new hybrid production-sharing regime. “If you want to enjoy the present concessional regime we have, then you must progress to show your seriousness,” he said. “Our royalty tax concessional regime will run its course with those projects that have made substantial progress in exploration, data update and development. “But those warehousing licences with no activity in exploration or development will face redundancy, as PNG migrates into a hybrid production-sharing regime that we will negotiate with the PNG Chamber of Mines and Petroleum.”

Marape invited investors to secure an appointment with International Trade and Investment Minister Richard Maru, who heads all our investments and trade negotiations, or the two sector ministers in Kerenga Kua (Petroleum) and Sir Ano Pala (Mining). “For those new investors who want to invest in PNG, let me tell you some good news and competitive advantages PNG has as an



investment destination, apart from what I alluded to earlier,” he said. “We will always allow our investors to make profit, even in a production-sharing regime. We will give investor incentives for exploration dollars spent in the country. “While our philosophy demands we have 60 to 65 percent of the total project pie, we will respect each project’s development peculiarity and projects will be negotiated on their own merits guided by the operative laws. “We can give fiscal and legislative stability, but at a negotiated premium. PNG is closer to active markets and the State will use its network as a bilateral and multilateral partner country to Asia-Pacific Economic Cooperation (Apec), Association of Southeast Asian Nations (Asean) and other global economies for the export of PNG products.”

### **PNG offers good incentives, protection to investors, says PM**

December 6, 2022, The National Business

PAPUA New Guinea is an investor-friendly nation, says Prime Minister James Marape. He told investors yesterday in Sydney during the 16th PNG Mining and Petroleum Conference that PNG offered good incentives, embraced and protected investors, and allowed them to make a fair and profitable return on their investments. “Look around and ask, for instance, two of Australia’s biggest mining companies, Newcrest and Santos, and see how their PNG investments and assets add onto their total balance sheet,” he said. “Look at the recent example of Santos. They merged with Oil Search assets in 2021, and in 2022, their gain in the PNG LNG possibly outperforms all their other investment portfolios and they would have recovered the cost of the transaction.”

Marape said PNG had always been “a good place for mining and petroleum business” despite the challenges, but “where else on earth are there no obstacles?” “In PNG, the State plays a dual role as a regulator and business partner to ensure investments are safe,” he said. “Equities held by our national mining and petroleum companies, plus landowner companies through Mineral Resources Development Company, have always played a cushioning role to ensure that the projects are safe. “This is something the industry must realise and appreciate.”

Marape said experiences from major mines such as Bougainville (Panguna), Ok Tedi and Porgera compelled the Government to ensure fair agreements were reached for investors to have returns while landowners and provincial governments had a better share of the improved benefit-sharing arrangement. “The State is always looking to protect our investors,” he said. Marape said PNG had honoured its agreements with developers and the projects had benefited the country. “If the projects of the first 44 years grew our economy from K5 billion in 1975 to K79.6 billion in 2018, our next wave of responsible investments will move the economy from the K113 billion that the International Monetary Fund says we presently are, to the K200 billion target I set in 2019,” he said.

### **Geopolitics influencing business: Chamber boss**

December 6, 2022, The National Business

THE country’s resource sector is mindful of the geopolitics that continues to influence the way business is conducted in the country, says Papua New Guinea Chamber of Mines and Petroleum president Anthony Smare. “Resource development and international investments and the finances involved have played an extraordinary role in the development of our country, economically and socially,” he said. “We believe it is time for the industry and the country to encourage exploration and focus on finding and developing PNG’s potential to supply minerals, in addition to gold and copper.” Speaking at a mines conference in Sydney, Australia, yesterday, Smare said the energy transition dynamic was a complex and rapidly evolving geopolitical context.

“The competition between China and Western countries has impacted Pacific nations, particularly PNG,” he said. “China is an important partner of our country. “It plays a significant role in our economy and industry. “They have interest in Porgera, Ramu Nico, and is also a significant buyer of our liquefied natural gas (LNG), and we expect that it will be for the next LNG projects. “Australia has been a dominant investor in our sector and a driver of growth in our sector. “Some of us remember the Wau/Bulolo gold rush in the 1920s was responded by Australia.

“Australian-funded explorers and mining companies discovered and developed much of our important projects. “Australia remains one of our most important investors and friends. “Australia’s significant investment in our sector is represented by Newcrest, the owner of Lihir gold mine Wafi-Golpu project as they partner South Africa’s Harmony, and Santos, which is the largest interest holder through the acquisition of Oil Search in the PNG LNG. “This is supported by smaller companies, like St Barbara, Twinza and Geopacific Resources Ltd.”

### **Markets vital: Marape**

By REBECCA KUKU in Sydney, December 5, 2022, The National Business

THE Government will working with the mining and petroleum sectors to find a market for the country’s resource products, according to Prime Minister James Marape. Marape said this when assuring the Papua New Guinea Chamber of Mines and Petroleum in Sydney, Australia, yesterday of his Government’s commitment. “International Trade and Investment Minister Richard Maru will take the lead in finding markets for the industry,” Marape said. “We have also spoken with other countries who are interested in doing business with us, and the Government will continue to have these conversations to help find the market.” Marape is attending a three-day 16th PNG Mining and Petroleum conference, which starts today in Sydney. According to the chamber, the conference aims to promote international investment in PNG.

Chamber president Anthony Smare thanked Marape for attending the conference, saying his presence would boost investor confidence. Smare said the chamber was optimistic as PNG had five major projects in the industry that would be discussed during the conference. “These projects will also have a huge impact on the country’s economy,” he said. “A lot of interest has been shown in this year’s conference with 11,050 people registered to attend the conference tomorrow (today).” Marape also met with some investors to discuss projects, including the Porgera mine, Wafi-Golpu, Pasca A and Papua LNG. The conference will end with a session that will focus on success stories where resource revenues have been invested for future benefits, and a presentation on the importance of the PNG Sovereign Wealth Fund.

### **Porgera authority calls on govt to address lawlessness**

December 5, 2022, The National Business

PORGERA local level government special purposes authority chairman Nixon Mangape says the Government must address law and order issues in Porgera and open the multi-billion kina gold mine soon. Mangape said this after the swearing in of new directors of the board last week. He said the mine could not progress normally with the current level of crime and lawlessness in the district. He said Porgera was a major contributor to the country’s revenue, but the mine’s closure had seen an increase in law and order issues. The swearing in of the board was facilitated by the Department of Provincial and Local Government Affairs last week with Mangape elected as chairman by the board. The authority now represents two LLGs and Porgera special mining lease landowners.

“Now that the board has been sworn in, we want to appeal to the Government that there are a lot of issues mainly relating to law and order rising in Porgera such as killings, fighting and destruction happening,” Mangape said. “We appeal to the MP, Mining minister, and prime minister and all the stakeholders to take ownership of the issues. “A lot of public servants have left because of law and order issues. All government services in the valley have shut down.” Mangape said the people were united and ready to open the mine. “If the delay is with the State or Barrick, it is with you, we want to reopen the mine,” he said. “We are ready to work with the State and developer and provincial government. “The important thing is that we have to minimise the law and order issues then talk about reopening the mine. “We appeal to the Governor (Sir Peter Ipatas) and prime minister (James Marape) to fast track the reopening of the mine.”

### **5 allowed leave in K260mil case**

December 5, 2022, The National

THE National Court has allowed five of the six people charged with misappropriating K260 million belonging to the Western people to travel home for Christmas. The five were lawyers Greg Sheppard, 65, from Australia; Gloria Salika, 39, from Kulakea village in Western’s South Fly; executive assistant Tabitha Malken from Wosera-Gawi’s Jambitanget village in East Sepik; and, directors Boston Kasiman; Edna Oai; and Annie Smerewai who were out on bail. Judge Teresa Berrigan set bail conditions for them to comply and one of them was that they would not leave Port Moresby without the court’s permission. Judge Berrigan granted permission for Sheppard, Malken, Kasiman, Oai and Smerewai to go home for Christmas.

A voir dire (trial within a trial) was conducted last month to verify the legality of the search warrant used by the police investigator in the case to obtain certain documents. After conducting the trial within a trial, Justice Berrigan withdrew herself from further proceeding with the case into the trial proper because she had discovered that one of the witnesses Sheppard intended to call was known to her. She then had the files transferred to the registry for it to be allocated to another judge. Sheppard, Salika and Malken were charged with one count of misappropriating K52 million which was allegedly transferred from Western people’s trust account to Young and William Lawyers while the directors; Kasiman, Oai and Smerewai were charged with two counts for allegedly being involved in the transaction of that same money and a K218 million belonging to the people of Western.

### **SWF to be locked away for 20yrs, Marape says**

December 2, 2022, The National

PRIME Minister James Marape says Papua New Guinea’s Sovereign Wealth Fund (SWF) is being structured for a strict 20-year savings and investment term. “This will ensure the fund withstands the influences of politics,” he added. Marape said the Government was working on the structure which would soon be completed but “the SWF is for the benefit of the future generation of Papua New Guineans”. “Let me assure our citizens and stakeholders, the Government is dead serious on savings for the future in the SWF. “We should consistently save over the next 20 years, from the seven per cent of the dividends from all our State-owned enterprises. “This should build up over the next 20 years to a substantial base, to a K1 billion to K2 billion facility.”

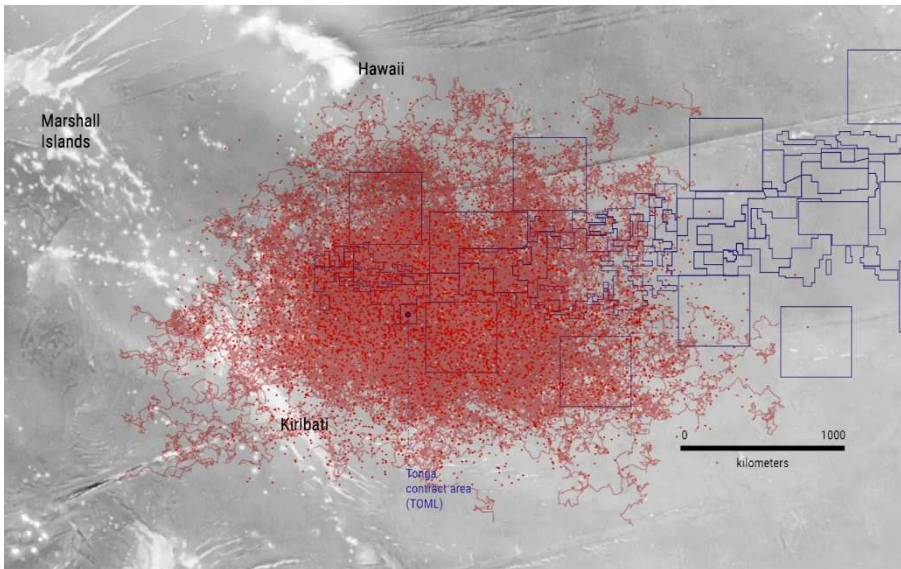
“The contributions from the SOEs, including the one from Kumul Consolidated Holdings last month, will be parked in a trust account facility that will be held in the Central Bank. “Signatories will be the Central Bank governor, Treasury secretary and KCH managing director. “It will not be a trust account for withdrawal but a savings trust account. “Until we establish the SWF structure properly, and for us to then look at the investment guideline that will guide us on how we will

invest the savings, we will be putting into the trust account. “We have a Government policy already in place and this is the first time since the SWF was talked about. “My Government has locked in seven per cent of every earning, seven per cent of all dividends declared by our state-owned enterprises and our national companies will be passed to the SWF.”

### **‘Blue Peril’ reveals how deep-sea mining would impact Pacific Islands**

*Documentary models the scale and nature of possible impacts to reveal that tailings waste from mining would travel 900km to Hawaii in three months*

Deborah Pranis, China Dialogue, December 1, 2022



Modelling from Blue Peril shows how far, in three months, ocean currents would carry tailings waste from mining in the area licensed to The Metals Company and Tonga (Image: Deep Sea Mining Campaign)

A new film has revealed the scale and nature of the impacts that deep-sea mining would have on life in the Pacific Island region, from direct damage to seafloor ecosystems, to tailings waste and sediment plumes. In the interests of transparency, I was involved in writing part of the film’s script. Blue Peril was made in response to the rush by governments and companies to begin mining the Clarion Clipperton Zone (CCZ), an area of the Pacific spanning 4.5 million square kilometres between Hawaii and Mexico – equivalent to the size of the European Union. The documentary makers say it provides the first independent visual investigation of the tailings waste and sediment plumes that mining operations would create, and of how they will affect marine life. The modelling uses data from scientific literature and international oceanographic [models](#) to predict how far tailings and pollution would spread. It presents the findings in tandem with a view from the Pacific islander communities that stand to be most affected.

“This is the first modelling of the impacts in the CCZ conducted independently of the deep-sea mining industry and the International Seabed Authority, which promotes it,” said Dr Helen Rosenbaum, coordinator of the Deep Sea Mining Campaign (DSMC).

DSMC produced the film along with INTERPRT, a Norwegian environmental research agency, and Ozeanien Dialog, a German church-based NGO focussed on Oceania. The seabed in the CCZ is rich in polymetallic nodules – small rocks containing minerals including copper, nickel, cobalt, iron and manganese. Mining proponents [argue](#) that these metals are required to manufacture batteries for electric vehicles and in the power arrays that distribute renewable energy. This argument is [countered](#) by rapidly evolving battery technology and the [possibilities of the circular economy](#). The

Metals Company (TMC), a Canadian mining firm, is pushing for mining to begin in 2024 in its Nauru-sponsored licence area.

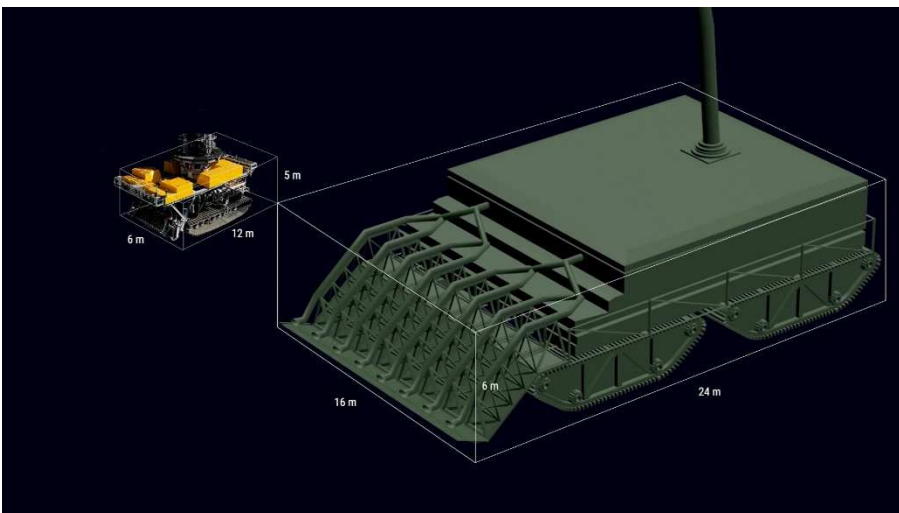
### Mining regulations

The International Seabed Authority (ISA) met in November at its headquarters in Jamaica to continue negotiations on creating the rules that would govern eventual mining operations. At present, contractors are only authorised to “explore” large areas of the seabed, with 17 such licences issued. However, “exploitation” for precious metals could begin in as little as nine months. This deadline was imposed by the triggering in July 2021 of an arcane rule by Nauru, which holds a contract with TMC, obliging the ISA to consider an application for a mining licence within two years.

Concerns were raised at the ISA’s November meeting about the authority’s approval of a “trial run” by TMC, which was effectively a full mining operation in the CCZ, albeit small scale. ISA member countries and [observers](#) called out the lack of transparency and due process, and again questioned the ISA’s suitability as a regulatory body. The authority is made up of 167 member states and the European Union. It is entrusted with organising, regulating and overseeing all mineral-related operations in the international seabed area for the benefit of all people. However, the body has been [accused](#) of lacking accountability, transparency and inclusivity. At an earlier meeting in August, civil society organisations were reported to have been shut out of some of the sessions. “How can a few minorities decide what’s good for the whole of humanity when the majority are locked outside the door? We need space for dialogue and to be heard,” said Tita Kara from the Civil Society Forum of Tonga.

### Modelling the impacts

Blue Peril reveals that during the potential 30-year licensing period that could be granted to TMC, its operations could directly damage an area of seabed the size of Hawaii. Mining machines taller than a two-storey house would also churn up plumes of sediment as they scrape their way over the sea floor. These plumes, which may carry toxic heavy metals, would spread and smother marine life. Nabil Ahmed, a professor at the Norwegian University of Science and Technology, and founder of INTERPRT, explains how Blue Peril’s predictions were made. “We created a 3D model using spatial imagery programs and incorporated estimates of mining rates from the scientific literature to predict and visualise how much of the seabed would be destroyed. The spread of the plumes that would be generated on the seafloor, and by the mining waste planned to be discharged 24/7, was predicted using oceanographic methodology.”



Blue Peril used publicly available engineering estimates to model full-scale nodule collectors (pictured right), which would be much larger than industry prototypes (pictured left) (Image: Deep Sea Mining Campaign)

“Perhaps the most disturbing prediction made by Blue Peril is that it would take only three months for pollution discharged by The Metals Company in its licence area sponsored by the government of Tonga to reach the waters of Kiribati and Hawaii,” said Rosenbaum. Also predicted is that in just 30 days, the dust storm created by TMC mining nodules in its Nauru (NORI D) licence area could travel as far as 200 kilometres, potentially endangering [thousands](#) of marine species. “No research has been conducted yet on the toxicity resulting from mining nodules in the Pacific, but Portuguese scientists have [shown](#) that low concentrations of metals in the waste from the mining of hydrothermal vents quickly kills deep sea corals in the Azores,” said Rosenbaum. “This work illustrates the vital importance of researching the toxicology of plumes as well as the distance they can travel. Deep-sea mining should not be permitted in the Pacific without this full understanding.”

### **Pacific communities**

Pacific island communities are on the frontline of any impacts from deep-sea mining, both environmentally and socioeconomically. The governments of Palau, Fiji, Samoa, and Micronesia have been leading calls for a mining moratorium, which [most recently got support](#) from New Zealand, Germany and France. “The general view from the civil society space in Tonga is to have a complete ban [on deep sea mining] because over 80% of our communities are coastal communities,” added Kara. “The ocean is part of our livelihood. We depend on fisheries products such as tuna which we send to other countries. Unfortunately, the government is not listening. The wider impact of deep-sea mining in the Pacific is going to be catastrophic because our ocean bonds us and binds us.” Similar concerns have been raised by Fiafia Rex, the founder of Oma Tafua, an NGO on the island of Niue, who has spent much of her time working on protecting marine life around Niue and the Pacific. “Deep-sea mining may affect tuna, which is a shared economic resource among many Pacific island countries. Once that’s gone, our livelihoods are gone.”

Maureen Penjueli, the coordinator of the Pacific Network on Globalization, said that Tonga and Papua New Guinea had both reported that the ocean was dusty during 2012 mining exploration operations. “Communities found it extremely difficult to catch fish because there were so many exploration vessels in operation. [They] had to go out further into the ocean. In Papua New Guinea, deep-sea creatures were frequently found washed ashore. In addition, locals there experienced an interference of the traditional ‘shark calling’,” she said, referring to a ritual of catching shark to share among the village. Rex says that at the grassroots level there is still much to learn about deep-sea mining for many Pacific islanders. “In Niue, I can confidently say that 90% of the people don’t know about deep-sea mining or the fact that it will be going on in their backyard. There’s a huge problem with transparency of information around deep-sea mining in the Pacific.”

Rosenbaum believes that this is where the new film has a critical part to play. “Blue Peril highlights the inextricable bond Pacific peoples have with the ocean that has sustained them for countless generations... Most of the world’s population are still unaware that this latest assault is about to wreak havoc on our oceans. We hope Blue Peril helps to inform society in general so a wide range of people – and especially those on the frontline in the Pacific – can participate in decisions about whether this industry should proceed.” Blue Peril was first launched in June at the UN Ocean Conference in Lisbon, Portugal and has been screened around the Pacific and in other parts of the world. The Metals Company were contacted for comment on this article but no reply was received.

Source: <https://chinadialogueocean.net/en/conservation/blue-peril-reveals-deep-sea-mining-impact-pacific-islands/>



### **Customary land law complex: Sir Ano**

November 30, 2022, The National Business

ISSUES raised about land ownership and mineral resources and petroleum are categorised as both a political and legal as it goes against the customary law, according to a minister. Mining Minister Sir Ano Pala said this in response to Morobe governor Luther Wenge's supplementary question in Parliament yesterday to amend or change section five of the Mining Act as it went against Papua New Guinea's customary laws on land. "This is both a political issue as well as a constitutional issue, we can discuss the political issue and go around in circles until we are confused, but the legal issues are also tied with the political issues, I am standing in a difficult position to answer," Sir Ano said. He said those in Parliament were not supposed to express their legal opinion as it was the state solicitor or the Judiciary's role. Wenge raised his point of order saying: "I am proposing to you, is there any policy or any attempt to amend that section to accommodate the customary interest, particularly the ownership of the land in this country and ownership of minerals?"

### **Porgera: Locals want mine reopened**

November 30, 2022, The National Business

THE Porgera mine in Enga must be opened as soon as possible for normalcy to be restored in the valley, landowners say. Lease for mining purposes chairman Timothy Andambo said since the closure of the mine in 2019, there had been an increase in law and order problems and economic hardships for the locals. "The tribal conflict has been rampant, the killings, losses and costs are mounting," he said. "We urge the prime minister to make an announcement in Sydney next week during the PNG mining and petroleum investment conference." Andambo said: "The services in the valley was withdrawn and there is no normalcy people are living in fear.

"They wish to see the mine reopen as soon as possible. "We do not see any reason why there should be any further delay. "To all the stakeholders and parties involved, we ask earnestly that they consider opening the mine quickly. "We do not want to go back and continue to face the hardships all the time and to access social services." Andambo said the livelihood that had been dependent on the mine was gone and people now indulged in illegal activities to sustain themselves. He further urged that the prime minister should make the announcement (reopening the mine in the Chamber of Mines and Petroleum investor conference in Sydney) next week.

### **Alluvial mining reserved**

November 30, 2022, The National Business

ALLUVIAL mining, the process of extracting gold from waterways, is a reserved national activity with the Alluvial Mining Policy banning foreigners from taking part and exporting of alluvial gold. Mining Minister Sir Ano Pala said this in Parliament yesterday when responding to a series of questions raised by Wau-Waria MP Marsh Narawec on issues regarding exploration and mining licensing in Wau, Bulolo and Mt Kaindi areas. "One of the key factors in the Alluvial Mining Policy (AMP), is alluvial mining is now a reserved activity for locals only. Foreigners are banned from conducting any form of alluvial mining in the country. Only Papua New Guineans are able to conduct alluvial mining and exporting alluvial gold," he said. Sir Ano said in relation to the status of the AMP, the policy was introduced in the last Parliament and launched during the 2021 Alluvial Mining Conference in Lae.

The Department of Mineral Policy and Geohazards Management (DMPGM) had been doing awareness around the country. "In response to the review of the existing licence covering the areas of Mt

Kaindi, Wau-Waria and Bulolo districts, the current act provides sufficiently for coexistence of the alluvial mining licenses and exploration licences. Alluvial mining licences can exist within an exploration licence and vice versa,” Sir Ano said. “Unless the questions and claims can be proven of abuse, the questions of grants and complaints are strictly monitored by Mineral Resources Authority (MRA), renewal of licences follows strict compliance checks by MRA and is cross-checked by relevant authorities before recommendations are made to the minister. “MRA is one of the organisations where the system works well and I’m comfortable with what they are doing and the advice they give me.”

### **Morobe gives Wafi-Golpu position paper to Govt**

BY JERRY SEFE, Post-Courier on 29 November 2022

Morobe Provincial Government’s position paper on Wafi-Golpu Project development is now in the capable hands of the National Government. The Position paper was officially presented to Prime Minister James Marape and Minister for Mining Sir Ano Pala by Morobe Governor Luther Wenge on Friday last week at Parliament in Port Moresby. The position paper contains the granted percentage and benefit sharing agreements of the Morobe government and its participation in the development of the project which also highlights landowner benefits in the mine. Mr Wenge said with the position paper being presented to the government, he is confident to deliver Wafi-Golpu by December 16, 2022 to officiate signing of the memorandum of agreement (MOA) between the government, MPG, landowners and the WGJV partners.

He said part of it includes agreement for Deep Sea Tailing Placement (DSTP), Mineral Resources Authority will take lead in the funds collected in a trust account, K50 million to be paid annually for environmental pollution or disaster emergency purposes, while 5 per cent royalty benefit, 2 per cent will go to MPG, 2 per cent to the landowners and 1 per cent will go towards the church. Wenge added the National Government will own 30 per cent equity in the project and will release 10 per cent free carry of the equity to the Morobe Government while tax collected from the mine will also be shared with Morobe. He added that a total of K100 million funding will also be released from the day of the signing of the MOA in Lae on December 16. Bulolo MP Sam Basil Jr also said he wants the project to be developed, however, its landowners must get the best out of the mine. The Wafi-Golpu Joint Venture partners Newcrest and Harmony also received the position paper on November 25.

“The paper reflects the province’s and landowners’ desired outcomes on various elements of the project, but does not necessarily reflect the views of the Wafi-Golpu joint venture partners,” said WGJV’s head of external relations, David Wissink. “Discussions are ongoing with the National State Negotiating Team to agree a mutually-acceptable Mining Development Contract dealing with all elements of the project, including those raised in the Position Paper. Once that MDC has been agreed, the State will be in a position to convene a Development Forum for the province and all affected landowners to discuss and agree the allocation between them of relevant benefits under the MDC. “As the MDC has not yet been agreed, it is too early to say when such development forum is likely to be convened or memorandum of agreement (MOA) signed”

### **Bird warns of end to revenue from extractives**

November 29, 2022, The National

EAST Sepik Governor Allan Bird says the Government should not only pay attention to infrastructure development but also create opportunities for future generations. Speaking during the grievance debate in Parliament on Friday, Bird raised concern on the country’s investment and economic



growth. He said by 2040, 80 per cent of the foreign exchange earnings would come to a complete stop. “This will be 18 years from now and most of us will be still alive when the event kicks us in the face,” he told the parliament. He said mining, oil and gas contributed 30 per cent of Papua New Guinea’s gross domestic product.

He said of the K100 billion talked about in Parliament, about K30 billion came from oil, gas and mining. Bird said despite the anticipated boost to the national economy from a number of major resource projects coming on line, the Government needed to plan and invest for the time when the country was reliant on other sectors. “We cannot wait anymore, we cannot procrastinate anymore, we need to work together,” he said. Bird said while the Government and leaders were paying attention to build infrastructure and growth, they had to pay attention on what was coming as well by providing opportunities for the next generation. He said almost every government had failed in this regard.

### **Mine update for Sinivit due**

By COLIN BUNGEWA, November 29, 2022, The National Business

MINING Minister Sir Ano Pala says he will provide Parliament an update on the status of the Sinivit mine in East New Britain. Pomio MP Elias Kapavore asked Sir Ano on Friday to provide an update on the Sinivit mine because the landowners and the provincial government were putting on hold the reopening of the mine until an environmental audit was completed. Sir Ano said he would consider the concerns regarding the reopening the mine. “Of course these are not small things that we do without you being aware of it,” he said.

“So at all stages of the progress of the mine and reopening, you will always be part of the process with your landowners and provincial government.” Kapavore said in 2021, the then minister for environment and conservation and climate change announced that the Government would allocate K9 million to conduct water sampling and to clean up the mine debris. “And if it was not released, it should be included in the 2023 budget,” he said. Sir Ano said he was not aware of the status of the mine and the K9 million commitment by the previous government. “I will check on the status of the K9 million and the environmental implications regarding the mine and its operation,” he said.

### **Stop seabed mining, says Juffa**

November 29, 2022, The National Main Stories

NORTHERN Governor Gary Juffa wants the Government to cancel licences for seabed mining, saying PNG will not need them. “Scientist in the world spoke up against it because not much was known about the effects of it,” Juffa told Parliament on Friday. “But we in the Pacific, who do not have the science and knowledge, are appearing to openly embrace this very dangerous project being perpetrated by extreme entities and individuals who have no care about the future, especially ours.” Juffa pointed out the US\$120 million (about K401.8 million) which Papua New Guinea lost over a proposed seabed mining project recently.

“The very alarming signs of seabed mining were dead fish arriving on the coastlines, muddied and dirtied waters just from the initial stages carried out by that particular company,” he said. “It had 60 mining licences somehow issued. “There were no laws governing this activity. “Those 60 mining licences are apparently still alive. “That is why a new company called Deep Sea Mining Finance is entering into this space saying they have the licence and are in the Pacific and they can do whatever they want and no one is going to stop them.” Juffa further urged Mining Minister Sir Ano Pala to look into the matter and put a stop to it.

NORTHERN Governor  
Gary Juffa



**President of New Caledonia's Southern Province expects France to rescue SLN**  
Radio New Zealand on 29 November 2022



Sonia Backes (R) Photo: supplied FB

The president of New Caledonia's Southern Province Sonia Backes says she expects the French government to come to the rescue of the SLN nickel company to stave off insolvency. Backes, who is also a member of the French government, said the situation is quite simple. She said if the government doesn't write out a cheque, SLN will close next year, which she said is not acceptable for anyone. In 2016, SLN had already been given a \$US600 million loan from its parent company Eramet and the French state, with the last instalment drawn down in September. Backes said SLN's bankruptcy would not only mean the loss of thousands of jobs but also sink New Caledonia's social welfare system.

Two weeks ago, SLN initiated the first stage of a rescue and insolvency procedure amid fears the company will run out of funds. SLN has said this ad hoc procedure will allow for discussions with all stakeholders to find lasting solutions to the company's structural problems. The company said it finds itself in an unprecedented situation and within an unfavourable context as production targets have not been met and ore exports have declined. However, SLN said it will do everything it can to overcome the crisis. Unions picketed the SLN plant a week ago to express their fears that their jobs

might be lost. The CEO of Eramet Christel Bories was in New Caledonia last week and meeting workers, she said the situation was serious.



Gerald Darmanin Photo: AFP

She took part in an SLN board meeting, but no announcements were made. The French interior minister Gerald Darmanin, who is in New Caledonia this week, is expected to discuss the challenges in the nickel sector during his talks with local political leaders. SLN is New Caledonia's largest company, employing about 2000 people directly and a further 8,000 indirectly.

### **Western must plan now: Maru**

November 28, 2022 The National Main Stories

INTERNATIONAL Trade and Investment Minister Richard Maru says a plan needs to be developed to sustain Western's economy when operations at the State-owned copper mine cease in 10 years. He was responding to questions by North Fly MP James Donald in Parliament on Friday about economic activities and foreign trade plans with bordering countries. Donald said Western was one of the 18 economic zones that shared international borders with Indonesia and Australia. Maru, who is also the Yangoru-Saussia MP, said in 10 years the Ok Tedi mine in Tabubil would close and this would result in the loss of K1 billion, thousands of jobs and economic revenue as well. "We need to work together and come up with a master plan, find investors to build the economy, provide a lot of revenue to the State and the province of Western in the future," he said.

The plan, he said, was to identify appropriate strategies and structure to build and sustain the economy beyond mine closure. "I will put my time and attention to this and I assure all the Western members and governor – we have 10 years to sort out the problem. "One way to do that is plan to get all the resources and the stakeholders to work together before the mine closure," he said. Maru said Western had a big landmass and had vast economic potential in agriculture, fisheries and other economic activities. He had requested Donald and Governor Taboi Awi Yoto to follow the consultants who had been engaged to look at various industries from next year.

## Mine ops legal, says Sir Ano

November 28, 2022, The National

OPERATIONS of the Madang’s Ramu nickel and cobalt mine are legal even though the memorandum of agreement (MOA) has expired, says Mining Minister Sir Ano Pala. Sir Ano was responding to series of questions from Madang governor Ramsey Pariwa on the mine’s MOA which expired in 2018. Pariwa claimed the mine had been operating illegally for the past four years. He also asked the Mining Minister if he was aware of chromite bringing extracted by the miner. Pala in a written response in Parliament on Friday said the review of the next MOA started in 2019 and would be finalised next year.

“The MOA is legally in effect until a new MOA is signed between stakeholders of the Ramu nickel/cobalt project. Therefore, the MOA is not illegal,” Pala said. “Chromite mineral is part of the nickel and cobalt minerals that are mined from the pit. Mining of chromite, exporting and selling is provided for under the Mining Act (1992) and Mining Development Contract (MDC), it is therefore not illegal. “The MDC considers chromite as a mine product.” Regarding rate of development level, its management and sharing arrangement with provincial and local level governments, Pala clarified that development levy was not applicable to the mining sector.

## PM wants country’s SWF to be like Norway’s

November 25, 2022, The National



Opposition Leader Joseph Lelang (left) and Deputy opposition leader Douglas Tomuriesa leaving yesterday’s Parliament session. – Nationalpic by NICKY BERNARD

PRIME Minister James Marape wants to see Papua New Guinea’s Sovereign Wealth Fund (SWF) to be like Norway’s — one of the best in the world. He told Parliament that he talked to his counterpart from Norway on the margins of the recent United Nations (UN) General Assembly. “Norway has one of the world’s best sovereign wealth funds and we discussed the possibility of replicating it in (PNG),” he said. “We made the undertaking that PNG’s SWF and Norway’s SWF could have an exchange, understudy them and have a partnership.” He also mentioned to the UN PNG’s intention to bring the 70 metric tonnes of UN-verified sovereign Redd-plus credits, which would benefit PNG. In his discussions with heads of state, he highlighted the PNG government’s development agenda, focused on growing the rural economy through improved service delivery. “I am content

that we have secured enhanced cooperation and partnerships that will complement our development agenda,” he said.

### **Projects, Porgera re-opening to be highlight of meet**

November 25, 2022, The National Business



PRIME Minister James Marape will headline the 16th PNG Mining and Petroleum Conference in Sydney next month. According to a statement from the PNG Chamber of Mining and Petroleum, this will be to promote international investment in the country. Prime Minister Marape is expected to announce four new major projects and the expected re-opening of Porgera gold mine during the conference which has more than a thousand registered to attend. Marape will deliver the keynote address on day one and will be joined by Australian International Development Conference Minister Pat Conroy. Senior executives of the major international investors in PNG, including Newcrest chief executive officer Sandeep Biswas, Harmony Gold chief financial officer Boipelo Leukube, TotalEnergies senior vice-president Julien Pouget, Santos president (upstream) Brett Darley and ExxonMobil PNG managing director Peter Larden will be giving a global outlook of their operations around the world and how PNG fits into their plans.

Fortescue Future Industries CEO Julie Shuttleworth will be presenting Fortescue’s vision for green hydrogen as a game changer for the world and PNG’s possible role as a hydrogen supplier. The conference will also feature former Australian foreign affairs minister Julie Bishop, presenting her view as to why Australia needs to invest more in PNG and Trade and International Investment Minister Richard Maru outlining the Government’s vision for investment and development in non-mining sectors. There will also be policy statements by Mining Minister Ano Pala and Petroleum and Energy Minister Kerenga Kua. There would also be presentations by Kumul Petroleum and Kumul Minerals on project updates on all of PNG’s existing mining and energy projects and also the next wave of resource and energy projects. The conference will conclude with a session on PNG’s success stories on resource revenues invested for future benefit and on the importance of the PNG Sovereign Wealth Fund.



## Church opposes tailings method

By GLORIA BAUAI, November 25, 2022 The National Business



THE largest church in Morobe has approached the Opposition to lobby against the proposed deep sea tailings placement (DSTP) method of waste disposal by Wafi-Golpu Joint Venture. Evangelical Lutheran Church of Papua New Guinea (ELCPNG) head bishop Rev Jack Urame said their only political supporter was former Morobe governor Ginson Saonu, who was also vocal against mine's method of waste management. "We were in close consultation with the previous government because the governor then shared the same views with the church in terms of DSTP," Urame said. "Now the new government (under Governor Luther Wenge) has new ideas and the province's position has changed." Urame said the new administration was pushing for the mine to start operation as soon as possible and opponents of the DSTP method, which were the church and local communities, needed to unite to voice their opposition on waste disposal.

"The church may not have the political mandate but we can speak because of our position; our mandate is to raise a voice against potential destruction and any harm that may be brought upon communities through any form of development," he said. Urame said he had written a letter to Opposition Leader Joseph Lelang to bring their concerns regarding DSTP to the floor of Parliament. Meanwhile, Wenge has challenged anyone against DSTP to provide their facts in court to stop the project. But Urame said this year's synod (which is ELCPNG's highest decision-making body) said the church would not take legal action against the State, but would only continue to advocate for safer options of waste management. "We are working closely with international bodies like Jubilee Australia and NGOs to educate communities to help them realise the negative impact and how this project will affect them so they can make their own decision," he said.

## Alluvial mining to be regulated

November 25, 2022, The National Business

THE alluvial mining sector can now be regulated following the National Executive Council's endorsement of its policy, says an official. Minerals Policy and Geohazard Management Department acting deputy secretary Winterford Eko said the alluvial mining policy was now active. He said the country needed policy and legislative interventions to drive an effective regulatory regime to attract investors who respected the laws. "It must be a win-win solution for the Government, stakeholders,

citizens and investors to achieve a fair and equitable share in the mineral resource (sector),” Eko said.

He said the department’s mineral policy and legislation division team was in Lae, Morobe, conducting stakeholder consultations on the alluvial mining and geothermal resources policies. “The mining sector is regulated by the Mining Act 1992 (as amended), Mining (Safety) Act 1977 and the Mineral Policy Handbook 2004 that guides exploration/feasibility studies of minerals to development, rehabilitation, decommissioning and closure, including post-closure monitoring obligations,” Eko said. “In the absence of key policy interventions such as resettlement, mine closure and rehabilitation, and mine waste management, both the State and the mining industry adopt and apply the best international acceptable mining practices and procedures to improve mining business activities in the country.”

### **Modest economic growth predicted**

November 24, 2022, The National Main Stories

ECONOMIST Paul Barker has projected modest economic growth but lacking any strong externally driven or domestic stimulus for Papua New Guinea (PNG) next year. “Substantial investment will be lacking or there will not be any heightened economic activity,” he added. Barker, who is Institute of National Affairs executive director, said: “The prospects of a series of major new resource-based investments, starting with Papua LNG, maybe will go ahead in late 2023, and of course the long overdue restoration of the Porgera mine, will certainly boost business confidence, as well as stimulating capital inflows and some foreign exchange. “It is critically important that the Government avoids the mistakes of the early 1990s and repeated in the early 2010s, imagining major new resource projects fixing the country’s economic and fiscal needs.

“That fuelled premature public expenditure and deficits, well before revenue was received but also potentially undermining the prospects for critical diversification of the economy. “The country has suffered over the years from what used to be called a dual-economy, but has subsequently been termed the resource curse, whereby the domination of the resource sector, in terms of formal sector economic impact, ended up restraining the development of the rest of the formal economy and even the informal economy. “The informal economy provides most of the employment and broad-based economic opportunities nationwide, if not the export earnings or necessarily the revenue.”

### **Mine reserves depleting: MRA**

By SHIRLEY MAULUDU, November 24, 2022, The National Business

THE Mineral Resources Authority (MRA) says there is no other major gold-copper project after the ones at Wafi-Golpu and Frieda River are developed. MRA managing director Jerry Garry said the challenge for the industry now was the depletion of reserves. “We have inherited some legislations that are as old as self-governance,” Garry told the Geoscience, Exploration and Extraction conference in Port Moresby yesterday. “In terms of regulations, we are relying mostly on the existing legislations, but a lot of improvement needs to be done. “Over time, that is something that all of us need to strive for to improve the way we do business.” He said the extractive industry accounted for more than 80 per cent of the country’s revenue. He said the only copper producing mine at Ok Tedi could be closed in 2032.

“If we get Wafi-Golpu and Frieda River off the ground, we will enjoy a healthy production outlook of around 500,000 tonnes a year to a maximum of 650,000 or 700,000 tonnes per annum, which will place PNG in the top 6 or top 10 copper producing nations in the coming years. That’s a good



outlook for copper. “In gold, we will be reaching 2 million ounces a year going into 2053. So in terms of the outlook, it looks good. “The challenge we have is the depletion of these major reserves that we have. “When Wafi-Golpu and Freida River are commissioned as mines, the reserves will be depleted with no more major reserves. “The challenge for us now is to find the next Porgera, or next Ok Tedi, or the next Lihir,” Garry said. The conference brings together academics, scientists, researchers and geoscientist, to share their experiences and research results in geological exploration and mineral extraction.

### **Ramu: Legality of mine operation questioned**

By LULU MAGINDE in Parliament, November 23, 2022, The National



From left: Oil Palm Minister and Nakanai MP Francis Maneke, Mining Minister and Rigo MP Sir Ano Pala, and Morobe North East MP John Kaupa in Parliament yesterday.

MADANG Governor Ramsey Pariwa says the Ramu nickel/cobalt mine has been operating illegal for four years after its memorandum of agreement with the Government expired in 2018. He said the last review of the agreement was done in 2013. Pariwa has written to Mining Minister Sir Ano Pala asking that a review of the agreement be done. “Legally speaking, the Ramu Nickel/Cobalt mine was and is illegally in operation for the past four years,” Pariwa said. He also raised concern on the payment of development levies to some provinces and not others.

He also questioned how some foreign countries were benefitting from the mining of chromite. Sir Ano said he was unprepared for the question and suggested that Pariwa put the questions on notice. He also suggested to Speaker Job Pomat to change the rules of asking questions in Parliament. “Questions like this are important which deserve to be answered properly,” Sir Ano said. “They need to be given the justice they deserve.” He said questions such as those raised by Pariwa should be given at least a day’s notice so that ministers could appropriately respond to them. “There have been questions and allegations raised about the mine and allegations about the illegal or improper practices raised by (Pariwa).”

### **Union wants Wafi-Golpu issues resolved before MOA signing**

November 23, 2022, The National Business

Morobe Tertiary Students Union members want to see all “unresolved” issues dealt with before a memorandum of agreement on the K18.5 billion Wafi-Golpu gold/copper project is signed. The union claims to represent more than 2,600 students attending 33 colleges and universities around the country. Union president Jack Maru said they would write to the landowners, provincial government and the national government to have the signing delayed. “There are number of unresolved

issues relating to the project such as the spin-offs and contracts, deep sea tailings placement (DSTP), distribution of benefits, and incorporated land groups certificates for Yanta and Hengambu special mining lease (SML) landowners,” he said. “The two SML landowners are yet to get their ILG certificates.

“These are the issues that our local level, provincial government and impacted communities must be aware of before signing.” He said most villagers did not fully understand what was going on. “We want development to happen, but it must benefit everyone,” Maru said. “We are informing ourselves to understand the loopholes in the mine’s negotiation, development, agreement and operation.” Wampar community representative Shalom Amua said the purpose was to educate the people of their interests. “When people are informed, they make good decisions,” Amua said. “We want our leaders to make good decisions for our people.” Governor Luther Wenge said earlier that the provincial government was prepared to sign the mining lease agreement next month to accept the mine and the Deep Sea Tailing Placement method. “Wafi-Golpu will open and DSTP will go on,” he said. “Anyone who disagrees can take it to court with your research and facts.”

### **Academic concerned about deep sea mining**

November 23, 2022, The National Business

AN academic has warned that the current location of the Deep Sea Tailings Placement (DSTP) for the K18.5 billion Wafi-Golpu mining project poses a big risk to the Huon Gulf coastline in Morobe. Professor Ralph Mana of the University of PNG said the DSTP should be shifted elsewhere. He also suggests that the entire baseline study be redrawn to capture what is under the sea, which is a fundamental requirement of the DSTP. The environmental permit for the project has already been issued by the Conservation Environment Protection Authority (Cepa).

“(The DSTP) is a disposal system where they dump all the tailings into the sea to dispose of the waste,” Mana said. “Deep sea is defined as 200 meters below and to have a DSTP, you have to study what you are going to destroy. This is part of DSTP for effective monitoring. “You have to monitor what is happening when those toxic wastes are going into the sea.” He said another aspect was where the DSTP was going to be. “You have to put the DSTP at an appropriate place where all the requirements should be met. “We are dealing with toxic waste and tailings should hit 1000 meters quickly, meaning it should be far from the shorelines.”

### **New Caledonia: Union lifts picket at nickel smelter**

Radio New Zealand on 23 November 2022

Unionised workers at New Caledonia's SLN nickel company have lifted their pickets outside its smelter in Noumea, which were set up over concerns about the loss-making company's future. They were briefly met by the CEO of the parent company Eramet, Christel Bories. Reports say the unions will meet her formally on Thursday amid unease about the viability of SLN, the territory's largest private sector employer. Bories said she is working towards a solution but describes the situation as serious. Last week, SLN initiated the first stage of a rescue and insolvency procedure amid fears the company will run out of funds.

### **(Sovereign Wealth) Fund has specific conditions: Official**

November 22, 2022, The National Main Stories

PAPUA New Guinea's sovereign wealth fund (SWF) has specific requirements for deposits into and withdrawals from the stabilisation fund to support the national budget, says Finance Secretary Dr Ken Ngangan. He said the Government had been transparent in its establishment of the SWF as published in the budget books each year. Ngangan was responding to a report yesterday in *The National* claiming a lack of transparency in the functioning of the SWF. In a statement yesterday, he said: "This is a fund managed strictly in accordance with an Organic Law under the governance of a board. "The Government has been transparent in its establishment of the SWF and publishes the progress each year in the national budget book along with the assessment of the fund calculations. "The SWF establishment is a responsibility of the SWF Secretariat within the Department of Treasury.

"The initial funds from Kumul Consolidated Holdings Ltd will be deposited into a SWF trust that operates under the control of the Organic Law on the Sovereign Wealth Fund (OLSWF) and held at arms-length for and on behalf of the SWF by the Department of Finance," he said. "Any payments out of this trust must be done so in accordance with the OLSWF and operational costs can be paid in accordance with an annual budget determined by the Board as approved by the National Budget. "The provisions of the OLSWF come into operation in two phases. "The first phase came into operation upon certification of the legislation including the parts of the law relating to the preliminary matters, the establishment of the SWF board, and the duties and responsibilities of board members. "The remaining parts of the OLSWF will come into operation upon the publication of a notice in the National Gazette by the Head of State, in accordance with the advice of the National Executive Council."

### **Wealth fund lacks transparency: EITI**

November 21, 2022, The National Main Stories

TRANSPARENCY mechanisms built into the country's Sovereign Wealth Fund (SWF) will enable an effective functioning fund, says Papua New Guinea Extractive Industries Transparency Initiative. "We welcome the initial injection of K5.6 million into the SWF, making it operational more than five years after the enactment of its legislation," the initiative said. "However, we raise concern over the lack of transparency around the operational and structural setup of the fund." EITI secretariat spokesman Lucas Alkan said: "While we commend the operationalisation of the SWF, the status quo raises transparency questions that need to be answered. "The initiative, which has been implementing the global best practice standard on transparency around revenues generated from the resources sectors, views that international best practice standard is built into the fund's operations for better governance of the SWF derived from the Santiago Principles.

"One of the key objectives for SWF under the Santiago Principles underpins a transparent and sound governance structure that provides for adequate operational controls, risks management and accountability – we strongly encourage that this objective be fully met. "SWFs are regarded as important players in the international monetary system and for PNG to have one requires due diligence in ensuring the fund stands out well in the international monetary system. "Consistent with the Santiago Principles, the PNG SWF must bear economic and financial benefits for PNG and the international financial system."

While commenting on the Government's effort to operationalise the SWF, Alkan said the Government needed to conclude its pending dividend policy review and address the current parallel arrangements through the Kumul entities that have been empowered through their respective boards

as to how much windfall revenues from the extractive sector could be paid to the Treasury or the SWF. He said to ensure the SWF operates on a strong financial footing to perform what it was set up to do, it needs to have access to all the windfalls that come out from extractive sector. “The opportunity cost of parking such funds in entities of State that are playing duplicate functions will not help in using such windfalls to pay down current high levels of public debt,” he said.

### **Put in place SWF’s organisational structure, says TIPNG**

November 21, 2022, The National

TRANSPARENCY International says the Papua New Guinea Sovereign Wealth Fund (SWF) organisational structure should be put in place before any funds are deposited. TIPNG chairman Peter Aitsi, in response to the Government maiden deposit of K5.6 million into the PNG SWF, said without a functional operating framework in place, we will not have required transparency of the use of funds. And as a result, no accountability for those managing these funds. “The purpose of the SWF is to receive the large inflows from the States mining and petroleum revenues,” he said. “The use of the SWF is to cushion PNG’s economy from ‘Dutch Disease’.” Last week, Institute of National Affairs executive director Paul Barker called on the Government to clarify the functions of the SWF and the formula to be applied for its administration. Prime Minister James Marape, when making the announcement on Nov 10, said this was a historic day for Papua New Guineans and for our generations to come. “The Government is setting aside seeds to sustain our children and our children’s children,”” he said.

### **Calls for PNG govt to make its position on deep sea mining clear**

Radio New Zealand on 21 November 2022



The Deep Sea Mining Campaign warns that if nodule mining is allowed to take place in the Pacific Ocean, species such as the Sperm Whale could be adversely affected. Photo: WILLYAM

Communities in New Ireland in Papua New Guinea are calling on the PNG government to make clear its position on deep sea mining. Local communities are concerned at renewed interest in the Solwara One project to mine the seabed in the Bismarck Sea. The original project, the brainchild of a company called Nautilus, collapsed in 2018, costing PNG the millions of dollars the government had invested. The government at that point, under Peter O'Neill, called it a failed project, and his successor, James Marape, at that time, backed Fiji's calls for a moratorium on deep sea mining.

Now a company called Deep Sea Mining Finance claims it has acquired the rights to Solwara and is aiming to be the first to commercially mine the ocean floor. The company is hoping to extract gold and copper.



James Marape Photo: PNG PM Media

But the director of the West Coast Development Foundation Jonathan Mesulam, who is part of the Alliance of Solwara Warriors, said the government must make clear its stance and stop holding secret meetings with the companies involved. He said it seems "the Marape-Rosso government does not have the guts to come out publicly to share the latest developments surrounding the Solwara 1 project." Mesulam said, "coastal and low-lying island and atoll communities of PNG are already severely impacted by climate change with rising sea levels and food security issues. Seabed mining is another additional burden. Our ocean must be protected at all costs." John Momori of Caritas PNG said, "despite Nautilus Minerals going bankrupt in 2019, their existing exploration and mining licenses are still active across the Bismarck and Solomon Seas. Since 2019 we have been calling for the licenses to be cancelled and for the government to place a ban on seabed mining."

### **Porgera warring clans agree to peace**

November 17, 2022 The National



Members of the Porgera crisis management committee and four locals who instigated the fight, holding hands in prayer. — Nationalpic by GLORIA BAUI

WARRING clans of Nomali and Aiyala in Porgera, have agreed to a ceasefire to put an end to almost six months of tribal fighting. Warlords and clan elders from both sides agreed verbally in Paiam town on Monday, witnessed by all locals. They agreed that all other grievances would be brought to court and compensation processes to proceed. This agreement was reached in the presence of the provincial and district government representatives, Police and Defence personnel and company representatives of the Porgera Mine. Both factions presented their demands to the local member and other government representatives who had committed to meet the demands.

In the meantime, Nomali clan had been told to return to Ole, situated at the end of Porgera Joint-Venture airstrip, about 500 metres away from Kairik, where enemy clan Aiyala was situated. Both factions agreed to forget the mass killings and to lay down their arms. They understood that this fight was also affecting Porgera Mine, the biggest asset of the country and main source of economic activities in their district. The push for peace and normalcy was by the Porgera crises management committee, comprised of volunteer from all sectors and initiated by an independent body called restoring justice initiative. The provincial government bring back all public servants.

### **Deal gives government majority share at PNG's Porgera mine**

Radio New Zealand on 17 November 2022

Barrick Gold has reached a deal that gives the Papua New Guinea government a majority share in the Porgera gold mine as part of plans to restart operations. PNG Prime Minister James Marape said the deal will set a benchmark for further resources projects in the region. Porgera has been shut for a year after a dispute over the terms of benefit-sharing between the operator, landowners and the government. But the new framework pact paves the way to resume operations. Barrick Gold chief executive Mark Bristow said the company will partner with all key stakeholders to make Porgera a world-class, long-life gold mine. Reuters reports the deal places Porgera ownership in a new joint venture that is 51 percent owned by PNG stakeholders and the rest by Barrick Niugini Ltd, which is owned in partnership with Zijin Mining from China.

### **Miner happy with results of third quarter**

November 16, 2022, The National Business

K92 Mining, the operator of the Kainantu gold mine in Eastern Highlands has announced strong financial results for the third quarter. K92 also reported revenue of US\$36.4 million (about K 124.93 million), net income of US\$3.1 million (about K10.64 million) and operating cash flow of US\$12.8 million (about K43.93 million). Chief executive and director John Lewins said the third quarter represented “yet another major step forward for the company.” “Operationally, Kainantu delivered one of our most complete quarters to date, with near-record production, development, record ore processed, and record ore mined,” he said. A major positive from the mine over the last several quarters has been the process plant and was once again for the third quarter. Ore tonnes processed increased 35 per cent from the third quarter of last year and was significantly higher than the stage two expansion run-rate.

Lewins said that in August, Kainantu realised Stage 2A expansion processing throughput, “ahead of the completion of the flotation cells, the last major plant upgrade, highlighting the potential for the process plant’s ultimate throughput to exceed design.” He said the quarter delivered a major growth milestone, with the completion of the integrated development plan outlining a Stage 3 definitive feasibility study and an alternative stage 4 preliminary economic assessment case. “Both cases demonstrated Tier 1 production and costs, and strong economics.” Stage 3 and Stage 4, represent major capital investments into Papua New Guinea, with a total life of mine capital investment for

Stage 4 of K2.15 billion. Lewins on the financial results conference call, highlighted the investment bank analyst visit to PNG on Oct 19-20, stating that he believed the analysts were impressed at how the operation had progressed since their last visit.

### **Clarity sought on wealth fund**

November 15, 2022, The National Main Stories

THE Government should clarify the functions of Papua New Guinea's Sovereign Wealth Fund (SWF), and the formula to be applied for its administration, an economist says. Institute of National Affairs executive director Paul Barker said the launching of the SWF was valuable and would start the process, "as long as the required transparency mechanisms are in place". "It's important to have clarification on the functions and the formula to be applied for the administration of the fund, to have full public awareness of the funds role (and as their asset, to help safeguard its future) and to have independent fund management, with constant disclosure of investments and returns," Barker said. Last week, the first K5.6 million was deposited into the SWF — being seven per cent of the K80 million consolidated revenue paid by the Kumul Consolidated Holdings (KCH) to the Government.

"It is critical that the fund is in place as resource rentals start to increase, and to be able to capture them for the stabilisation, equalisation and investment functions," he said. "A good way to kick off the fund much more substantially, would be to move out of the current model of state equity in the domestic resource projects, and to sell off much of the share holdings in the current gas and mineral projects, held by Kumul Petroleum Holdings Ltd and Kumul Minerals Holdings Ltd and transfer the proceeds to the SWF." He said they could be invested in diverse government bonds and equity, "reducing the commodity-based fluctuations and risks from our own resource projects". "But with the SWF, it is critical that PNG adheres to the highest standards of the Santiago principles (for such funds), which enables them to be well managed and transparently managed, to enable them to perform their functions in a reliable manner, and outside the interfering hands of vested interests," he said.

### **Chamber hoping mine re-opens as planned**

November 15, 2022, The National Business

THE Porgera chamber of commerce and industry hopes that the re-opening of the mine will go ahead as planned. Chamber president Nickson Pakea said the mine must be re-opened next month as announced recently by Prime Minister James Marape. Pakea said the mine closure had led to criminal activities. "The mine ensures business activities continue and keeps locals busy," he said. "During its closure, people have nothing to do and easily end up in (illegal) activities." Pakea said around the valley, nearly 3,000 businesses registered with the Investment Promotion Authority had been dormant because of the slump in economic activity. The chamber has about 706 members, 210 of which are contracted to the mine.

The Porgera mine is a joint venture between Barrick Niugini and Zinjing Mining Ltd. It was closed in 2019 when the special mining lease expired. In 2020, care and maintenance began while awaiting negotiations between the developers, the Government and the landowners. "The Government, in a way, has failed us because the recent fighting has been the worst in history in the valley," he said. "We're (therefore) excited with the (scheduled reopening) in December. "Re-opening the mine will bring back all the services ceased since the closure."



## Closure affected 200 contractors

By GLORIA BAUA, November 15, 2022, The National Business

THE closure of the Porgera mine has affected 200 local contractors, with an estimated total loss so far of nearly K200 million, according to the Porgera Chamber of Commerce and Industry. Chamber president Nickson Pakea said 176 contractors and 24 subcontractors connected to the Porgera joint venture were members of the chamber. Pakea said the businesses lost K144 million in projected income in the past two years, or close to K200 million if including this year. The Government made available K100 million under the Porgera business development plan, and another K200 million recently. The amounts have not reached the business community, he said. “We currently don’t have any reserve capital for the businesses to tap into,” he said. “These businesses provide employment and income opportunities to locals and alleviates poverty.”

Meanwhile, an agreement was signed by Barrick Niugini Limited and the Government in April to initiate the reopening of the mine. Kumul Minerals Holdings Ltd, the Enga government and landowners own 51 per cent of the mine. Prime Minister James Marape earlier said: “In the old structure, State parties only had five per cent through Mineral Resources Enga (2.5 per cent Enga government and 2.5 per cent SML landowners), while 95 per cent was held by Barrick Niugini Ltd (47.5 per cent and 47.5 per cent Zijin). “Under the new deal, the equity split is 51 per cent and 49 per cent in favour of PNG stakeholders.” Marape said landowners could increase their equity beyond 15 per cent with the additional 10 per cent free equity paid for by Barrick Niugini Ltd.

Deep Sea Mining Campaign: MEDIA RELEASE, 15 November 2022

## NEW DEEP SEA MINER WANTS TO PUSH AHEAD WITH SOLWARA 1 PROJECT

Community leaders across Papua New Guinea call for seabed mining to be banned and all licenses cancelled



Youth from Duke of York Island, New Ireland Province, Papua New Guinea protesting against deep sea mining. Credit: West Coast Development Foundation

**PAPUA NEW GUINEA: On 4 October 2022 local communities in New Ireland Province discovered that deep sea miners have bought off Nautilus Minerals assets. Deep Sea Mining Finance and Sustainable Mining Solutions have formed a joint venture and are**

## **pushing decision-makers in Papua New Guinea to open up the Solwara 1 deep sea mining project in the Bismarck Sea.**

According to Jonathan Mesulam, Director of West Coast Development Foundation, and member of the Alliance of Solwara Warriors, the companies have been in the country and meeting with the government since May this year (2022). “When is the PNG Government going to make its stance very clear on the issue of seabed mining in PNG and stop secret meetings with deep sea miners behind closed doors?” “We are all aware that the Solwara 1 project has cost the people of Papua New Guinea [more than K375m](#). It was declared a [failed project](#) by former PM Peter O’Neill back in 2019. Why is the government still silent on this issue?” continued Mr. Mesulam.

“We are raising these questions because it seems that the Marape-Rosso government does not have the guts to come out publicly to share the latest developments surrounding the Solwara 1 project – despite PM Marape [backing Fiji PM Bainimarama's call for a moratorium](#) at the Pacific Island Forum in 2019.” For over a decade there has been resistance against seabed mining across PNG from civil society, local communities, churches, and educated elites. The Alliance of Solwara Warriors is very concerned that the PNG government and provincial governments of New Ireland and East New Britain have not listened to the people and are risking lives, livelihoods and the Bismarck Sea.

“Coastal and low-lying island and atoll communities of PNG are already severely impacted by climate change with rising sea levels and food security issues. Seabed mining is another additional burden. Our ocean must be protected at all costs,” stated Mr. Mesulam. John Momori of Caritas PNG, Kavieng Diocese, who have backed the call for a complete ban on seabed mining stated: “Despite Nautilus Minerals [going bankrupt in 2019](#), their existing exploration and mining licenses are still active across the Bismarck and Solomon Seas. Since 2019 we have been calling for the licenses to be cancelled and for the government to place a ban on seabed mining.”

In the last two weeks, the International Seabed Authority (ISA) negotiations took place in Kingston, Jamaica. However, the ISA’s push to move forward on deep sea mining in international waters has [been stymied](#) by the [growing call against](#) deep sea mining, not only from civil society, scientists, and corporations globally, but also parliamentarians and [governments](#) are calling for a pause, moratorium or complete ban on the industry. “Deep sea mining is not wanted!” claimed Mr. Momori. “The PNG Government should be following in the footsteps of other Pacific states like Fiji, Samoa, Palau, and the Federated States of Micronesia which have now been joined by New Zealand, France, Germany, Spain, Costa Rica, Panama, Ecuador, and Chile in calling for a pause, moratorium or complete ban.” “Instead the PNG government is lagging behind both Pacific and international leaders.”

As concerned PNG citizens and under the banner of the Alliance of Solwara Warriors representing communities in New Ireland, East New Britain, Manus, Madang, Alotau and Bougainville we now called on the Marape-Rosso government to:

1. Stand with other nations across the world to say no to seabed mining;
2. Make public statements on the government’s position at national and high-level conferences like the COP27 taking place in Egypt this month; and
3. Cancel all existing seabed exploration and mining licenses in Papua New Guinea.

“We also call on our political leaders in our respective coastal provinces to come out publicly and state their position on the issue of seabed mining,” concluded Mr. Mesulam

## Ocean miner completes controversial Pacific trials

*The Canadian miner, the Metals Company, has announced the completion of a controversial deep sea bed mining trial in the Pacific.*

Radio New Zealand on 15 November 2022



Polymetallic nodules found on the seafloor are known to contain metals such as nickel, copper and cobalt. Photo: DeepGreen Metals

The trial was approved by the International Seabed Authority in September much to the dismay of Pacific countries and ocean advocates calling for either a moratorium or a permanent ban on deep sea mining. The company announced today in a newsletter that its subsidiary Nauru Ocean Resources Incorporated (NORI) and offshore partner Allseas had completed their system test in the Clarion Clipperton Zone with environmental impact monitoring still ongoing. It said the mining trial involved engineers driving a pilot collector vehicle across over 80 kilometres of the seafloor collecting approximately 4,500 tonnes of nodules and bringing over 3000 tonnes up a 4.3 km riser system to the surface production vessel - Hidden Gem.

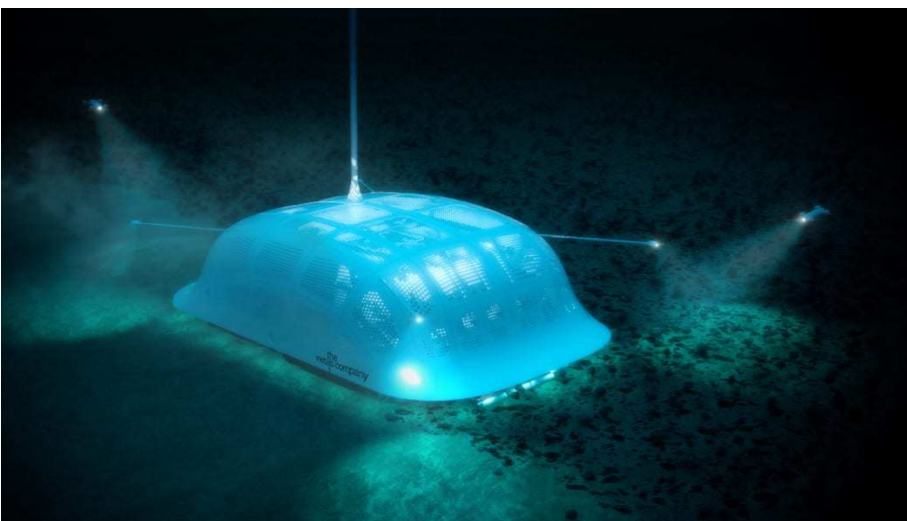


Photo: Supplied

In September, when the International Seabed Authority approved the trial, ocean conservationists condemned the decision describing it as [mining being disguised as research](#). In recent weeks a growing number of countries around the world [including New Zealand](#), France and Germany have

joined Pacific nations in calling for either a [temporary or permanent ban](#) on seabed mining. The consensus is that not enough is known about the deep sea to understand the impacts mining will have on already fragile ocean ecosystems. But the chief executive and chairman of the Metals Company, Gerard Barron said they believed in making decisions based on data and evidence, not speculation and sentiment. "This pilot collection system trial and monitoring campaign is the single most important milestone in de-risking the NORI-D project and establishing actual data on the environmental impact profile of potential nodule collection operations and improvements we can make going forward," Barron said.

The company said the mining test was conducted across a small area of its NORI-D lease area and that the collection system trials and ongoing environmental impact monitoring were part of the International Seabed Authority's regulatory and permitting process. It said the extensive amount of data gathered will inform the application by its subsidiary NORI to the International Seabed Authority for an exploitation contract. In March 2022, NORI and Allseas agreed that the pilot nodule collection system would be upgraded by Allseas to a commercial system with a targeted production capacity of 1.3 million tonnes of wet nodules per year and expected production readiness by the final quarter of 2024.

### **LNG revenue in spotlight**

BY DALE LUMA, November 14, 2022 The National Business

THERE needs to be more transparency on how revenues from the Papua New Guinea Liquefied Natural Gas project are used, says Extractive Industry Transparency Initiative (EITI) international secretariat director Mark Robinson. He said, when sharing the second EITI validation report for PNG, that around US\$700 million (K2.4 billion) was made, a share of which went to Treasury. "More public information about how the rest of those revenues are allocated across Government to benefit citizens will be extremely beneficial," Robinson said. "We also think there is room to improve the transparency of contracts — future contracts entered into by the Government with foreign companies in oil, gas and mining. "A third area is the beneficial ownership transparency and how to use the EITI data to identify the real owners of companies.

"This has the advantage of minimising the corruption risk ensuring that the owners are serious, committed and engage in legitimate activities." Robinson said "the success of implementing EITI in the country is at the local level". "The EITI has to be meaningful to the people living in remote parts if the country is rich with natural resources," he said. "So the question is how do we get the information and EITI reports out to the ordinary people and explain its significance. "The people stand to gain a share of the transfers of revenues from the Government to localities and also benefit from social payments from companies. "We want to put that information to the public domain and make it available to the people at the local level to earn their trust in the value of the extractive sector for them." The EITI International team were in country for a three-day consultation with stakeholders including PNGEITI multi-stakeholder group.

### **K5.6m boost for SWF**

By GYNNIE KERO and REBECCA KUKU, November 11, 2022 The National Main Stories

PAPUA New Guinea (PNG)'s Sovereign Wealth Fund (SWF) kick-started yesterday with the Government finally making a maiden deposit of K5.6 million into the fund. The deposit represented seven per cent of K80 million paid by Kumul Consolidated Holdings (KCH) as dividend to the State. According to the Treasury Department's website, the Organic Law on the SWF was passed by Parliament in July 2015 and the Fund was to come into operation in 2016. But it had remained



dormant until yesterday. Speaking at the dividend presentation by KCH yesterday, Prime Minister James Marape said: “This is a historic day for Papua New Guineans and for our generations to come.”

Marape said KCH was paying 50 per cent of its profits as dividend to the State, and seven per cent of the dividend, or K5.6 million, will go into the SWF trust account. “The Government is setting aside seeds to sustain our children and our children’s children, rather than harvesting and eating everything,” he said. “We are placing dividend proceeds from KCH investments into SWF which was established by the Treasury and Finance. “The SWF is designed to provide stabilisation against potential volatility in the domestic economy and external economic shocks, and encourage much-needed savings for the future. “This will be the first of many contributions to the country’s SWF, made possible by the prudent economic and financial management.

### Govt finally makes first deposit into fund after six years



“The course set for this country is directionally correct and needs energetic and ethically-based leaders to overcome the many challenges. “Previous governments made unfulfilled promises to implement the SWF legislation. SWF plans were left unexecuted and accounts were dormant. There are no savings from investment dividends from our past since the Mineral Resources Stabilisation Fund days.” Marape commended State Enterprises Minister William Duma and the KCH board and management for successfully progressing the SWF facility.

“This is KCH’s first dividend declaration under my watch. The State-owned enterprises (SOEs) reform agenda is seeing success due to the commitment and hard work of SOEs and the oversight provided by KCH,” he said. “I am aware that we still have many challenges, in service quality and performance, accessibility and affordability. However, we are making good ground, where others have fallen short. “These are not just empty promises, but an accelerated strategy supported by real actions and properly executed plans.” Marape said the KCH dividend was driven by the results of a well implemented SOEs reform programme.

## FACT SHEET: SOVEREIGN WEALTH FUNDS (SWFs)

### What is a SWF?

A SOVEREIGN wealth fund is a state-owned investment fund comprised of money generated by a Government, often derived from a country's surplus reserves.

SWFs provide a benefit for a country's economy and its citizens.

The funding for a SWF can come from a variety of sources.

Popular sources are surplus reserves from state-owned natural resource revenues, trade surpluses, bank reserves that may accumulate from budgeting excesses, foreign currency operations, money from privatisations, and governmental transfer payments.

In general, SWFs usually have a targeted purpose.

Some countries have SWFs that can be similar to venture capital for the private sector.

### Understanding SWFs

Similar to any type of investment fund, SWFs have their own objectives, terms, risk tolerances, liability matches, and liquidity concerns.

Some funds may prefer returns over liquidity and vice versa.

Depending on the assets and objectives, SWF's risk management can range from very conservative to a high tolerance for risk.

### Types of SWFs

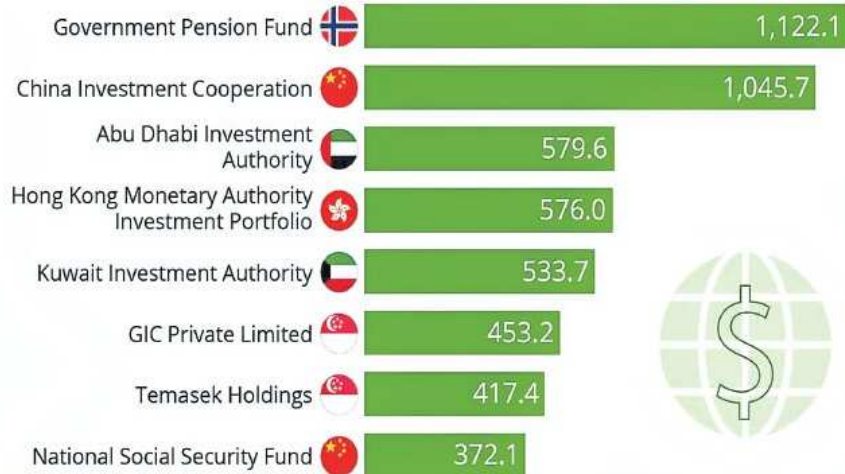
Traditional classifications of SWFs include:

- STABILISING funds;
  - SAVINGS or future generation funds;
  - PUBLIC benefit pension reserve funds;
  - RESERVE investment funds;
  - STRATEGIC Development SWFs;
  - FUNDS targeting specific industries (possibly emerging or distressed); and,
  - FOREIGN currency reserve assets.
- (Some classifications may not consider these funds as SWFs.)

Foreign currency reserve funds are powerful funds that may be used for specific governmental purposes and/or

# The World's Biggest Sovereign Wealth Funds

Total assets of the biggest state-owned investment funds in the world (in billion U.S. dollars)



The Norwegian Government Pension Fund is the largest of any sovereign wealth fund in the world, containing US\$1.1 trillion (about K3.87 trillion) to date. Norway and China lead the pack by some margin. – WorldEconomic-Forumgraphic

for helping to manage the trading power of a currency globally.

### Real-World Examples

The Top 5 largest SWFs by assets as of August 2020 are:

1. Norway Government Pension Fund Global US\$1,073,590,000,000
2. China Investment Corporation US\$940,604,000,000
3. Abu Dhabi Investment Authority US\$579,621,120,000
4. Kuwait Investment Authority

US\$533,650,000,000

5. Hong Kong Monetary Authority Investment Portfolio

\$528,054,000,000

Norway's SWF is the largest in the world and it was established in 1990 (or 32 years ago) as the Government Petroleum Fund, with the initial purpose of creating a fund to hold surplus revenues from the country's oil trade. In 2006 it changed its name to the Norway Government Pension Fund Global.

The fund invests in equities, fixed income, and real estate.

In 2019, it reported a return of 19.9 per cent, led by equities with a return of 26 per cent.

In 2019, 71 per cent of the fund was in equity, three per cent in real estate, and 27 per cent in fixed income.

Every citizen is deemed a millionaire because of the size of its fund or savings.

Norway puts its oil revenues into the fund. In simple terms, the oil fund is a giant savings pot that makes its money by investing globally in more than 9,000 companies.

## Pacific Blue Line hopes more nations follow France's stance on deep sea mining

Radio New Zealand on 11 November 2022

The Pacific Blue Line collective is hoping more nations will follow France's stance on deep sea mining. French President Emmanuel Macron announced this week at COP27 that he supports a ban on deep sea mining (DSM), a firm stance against deep sea mining after he called for caution at the UN Ocean Conference in Lisbon in June this year.

Delegates of the International Seabed Authority or ISA have been meeting in Jamaica to discuss deep-sea mining regulations. The ISA, with 167 member states as well as the European Union, is the authority mandated by the UN Convention on the Law of the Sea to organise, regulate and control all mineral-related activities on the international seabed. The Pacific Network on Globalisation, or PANG, is part of the Pacific Blue Line, a regional collective of Pacific non-government organisations and churches who are also at the meeting. They have been campaigning against deep sea mining since 2012. PANG's deputy coordinator Joey Tau is at the meeting in Jamaica.





PANG's deputy coordinator Joey Tau Photo: International Seabed Authority



Fiji's Dr Raijeli Taga at the ISA meeting in Jamaica Photo: International Seabed Authority

Tau said some ISA members states recognise more research is needed into the impacts of deep sea mining. "There is a need for serious consideration if its [ISA] member states like France, like Fiji and the alliance of countries supporting a moratorium, what Germany and New Zealand [recently have recently called for](#). I think we need to really halt this process, and there's still a lot we need to know about the deep sea, and how it will impact not only the marine eco-systems but people who depend heavily on it," he said. Tau said the Pacific Blue Line collective welcomes the call by France for a ban on deep sea mining. "The health of our oceans is at a critical stage because its declining due to human activities. Our ocean plays a vital role in terms of regulating the climate, so those are some of the positions that have informed Pacific groups, and this is why we have taken a call for a ban.

### **Divide within Pacific on DSM**

In June 2021 Nauru triggered a legal loophole in the international seabed legislation effectively fast-tracking the pathway to mining the seafloor. As well as Nauru another Pacific country looking at sponsoring deep sea mining activities is Tonga. And in March, [the Cook Islands approved seabed](#)

[mineral exploration](#) licences. The rush to approve test mining and applications for scope of work should not be considered by the ISA at this stage, the priority should instead be to enhance the other mandates of ISA's which is to preserve, protect and ensure the principles of intergenerational equity and do no harm to the common heritage of mankind," Tau said.



Clement Yow Mulalap of FSM meeting in Jamaica Photo: International Seabed Authority

### **Greenpeace seeking Pacific voices**

Radio New Zealand on 11 November 2022

Greenpeace New Zealand is asking people of the Pacific to share their views on deep-sea mining in a new [online survey](#) translated into nine Pacific languages. Greenpeace Aotearoa seabed mining campaigner James Hita said the movement to halt deep sea mining is strong and growing. Countries that currently support a moratorium, or pause on deep sea mining, include Palau, Samoa, Fiji and The Federated States of Micronesia. New Zealand and Germany have also recently backed a pause on the industry, while French President Emmanuel Macron announced at COP27 this week that he supports an outright ban. Hita said that for decades indigenous peoples have been excluded from decision-making processes which impact the Pacific way of life.

### **Greenpeace Aotearoa seeks to hear from Pacific peoples on deep sea mining**

James Hita, Greenpeace New Zealand, 10 November 2022

As the movement against deep sea mining continues to grow, Greenpeace Aotearoa is asking people of the Pacific to share their views on the industry with a [new online survey](#) translated into nine Pacific languages. Results from the survey will inform the Greenpeace campaign to halt deep sea mining – an emerging extractive industry that threatens the health of the ocean and the way of life of those who depend on it. “The movement to halt deep sea mining is strong and it is growing”, says Greenpeace Aotearoa seabed mining campaigner James Hita. “It started with opposition from civil society and a group of Pacific countries – people who will face the brunt of environmental impacts from deep sea mining – and is now rapidly expanding to include a number of nations.

“For decades, indigenous peoples have been excluded from decision making processes which impact the Pacific way of life, and now face the threat of this new neocolonial extractive industry on their horizon. “We welcome this chance to hear from Tagata o’le moana and to listen to their views

on deep sea mining and how it could affect their lives and communities.” The survey comes as Canadian miner The Metals Company is winding up weeks of test mining in the Clarion Clipperton zone between Mexico and Hawaii where they planned to pull up 3,600 tonnes of polymetallic nodules from deep. It also comes as the latest round of negotiations come to a close at the International Seabed Authority – the body tasked with regulating deep sea mining in international waters. To date member states have yet to agree on what those regulations will be.

Countries that currently support a moratorium, or pause on deep sea mining, include Palau, Samoa, Fiji and The Federated States of Micronesia who have led the way in calling for a moratorium. New Zealand and Germany have also recently backed a pause on the industry, while French President Emmanuel Macron this week announced at COP27 that he supports an outright ban. Without measures in place to prevent it, commercial scale deep sea mining could begin as early as mid 2023. The survey can be found at:

<https://greenpeace.nz/pacific-deep-sea-mining-survey>

Greenpeace will initially use social media channels to promote the survey in Tuvalu, Tonga, Tokelau, Samoa, Rotuma, Niue, Fiji, Kiribati, the Cooks Islands and Aotearoa.

### **France puts future of deep sea mining in doubt**

Bloomberg News, By Todd Woody, November 10, 2022



Pilot collector vehicle. (Image provided by The Metals Company)

Citing climate change, France on Thursday called for an international ban on deep sea mining, upending negotiations by a UN-affiliated organization to allow the exploitation of unique ocean ecosystems for valuable metals to begin within two years. “As the effects of climate change become increasingly threatening and the erosion of biodiversity continues to accelerate, today it does not seem reasonable to hastily launch a new project, that of deep seabed mining, the environmental impacts of which are not yet known and may be significant for such ancient ecosystems which have a very delicate equilibrium,” French Ambassador Olivier Guyonvarch told the International Seabed Authority at a meeting of its policymaking Council in Kingston, Jamaica. The United Nations Convention on the Law of the Sea treaty established the ISA in 1994 to regulate mining in international waters while at the same time ensuring the protection of the marine environment. After years of negotiations to develop mining regulations, ISA member nation Nauru in 2021 triggered a provision in the treaty that requires the Council to approve those regulations within two years.



Otherwise, the Council may be compelled to provisionally approve an application for mining by The Metals Company, a Canadian-registered seabed mining venture sponsored by Nauru, a tiny Pacific island nation. Nauru, like other ISA member states that sponsor mining contractors, would receive royalties from any seabed mining. Over the past two weeks, a growing number of member states of the ISA, which includes 167 countries and the European Union, have called for a “precautionary pause” or moratorium on mining due to the lack of scientific data on fragile and biodiverse deep ocean ecosystems targeted for exploitation. Among the countries demanding a pause are Germany, France, Spain, Costa Rica, New Zealand, Chile, Panama, Palau, Fiji and the Federated States of Micronesia.

Meanwhile, Brazil, the Netherlands, Portugal, Singapore, Switzerland and other Council members have indicated they would not approve any mining contracts until sufficient environmental protections for the seabed are in place, regardless of a July 2023 deadline to adopt regulations. Then on Monday at the COP27 climate summit in Egypt, French President Emmanuel Macron advocated a complete ban on deep sea mining. Guyonvarch, the head of France’s delegation to the ISA, formally proposed such a ban at Thursday’s Council meeting, saying the world had changed since the ratification of the Law of the Sea Treaty. At the time, the deep sea was widely considered a muddy, lifeless abyss, albeit one rich in cobalt, nickel and other metals potentially worth trillions of dollars. Scientists now believe the seabed set to be mined is among the most biodiverse places on the planet, with a role in the global climate that remains little understood.

“When the ISA was created...almost 30 years ago now, the challenges that we face today, the urgency of climate action and the collapse of biodiversity and its ecosystem services, were not the same,” said Guyonvarch. France’s call for a ban drew rebukes from other ISA members. The Cook Islands, which sponsors a mining company, asked whether France would relinquish its seat on the 36-member Council and give up the two mining contracts it sponsors. “We hope France will reconsider its position,” Cook Islands’ delegate said. Representatives from Norway, Singapore, Poland, Canada and other countries also questioned France’s position and reiterated their support for the development of mining regulations. Other nations, including Costa Rica, Chile and Germany, welcomed France’s statement as reinforcing their own call for a pause in the rush to adopt mining regulations. “The link between climate change and the ocean is clear,” said Clement Yow Mulalap, the representative for the Federated States of Micronesia. “As a small developing island state, my country is particularly concerned about the cascading changes on the marine environment from climate change.”

## **Miner holds AGM**

Post-Courier, 10 November 2022

Newcrest Mining Limited has declared a statutory and underlying profit of \$872 million (K3.05 billion) for the financial year 2022. Newcrest chairman Peter Tomsett announced at the company’s annual general meeting yesterday. He said 2022 was a year where safety remained their core value and one where they made substantial strides in advancing their global organic growth portfolio. Mr Tomsett said Newcrest’s commitment to its shareholders also continued, with total dividends of US27.5 cents (K62.51) per share paid with respect to the 2022 financial year. “This outcome remains consistent with our approach to disciplined capital management and the result has seen the company return US\$240 million (K840 million) to shareholders over the past 12 months and US\$1 billion (K350 billion) since mid-2019,” he said.

“Newcrest continues to hold a unique market position. We maintain a portfolio of top tier, long life assets and while the company’s peers race to add future-focused minerals like copper to their books, Newcrest has both a meaningful exposure to copper today and plans to grow copper production in

the years to come.” Mr Tomsett said the company produced just under 2 million ounces of gold in the 2022 financial year at an all-in sustaining cost of \$1043 (K3650) per ounce, and in addition to that Newcrest also delivered more than 120,000 tonnes of copper. “That is a resource that will continue to play a vital role in the energy transition and the decarbonisation of economies,” he said.

### **Country’s Sovereign Wealth Fund: Clock is ticking**

By ALYSSA LENG and STEPHEN HOWES November 9, 2022

The National Business, DevPolicy Blog 8 November 2022

PAPUA New Guinea’s Sovereign Wealth Fund (SWF) has been a long time coming. Following the Mineral Resources Stabilisation Fund, the infamous trust funds of the early 2000s, and an aborted attempt in 2011/2012, PNG’s SWF was finally legislated into existence in 2015. The Organic Law on the Sovereign Wealth Fund 2015 envisages two funds:

- A MAIN stabilisation fund to protect macroeconomic stability from volatile resource receipts; and,
- A SECONDARY savings fund to save some resource revenue for future generations.

Unfortunately, by the time this legislation was finally put in place, the resource boom of the 2000s was over. As resource prices slumped and revenues fell, actually establishing the SWF did not seem like a priority. The unfortunate consequence is that, now resource prices and revenues have increased, the SWF is not there to do its job. PNG, like other petroleum exporters, has been a major beneficiary of the Ukraine-Russia war and resulting spike in oil prices. The *2022 Mid-Year Economic and Fiscal Outlook* (MYEFO) estimates that resource revenues will be K3.8 billion this year, much higher than the budget estimate of K1.5 billion, and much higher than they have been over the last decade and since the end of the boom, even adjusting for inflation. The Organic Law on the Sovereign Wealth Fund 2015 requires 50 per cent of mining and petroleum tax revenues and 75 per cent of dividends returned to Government to be deposited into the stabilisation fund. In each fiscal year, a portion of these funds can be used as revenue, based on a legislated formula.

The savings fund is to receive 25 per cent of government dividends and any balance over US\$1 billion (about K3.4 billion) from the stabilisation fund. Only real returns on the savings fund can be spent, and only after 2025. From 2016 to 2021, resource revenue was low. So even if the stabilisation fund had been up and running it wouldn’t have accumulated any funds. Rather it would have been “money in, money out”. But not this year. The increase in resource revenue this year, however, has been so sharp that for the first time, more should be deposited into the stabilisation fund (K2.1 billion) than withdrawn as budget revenue (K785 million), leaving K1.3 billion in the stabilisation fund at the end of the year. Then there is the savings fund. It should have been accumulating 25 per cent of dividends every year since 2016. That would be K198 million this year and an accumulated balance of K770 million if the legislation had been followed from the start, with nothing to be withdrawn until 2025.

In summary, of the K3.8 billion raised this year in resource revenue, only K2.3 billion should be spent: K1.5 billion direct to the budget and K0.8 billion from the stabilisation fund. The other K1.5 should be sitting in the SWF by the end of the year: K0.2 billion in the savings fund and K1.3 billion in the stabilisation fund. Budget documents suggest that government receipts from the PNG LNG project may increase from 2021 and accelerate significantly from 2025 as amortisation ends on the project’s loans and depreciation expenses fall. Establishing the SWF now would ensure it is ready in time to capitalise on anticipated resource revenue rises this decade. Even if the 2022 windfall isn’t sustained, setting up the fund’s structures and starting to deposit and withdraw funds would still be worthwhile. After all, the law requires the SWF be established. It is not an option for

the government. While it was understandable that the stabilisation fund was not established when it was just a case of “money-in, money-out”. That is no longer the case.

And the savings fund should have been receiving funds ever since 2016. A lot needs to be done to set up the SWF. As this year’s budget reminds us, there is recruitment for the SWF’s board, remuneration benchmarking, an investment mandate and the organisational structure. This work needs to get started. In the meantime, some of the resource revenue windfall could immediately be used for deficit reduction rather than, as the MYEFO proposes, it all be spent. Of course, this is easier said than done. The Government is running a massive structural deficit, has large arrears, and needs all the revenue it can get. Non-resource revenue has declined as a share of GDP and in per capita terms for 15 years, and pressure to spend remains high. However, none of these challenges is new or likely to recede any time soon. Now, when resource revenues are high and potentially increasing, is the best time for the SWF to get off the ground.

So it was disappointing that the treasurer didn’t even mention the SWF in the MYEFO, and instead said that all the additional revenue would go to additional expenditure, including not only arrears but also more funds for MPs. More encouragingly, Prime Minister James Marape recently re-affirmed that the SWF would come into place in coming months, though it isn’t clear where Marape got the idea that 7 per cent of dividends should go to the SWF. That is not in the legislation. The 2015 SWF legislation was rushed through without much consultation, and a case can be made for its revision. Perhaps the Government should be stricter on dividends being returned to it: at the moment, dividends are only directed to the SWF if Kumul Petroleum and Kumul Minerals remit rather than retain their profits. Perhaps the savings fund isn’t needed, and PNG should just focus on resource revenue smoothing.

Perhaps the smoothing should be over a longer period than five years (15 years was used in the earlier legislation). But while amendments could usefully be made, history suggests they may take a long time, and it would be a mistake to wait for them before implementing the SWF. Whatever the pros and cons of the precise model PNG has adopted, having legislation on the books and not implementing it sends a bad signal about governance and credibility. Implementing the 2015 SWF legislation should be a top priority for the new Marape government. The ticking of the clock has just got a lot louder.

*Disclosure:* This research was undertaken with the support of the ANU-UPNG Partnership, an initiative of the PNG-Australia Partnership, funded by the Department of Foreign Affairs and Trade. The views are those of the authors only.

### **North Fly keen on investing in agriculture**

November 10, 2022, The National Business

NORTH Fly, home to the Ok Tedi Mining Ltd, wants to invest heavily in agriculture, says MP James Donald. He was responding to the announcement by Ok Tedi to extend the mine life beyond 2032. Donald said investment in agriculture was the way forward for North Fly. “We must use the direct and indirect benefits from Ok Tedi, such as the investments proceeds from the Mineral Resources Development Company (MRDC), Mineral Resources Ok Tedi No.2 Ltd, PNG Sustainable Development Programme (SDP) and others, to attend to our development needs — and agriculture must be our major focus,” he said.

Donald, who is also mining vice-minister, urged the people to move away from the “dependency and handout mentality of the past” and to start thinking about being involved in agro-business. Ok Tedi managing director Musje Werror said the amount of minerals still in the ground could last



beyond the 2040s. Therefore the company plans to extend the mine's life. "It is currently going through a transition process by reinvesting in its processing facilities and re-fleeting the mine haul equipment for the next 10 years of the mine life," he said.

### **Santos maintains production, capital expenditure guidance**

November 9, 2022, The National Business

SANTOS' production guidance for the year is maintained at 103 to 106 million barrels of oil equivalent (mmboe), an official says. Sustained capital expenditure guidance is maintained at around US\$1.1 billion (about K3.76 billion), according to managing director and chief executive officer Kevin Gallagher. He told the company's investor briefing day in Adelaide, Australia, yesterday that major projects capital expenditure in 2022 was expected to be around US\$1.2 billion (about K4.11 billion), the mid-point of the previous guidance range. "The 2022 unit production costs are expected to be at the lower end of the US\$7.90 (about K27.06) to US\$8.30 (about K28.43) /boe guidance range.

"Production in 2023 is expected to be in the range of 91-98 mmboe, influenced by the end-of field-life at Bayu-Undan, timing of completion of the expected sell-down of a five per cent stake in PNG LNG and lower Western Australia domestic gas production. "Sustaining capital expenditure in 2023 is expected to be approximately US\$1.2 billion (about K4.22 billion) and major projects capital expenditure is expected to be approximately US\$1.835 billion (including the Barossa, Pikka phase one, Papua and Moomba CCS projects)," Gallagher said. "Santos announced on Sept 27, 2022 it had received a binding conditional offer from Kumul Petroleum Holdings Ltd (Kumul) to acquire a five per cent interest in PNG LNG for asset value of US\$1.4 billion (about K4.79 billion), including a proportionate share of project finance debt of US\$0.3 billion (about K1.02 billion)," he said.

The offer is conditional on Kumul obtaining the waivers of certain pre-emptive rights by each other PNG LNG project participant under the project operating agreement to allow the transaction to proceed. Completion will be subject to customary conditions including necessary regulatory approvals and Kumul securing financing. "Guidance for 2023 provided in this release and in the attached Investor Briefing Day presentation assumes Santos' existing 42.5 per cent in PNG LNG" Gallagher added. "Guidance would be revised once the expected sell-down of the five per cent interest has completed."

### **Morobe to revisit agreement**

By GLORIA BAUAI, November 7, 2022, The National Business

THE Morobe government will re-visit the 2005 memorandum of agreement (MOA) for the Hidden Valley mine with developer Harmony Gold Mining and stakeholders, says Governor Luther Wenge. Wenge said the first agreement in 2005 had resolved to a review after three years of production at the Hidden Valley mine. "Many things stipulated in the agreement then have not been implemented," he said. "The last two governments failed to pursue this and to see that the developer complied with the agreement. "I will start dialogue with the landowners, the Mineral Resources Authority (MRA) and Harmony so that the developer can comply where they have failed to," Wenge said. The open-pit gold and silver mine in Morobe's Bulolo district started off as a joint venture of Newcrest Mining's subsidiary Newcrest Niugini and South African miner Harmony Gold.

In 2016, Harmony bought Newcrest Niugini's 50 per cent stake in the joint venture to assume full ownership of the mine situated in the Wau area. In June 2018, the developer announced reaching commercial levels of production. It was also in 2018 (on June 25), Harmony and Newcrest as the

Wafi-Golpu Joint Venture (WGJV) submitted an environmental impact statement (EIS) for the Wafi-Golpu Project to the Conservation and Environment Protection Agency (Cepa). Governor Wenge said he was backing next month's signing of Wafi-Golpu's Special Mining Lease (SML). "Wafi-Golpu is a priority now but Harmony is very much aware that we will be revisiting the Hidden Valley agreement," he said.

### **New vessel 'MV Fly Valiant' to service Ok Tedi**

November 7, 2022, The National Business



Head of P&O Maritime Logistics (Australia/PNG) John Connor (left) with Ok Tedi Mining Ltd chief executive and managing director Musje Werror on board the vessel at the event. – Nationalpics by KENNEDY BANI

SHIPPING company P&O Maritime Logistics welcomed the second of its two newest vessels on Friday, to service Ok Tedi Mining Ltd (OTML) and its operations. Head of P&O Maritime Logistics (Australia/PNG) John Connor said the vessel, MV Fly Valiant, was specifically designed to service OTML. The vessel is 90-metres long, 23m in breadth and can carry up to 5,400 tonnes of cargo (deadweight). "This new vessel was designed and built in partnership with Wartsila Ship Design and Fujian Mawei Shipbuilding Ltd, to maximise cargo lift, whilst also meeting the unique environmental requirements and ensuring that the communities on the river are not impacted by the ships' operations," Connor said. "This ship, along with other ships of the P&O fleet, provides critical support to OTML and in doing so support the development and prosperity of PNG in particular, people of Western.

"Just as with our sister ship, P&O has used its long term Fly River expertise to best service the routes and to help with the movement of copper to the global market, while also providing logistics support for OTML. "As a partner to Ok Tedi and a maritime industry leader, we have been uniquely placed to offer our insight into these vessels, ensuring they are fully equipped to navigate this challenging environment." OTML chief executive and managing director Musje Werror said: "For Ok Tedi, we are proud to have P&O as a partner in operating our shipping and logistics operation there. It's quite complex as explained. "But with the 30 years of experience that they have had, we are in good hands. "So Ok Tedi will continue to ship out its concentrate for its customers and generate significant benefit for the shareholders which are the people of this country."

### **Ok Tedi Mine looks beyond 2032**

By SHIRLEY MAULUDU, November 7, 2022, The National Business

THE Ok Tedi mine in Western has about 200 million tonnes of resources still in the ground, with the company looking to extend mine life beyond 2032, says an official. Ok Tedi Mining Ltd (OTML) chief executive and managing director Musje Werror said the amount of resource still in the ground could last beyond the 2040s. "Ok Tedi is going through a process of transition," Werror told guests at the welcome ceremony of new vessel MV Fly Valiant in Port Moresby last Friday.

“We’ve been in operation for 38 years and our facilities are aging. “We are now reinvesting into the business in terms of putting money into our processing facilities, re-fleeting our mine haul equipment. “That is in order to take us into the next 10-plus years.

He said the life of the mine was estimated to end in 2032, but the management was hoping to extend it beyond that date. “We still have resources, about 200 million tonnes of it, and that will still be in the ground post 2032. “That can take us well into 2040s or even 2050s. “So Ok Tedi is not going to close in the near term. “There is still life for the project well into the future. “The challenge is managing our environmental impacts and what we do with the waste rock and the tailing. “The next 10 years we have in the current life of mine, we are going to be looking at the current solutions that can further extend the mine life well beyond 2032.”

Meanwhile, Werror said there was concern as to what would happen to services that the company currently provided to impact communities post mine closure. “The services that we provide, with health, education, logistical services and others with the support of our business partners, at a certain point in time, we should be able to hand over these responsibilities to third parties,” he said. “What can we leave behind for Western? “These are part of the discussions that we will have with (our partner) P&O. “Obviously, we do not want to leave behind services that will deteriorate and services that will stop.”

## **6 deny alleged misappropriation**

November 3, 2022, The National Main Stories

TWO lawyers, an executive assistant and three board directors who were charged for allegedly misappropriating K52 million in funds belonging to the people of Western have denied the allegations against them. The six made the submissions at Waigani National Court yesterday. Lawyers Greg Sheppard, from Perth, Australia, Gloria Salika, 39, from Kulakea village in South Fly, Western, executive assistant Tabitha Malken of Jambitanget village in Wosera-Gawi, East Sepik and directors Boston Kasiman, Edna Oai and Annie Smerewai pleaded not guilty after their charges were read to them. Sheppard, Salika, and Malken were charged with one count of misappropriation of the K52 million which was allegedly transferred from the Western people’s trust account to Young and William lawyers while the directors were charged with two counts of allegedly being involved in the transaction of the same money (K52 million) and a K216 million belonging to the Western people. The State in the information presented in court yesterday alleged that the K268 million misappropriated was funded by OK Tedi Mine Ltd.

This was for the implementation of development projects in the Western community mine continuation agreement regions and was kept in the Western province community mine continuation agreement regions peoples’ dividend trust account (WPPDT-CMCA) with the Australian and New Zealand (ANZ) Bank. It was alleged that Kasiman, Oai and Smerewai were the board of directors of Ok Tedi Fly river development foundation Ltd (OTFRDFL). The State said after a case between OTFRDFL and then Finance Minister James Marape, K52 million was allegedly transferred from WPPDT-CMCA to Young and William Lawyers and K216 million to OTFRDFL. It further alleged that Sheppard, Salika, Malken, who were the legal officers of OTFRDFL and Kasiman, Oai and Smerewai as directors knowingly facilitated the transfers of the funds for their own use.

The matter returned yesterday for trial but a preliminary issue was raised by Salika’s lawyer Edward Sasingian on the validity of certain documents and the processes used to obtain them. Sasingian filed a notice of voir dire (a trial within a trial) alleging that certain documents in the file were obtained by the police using a defective search warrant. State lawyer Emmanuel Thomas said the State would need time to file a proper argument in response and obtain further instruction

evidence from the investigation team. The presiding judge Teresa Berrigan adjourned the case to Tuesday as the allegations in the matter were serious and the notice to test the validity of the documents were served late on the State.

### **Porgera mine landowners form company to ensure fairness**

By ELIAS LARI, November 3, 2022, The National Business

SEVEN tribes from Porgera in Enga have formed a new umbrella company to represent them once the gold mine resumes operation. Leaders and members of the tribes said that through their new Special Mining Lease (SML) umbrella company they would not miss out on benefits unlike what had previously happened in royalty payouts since the mine's establishment in 1989. Company chairman Joe Kale said all seven tribes had come to a consensus and wanted to ensure royalties from the mine went to their people and improved lives and developed the district. Company executives include Kale, deputy chairman Tinawi Andita, treasurer Kai Kulina, secretary Max Piawen, Philipen Piakape, Buka Ujali, Aganda Ikipa and Erick Wilson.

Kale said the seven landowning tribes had been vetted and recognised following government processes and the executives had been elected with help from the Electoral Commission and other key state agencies. "We are trying to create a channel where benefits will go directly to the people," he said. "We want to see change and leave our past by forming this company which will be the only source of generating benefits." Kale said the company aimed to participate meaningfully in business activities generated by the mine in the district and would voice its concerns at an upcoming forum. He added that the company had also appointed 25 landowner agents representing their people to work with them. Kale said the 10 per cent landowner royalties needed to go directly to their company instead of through government agencies.

### **Misappropriation trial begins**

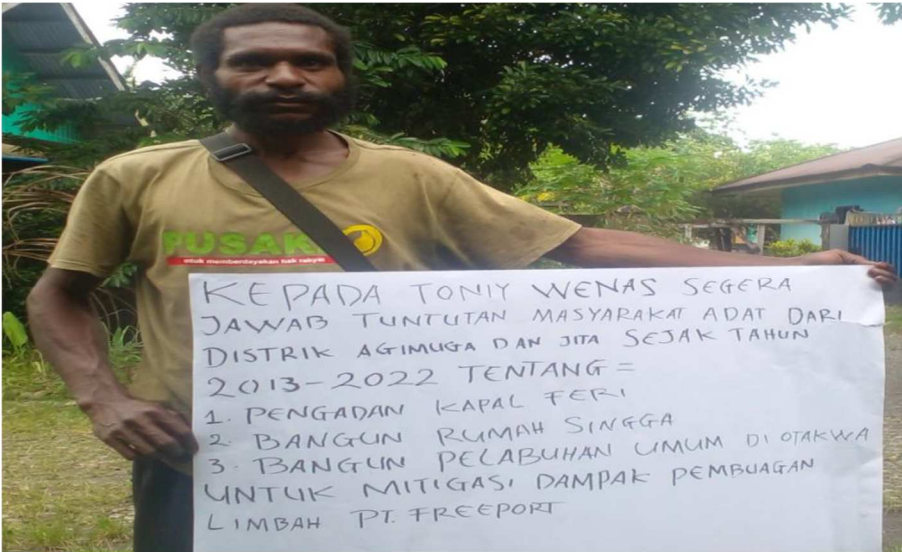
November 2, 2022, The National Main Stories

A MISAPPROPRIATION charge against two lawyers, an executive assistant and three board of directors is a serious matter and should be dealt with properly, Judge Teresa Berrigan says. She said the trial against lawyers Greg Sheppard, 65, from Perth, Gloria Salika, 39, (daughter of Chief Justice Sir Gibbs Salika), from Kulakea village in Western's South Fly, executive assistant Tabitha Malken from Jambitanget village in Wosera-Gawi (East Sepik), and directors Boston Kasiman, Edna Oai and Annie Smerewai must proceed with each of their lawyers present in court. Judge Berrigan made the remarks in the National Court in Waigani recently after she was informed that the lawyer representing Kasiman, Oai and Smerewai was not present due to a minor accident. The matter returned yesterday for trial to proceed and both the State and the lawyers for Sheppard, Gloria and Tabitha were ready to start the trial.

Lawyer representing Gloria and Tabitha, Edward Sasingian, said he could help David Dusal and take on the case against the directors as well if they were to proceed. Sheppard's lawyer Ron Webb then informed the court that he had filed a summons to summon the witnesses to court and asked for a day's adjournment. Judge Berrigan then adjourned the matter to today to discuss the preliminary issues on the case and to proceed with the trial. The initial date for the trial in the matter was set on Oct 10. Sheppard, Gloria, Tabitha, Kasiman, Oai and Smerewai were charged with misappropriating K52 million belonging to the Western people. It was alleged that the money was part of the K260 million which was also alleged to have been misappropriated in the same information on the case. The misappropriated money allegedly was to rebuild surrounding communities around OK Tedi Mine.

## Freeport urged to update and adjust environmental impact analysis

Jubi.id, 12 October 2022



Community demands affected by PTFI waste in Timika - Doc. LEPEMAWI

Jayapura, Jubi TV – The Community Care of Far East Mimika (LEPEMAWI) accused [PT Freeport Indonesia](#) of lying during a hearing with Commission IV of the House of Representatives on Tuesday, September 27, 2022. During the hearing, Freeport official Tony Wenas claimed that the Company's tailings management had been in accordance with regulations and had not caused either environmental or social problems.

According to Wenas, the tailings generated from Freeport's mine are non-toxic, harmless, and have proven to be safe because they have been freed from mercury and cyanide before being discharged into the river. Wenas also mentioned that potential siltation of rivers due to sedimentation from tailings discharges had been well anticipated by building and expanding tailings embankments on the Ajkwa River in accordance with Freeport's 1997 environmental impact analysis (AMDAL) document. However, according to LEPEMAWI, Toni Wenas' confession does not match the facts on the ground. Freeport's tailings disposal through rivers to the Arafura Sea has caused environmental damage and material and non-material losses to residents who live far from Freeport's mining operations.



Previously this area was the sea estuary of Bidadari Island in Mimikan Far East. Currently the estuary has shifted far inland due to PTFI waste – Doc. LEPEMAWI

“It should be noted that Freeport has until now used only the concession area to map the impact on residents and provide compensation. Therefore, Freeport only recognizes five Kamoro tribe and three Amungme tribe villages affected by its operations,” said Doliey Kum, General Coordinator of LEPEMAWI. The five Kamoro villages are Nayaro, Tipuka, Ayuka, Nawaripi, and Koperapoka, while the three Amungme villages are Singa, Arwanop, and Waa. [Freeport](#), according to Doliey, is reluctant to take responsibility for the losses experienced by residents due to mining operations outside of these villages. In fact, far outside Freeport’s concession, there are approximately 23 villages in Jita District, Agimuga District, and Far East Mimika District, that are suffering from Freeport’s tailings. They have never been recognized by Freeport as villages affected by its operations. A more severe consequence of Freeport’s unanticipated tailings disposal is the deposition of material in the riverbed, resulting in the siltation of the river. This river, before it silted up, was a means of transportation for the local residents. Now the river is impassable.

### Freeport says siltation natural process



Cases of mass dead fish have occurred 4 times around the Freeport Waste disposal area in the East Embankment. This is the third case on the Momoa river. Indigenous territory of the Sempan Tribe – Doc. LEPEMAWI

Freeport spokesperson Riza Pratama said siltation was a natural process that occurred on the southern coast of Mimika Regency caused by high sedimentation due to the area being surrounded by high mountain ranges and has high rainfall. “Based on monitoring by the Meteorology and Geophysics Agency (BMKG), the Mile 50 area in Tembagapura District, Mimika Regency has the highest rainfall rate with an average annual rainfall of 12,143 mm and experiences 329 rainy days per year, making it the wettest area in the world. The high rainfall causes erosion that brings sediment from the high mountain ranges to the lowland areas through river flow,” Riza said. He further explained that natural sedimentation meets tailings flow from Freeport’s operations causing a siltation process that only occurs in the Ajkwa Estuary. And this has been predicted and reported in the AMDAL. Freeport, Riza continued, has obtained permission from the central and regional Governments to manage tailings deposits in an area of 23,000 hectares of land called Modified Ajkwa Deposition Area (ModADA), and the remaining sediments will be transported to the Ajkwa Estuary and the Arafura Sea.



### **River ecosystem disrupted**

[LEPEMAWI](#) asserted that ever since Freeport poured billions of tons of tailings into the Aghawagon, Otomana, and Ajkwa Rivers, indigenous people living in the three districts have lost their means of river transportation. To date, at least 230,000 tons per day of Freeport tailings have been discharged into these rivers. More than six thousand people in the three districts are the direct victims of the environmental damage caused by Freeport's operations. In addition to the Aghawagon and Otomana Rivers, which are used as tailings disposal streams up to the embankment, according to Doliey, there are at least six other rivers that have been destroyed or even lost due to Freeport tailings, namely Ajkwa or Wanogong, Minajerwi, Yamaima, Nipa, Kopi, and Sampan. These rivers have silted up due to sedimentation from Freeport tailings, narrowing their mouths and becoming landlocked.

The loss to these three districts is enormous. The river ecosystem, which previously served as a living space and source of food and livelihood for residents, is now damaged. The fish have died and disappeared at least three times. The first incident was recorded in April 2016, when millions of fish were floating rotten on the west embankment of Freeport to Amamapare harbor. "The incident repeated in February 2020 when thousands of dead fish rotted in Amamapare harbor again. A month later, thousands of dead fish were floating on Freeport's East Embankment," said Ki Bagus, a staff member of [the Mining Advocacy Network \(JATAM\)](#). Ki Bagus added that a resident of an affected indigenous community told him that his daughter in Pasir Hitam Village had an acute illness, namely sudden headaches, skin diseases, shortness of breath, leg and hand cramps, and loss of appetite. They suspected that this happened because they stood and walked on tailings every day, breathed tailings air, bathed in tailings and washed with tailings water.

### **Tailings push crocodiles into residential areas**

PTFI tailings do not only affect humans. Crocodile habitats in rivers and estuaries are also disturbed by Freeport tailings, forcing crocodiles to enter residential areas. "This year alone, at least three incidents of crocodiles entering residential areas have been recorded. First, on January 21, 2022, a seven-meter-long crocodile pounced on a resident in Ayuka, Far East Mimika District. On February 17, 2022, a crocodile appeared in a residential area around Pomako Bridge 2 in East Mimika District. Lastly, on March 16, 2022, a crocodile appeared in the Mozes Kilangin Airport area," Doliey said.

But Riza emphasized that Freeport built and maintained embankments in the West and East of ModADA, including extending them to ensure tailings remain within government-approved boundaries. The embankments protected areas outside the tailings management area, including Kamoro customary land, mangrove ecosystems, Lorentz National Park to the east, and shipping channels for the Port site and the public jetty at Pomako, Riza claimed. "Freeport continues to collaborate with key stakeholders from customary communities and customary institutions, local government agencies, local NGOs, and the Diocese of Mimika to mitigate impacts and manage programs that benefit affected communities," Riza said.

The programs, Riza added, were providing alternative means of sea transportation to communities in Manasari and Otakwa; providing bus transportation to five villages, namely Nayaro, Koperapoka, Nawaripi, Ayuka, and Tipuka; economic development through fisheries, agriculture and plantation activities; improving facilities and infrastructure; as well as health care services, education and capacity building.

## Freeport must update AMDAL



Due to the silting of the river, the people of Kampung jJta push boats on the East Embankment of the Momoa River – Doc. LEPEMAWI

Doiley said Freeport was currently developing and optimizing its underground and open-pit mines in Mimika Regency to a maximum capacity of 300,000 tons of ore per day. According to him, this must be followed by updates and adjustments on the environmental impact analysis (AMDAL). “Freeport must adjust and update its AMDAL document,” said Doiley. He said there was indeed a process of preparing a new AMDAL in the midst of the COVID-19 pandemic. But this process is full of irregularities. It was carried out in a short time and was not transparent, the draft document was hidden and there were allegations of manipulation of residents’ approval.

“On July 23, 2020, Freeport invited representatives of Ayuka, Tipuka, Nawaripi, Koperapoka, Nanyaro, Arwanop, Waa/Banti, and Tsinga villages to attend AMDAL training activities held on July 27-28, 2020,” Doiley said. The letter, said Doiley, stated that the basis for the AMDAL training activities was the Minister of Environment Regulation No. 17/2012 on Guidelines for Community Involvement in the Environmental Impact Analysis and Environmental Permit Process. However, only two weeks after, on August 5, 2020, Freeport again made an invitation to a Public Consultation on August 7. Another Freeport letter dated August 11 contained the same subject, an invitation to a public consultation in preparing an AMDAL document to be held on August 13. “Everything seems rushed and that indicates Freeport’s attempt to trick residents by utilizing the acceleration of the discussion and preparation of the AMDAL, riding on the back of the Covid-19 pandemic at that time,” Doiley said. (\*)

Source: <https://en.jubi.id/freeport-urged-to-update-and-adjust-environmental-impact-analysis/>