

**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/>

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**Kua joins gas ministers in Egypt**

Post-Courier, October 31, 2022

Papua New Guinea's Petroleum Minister Kerenga Kua joined Egypt's HE President El-Sisi in Cairo, Egypt, as part of the Gas Exporting Countries Forum. President of the Arab Republic of Egypt Abdel-Fattah El-Sisi met the ministers, among them PNG's Minister Kua, at the 24th ministerial meeting of Gas Exporting Countries, which is currently being held in Cairo. He Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs for Egypt, also accompanied the ministers. President El-Sisi welcomed the ministers and stressed the importance of the Gas Exporting Countries Forum in the field of energy, especially during the current global conditions that impact the energy markets and the stability of supplies. His Excellency the President also stressed the role that the Forum countries can play in stabilising energy markets and ensuring an equitable energy transition.

## **5pc agreed for landowners**

By GLORIA BAUAI, October 28, 2022, The National Business

MOROBE Governor Luther Wenge says his administration, the State and the developers of the Wafi-Golpu project have agreed in principle to five per cent mine royalties for his people. Wenge said 10 per cent from the State's 30 per cent equity in the project would be free-carry to the Morobe government and the impacted landowners of Babuaf, Yanta and Hengabu. Briefing the provincial assembly in Lae yesterday, Wenge said another K100 million would be given to the province on the day the joint-venture of Newcrest and Harmony Gold sign the Special Mining Lease (SML). He said, while accepting deep sea tailings placement as the proposed mine waste management system, an agreement was made that the developer be charged US\$6 (about K21) for every tonne of mine waste released into Huon-Gulf sea.

Wenge said he wanted the money to be given directly to the province and not the, through the Conservation and Environment Protection Agency, as the provincial administration would be able to act promptly on any environmental issue that would arise. "The negotiations were still on-going and this was what we have reached so far; we will also be pushing for a better compensation to pipeline communities." Wenge said the Morobe executive council with the Attorney-General had also withdrawn all court challenges against project developers. He had proposed to Prime Minister James Marape the SML signing between the joint-venture and stakeholders in December.

## **Give LOs maximum benefits: PM**

October 27, 2022, The National Business

PRIME Minister James Marape wants maximum benefits to be paid to landowners and their provincial governments from the resource projects around the country. He said this on Tuesday during a meeting with Morobe Governor Luther Wenge and his administration, the Mineral Resources Authority, and the State negotiating team (SNT) on the Wafi-Golpu mining project. Marape said landowners needed to receive maximum benefits according to the prescribed value of royalty payments, project equity and integrated development grants (IDGs). At the same time, the prime minister said he also wanted early benefits for the country. Marape said other key components for the project which the SNT would finalise with the developers was for the appropriate financial structure to avoid burdening the country with repayments and to incorporate environmental impact considerations for the Wafi-Golpu project.

"The first principle is maximum benefits for provincial governments and landowners," he said. "However the agreement is structured, should feature early benefits for the country. "The financial structure of the project should also feature the least cost and lastly the best and least cost to the environment when the mine is in full operation." Marape also commended Wenge for his clarity on Morobe's position relating to the proposed deep sea tailings placement (DSTP) for the mine following Wenge's assurance that there would be no legal objection to the matter. "This is the first time I have seen such clarity from the Morobe government in as far as the DSTP is concerned and other matters including royalty, equity for landowners and tax entitlements relating to the project," he said.

Outlining the provincial government's position on the project, Wenge said he wanted the special mining lease (SML) to be signed by mid-December this year, a guarantee of K100 million in IDG grants over 10 years plus other considerations over equity from the Government's share on top of royalties. Wenge reiterated that issues over DSTP would only be taken up based on proven scientific evidence. Marape thanked Wenge for stating his views on mine royalty and taxes from the project and said all issues would be addressed at a meeting with the company and investors next week.

He added that his position on the issuance of the SML would depend on further negotiations between investors and the State negotiating team.

### **New Porgera partnership arrangement is better: James**

October 27, 2022 The National Business

*Lawyer NELLIE JAMES was recently appointed as chairman of the New Porgera Limited. She shares her thoughts this week with News Editor GYNNIE KERO on the new company and the way forward for the gold mine project in Enga*



Nellie James. She was recently appointed as chairman of New Porgera Ltd.

### **What is your background in the mining industry and what are your current roles?**

**JAMES:** I hold a Bachelor of Law degree from the University of PNG and was admitted to the Bar of the National Court and Supreme Court Bar of PNG in November 1991. From 1995 to 1996, I undertook a one-year Master's programme in Mining and Petroleum Law and Policy at the University of Dundee in Scotland. My expertise is in mining law. After being admitted to practice as a lawyer, I went on to work with the then Department of Minerals and Energy (later renamed Department of Mineral Resources and then Department of Mining) in various roles — policy officer, deputy registrar and registrar. In these roles, I liaised and assisted the Government on the implementation of the Mining Act 1992, and provided advice on tenements, regulatory and licensing matters and

consultation with landowners and other stakeholders in the mining industry.

I then moved on to higher roles as Director for Mining in the Department of Mining, and then secretary for Department of Mining from 1996 to 2012. On board membership, I have held the position of director at the Mineral Resources Development Company Ltd, Mineral Resources Star Mountains Ltd, was a member of the Mineral Resources Authority board and am a member of the Divine Word University council since 2018. I was appointed as Kumul Minerals Holdings Ltd chairman on Nov 11, 2020, a position I still hold. On Oct 12, when the New Porgera Ltd held its first board meeting, all the directors approved my appointment as the inaugural chairman of the board.

**What were the outcomes of the board meeting, apart from your appointment as chairperson?**

**JAMES:** The first board meeting of the New Porgera Ltd (NPL) approved steps to advance the re-opening of the mine, subject to satisfying certain conditions. The NPL board also appointed Chad Coulin as general manager. We are looking forward to the mine re-opening with Chad at the helm of our operational team. Chad is a very experienced operator and has been in Papua New Guinea and with Porgera for more than 14 years. He is very well known in Porgera and among our workforce. And I have no doubt that he will provide the necessary support and leadership to take the new company forward for the benefit of its shareholders, including the Special Mining Lease landowners and all Porgerans.

**What is your view on the new partnership in the New Porgera Ltd?**

**JAMES:** It will be interesting for the Porgera mine as the previous unincorporated venture running of operations and sale of gold was only privy to the individual shareholders. The incorporated project company structure allows for a Board which is made up of directors representing the shareholders. The full board will be privy to the operation of the mine, to ensure proper governance and transparency of the operations. Actual mining operations will be undertaken by Barrick (Niugini) Ltd, as the operator of the mine, and it reports to the NPL. Shareholders will await their dividend payment when profit is declared. Other mines in PNG also have an incorporated corporate structure – and that includes Ok Tedi and Lihir. It is not a new concept.

Given the circumstances, this arrangement is better, as all of the parties are seated around the table, rules are set out in the operatorship agreement, and transparency and accountability is ensured among the parties in respect to the operations of the mine. In addition, we now see an equity structure that is a first for PNG. New Porgera has secured 15 per cent protected equity for project area landowners and the province. They get to see their benefits from the moment the mine starts selling gold. However the State, through the Kumul Mineral Holdings Ltd, will have to wait for the full repayment of the cost incurred during care and maintenance up to mine reopening. There are other immediate benefits of Porgera Mine re-opening that will be earlier seen by other PNG stakeholders than KMHL.

**Ok Tedi women's group starts business after signing**

October 27, 2022, The National Business

AN association representing women and children from six mine villages in the Star Mountains, North Fly, signed a memorandum of understanding last week to begin leasing a vehicle to the Ok Tedi Development Foundation. The signing ceremony last Friday in Tabubil was between the Ok Tedi Mine Villages Women and Children's Association and the foundation for the lease of a Toyota Landcruiser owned by the association's company, Ok Tedi Wanangman Aptil Investment Ltd. The revenue generated from the agreement will go to support the association after mine closure. Association vice-president Lulu Bill said it was the first time for the women of Star Mountains to have an investment business and thanked everyone involved for making the business a reality.

Company director and chairperson for the Kavorabip village, Christine Babona, said women from the six mine villages needed to do more to help themselves as the mine closure date approached.



Foundation business development team leader Lesley Timothy told the association's members that the foundation would meet all operational costs of the vehicle and pay a monthly fee to ensure profitability. Foundation executive manager programme services Eric Kuman commended the women of the mine villages for working closely with them. "Business is about sacrifice," he said. "You have to invest back in the business you created. You have to have something to fall back on. "This is an opportunity for you to invest, commit your resources and invest outside of the province, the foundation will continue to support you in your efforts to do your business." Kuman said the foundation would support the women entrepreneurs with training and administrative assistance. He said the foundation managed nine investment companies with directorship by the women executives of the respective associations from the CMCA. Now the six mine villages would add to the list of investment companies owned and operated by women and children's associations.

### **Minister assures govt support for Ok Tedi project**

October 27, 2022, The National Business

STATE Enterprises Minister William Duma says the Government will continue to support the Ok Tedi mine project in Western so that it delivers maximum returns to its PNG shareholders. He made the statement during a tour of the project site last Thursday. He was briefed by the mine's senior management team of the company's three-year plan, plus the year-to-date performance and outlook. Ok Tedi Mining Limited (OTML) managing director and chief executive officer Musje Werror said they informed Duma of the challenges the company was facing post-Coronavirus (covid-19). "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 license," Duma said.

He was impressed by the cleanliness of Tabubil town. The OK Tedi mine produces copper, gold and silver. It is fully Papua New Guinea-owned, with Kumul Minerals Ok Tedi Limited 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 9 per cent.

## **New Zealand opposes seabed mining in international waters**

Radio New Zealand, 27 October 2022



seabed mining Photo: 360info

The New Zealand government has announced it will back a conditional moratorium on deep sea mining in areas in international waters. It said this moratorium will remain until strong environment rules, backed by robust science, are in place. The decision comes amid a review on a regulatory process to control deep sea mining in the area managed by the International Seabed Authority, which is the seabed beyond exclusive economic zones and extended continental shelves. The New Zealand Foreign Minister, Nanaia Mahuta, said the scientific knowledge about these areas remains extremely limited. The minister said much more scientific knowledge about the deep seabed is needed before mining could be considered.

She said the government is not confident a robust regulatory framework for deep sea mining can be agreed by next year's required deadline. "This is why we are now calling for a conditional moratorium on deep sea mining in areas beyond national jurisdiction, until a Mining Code can be agreed that ensures the effective protection of the marine environment. This requires adequate knowledge about the deep seabed, and the impacts of deep sea mining," the minister said. Countries such as Papua New Guinea and Fiji have been calling for a moratorium for several years, but other nations, such as the Cook Islands and Nauru are keen to encourage seabed mining, while Tuvalu had backed the mining proposals but has since withdrawn its sponsorship.

## **SC dismisses group's application to review Porgera decision**

October 26, 2022, The National

THE Supreme Court has dismissed a leave application by Justice Foundation for Porgera Limited to revisit a three-man bench decision made on July 7 due to incompetency. Presiding as a single judge at Waigani yesterday, Justice David Cannings upheld the objection to competency filed by Barrick Niugini Ltd, who is a party in this proceeding that Justice Foundation did not comply with the strict signing requirements under the Supreme Court rules. Justice Cannings said when a company files an application under section 18(1) of the Constitution, the company seal must be affixed as the requirements were strict and must be followed. He added that the application must also have a resolution number of a board meeting that authorises the application. On July 7, the Supreme Court dismissed an application by Justice Foundation for Porgera Ltd seeking clarification on land ownership of the Porgera gold mine in Enga.

Justice Foundation for Porgera Ltd had sought interpretation of section 212B(1) of the Constitution and section 5 of the Mining Act 1992 which gave exclusive ownership of minerals on customary land to the State. Ok Tedi Mining Ltd had filed an objection to competency of the application on March 28, on the ground that it did not comply with the signing requirements for a section 18(1) Constitution application. The court had then upheld Ok Tedi Mining Ltd's application and dismissed the application by Justice Foundation for Porgera Ltd due to incompetency (on July 7). Justice Foundation for Porgera Ltd had then filed a leave application on July 28 to revisit that July 7 Supreme Court decision. Barrick Niugini Ltd then filed an objection to competency on the grounds that Justice Foundation for Porgera Ltd had failed to comply with the signing requirements of the Supreme Court rules, there was no resolution number of a board meeting that authorised this application.

And there was no evidence of proper or valid authorisation given to Justice Foundation for Porgera Ltd to file this leave application. Barrick's lawyer Mal Varitimos said the signing requirements were mandatory and Justice Foundation for Porgera Ltd did not comply with them. Representing Justice Foundation for Porgera Ltd, Justin Wohuinangu submitted among others that an application could only be incompetent when it did not comply with Supreme Court rules and Act, and not requirements. He said the objection to competency filed by Barrick Niugini Ltd should be dismissed. Other parties in this proceeding included the Attorney-General, represented by Russell Uware, and Ok Tedi Mining Ltd represented by Ian Molloy, who supported Barrick Niugini Ltd's application. Niugini Gold Ltd Allan Mana on the other hand did not support neither oppose the application. Justice Cannings upheld Barrick Niugini Ltd's application and dismissed the leave application by the Justice Foundation for Porgera Ltd.

## **PNG struggles but records high GDP**

October 25, 2022, The National Business

A GROSS domestic product (GDP) of K109 billion for Papua New Guinea is projected for 2022 with a growth rate of four per cent. According to the PNG Economic Database, PNG's economy recorded a GDP of about K1.8 billion in 1975; K3.6 billion in 1985; K9.4 billion in 1995; K22.8 billion in 2005; and, K60.1 billion in 2015. Prime Minister James Marape said that in December 2018, the national economy was at K79.4 billion GDP and in 2019 it was at K83.8 billion with a growth rate of 4.5 per cent, despite the Coronavirus (Covid-19) induced economic contractions of 2020 and 2021, both the World Bank and International Monetary Fund (IMF) estimate that the PNG economy would go pass K110 billion this year. "Yes, the economy size may have increased from under K2 billion in 1975 to over K100 billion (2022) but translation to gross national product for our citizens remain weak and disparities exist due to our population growth which continues to out-grow economic growth," he said.

"The majority of citizens, possibly over 85 per cent, remain in the subsistence economy, less than 15 per cent have been in some formal employment. "Over 70 per cent of citizens are partially educated." Marape said over 80 per cent of the country was not linked to roads and highways, jetties and ports, airstrips and airports, communications and electricity, vital infrastructure and compounded by a lack of adequate police presence in most parts of the country. However, Marape said despite this backdrop, the country had emerged 47 years on intact and still growing. Meanwhile, he said that the major national bank, Bank South Pacific, had delivered a net profit of K1.075 billion in 2021. "This comes off the back of a strangled economy, it could only mean that high budgetary investments by the Government have found their way into the banking sector," he said. "I am happy that the World Bank recognised growth in the agriculture sector, which had weathered the pandemic better than others."

### **Porgera LOs to get 15pc equity**

October 26, 2022, The National Business

THE New Porgera Limited has secured 15 per cent protected equity for project area landowners, and the province, says chairman Nellie James. She said the equity structure was a “first for PNG”. “They (landowners) get to see their benefits from the moment the mine starts selling gold, while the State, through Kumul Mineral Holdings Limited, awaits the full repayment of the cost incurred during care and maintenance up to mine reopening,” she said. “There are other immediate benefits of the Porgera mine reopening that will be seen by other PNG stakeholders earlier than KMHL.

“It will be interesting for Porgera mine as the previous unincorporated venture running of operations and sale of gold was only privy to the individual shareholders,” Ben said. “The incorporated project company structure allows for a board made up of directors representing the shareholders. “The full board will be privy to the operation of the mine and to ensure proper governance and transparency of the operations,” she added. Mining operations will be undertaken by Barrick (Niugini) Ltd which reports to the company. Shareholders will await their dividend payment when profit is declared.

### **SDP wants whole of Western to use solar power, says CEO**

October 24, 2022, The National

THE Papua New Guinea Sustainable Development Programme (SDP) aims to have the whole of Western using solar lights after years of having no main power sources. Chief executive John Wylie said several solar lights had been installed in South Fly, they will continue in Delta Fly and in the other districts. Wylie said power, water and roads were basic human needs and it was time for Western to receive these basics. Corporate affairs general manager Juddy Aoae said SDP was not taking over the Government’s responsibilities but only filling up gaps in terms of developments.

“The main aim is we all work together to achieve the main goal and that is to provide services to the people of Delta Fly,” she said. Aoae said they had delivered primary health care to the people, provided teacher training to remote teachers to raise their grade point average through the Kokoda Track Foundation. Local MP Agena Gamai said this was a new way forward for district to work in partnership. He said next month, he would be reviewing a five-year plan and had invited partners to be part of the plan as well. He added that education, economic activities and roads were vital services he would be looking at as well.

### **Coalition starts online campaign against proposal on mine’s waste disposal**

By JACINTA COHLEE, October 24, 2022, The National Business

A COALITION of civil society organisations in Australia and Papua New Guinea have begun an online campaign against the Wafi-Golpu project’s proposed method of mine waste disposal. The project developers, Australia’s Newcrest Mining Ltd and South Africa’s Harmony Gold Mining Ltd, have chosen the deep sea tailings placement (DSTP). The Evangelical Lutheran Church of PNG which has been leading the campaign with the Centre for Environmental Law and Community Rights amplified their voice with Australia’s Mineral Policy Institute and the Jubilee Australia Research Centre. Church representative said launching the online campaign last week was to attract global attention in their fight for environmental and health rights. The aim is to eventually force the operators to abandon their DSTP plan. Centre executive director Peter Bosip said dumping hundreds of millions of tonnes of mining waste into the Huon-Gulf Sea where thousands of people depend on seafood was a concern.

Bosip said an independent review of Wafi-Golpu's environmental impact by marine biologist Professor Ralph Mana stated that more than 90 per cent of the tailings would end up in the water column and not on the sea floor. "The report (which has not been released) estimated the mining waste could sweep 30km in all directions in the ocean, which is dramatically different from the estimations given by Wafi-Golpu," Bosip said. He said another concern was the joint-venture's plan to run the waste pipeline directly through Lae, the second largest city. Bosip said communities in Huon Gulf had not consented to the plans and had been staging peaceful protests around the province. Church Head Bishop Rev Dr Jack Urame said the church was concerned about the potential negative impact of the DSTP. "Therefore, we stand together with the communities to protect their rights, their well-being and their survival," he said.

### **Call for standalone gas project**

October 24, 2022, The National Business

NORTH Fly MP James Donald says the development of the K151 billion P'nyang gas project in the electorate must be done separately — if ExxonMobil wants to develop the gas project. Donald attended ExxonMobil's 100 years in PNG anniversary celebrations at APEC Haus in Port Moresby. "It is non-negotiable for the developer (ExxonMobil) to dictate terms, but must hear the resource owners call for a separate, standalone LNG project instead of ExxonMobil's initial plans to use the existing," he said. The P'nyang gas proposed development concept based on preliminary studies conducted is such that the gas and condensate export pipelines will connect to the existing facilities of the foundation project (PNG LNG) at the Kutubu Central Processing Facility (CPF).

"I don't want the electorate and province to miss out big time in developmental infrastructures, royalties and other spin off benefits when the gas is not piped through Western," Donald said. He said the P'nyang gas must be piped to Daru and separate offshore processing facilities built at Daru for processing and exporting. According to Prime Minister James Marape, the P'nyang liquefied natural gas project in Western will be worth US\$44 billion (about K151.1 billion) upon completion. The construction phase will begin after the completion of the Papua LNG's construction phase around 2028. Earnings from the project will start around 2032 or 2033. The Government has secured 34.5 per cent in equity shares – the highest ever the country will be getting in a LNG project.

### **Save govt revenue: Official**

By DALE LUMA, October 21, 2022, The National Business

AN academic says the Government should save revenue it gets from investments or construction phase of the Papua LNG project rather than spending it. Associate professor of economics, Martin Davis, suggested this during the 2022 PNG Update held at the University of Papua New Guinea (UPNG). Davis said there were four phases to a resource project and the state needed to take appropriate actions to ensure maximum and prudent benefits from the beginning to the end of the project's life. "There are four phases to a project, these include investment, high production and low government take, high production and high government take and falling production yields where revenues fall," he said.

Davis said the Government needed to be judicious regarding its spending throughout the phases in order to have funds to expand once the project enters its fourth phase. He said the PNG LNG project was currently in its second phase with high production and low government take. "It (Government) needs to save when the PNG LNG enters the third phase," Davis said. Davis was speaking on the topic of having an optimal macro policy and the resource project cycle: How should Papua New Guinea set a Policy for the Papua LNG. The front-end-engineering-design (Feed) stage of the

US\$12 billion (about K41.28b) Papua LNG project will take about two years, and another four years for the actual construction.

### **PNG National Gas Corporation claims PM ignores its role**

Radio New Zealand on 20 October 2022

The Papua New Guinea National Gas Corporation claims the James Marape Government continuously snubs its legislated role in the country's oil and gas space. Its executive chair Alfred Kaiabe has reminded the prime minister it is in charge of domestic gas production and supply. Kaiabe was reacting to Marape's invitation for a leading Japanese company, Sojitz Corporation, to visit PNG to develop domestic liquefied natural gas alongside state-owned Kumul Petroleum Holdings, but with no mention of the National Gas Corporation. Kaiabe said the Ministry of Petroleum and Energy cannot propose amendments to the Oil and Gas Act to remove what belongs to National Gas Corporation, just to give it to Kumul Petroleum.

### **Miner continues to promote accountability under compensation relocation deal**

Post-Courier, 18 October 2022

The Lihir Newcrest Mining Limited under its compensation relocation agreement has continued to promote accountability of its funds made to the landowner companies by making sure they provide a report on their spending. Manager for the Lihir Agreement Review (LAR) MoU parked issues at the Newcrest Mining Limited, Joe Diamol said with the 19 current agreements under the company structure, they continue to make sure these landowner groups report on where these funds are going to. He said currently the company ensures they provide a report of the funds and the work that they do on a quarterly basis. "We ensure they attend a quarterly meeting held annually to provide a report to the K34 million that is being paid to each of their accounts every month," Mr Diamol said.

"Those funds are expanding according to their plan, so in each quarter we than report on how much is spent from that fund, we also do a bank reconciliation on what funds are left in their account." The Lihir Agreement Review that was signed in 2020, also known as the Lihir Integrated Benefit Package include; the compensation agreement, the relocation and resettlement agreement and the Lihir benefits and development agreement. Mr Diamol said the Lihir Development Agreement for 2020 base amount that was agreed to was K34 million. "The 15 stakeholder groups agreed that K28.8 million of that will be distributed among themselves and K5.2m will be left for the Lihir projects," he said. "It has been agreed that 60 per cent of that will be allocated annually for projects and 30 per cent will be for investment and the 10 per cent will be cash payment. "That is the sum of money we have agreed to pay under the benefits and developments agreement and this will go up by 5 per cent after every 10 years."

### **District lacks development: MP**

By JESHER TILTO, October 18, 2022, The National

Hiri-Koiari MP Keith Iduhu says his people have been disadvantaged because there were no proper roads and a lack of infrastructure development in the district. "It has been three months since taking office I am concerned that the electorate is resource rich and yet has not received any of the benefits," he said. Iduhu said that in Hiri-West where the PNG LNG plant site was located, questions were being raised about the distribution of PNG LNG proceeds since its inception, particularly in the benefits related to infrastructure development grants (IDG) which had lapsed over 10 years. He asked where the benefits had gone because there was no evidence of any money being spent in

his district.

He said there were plans to establish a district administration centre at Bautama, 10km east of Port Moresby, and sought to clarify how to finance the project. He agreed that there were District Services Improvement Programme funds to initiate the planning processes, but since the electorate was privileged because it hosted the conditioning plant for PNG LNG, money from the IDG needed to be used on the project. He said this was something the Public Accounts Committee needed to examine. "I thought IDGs were confined to infrastructure development and yet there is none in Hiri Koiari," he said. "I am concerned if this country has a responsible revenue management system in place so as to create a sustainable process going forward," he said.

### **Warring clans lay down arms, agree to peace**

By PETER ESILA, October 18, 2022, The National

TWO clans in Porgera-Paiela district of Enga have agreed to lay down arms and return to their tribal homes, says local MP Maso Karipe. Representatives of the Nomali and Kungurine clans last Thursday agreed to stop fighting because of the presence of top police officers. They included the Deputy Police Commissioner Donald Yamasombi, Assistant Commissioner of Police Samson Kua, Assistant Commissioner of Police, Policy and Planning, Dr Philip Mitna and Enga police commander Superintendent George Kakas. The event was initiated by Karipe, with the support of the Porgera crisis management team, and stakeholder partners such as the Restoring Justice Initiative, Porgera Landowners Association, Lease for Mining Purpose Landowners Association and the disciplined forces.

Karipe told the warring factions to cease all fighting immediately as the mine prepares to restart. "There is no other person behind you. You yourselves are the landowners of this valley. "If you decide to end the fighting now, it will end. "We will not talk about how it all started. "That's in the past. We will talk about what we are going to do from here on. "The government's concern is getting the mine restarted. "If you stop fighting, the mine will progress to restart. " We have to think about the future from here on and not what's happened already.

"Thank you for showing your leadership to come here and give undertaking to stop fighting. "There will be no gunfire from today. "Ceasefire starts now. Stop the killings. Enough is enough," Karipe said. He told warring tribesmen illegally occupying homes of public servants in Paiam or any property of the government to immediately vacate these properties before security personnel move in to reclaim them. "Public servants must come back, the hospital must reopen, children must go to school, employees must return. State property is state property. Normalcy must return to Porgera," he said.

### **Landowner firms urged to diversify**

By PETER ESILA, October 18, 2022, The National Business

LANDOWNER companies in resource project areas must diversify their businesses for the sake of growth and sustainability, says an official. Paul Nerai said during the PNG Chamber of Mines and Petroleum workshop in Port Moresby last week that when he was managing director of the Bougainville Development Corporation, "our board said we will develop Bougainville". "We will spend funds in Bougainville — not knowing that 15 years later, there will be a crisis," he said. "When it happened, nobody knew it would become a civil war. "I was running a major corporation, one of the most successful business arms of the provincial government. And what I learnt after that was not to have all your eggs in one basket. "When I left Bougainville, 98 per cent of our assets and

cash were not about to get out on time. “We lost everything.” Nerau said it would be encouraging to see all landowner companies partner and venture more into business and grow the “middle-class”. “While you make money, invest outside. I am happy to see that some are doing that,” he said.

### **Management of trust funds worry Ok Tedi Mining**

By PETER ESILA, October 18, 2022, The National Business

THE management of trust funds is a big concern for Ok Tedi Mining Ltd (OTML), says managing director and chief executive Musje Werror. Werror, who is also the Ok Tedi Development Foundation (OTDF) chairman, said this during a Papua New Guinea Chamber of Mines and Petroleum workshop in Port Moresby last week. “The big concern for us is the management of trust funds, I mentioned that the communities have invested K104 million,” he said. “We will get all of that back by the end of this year, and we will double it by mine closure, but who is going to be around to manage those funds.” “Because those funds will convert into development funds at mine closure, and as you know in PNG, the history of trust funds is not good, once they drive it, it is gone.

“By the end of this year, they are going to recover that K104 million, which means the next 10 years is all going to be the cream for them, and we are looking at possibly another K100 million on top of the initial investment they did (in 2012) plus the asset values as well, the community is going to have good value from the investment funds.” Werror spoke about OTML’s plans for sustainability post-closure. “That (management of trust funds) is a big challenge for us.” Werror said all facilities in the mining township of Tabubil were managed by OTML. “In Kiunga, where it is a government town, we still provide electricity and water services, and it costs us K2 million a month to keep Kiunga running,” Werror said. “We have the highway linking Tabubil to Kiunga, it is a 136km road and we have been spending K30 million per annum maintaining their road.

“Who is going to be able to fund that road and keep that road open? “We have gone through the mine closure process for many years and unfortunately at this point in time we have not landed on who is going to take over some of these public infrastructure assets, and the concern is that we are running out of time. “We have created a new department called the social and sustainability department, and its focus now is to work on this issue. “We are now reviewing and developing our strategy around this.” Werror said the focus areas included a timely and orderly transition of public assets and services to third parties prior to the mine’s closure; sustainability of umbrella companies; employees and contractors transition plan; settlers plan with over 15,000 settlers on the outskirts of Tabubil town; provincial delivery vehicle — OTDF or others; management of trust funds and sustaining community programmes.

### **GM will buy nickel from SLN**

Radio New Zealand on 18 October 2022

American motor vehicle multinational, General Motors, will use New Caledonian nickel in its new fleet of electric vehicles. General Motors is to spend \$US69 million on New Caledonian nickel and cobalt for the EV batteries. The ore will be processed at a new factory on the Australian northeast coast. The SLN has signed a contract with Queensland Pacific Metals, which will buy the nickel. The deal comes after a new American law, requiring vehicle manufacturers to ensure supply for EV battery components comes from countries with free-trade agreements with the US, and Australia is one of them. The nickel will then go to General Motors in Detroit.

## **MRDC questioned on LOs living standards**

BY LORRAINE WOHI, Post-Courier, 17 October 2022

The Mineral Resource Development Company has been challenged to whether they have any plans in place towards improving the living standards of landowners as the company stands trustee to the landowners' wealth. The question was raised by participants during the community affairs and business development workshop hosted by the PNG Chamber of Mines and Petroleum last week in Port Moresby. The discussion was around the topic of wealth creation for resource beneficiaries focusing on the life after the mine. The comments and questions raised was on how MRDC as the trustee of the landowners wealth has some plans in place to develop the lifestyle of the landowners back at their villages rather than putting millions of kina into other social investment programs including investment in hotels across the country and the region. Mineral Resource Development Company (MRDC) manager legal, Valentina Kaman explained saying those investments are done based on investment guidelines and not just putting money into hotels and other social investment.

“When you do investment you do investment where there is a rate of return. “That is one of the big things we should be looking at before investments are done so that there is sustainable income to communities after the life of the mine,” Ms Kaman said. Ms Kaman said the company is not just putting money into hotels but sees it as a viable business case for investment. She also spoke on MRDC being one of the major shareholders of companies like BSP that do make a return for their beneficiaries companies. Questions were also raised on whether there is a change in the company's mandate overtime and has there been any indication that may have led to some trustee companies in the likes of MRL Capital that has gone out of the company structure. Ms Kaman said there has been no change in legislation since the establishment of the company in 1975 and there has been no indication of trustee companies exiting the company apart from MRL.

## **Ramu Nico paying royalties**

By PETER ESILA, October 17, 2022, The National Business



Tommy Tomscoll (left) with PNG Chamber of Mines and Petroleum executive director Prof Albert Mellam during the workshop in Port Moresby on Friday. – Nationalpic by PETER ESILARAMU

Nico (MCC) Management Ltd paid about K92.8 million so far in royalties to landowners, LLG and Madang provincial government between 2017 and 2021, says country manager Tommy Tomscoll. Tomscoll said during the PNG Chamber of Mines and Petroleum workshop in Port Moresby on Friday that one per cent of the royalty component was paid to churches, and another one per cent was paid to women's groups in the project impacted area. “So far, K20.31 million in royalty grants were paid to the Madang provincial government between 2017 and 2021,” he said.

“In addition, Bundi local level government (LLG), Gama LLG, Usino LLG, Astrolabe Bay LLG, and Saidor LLG get direct royalty payments too. The company has paid more than K440 million in

taxes, and levies to the National Government between 2013 and 2021. “The types of taxes and levies the company pays include salary and wages tax, foreign company withholding tax, goods and services tax, business payment taxes, royalty withholding tax and production levies apart from different licenses and regulatory fees.” Tomscoll said the private sector operated within the laws and policies set by the Government. “The public service is the implementing and advisory apparatus of the public sector,” he said. “When public sector productivity is low, and turnaround decision time is long, it creates instability, and causes anxiety among investors.”

### **Ok Tedi Mining Ltd committed to sustainable future**

October 17, 2022, The National Business

WITH 10 years of mine life remaining, Ok Tedi Mining Ltd (OTML) is committed to enabling a sustainable future for its 158 community mine continuation agreement (CMCA) communities post closure. OTML managing director and chief executive Musje Werror said this during a community affairs and business development workshop hosted by the PNG Chamber of Mines and Petroleum in Port Moresby last week. “Ok Tedi will be the first big mine to close and there will be many lessons that will be drawn from Ok Tedi’s experience, not only from the technical aspects of closure, but importantly from the social and sustainability aspects too,” he said. “We are developing our social and closure strategy which will address focus areas as identified in our Vision 2025.

“These include the transfer of public infrastructure assets, for example the maintenance of the Tabubil-Kiunga Highway to third parties prior to cessation of production, creating alternative income generating opportunities for the CMCA communities, sustaining community programmes implemented by the Ok Tedi Development Foundation (OTDF), increase national and local content in service contracts, and the nationalisation of leadership roles in OTML.” He said it would be challenging, given the mine-related dependencies built over time and the lack of commercial industries operating in Western. OTML funds and operates the mining township of Tabubil which includes the Tabubil Hospital at an annual cost of about K150 million, maintains the Kiunga-Tabubil Highway at K30 million a year, and provides power, and water and sewerage services in Kiunga at a cost of about K30 million per annum. “We need to identify new owners who can operate these services before the mine closure, so the services can be sustained,” Werror said.

### **All eyes on petroleum policy**

By PETER ESILA, October 17, 2022, The National Business

DEPARTMENT of Petroleum and Energy secretary David Manau says the Petroleum Sector National Content Policy is expected to be finalised by the end of this month and presented to the National Executive Council next month. Manau said during the Chamber of Mines and Petroleum workshop in Port Moresby last week that this policy would create an office as well to look at the practical aspects of delivering the industry in gaining from national content. “If successful, a national content policy intervention may increase national job creating, boost the domestic private sector businesses, facilitate technology transfer and build a competitive national workforce,” he said. “Main challenge worldwide is that national content goals are often unfulfilled and the opportunities are not captured and not tangibly measured. “National content in the petroleum sector should firstly aim at the landowners who give access for the investors licenses to gain access into their regions to operate.

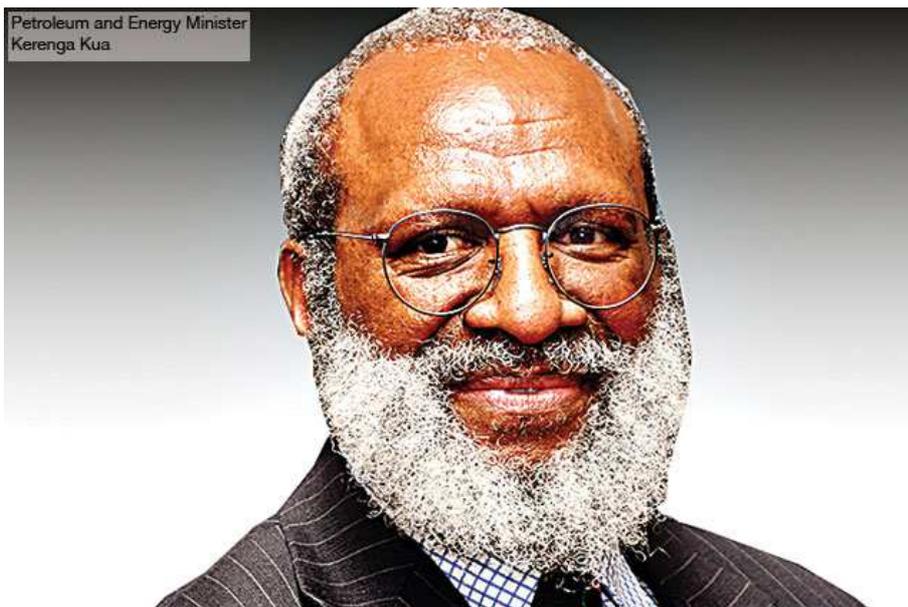
“And the circle spreads to the local level, district, provincial and the national level, “Each of the stages also looks at the different magnitude and impact of the project, for example in the early exploration stages in the petroleum sector, you will only focus on the bulls eye, so your social

licensing is you deal with the landowners on the ground, you have access to them, and then you give them some services, some businesses. “At the next level, now if Papua LNG and P’nyang comes on in the next 5 years, the national content plan in the petroleum sector should also look at the national level down to the host communities. “So you look at the national level, you are talking Steamships, Curtain Brothers, however, if they can participate with local level company through a JV arrangement participation, that is even better, the local content policy works for all.” Manau said the national content policy would interact with the future projects on the pipeline projects including:

- The PNG LNG, it has a national content plan already in place, successfully done and implemented and may align with National Content Policy into the future. “The challenges for us is that they report on their corporate image, we need the reports, we need to measure it”;
- Papua LNG, FEED starts Jan 2023, construction Jan 2024, first gas 2027;
- P’nyang, Construction starts 2026/2027 (project sequencing to offload skilled workforce from Papua to P’nyang);
- Pasca offshore Gas Project;
- PDL 10 Stanley Gas; and,
- Future oil/gas projects.

### **More benefits from resources: Kua**

October 14, 2022, The National Main Stories



PETROLEUM and Energy Minister Kerenga Kua says he will soon bring to Parliament a bill aimed at ensuring people benefit more from their resources. He said yesterday the new production sharing agreement was in the process of being redrafted by the department. Kua was responding to Rai Coast MP Kessy Sawang, who pointed out that the Oil and Gas Act of 1998 was not benefiting the people. “Most of us have always taken that the Oil and Gas Act operates repressively against people and the State,” she said. “The Oil and Gas Act we have is post World War 2 regime, based on a system called a concession based licensing system, that’s where operators come in, we give them licenses, they make a discovery and we forfeit our right of ownership (of the resources) to them 100 per cent, importantly, we give it to them free of charge.” Sawang said the developers had been receiving a gift and then selling back a certain percentage to PNG.

“In mining, they have an option to sell us 30 per cent. In petroleum, 2.5 per cent. They sell to us at a commercial price. It’s called a buyback scheme. That is the law that’s been passed by this

government. “When that situation arises, we go in and borrow money. “If we want to maximise benefits out of our resources for our people, we have to reform this law,” she said. Kua said one of the first things he had done as Minister since 2019 was to introduce a draft bill to move the country away from the concession based licensing system into a new regime called the production sharing arrangement. “That will eliminate the need to go and borrow and we share upon the resource being produced,” he said. Sawang also told Parliament that people needed cheaper energy to attract direct foreign investment, downstream processing, manufacturing and moving the nation towards industrialisation. She asked Kua if cheaper, sustainable and accessible energy could be provided domestically.

## **Duma questioned on KPHL dividends and equity**

October 14, 2022, The National

STATE Enterprises Minister William Duma yesterday told Parliament that Kumul Petroleum Holdings Limited (KPHL) had delivered to the Government almost a billion kina in dividends last year. Duma said this in response to East Sepik Governor Allan Bird on whether KPHL had a dividend policy. “There is a dividend policy required of this company to present to Government,” he said. Bird also raised concern on KPHL’s decision to buy a five per cent equity from Santos. Duma explained that there was a distinctive difference between KPHL’s decision for the five per cent and the 10 per cent Government acquired in the then Oil Search Limited. “This time, KPHL is buying equity in the (Papua LNG) project, not equity in the company Santos,” he said. Hela Governor Philip Undialu interrupted with a point of order and asked about the 4.27 per cent equity for the five provincial governments.

“Then prime minister late Sir Michael Somare gave 4.27 per cent to five provincial governments. Since March 2020, a NEC (National Executive Council) decision was that the 4.27 plus all the income generated must be released to the groups. “Last year, over a K1.2 billion revenue was generated and received by KPHL, 25 per cent of that belongs to my people, Southern Highlands, Gulf, Central and Western. “Why is KPHL sitting on that money which belongs to the people after two NEC decisions had given them the right to it. “Yet, KPHL gave only a small portion. “Minister (Duma), when are you going to release that money? “What are you going to do with the K300 million received last year? When are you releasing that 4.27 per cent?” Duma said it was true that landowners were entitled to 4.27 per cent. “He (Undialu) has a valid concern. I stand ready to help resolve the long-standing issue,” he said.

## **An ominous warning for PNG**

By Andrew Anton Mako on Oct 14, 2022, DevPolicy Blog

“When we don’t have any of these copper and gold mines anymore, where are we headed?” This quote is by [Jerry Garry, Managing Director of PNG’s Mineral Resources Authority \(MRA\)](#). According to Mr Garry, mineral resources from large mines (both current and pipeline) will be exhausted in 40 years. Oil and gas will also eventually run out. This should be a wake-up call for the country. First, it is just over a generation away. Second, PNG is overly and increasingly dependent on the mining industry for exports (80% of total export revenue) and economic growth. The resources sector was only about 10% of the economy at independence in 1975, but is about 25% today. Third, despite a long history of mining in the country, socio-economic development is still lagging, as highlighted by poor performance in health, education, governance, and law and order. The country’s human development indicators are languishing against comparator economies, and we are unlikely to achieve the Sustainable Development Goals by 2030, or [Vision 2050](#)’s ambitious goals.

Last, the country has made little progress over the years in diversifying and expanding the economic base to enable broad-based, inclusive and sustained economic growth and development.

The government and its policymakers understand that the mining industry is capital-intensive and, given its enclave nature, has few linkages with the rest of the economy besides the jobs it creates and the contracts it provides to local landowners. The main contribution the industry makes should be the transfer of resource rents to the government through royalties, taxes and profits (where the government has an equity stake). But this is where the problems start. First, the [contribution of the resource sector to government revenue](#) has been underwhelming – less than 10% in recent years. Second, it is incumbent upon the government to deliberately and sustainably invest the resource rents in the rest of the economy, including through infrastructure development, strengthening of governance and institutions, as well as building human capital by investing in sectors such as health, education, water and sanitation. This has not happened consistently across the country, with billions of kina lost to corruption and mismanagement.

Third, and underlying these two problems, PNG seems to be subject to the ‘[resource curse](#)’, which is when a country is unable to successfully translate proceeds of its abundant natural resources into gainful economic growth and development outcomes for its people. No one can dispute that PNG’s resource rents have not produced commensurate development outcomes for the country and the people. There is a large body of [literature on PNG](#) which [attests to this situation](#). Understanding the problems is one thing, but what matters is addressing them. And given the ominous warning by the MRA, actions are needed fast, and now. PM James Marape has embarked on a process to [increase the proceeds of natural resources](#) to national stakeholders, though how successful he is remains to be seen.

The more fundamental challenge facing the newly elected Marape-Rosso government is to diversify the country’s economic base and to promote the non-mining economy. The new government has taken the bold step of allocating new ministerial portfolios to coffee, oil palm and livestock. However, this is more a symbolic step than anything else. If we really want to encourage coffee growers, what is needed is better roads and security, neither of which a coffee minister can deliver. Deliberate and sustained policy interventions are needed to lift the country and the people out of the resource curse, and forge a development pathway that is ultimately driven by sectors such as agriculture, fisheries, forestry, tourism and manufacturing, including downstream processing of the country’s agriculture, fisheries and forestry products.

To boost these sectors, the [overvaluation](#) of the [exchange rate](#) needs to [be corrected](#). This will address the problem of [forex rationing](#), which is hurting businesses, and in the long run will improve agricultural exports by fetching higher prices for farmers/exporters. This is important policy ammunition used to fight the [Dutch disease](#) associated with the resource curse. Diversification would also include tapping into the country’s abundant renewable energy sources, such as hydro, geothermal and solar, to improve the [reliability, affordability](#) and coverage of electricity. Initiatives to build capacity within key government departments and agencies, such as the treasury, central bank, national planning, health, education and the MRA, will be important, as well as investment in research and academia to support public policy.

Also needed are structural reforms to modernise and improve the efficiency of the country’s state-owned enterprises. This has been on the agenda of successive governments, but it requires commitment and sustained effort to ensure that the policies and reforms are implemented. There are only a handful of resource-rich countries in the world – including Botswana, Norway and Australia – that have fought off the resource curse and achieved broad-based economic growth. The citizens of these countries enjoy a higher level of living standards, because their governments made deliberate policy decisions to invest the proceeds of their mineral and oil resources to support other productive

sectors such as agriculture and the services sector. They have also strengthened their governance to support growth and development.

What will we in PNG have to show for it when our gold and copper as well as our oil and gas are exhausted? We need to make a significant mid-course correction to our country's development pathway now, through deliberate and sustained policy actions. We must turn the proceeds of our country's abundant natural resources to building the non-resource economy. The resulting broad-based economic growth would lift the living standards of the rural majority and the urban poor, and prepare us for when PNG's minerals and petroleum run out.

#### **About the author/s**

##### **Andrew Anton Mako**

Andrew Anton Mako is an associate lecturer and project coordinator for the [ANU-UPNG Partnership](#). He has worked as a research officer at the Development Policy Centre and as a research fellow at the PNG National Research Institute.

#### **Court to hear application to revisit Porgera mine case**

October 13, 2022, The National

THE Supreme Court will hear an application by the Justice Foundation for Porgera Limited in two weeks which seeks permission to revisit a three-man bench decision made on July 7. On that date, the Supreme Court dismissed an application by the foundation, which sought clarification on ownership of the land that the Porgera gold mine was on in Enga, due to incompetency. The foundation had sought interpretation of Section 212B (1) of the Constitution and Section 5 of the Mining Act 1992 which gave exclusive ownership of minerals on customary land to the State. Ok Tedi Mining Ltd, who was a party in that proceeding filed a notice of objection to competency on March 28 on the grounds that it did not comply with the signing requirements for a Section 18(1) application. The court then ruled that the application by Justice Foundation for Porgera was non-compliant with the signing requirements of the Supreme Court rules. Eve Injia, representing the Foundation told the court yesterday that her client had filed a slip rule application on July 28.

#### **Ramu NiCo's Basamuk refinery conducts ocean surface monitoring**

Post-Courier, 12 October 2022

The environment team of the Health Safety and Environment (HSE) Department of Ramu NiCo Management (MCC) Limited's (RNML) Basamuk Refinery has conducted its third quarter marine surface water quality monitoring for 2022 last month. The activity includes water sampling for trace metals analyses in laboratories and physico-chemical parameters assessment using a hand-held meter. Environment supervisor Rena Dukaduka said the six spots selected for the tests to be carried out are located 1 kilometre from the Deep Sea Tailings Placement (DSTP) outfall. "The co-ordinates of the six locations were identified during the baseline studies so there is no new locations for monitoring.

The depth to which the samples are taken is down to 10 metres from the ocean surface," she said. "The physico-chemical properties of the ocean surface were assessed using a Horiba U52 multi-parameter water quality meter, a calibrated instrument that when lowered into the sea it logs and stores data. The data is later retrieved for assessment together with the laboratory analyses data from the collected samples and reported in the environmental monitoring and compliance performance monthly, quarterly, and annual reports."

To operate as a mining company, RNML was issued two types of Environment Permits by Conservation and Environment Protection Authority (CEPA) which include; water extraction permit that identified exactly, specific locations that the company should extract water from, and also the total volumes to be used annually and waste discharge permit covers waste types, volumes or quantity and also the discharge criteria conditions under which RNML has to operate. Tailing (or DSTP) is covered under this permit. The permit requires that RNML should carry out ongoing monitoring of the marine environments, which includes the ocean surface sampling and assessment.

### **Harmony buys copper mine in Aust**

October 11, 2022, The National Business

HARMONY Gold has acquired the Eva Copper mine project in Queensland, Australia, says chief executive officer Peter Steenkamp. In line with its strategic objective of transitioning into a low-cost gold and copper mining company, Harmony announced that it had entered into an agreement to acquire the entity which owns 100 per cent of the Eva copper project and a package of regional exploration tenements from Copper Mountain Mining Corporation for an upfront cash consideration of US\$170 million (about K598.6mil) plus a contingent payment of up to a maximum of US\$60 million (about K211.2mil).

“Acquiring Eva Copper is strategically important to our growth journey,” Steenkamp said. “It opens a new copper-gold frontier for Harmony within a highly attractive Australian mining sector, supplementing our 50 per cent interest in the tier one copper-gold Wafi-Golpu project. “Eva Copper lowers our risk profile, providing additional scale and meaningful diversification that positions Harmony for the future. “The construction of Eva Copper is expected to take between two and three years to complete. “Timing of the development capital will dovetail with Harmony’s current capital expenditure profile. “The peak brownfields expansion, namely Mine Waste Solutions, will be almost complete by the time construction of Eva Copper begins.”

### **Pariwa sets plans to transform Madang**

October 11, 2022, The National Business

MADANG Governor Ramsey Pariwa wants to work closely with Ramu NiCo Management Limited (RNML) and China to grow Madang. Pariwa, in a meeting with RNML representatives in Madang on Friday, said Madang must be transformed. “When doing business in Madang, I’d like to work with you (Ramu NiCo), let’s transform Madang. I have a list of projects here, I want to partner with Ramu NiCo, I want to partner with China, and let’s change Madang,” he said. Madang is host to the nickel and cobalt project.

Pariwa said the Madang government would partner with RNML and even go further to get greater support from Chinese government to help grow the economy in the province. RNML chairman Wang Zhou said Ramu NiCo was the world’s largest and strongest metallurgical construction contractor and metallurgical operation service provider and had undertaken planning, exploration, design and construction of major production facilities of almost all large and medium-sized steel enterprises in China.

“In 2015, the strategic reorganisation of China Minmetals and China Metallurgical Group, opened up the whole industrial chain channel from resource acquisition to exploration, design and construction, mining and mineral processing, smelting and processing, trade and logistics. In 2021, the operating revenue of China Minmetals exceeded 850 billion RMB Yuan, with the total assets exceeding one trillion RMB Yuan,” he said. He pointed out that Ramu Nickel project, as a world-class mining

project integrated with intensive mining and smelting, adhered to the road of high technology and high quality development in recent years, tightly grasped the opportunity of non-ferrous metal price cycle, and comprehensively entered the stage of stable production and high yield.

### **Barrick, govt in Porgera**

October 11, 2022, The National Business



Porgera MP Maso Karipe (left) and Mining Minister Sir Ano Pala during a security forum in Porgera, Enga, yesterday.

BARRICK, the operator of the joint-venture company of the Porgera Mine, has recruited more than 1,500 locals, says Prime Minister James Marape. Marape yesterday welcomed Barrick Gold president and chief executive Mark Bristow and Newcrest Mining Ltd managing director and chief executive Sandeep Biswas to discuss the Porgera and Wafi-Golpu mining projects. Marape said the Barrick team — led by Bristow — and the government contingent — led by Mining Minister Ano Pala and Porgera MP Maso Karipe — travelled to Porgera yesterday for a forum on security and to check on the restart progress. He said he would attend to the delayed Wafi-Golpu project himself to bring preparations to a conclusion. “The Government has shown support for both Porgera and Wafi-Golpu projects by approving over K900 million each as infrastructure and business development funds for project area landowners and provincial governments,” Marape said.

“We will go to our landowners and provincial governments as soon as headline agreements and other legal requirements are progressed. “We are now moving into the final stages of regulatory requirements with the Mineral Resources Authority and Mining Department. “The new Porgera is historic for PNG because it will be the first time PNG companies — representing landowners and the Government — will hold a combined 51 per cent equity while investors will hold the balance of 49 per cent. “It is unprecedented in our country for a super major gold company, the second-biggest in the world, to allow itself through negotiations with the Government to own less than PNG parties and at the same time operate the mine.”

### **Barrick boss visits Porgera, lauds progress**

October 12, 2022, The National Business

BARRICK chief executive Mark Bristow says the incorporation of New Porgera Ltd last month marks an important step towards the long-delayed restart of the Porgera Mine. Bristow is in PNG for the company’s quarterly operational reviews. The New Porgera Ltd shareholders agreement was

executed by Barrick (Niugini) Ltd, Kumul Mineral Holdings Ltd and Mineral Resources Enga. Once certain conditions are fulfilled, the company plans to apply for a new special mining lease (SML) in the coming weeks, he said. Bristow said New Porgera Ltd would work with the State and the Mineral Resources Authority (MRA) to ensure that the SML application process proceeded without delay and in accordance with the Mining Act and the Porgera project commencement agreement. “The early approval of a new SML is the goal that all Porgera stakeholders should be striving for,” he said. “The mine has been idle for far too long — almost two-and-a-half years — depriving landowners and the communities of Porgera and the country of employment and other essential benefits that the mine delivered successfully for 30 years.” Bristow travelled to Porgera with Barrick’s executives this week for a security forum involving Mining Minister Sir Ano Pala, Porgera MP Maso Karipe, landowners, women groups and business leaders.



Barrick chief executive Mark Bristow (left) arriving in Porgera with company senior vice-president and Asia-Pacific corporate affairs head Woo Lee for a security forum there this week. – Picture supplied

### **Church leaders want report released**

October 12, 2022, The National Business

LAE circuit leaders of the Evangelical Lutheran Church say locals living along Morobe’s coast line will be adversely affected by the Wafi-Golpu project’s deep sea tailings placement (DSTP) programme. The leaders said Huon Gulf in particular would be most impacted by the mine’s waste disposal method if it were to be implemented. “Dumping poisonous mine waste into the ocean is going to damage the marine ecosystems and destroy the livelihoods of thousands of people,” they said. “Our communities are under threat. “Not only will we lose our main source of income, but our health will suffer from exposure to heavy metals and so will the health of our children, and future generations. “This is not the future that we want or that we have agreed to.” The leaders also demanded the immediate release of an independent review of Wafi-Golpu’s environmental impact statement that had not been made public, which they think was probably critical of Wafi-Golpu’s DSTP.

### **Tabubil-Telefomin road progressing well: Mirisim**

October 12, 2022, The National

THE Tabubil road in Western has been connected into the boundaries of Telefomin in West Sepik and soon to reach the district headquarters, says Works and Highways Minister Solan Mirisim. Mirisim made this remarks after inspecting the progress of the road construction. “The road has crossed over North Fly and into the boundaries of Telefomin, from there it will connect into Oksapmin local level government then to Kopiago and connect into the Highlands,” he said. “The next phase of the road project will be to connect Vanimo.” Mirisim said the construction phase commenced in 2019

after Prime Minister James Marape took office and approved a full funding of the road from the National Government through the Ok Tedi tax credit scheme.

“The road which was contracted to Ipwenz Construction Ltd and managed by the Department of Works and Highways is close to reaching the Telefomin station,” he said. Mirisim said as soon as the road reaches Telefomin, this would relieve the Min people who have been depending on air transport for too long. “This road when it reaches Telefomin will expose lives of the Min people to the country and unlock the district’s potential in mining, tourism, agriculture and entrepreneurship,” he said. Mirisim said the Min people have a lot to offer in terms of natural resources, human resource and other major economic benefit to the country. “The easiest accessibility is through land transport, and the current priority is to ensure the road is completely linked into the district,” he said. The roadwork started from Okmenga in Tabubil Western to Urapmin in Telefomin.

### **Peace talks held to re-open mine**

October 10, 2022, The National

A TEAM of senior police officers were in Porgera-Paiela, Enga, last week to discuss with stakeholders the law and order situation there before the re-opening of the Porgera Mine. The team included deputy commissioner for operations Anton Billie, deputy commissioner for special operations Donald Yamasombie, assistant commissioner Dr Philip Mitna, assistant commissioner, operations, Samson Kua and provincial police commander Superintendent George Kakas. The team met Porgera-Paiela MP Maso Karipe, Barrick Niugini Ltd officials and other stakeholders to discuss how to address security issues in the area. Kakas said they tried to broker peace talks with the two warring tribes — Aiyeles and Normales.

“DCP Anton Billy spoke with people from both sides, asking them to lay down their weapons and work with authorities to restore peace in the district,” he said. “We also discussed other law and order issues in Porgera and visited the mine.” Police Commissioner David Manning last month said police would focus on providing security and securing the Porgera project site area for the re-opening of the mine. Meanwhile, Porgera crisis management coordinator Nick Pakea said more than 60,000 people had been badly affected by the violence that escalated during the General Election 2022. Cases of rape, killings, kidnapping and arson were reported in the past three months. In July, more than 20 were killed in the district during the tribal fight.

### **Firm pays K20mil for Tolukuma**

October 10, 2022, The National Business

THE transfer of tenements for the Tolukuma Gold Mine in Central has been completed after local mining firm, Lole Mining Ltd, paid K20 million to the liquidator, Pini Accountants and Advisors, last week. While commenting on the transfer of ownership, Mineral Resource Authority (MRA) managing director Jerry Garry said this was the first time for a private Papua New Guinean company to venture into the mining business. “This is the proudest moment and congratulations,” he said. “We have been looking at getting Papua New Guinean companies off the ground through Petromin, now Kumul Minerals Holdings, to actively participate in the development of our natural resources.” Lole Mining executive director Howard Lole thanked the authority and Pini Accountants and Advisors for having trust and confidence in a PNG-incorporated company. Garry commended the liquidator for trying to get the right people on board.

“I also notice your due diligence, your thinking and trying to find the right people who have the financial and technical capacity to develop the mine,” Garry said. “For this, the MRA team is very

grateful and commends you for the successful conclusion of the transaction.” Garry said LML’s proposal to connect the mine with an access road would cut down the cost of air transport and increase profitability. “The first hurdle has been overcome and the next few hurdles are there, but we look forward to the day when you will produce the first gold bar from Tolukuma and we will be there to say we produced it,” he said. LML is the new legal owner of the Tolukuma Gold Mine with six other exploration licences in the area. Lole said LML was a vehicle set up through a private sector initiative to develop the huge mineral resources potential in the country. “The company has a portfolio of one mining lease and six granted exploration licences,” he said. “Investors from both within the country and overseas are provided the opportunity to invest in LML at the pre-initial public offering and initial public offering (IPO) stages. “Pre-IPO was open since February this year, and it will be completed soon.”

### **MP seeks support for Delta Fly**

By LORRAINE JIMAL, October 7, 2022, The National

Delta Fly MP Akena Gamai says he needs the support of all members of the Delta Fly development authority board to develop the district. He said this after the swearing in of the authority’s board members including himself as chairman on Oct 5. Gamai said developing a new district would be a big challenge as a new MP, but with support from the board members and other leaders, they would be able to develop the district. “We need to work together and go back to basics by helping one another,” he said. For the development of the district, I can’t change it myself, you are the ones that will help me change this place.” Gamai said the focus would be to change people’s mind sets. He said many were hungry, many struggled for school fees and many wanted to engage in agriculture, but they would not do it. Gamai said the district would support education and invest in small to medium enterprises to reduce poverty. “Under my leadership, I want to promote SMEs, let’s build the local economy ourselves,” he said.

### **ENB government urged to address Sinivit Mine immediately**

October 7, 2022, The National Business

THE East New Britain Development Corporation has urged the provincial government to address the Sinivit Mine project immediately “as it is a disaster in waiting”. Corporation chief executive Michael Baitia raised the concern during the presentation of the alluvial mining and geothermal resources policies by the Department of Mineral Policy and Geohazards Management, and the Mineral Resource Authority (MRA) recently in Kokopo. Baitia who has more than 10 years’ experience in the mining and petroleum industry said a lot of questions were raised following the granting of a licence to Niu Guinea Gold to develop the project. “The licence shouldn’t be granted to Niu Guinea Gold because (it) is not a big player,” Baitia said.

“Technologies used were (from the) 1960s. They are out-dated. “For the Government to give its right to a small player or mining company to develop the resource which is owned by the State is a big giveaway.” Baitia suggests to the Mining and Environment minister to re-look at the project and the mining development contract granted by MRA. Baitia said there could be a potential environment pollution if no action was taken. “We need to fund an international company to develop this project,” he said. “We are willing to look into that project. “Through our mining company, we are willing to apply for the tender. “We can develop the mine ourselves.

## **Morobe forms legal committee**

October 7, 2022, The National Business

MOROBE has formed a committee made up of legal and business professionals to deal with all applications for mining investment in the province, says an official. Provincial mining programme adviser Robert Kiki said the provincial negotiating and government business investment committee was appointed by the provincial executive council. It comprises technical expertise from the council, provincial administration, lawyers and representatives of the business community. Its term is for five years. Apart from Wafi-Golpu project, the committee will be reviewing other business entities endorsed by the previous government, including the Morobe Alluvial Mining Ltd. Kiki said they would also review a memorandum of understanding with the Hidden Valley mine, which the province had been waiting for since 2012. The committee will push for a representative in the Kainantu Mine, which is on the border of Morobe.

“Kainantu is a big mine that helped the country’s economy during the Coronavirus pandemic,” he said. “Now that they will be extending their lease, it’s unfortunate that the Morobe government, Markham district and Umi-Atzera local level government have been left out. “Even the MRA has not been helpful in getting the provincial government involved in these discussions.” Kiki said the mining lease was in Kainantu “but the camping facilities, mill and tailings facility are in Morobe”. “We should rightfully be part of the discussions,” he said. “For some reason, Morobe has been overlooked. “We have landowners coming to the mining division to talk about meetings and land titles which can only be addressed by the MRA and the Lands Titles Commission.” “The committee has a lot of work to do. The priority now is to get Wafi-Golpu cleared.”

## **Samson Jubi on Interpol’s wanted list**

BY MIRIAM ZARRIGA, Post-Courier, 6 October 2022

PAPUA New Guinea lawyer Samson Jubi has made it onto the Interpol’s wanted list. PNG authorities requested Interpol to put him on their list as they continue to pressure Australia to extradite Mr Jubi to Port Moresby in relation to allegations of his part in an alleged fraud involving the Western Province Dividends Community Mine Continuation Agreement (CMCA) Trust Fund. Assistant Commissioner of Police-Crimes Hodges Ette said that the allegations leveled against Mr Jubi is serious and PNG police has requested Interpol to include Mr Jubi on their wanted list. “We are investigating a crime, someone has not made himself accessible to be questioned by police, serious offences of Money laundering and others have been alleged against him.”

“Money laundering is a serious offence especially where money laundering is a criminal act that goes together with terrorism financing, it is serious, he needs to be brought in,” ACP Ette said. “On authorization from the Police Commissioner David Manning, we have placed him on the wanted man list on the Interpol space,” he said. “We hope that countries that have signed Interpol agreement and party to Interpol agreements and if he does venture into their sovereign territories, we hope their law enforcement can pick him up and have him accessible to us,” ACP Ette said. Interpol is located in 195 countries with PNG one of the countries that is a member. Mr Jubi has been asked at numerous times to make himself available to the PNG police to answer questions pertaining to the CMCA Trust Fund.

It is alleged by police that Mr Jubi, in his capacity as the Chief Executive Officer of the Ok Tedi Fly River Development Foundation Limited (OTFRDF Ltd), allegedly misappropriated funds by making payments to several individuals which amounted to millions of kinas. It is alleged he received K14.7 million while he was living overseas and allegedly expended the entire trust fund that was received and did not use them to fund and implement any development projects in the CMCA

Communities in Western Province. PNG's Immigration and Citizenship Authority has now also canceled Jubi's PNG Passport after Mr Jubi's PNG passport expired on the July 27, 2022, while he was living in Cairns. According to the Special Police Forensic and Criminal Investigation team (SPFCIT) the allegations stemmed from a complaint lodged by North Fly MP James Donald with the office of Police Commissioner David Manning. The fraud investigated by members of SPFCIT is the single biggest fraud that has ever been investigated by Royal Papua New Guinea Constabulary (RPNGC) in its history.

### **Sir Gibbs to take leave**

By REBECCA KUKU, October 6, 2022, The National Main Stories

CHIEF Justice Sir Gibbs Salika will take a leave of absence from office during the trial of his daughter Gloria Salika in court on a misappropriation charge, says Justice Minister and Attorney-General Pila Niningi. The leave of absence is also because of the leadership tribunal case on Madang MP Bryan Kramer, who was the complainant in Gloria's case. Niningi said Sir Gibbs would take leave from the start of Gloria's trial, and during the leadership tribunal hearing on Kramer. "The leave of absence from office will be for the duration of the two cases, for however long the cases are, respectively," he said. "This decision was reached to protect the integrity of the office." Niningi said during Sir Gibb's absence, Deputy Chief Justice Ambeng Kandakasi would be acting Chief Justice. And if he is not available, the most senior judge would be acting CJ.

Gloria, 39, of Kulakea village in South Fly, Western, and five others are facing trial over the alleged misappropriation of K268 million belonging to the people of Western. Gloria's case returns to the National Court on Tuesday. Kramer is facing a leadership tribunal for alleged misconduct in office. The tribunal will determine the 14 allegations of misconduct in office filed against him by the Ombudsman Commission. Three allegations relate to social media publications purportedly for scandalising the judiciary — namely the conduct of Sir Gibbs — in suggesting a conflict of interest. Kramer has been suspended from official duties, pending the completion of the tribunal. The tribunal is chaired by Justice Lawrence Kangwia. The members are senior magistrates Josephine Nidue and Edward Komia. The tribunal resumes next Friday.

### **Lole Mining pays K20m to liquidator**

BY FRANK RAI, Post-Courier, 5 October 2022

THE transfer of tenements for Tolukuma mine in Central Province is nearing completion after local mining firm, Lole Mining Limited (LML) paid K20 million to the liquidator Pini Accountants and Advisors, on Monday. Lole Mining Limited (LML) will be the new legal owner of Tolukuma Gold Mine and the other six surrounding explorations licenses on Friday once the entry into the Mining Register is completed on Thursday. LML executive director Howard Lole, director Larry Andagali and PNG based company lawyer Steven O'Brien with principal liquidator Andrew Pini presented the instrument to Mineral Resources Authority Registry to formalise the process on tenement holding yesterday.

MRA executive manager for regulatory operations division Stanley Nekitel said the Instrument signed between the liquidator and the transferee (LML) was presented to MRA to enter in the registry to formalise the holder. Mr Nekitel said the completion of the process will take place when the name of the transferee is captured in the registry as the legal holder of those tenements. He said the custodian of the tenement who is the liquidator is satisfied and has informed MRA to capture the name of the transferee as legal title holder of Tolukuma mine tenements. Liquidator Pini thanked MRA and managing director Jerry Garry for their support during the difficult time and said the

agreement has been achieved and the tenements can be transferred to the company. Mr Pini said he had given notice to MRA in writing after the K20 million was paid by LML on Monday to complete the deal.

LML managing director Lole, while thanking the liquidator and MRA, said many critics have said it was an impossible journey but with the confidence and trust provided by MRA have made the company come this far. “I also owe a lot of thank you to a lot of supporters who have been standing behind us on this, including Mr Andagali. He risked his time, money and reputation to support me,” he said. “Lole mining was a dream for the people of PNG. I saw that everybody came and helped. Somebody has to do it, we have to start somewhere and that was the motivation.” Both Mr Garry and Mr Andagali commended LML, MRA, the liquidator and investors of making it possible to revive Tolukuma mine.

### **PM encourages JX Nippon to increase investments in PNG**

October 3, 2022, The National Business

PRIME Minister James Marape has encouraged Japanese company JX Nippon Oil and Gas Exploration, which already has a 4.7 per cent stake in the PNG LNG project, to also participate in upstream and downstream of Papua LNG (Gulf), P’nyang LNG (Western) and the exciting new Muruk LNG (Hela). JX Nippon has been involved in the oil exploration and development projects at Kutubu and Moran as well as other oil fields in PNG since the early 1990s. Marape made the invitation to the company during a meeting with president and chief executive officer, Nakahara Toshiya, and his delegation in Tokyo last Tuesday, during his one-day visit to attend the state funeral of former prime minister Shinzo Abe and bilateral meeting with current Prime Minister Fumio Kishida.

Marape who was accompanied by International Trade and Investment Minister Richard Maru, East Sepik Governor Allan Bird and PNG Ambassador to Japan Samuel Abal – said PNG’s economy would be powered by LNG for at least the next 30-40 years and JX Nippon was welcome to increase its investment portfolio. JX Nippon has been involved in the PNG LNG Project. The project links Highlands’ production facilities with a liquefaction plant and exporting facilities outside Port Moresby through an onshore and subsea pipeline that extends for more than 700km. It began production in 2014 and supplies LNG to Japan and other Asian nations. “JX Nippon has been an active partner in our oil and gas sector space,” Marape told Toshiya and his delegation.

“You are involved in the PNG LNG project and we sincerely appreciate your presence there. “We have moved Papua and P’nyang, and we now want to ensure that Muruk is secured. “Our Government is moving to secure at least five per cent for domestic market use, and I invite JX Nippon and your other subsidiaries in the petro-chemical space, to venture into this as I want a robust petro-chemical business in PNG for domestic consumption as well as export. “I also ask JX Nippon to advocate for PNG LNG in Japan so that the gas we produce can be sold more on the Japanese market. “JX Nippon has been part of the growth of PNG’s oil and gas industry and we invite you to go more into downstream processing, as well as upstream in partnership with Kumul Petroleum Holdings Ltd (KPHL) or as a stand-alone.”

### **Minister explains share deal**

By PETER ESILA, October 3, 2022, The National Business

PETROLEUM and Energy Minister Kerenga Kua says Kumul Petroleum Holdings Ltd (KPHL) is to participate in all commercial businesses in the petroleum industry. Kua said people should not

equate the recent offer to acquire five per cent of Santos Limited's equity in the PNG LNG project to the Union Bank of Switzerland (UBS) arrangements that went bad. KPHL announced that it had offered to buy the five per cent equity recently offered by Santos and had already made a part payment of US\$55 million (about K189.83 million). "I understand Papua New Guinea's desire to buy 10 per cent from Santos, and so if they are selling five per cent only now, there is still room for further discussions held about whether or not KPHL can afford to buy the full 10 per cent," Kua told *The National*.

"It is about affordability. "If KPHL is able to buy 10 per cent, it should buy 10 per cent. "But if it cannot afford to buy 10 per cent, then five per cent is okay, bearing in mind that we are yet to pay for our 22.5 per cent equity in the Papua LNG project. "KPHL is the best place to get further into PNG LNG and also into Papua LNG which is pending. "KPHL is in best place to advise the Government on affordability on entry into both projects. "KPHL have to be able to reserve their capacity to borrow money to pay for that 22.5 per cent equity in the Papua LNG project too, it is a commercial thing to be decided by KPHL."

### **LOs agree on peace restoration**

September 30, 2022, The National

KEY landowner groups of the Porgera mine, the Porgera Landowners Association (PLOA) and the newly-established Lease for Mining Purpose Landowners Association (LMPLOA), have signed an agreement to provide support for peace restoration efforts in the Porgera valley. The groups have undertaken to fund the logistics, administration and accommodation requirements for a group of identified strategic leaders of the various warring tribal clans to convene in a neutral setting to discuss and initiate a way for normalcy to return in anticipation for the re-opening of the mine. Last Saturday, PLOA chairman Tony Mark Ekepa and LMPLOA chairman Timothy Andambo signed a contract with Puluperale Ltd, a local company, to provide these services. The landowner groups' leaders expressed that the tribal conflict which started near Kairik in 2020 between the Aiyela and Nomalee clans had spread to many other clan boundaries and villages causing hundreds of deaths, destruction of properties costing millions, shutdown of basic government services and overall suffering.

The leaders expressed that with a strong outcry from relatives of victims, communities and the general populace and an obvious lack in leadership from authorities, it was necessary to initiate this kind of support to give confidence back to the Porgera people. "No-one is going to come and do it for us. The only way we will see tangible benefits from the mine is if we do our part to find solutions to fix this law and order crisis in the valley," Andambo said. Ekepa said as the people on the ground, they had to take ownership of the law and order problems in the area. The intention of the support by the SML and LMP landowner groups is to have public servants' houses currently occupied by warring clan members to be vacated and for hired gunmen engaged by the warring clans to be repatriated from the valley.

### **PM invites Sojitz Corp**

September 30, 2022, The National Business

JAPANESE-OWNED Sojitz Corporation has been invited by Prime Minister James Marape to invest in upstream and downstream processing of liquefied natural gas (LNG) in Papua New Guinea. Marape made the invitation to Sojitz during a meeting with president and chief executive Masayoshi Fujimoto, and his delegation in Tokyo on Tuesday during his one-day visit to attend the state funeral of former prime minister Shinzo Abe and bilateral meeting with current Prime Minister

Fumio Kishida. Marape, who was accompanied by International Trade and Investment Minister Richard Maru, East Sepik Governor Allan Bird and PNG Ambassador to Japan Samuel Abal, said the Government would make land available for Sojitz to come to PNG in a big way.

He said Sojitz had been wanting to venture into downstream processing of LNG in PNG, as well as go into the upstream sector, and apologised for delays in making this become a reality. Sojitz group, which has been in PNG since 1963 when it started exporting lumber to Japan, is engaged in a wide range of businesses globally, including manufacturing, selling, importing, and exporting a variety of products, in addition to providing services and investing in diversified businesses, both in Japan and overseas. The company is interested in becoming involved in the petro-chemical industry in PNG as it already has an agreement with Kumul Petroleum Holdings Ltd (KPHL) to produce ammonia.

Marape said Maru had been tasked with bringing in investors such as Sojitz into PNG and he would be a “one-stop shop” for all foreign investors. He asked Sojitz for a fresh expression-of-interest which would be fast-tracked by his Government as a matter of urgency. “Going forward, the Government is keen on KPHL getting more gas for the domestic market, at an affordable process,” he said. “Sojitz is welcome to partner in downstream processing of gas. “Papua New Guinea needs to find solutions to the expensive petrol and diesel we are currently importing. “It is ironic that we produce oil and gas, however, continue to import expensive petroleum products.” Marape said there were also upstream opportunities on offer for Sojitz.

### **Santos welcomes agreement**

September 30, 2022, The National Business

SANTOS has welcomed the finalisation of a heads of agreement released by the Australian government yesterday. The agreement has no adverse impact on Santos or the Gladstone liquefied natural gas (GLNG) project. According to Santos, the agreement between the Australian government and the east coast LNG exporters ensured that the LNG exporters’ uncontracted gas will first be offered to the domestic market before being offered to international customers. The LNG exporters have agreed to adhere to the principle that domestic gas customers will not pay more for the LNG exporters’ uncontracted gas than international customers.

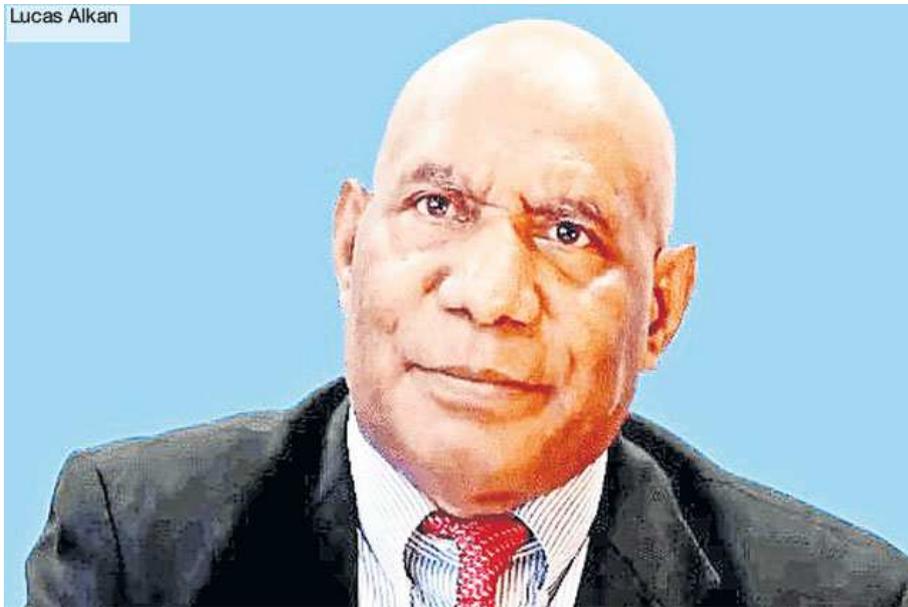
The agreement removes sovereign risk by recognising the importance of honouring LNG contracts and will help to maintain Australia’s reputation as a trusted and reliable LNG exporter. Each of the LNG exporters has provided a plan to address a forecast potential domestic gas shortfall risk in 2023 and the Government is satisfied those plans are sufficient to mitigate the risk. For the last two years, unplanned high demand in winter has resulted in domestic gas price spikes for periods of around 65 days. As a result, Santos’ GLNG project has provided a seasonal shaping plan for next year that ensures LNG contract obligations can be met but also results in more domestic gas being available.

### **Disclose deal, says PNGEITI**

September 30, 2022, The National Business

KUMUL Petroleum Holdings Limited’s (KPHL) offer to increase its PNG LNG equity through a conditional arrangement between Santos has raised concern over the lack of transparency surrounding the arrangement, according to the PNG Extractive Industries Transparency Initiative (PNGEITI). KPHL offered to acquire five per cent of Santos equity in the PNG LNG project valued at US\$1.4 billion (about K4.9 billion). PNGEITI head of national secretariat Lucas Alkan said: “While it is understood that the compromise between two major players in the PNG LNG project as purely

commercial, PNGEITI is concerned at the opaque nature of the environment in which such arrangements are being made, particularly when a substantial amount of money belonging to the people of PNG entrusted under the stewardship of KPHL is involved.” Alkan said the deal could be likened to the controversial Union Bank of Switzerland (UBS) transaction which is being probed by a Royal Commission of Inquiry costing tax payers millions of Kina.



“We understand KPHL has already made a partial payment of US\$55 million (about K193.6 million) and subsequent payments to finalise the transaction are expected to be made in December,” he said. KPHL has a moral and corporate reasonability to be transparent and accountable to Parliament and the people of this country when conducting its business. “PNGEITI, which is a global best practice standard for the good governance of the extractive sector that PNG is a member of, takes the position that KPHL must inform the public on where financing is being sourced to secure the purchase of the five per cent additional equity for the State. “The details of this transaction, whether it is being funded from KPHL’s budget, any external borrowing by KPHL on behalf of the State, if so, what asset is being used as collateral or through the national budget (this is not in the 2022 supplementary budget).

“Further, it is not clear as to whether the National Executive Council (NEC) has approved KPHL to execute this transaction to acquire additional equity from Santos.” Alkan said the public had the right to know the details and understand how KPHL would be affected, given that a US\$300 million (about K1.08 billion) debt would be inherited from Santos. Alkan clarified that PNGEITI is not against KPHL’s proposal to acquire additional equity from Santos as it was consistent with the Government’s policy objective of having greater equity interest in resources developments. But Santos’ intention to deal exclusively with KPHL regarding the sale raised a lot of questions. “We strongly urge KPHL and Santos, who are both active members of the PNGEITI Multi Stakeholder Group (MSG), to demonstrate good corporate citizenship and uphold the principles of the EITI Global Standard by disclosing the commercial and economic nature of this transaction for the sake of transparency and accountability in this planned sale of Santo’s five per cent share,” Alkan said. in the PNG LNG to KPHL,” Alkan said.

## **PNG authorities seek to extradite a man from Australian on fraud allegations**

Radio New Zealand on 29 September 2022

Authorities in Papua New Guinea are looking to domestic and international law enforcement counterparts to assist with deporting an alleged offender from Australia. Two Australian-based men are alleged to be the masterminds behind an AU\$113 million fraud, perpetrated against a group of approximately 147,000 landowners in PNG. The funds were intended to compensate the landowners for the environmental impact of the Ok Tedi mine. PNG authorities started the process to extradite one man in March, shortly after a PNG court issued a number of warrants for his arrest. With the court date rapidly approaching, PNG authorities have now turned to their domestic and international counterparts as the last resort. The second man, who is an Australian citizen, has been committed to stand trial for a range of offences related to the fraud, with the date set for mid-October this year.

## **KPHL offers to buy 5pc equity**

By SHIRLEY MAULUDU, September 28, 2022, The National Business

THE Kumul Petroleum Holdings Ltd (KPHL) has offered to buy five per cent equity belonging to Santos Ltd in the PNG LNG project, says managing director Wapu Sonk. He said the binding conditional offer to Santos meant that KPHL would also assume five per cent of the project's debt corresponding with that additional equity. "This offer is subject to a number of formalities," Sonk said. "This is a massive investment for us, costing approximately US\$1.1 billion (about K3.79 billion). "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 until the transaction is finalised." Sonk said it was a "worthwhile investment" for KPHL.

"The additional project equity will ensure a boost in our annual cash flow and significantly raise national ownership in the project," he said. After the equity acquisition, the State's participation in the project would increase to around 22 per cent. Santos, which will retain a 37.5 per cent interest, yesterday confirmed receiving the offer from KPHL. It agreed to deal exclusively with KPHL during this period regarding the sale of equity in the project. Santos managing director and chief executive Kevin Gallagher said the potential sale of the interest in the project to KPHL was an opportunity to build strategic alignment for the future development of PNG's natural gas resources, including via PNG LNG infrastructure.

"As part of the proposed transaction, Santos and Kumul will negotiate a heads of agreement to further collaborate on the development of Kumul's regional capacity and capability, including carbon emission reduction opportunities to achieve net-zero operations," Gallagher said. Santos in its 2022 half year report last month indicated that it would sell five per cent of its stake in the project, and retain 37.5 per cent of its share in the US\$19 billion (about K65.36 billion) project. Other partners in the project are ExxonMobil PNG Ltd (33.2 per cent), KPHL (16.8 per cent), Nippon Oil (4.7 per cent), Mineral Resources Development Company (2.8 per cent). Project operator ExxonMobil PNG Ltd says the project is an integrated development that included gas production and processing facilities that extended from Hela, Southern Highlands, Western and Gulf up to Port Moresby in Central.

## **Job losses in New Caledonia mine**

Radio New Zealand on 28 September 2022

The SLN mine in New Caledonia has announced it will make 53 employees redundant. The mine, which has lost \$US80 million in 6 years, has been extracting 360 thousand tonnes of the mineral per

year. Its capacity is 900 thousand tonnes per year. A total of 198 people worked on the Kouaoua site.

### **Santos, OSL reaps profit**

September 27, 2022, The National Business

THE merger of Oil Search Ltd and Santos Ltd has had a major impact on Santos as a company, says Santos senior vice-president for stakeholder management Wayne Kasou. He told the recent PNG 2022 Energy Summit and Exhibition that three weeks after the merger last December, Santos reported an underlying profit of US\$946 million (about K3.27 billion). “Santos and Oil Search completed a merger in December, 2021. As two industry leaders with combined knowledge and experience in PNG spanning more than 150 years, the one Santos team is well-positioned to forge ahead with its strategy to transform, build and grow its business and be a leader in the global energy transition,” Kasou said.

“The merger substantially increased Santos’ asset position in PNG. “Its interest in the PNG LNG project increased to 42.5 per cent, and the merger added 22.8 per cent interest in the proposed Papua LNG project and PRL3 (P’nyang) to the portfolio. “Santos also became operator of all of PNG’s producing oil fields in Kutubu, Agogo, Moran and Gobe. “Our feed gas is exported from the Kutubu and Gobe fields into PNG LNG.” Kasou said the merger had come at an advantageous time for Santos and its shareholders when oil and gas prices were significantly higher due to the recovery in global energy demand. “Santos is now a company of size and scale to support our sustainable growth plans and deliver further shareholder returns for PNG,” he said.

### **‘Address law and order in Porgera’**

BY ROBERT APALA, Post-Courier, 27 September 2022

LAW and order must be restored in Porgera Valley before the Porgera gold mine can be re-opened, said MP for Porgera-Paiela district in the Enga Province, Maso Karipe. He said killings and destruction to properties due to tribal conflicts continues to scare away business houses and public servants from resuming normal operations in the valley. Mr Karipe said many tribal fights in Porgera and Paiela are never over and need to be fully addressed. The ongoing fighting between the Aiyel and Nomali clans is one such that needs to be immediately stopped in order for peace to be restored there. “The fight was between the Aiyel clan and Nomali clan but innocent lives were lost and properties destroyed. It is not a good practice, therefore, we need the National Government, provincial government and other stakeholders to get down to the root of the issue and address it,” he said.

He said Porgera gold mine is an economic project and is a major revenue stream for the country, therefore, it is critically important that people feel safe to work there. The MP revealed that the national supplementary budget for this year before the national budget in November 2022 will address the law and order situation in Porgera, Paiela, Maip-Mulitaka, Hewa and Mt Kare areas to establish peace. “The 47th Independence Anniversary has not been celebrated well in Porgera due to the ongoing killings everywhere and if there was an independence show there would have been chaos, therefore, celebrations have been deferred to next year, 2023.” Mr Karipe said he cannot address the issues alone and called for support from the national provincial governments and community leaders in Porgera, Paiela and Maip-Mulitaka to work together with him to restore peace in Porgera for the mine to be re-opened. He also called on all the warring clans in the valley to put down their guns and cease fighting and seek peace.

## **Pasca A project to assist transform energy sector**

BY LORRAINE WOHI, Post-Courier, 26 September 2022

The Pasca A offshore gas project in the Gulf of Papua will focus to help transform the PNG energy sector and to boost sustainable growth in the country. Twinza Oil (PNG) Limited chairman, Stephen Quantrill said when in full production, the Pasca A Liquefied Petroleum Gas (LPG) project's landed prices will be lower than the current LPG imports. He said Pasca A has made a commitment of 10 per cent domestic market obligation (DMO) as a benefit to PNG once the project begins. Mr Quantrill said the commitment is aligned with PNG Sustainable Development aspirations with the vision of meeting full carbon neutrality by 2050 and electrification target by reaching 70 per cent PNG population accessing electricity by 2030. He said an affordable LPG can transform the PNG energy sector and help for sustainable growth. "The advantage of the LPG includes a low carbon substitute for burning fuel, oil and diesel, and it is profitable and affordable by land and marine transport system," Mr Quantrill said.

"It requires a low infrastructure investment to reach in diesel and is very accessible." Mr Quantrill views the Pasca A LPG component as a very important product to deliver energy to PNG. He said the project timeline is in line with PNG's target of meeting the 2 per cent of the global LNG supply. In 2021 the Pasca A project terms were agreed upon by PNG government and further investment and project financing are pending for the gas agreement and petroleum development licence (PDL). Once started, Pasca A project will contribute K8.6 billion revenue to PNG over the lifetime of the project with K500 million on an annual basis. The project will further provide 300 construction and 500 permanent jobs in PNG, K18 billion in GDP over the lifetime of the project and K400 million spent in PNG as the annual operating cost in the country.

## **Illegaler Goldabbau in Papua Barat setzt sich fort**

Westpapuanetzwerk, August 25, 2022

[Anfang Februar berichtete das Westpapua-Netzwerk über illegalen Goldabbau im Landkreis Manokwari](#), Provinz Papua Barat. Mehrere Gemeinden beschwerten sich damals über die Aktivitäten auf ihrem Land, die, so wurde es vermutet, zu einem Großteil von ausländischen Akteuren kontrolliert wurden. Damals wurde berichtet, dass der Volksrat der Provinz Papua Barat bald ein Treffen mit dem Gouverneur von Papua Barat, dem Landrat von Mankowari, und dem Landrat des Arfak-Gebirges abhalten werde, um die Eindämmung illegaler Bergbauaktivitäten in den beiden Gebieten zu besprechen. Der amtierende Gouverneur von West Papua, Paulus Waterpauw, hatte zudem die Bildung einer Task Force angeregt, die sich mit dem illegalen Goldabbau in West Papua befassen sollte, aber bis jetzt wurde die Task Force noch nicht gebildet.

Kürzlich wurden weitere illegale Goldminenaktivitäten in den Arfak-Bergen aufgedeckt, nachdem ein Team des Manokwari Search and Rescue (SAR) Office einen Einsatz durchgeführt hatte, um einen Minenarbeiter zu retten, der Berichten zufolge in der Mine krank war. Der Leiter des SAR-Büros in Manokwari, I Wayan Suyatna, sagte in einer Presseerklärung am Sonntag, 21. August 2022, dass sein Team einen illegal arbeitenden Goldminenarbeiter im Bezirk Minyambouw im Arfak-Gebirge evakuiert habe, nachdem das SAR-Büro am Samstagabend ein Hilfeersuchen erhalten hatte. „Das Büro erhielt eine Meldung, in der um Unterstützung bei der Evakuierung eines Minenarbeiters gebeten wurde, der sich in einem schlechten Zustand befand. Nach Erhalt der Meldung verlegte und evakuierte das Team das Opfer zur Behandlung in die SAR-Klinik von Manokwari“, sagte er.

Der Polizeichef der Arfak Mountains, Comr. Isaac Hosio war noch nicht bereit, Auskunft zu geben, als Jubi versuchte, die illegalen Goldabbauaktivitäten in dem Gebiet zu bestätigen. Der illegale

Bergbau im Arfak-Gebirge und in Manokwari war zu einem Anliegen der örtlichen Regierung und der Vollzugsbehörden geworden. Die verschiedenen Bemühungen haben jedoch keine abschreckende Wirkung auf die illegalen Arbeiter und Finanziers des Bergbaus in diesen beiden Regionen gehabt. Die Polizei in Papua Barat hat ebenfalls Anstrengungen unternommen, um den illegalen Goldabbau in den Arfak-Bergen und in der Manokwari-Region zu unterbinden. Bis zu 31 Angeklagte müssen sich derzeit vor dem Bezirksgericht Manokwari verantworten.

### **Santos invests in PNG**

BY MELISHA YAFOI, Post-Courier, 23 September 2022

With much debate now being centered on multinational corporates in the extractive sector to pay their taxes, the Santos Group since the merger have paid more than K1.21billion in corporate tax. A further K43.2million was also paid as direct taxes as an operator in the country. Santos Senior Vice President Stakeholder Management Wayne Kasou said at the recent PNG Energy Summit 2022 that, the Group have also paid more than K20.6m in royalties, more than K10million in development levies, community development and social investment valued at more than K1.6million and a further K1.1million in education support for landowner scholarships and K300,000 for community development programs and K1.3million for its sustainability projects. Mr Kasou when presenting the company's update says the merger was a win Santos and their shareholders especially at the time of significant higher oil and LNG prices due to the recovery in global energy demand.

He said a key milestone for the company in 2022 was the 1000th export cargo of the Kutubu Oil Blend from the Kumul Marine Terminal in April which was an outstanding accomplishment by a proud and dedicated workforce who have demonstrated consistency in ensuring no disruptions to production. Another milestone was also achieved with the successful major routine maintenance shutdown in Kutubu with no personal injuries. This was achieved against a backdrop of COVID-19 restrictions, with the highest safety records in the history of company and in August, the PNG operations delivered the highest production volumes of 119 kilo barrels of oil equivalent per day. In commending the employees and contractors Mr Kasou said, "Our employees and contractors who remained focused throughout the merger and integration activities.

"Their resilience, courage and ability to respond to change has resulted in the phenomenal results seen so far in terms of profit, safety, and production. "This was achieved against a backdrop of uncertainty, two years of COVID-19 lockdowns and restrictions, a year earlier – the 7.5 magnitude earthquake that severely impacted our local communities and operations, the changes in previous management and recently, a merger." Mr Kasou said the value that the PNG business through its local workforce has brought to the entire Santos organisation and the country is worth celebrating. "At Santos' half yearly announcement, PNG contributed 50 per cent of the value to the wider group. Our people are our greatest success story, and I am proud to recognise the team," he said.

### **Ok Tedi: Villagers wait on authorities for report on dead fish**

BY MARJORIE FINKEO, Post-Courier, 23 September 2022

Hundreds of families living along the river banks of Middle Fly were stopped from fishing and accessing the river following the discovery of thousands of dead makau or tilapia over the weekend and are waiting for authorities to make assessments. Villagers along the bank at Wangawanga, Komoaovaia and others situated on the western part, who were restricted from fishing and hunting, are already experiencing food shortage. Wangawanga village ward member Owen Zumoi said an assessment team from Ok Tedi Mining (OTL) went earlier this week to make assessments on the situation, and the locals are still waiting to know the cause of the dead fish.

Obo health worker in Middle Fly, officer-in-charge Junlai Nawalin said the rare skin infection like sunburn sores after itchiness infected many children and they have gone to their clinic for medication. “Others had food poisoning and diarrhoea, affecting especially children living around the lake area, and we are assuming it might be caused by contaminated water,” Mr Nawalin said. “Most of the villages depend on the river for daily activities such as fishing, washing, drinking and washing clothes and that had posed a lot of health risk with the discovery of fish dying. “We have already alerted OTL and the provincial health authorities to make inspections and they should be assessing the situation anytime soon.”

### **State withdraws application**

September 23, 2022, The National Main Stories

THE State has withdrawn an application it filed to move half of a misappropriation case against two lawyers, an executive assistant and three board of directors to Western for prosecution. State lawyer Helen Rolakona sought court’s permission before Judge Teresa Berrigan at the National Court in Waigani yesterday to withdraw the application saying that there was a need for proper documentation on the case. Rolakona said the information on the charge and allegations against lawyers Greg Sheppard, 65, from Perth, Australia, and Gloria Salika, 39, of 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 still needed to be fixed. Salika’s lawyer Edward Sasingian said whether or not the State fixed the information, the matter had to proceed to a hearing on Oct 11, as set by the court.

Rolakona said they would fix the information against the six accused and decide on one location to prosecute. State decided to fix the information against Sheppard, Salika, Malken, Kasiman, Oai and Smerewai following Berrigan’s direction on the last mention of the case. Berrigan at the last mention directed the State to fix the information and the charge on the case because the money alleged to have been misappropriated was decreased to K52 million on the charge but the allegation remained the same. The information on the allegation still remained that K268 million belonging to the Western people was misappropriated. The money which was funded purposely for development projects in the Western region affected by activity of the OK Tedi mine. Sheppard, Salika, Malken, Kasiman, Oai and Smerewai were previously charged and committed to the National Court separately with numbers of fraud related charges which arose from the same allegation.

### **Church, locals oppose disposal**

By EHEYUC SESERU, September 23, 2022 The National Business

THE Evangelical Lutheran Church is concerned about the environment and wants the Government to decide on responsible disposal method for tailings for the Wafi-Golpu project in Morobe. Representatives from the church’s coastal circuits of Jabem, Deka, Lauluc, Lae City and Malacloc wanted Government to decide on other good disposal method for tailings, before signing the mining lease agreement. President Rev Yasam Aiwaru said as a church they were concerned about the sea and environment because of preferred deep sea tailings placement (DSTP) method. “We are not scientists or experts in that field,” he said. “We don’t have skills or knowledge to come up with alternative disposal methods.

“So we wouldn’t know any other alternative methods of tailings disposal. “But we’re worried so much about environment on land and in the sea.” “The animals, plants and insects can’t speak, so we must save them.” Aiwaru said there had been nine alternative waste disposal methods provided by developer Wafi-Golpu joint venture since 2018. He said the church was considering taking the

matter to court following a decision by Morobe Governor Luther Wenge earlier this month for the project to go-ahead.

Bukawa's Wideru village church leader Waekesa Amos said they were still firm about not wanting any mine waste or tailings dumped into the sea by mine. "Our position is, we don't want waste into Huon Gulf sea; No DSTP. "There was no proper consultation with us the coastal people. "We are the ones who are going to be affected greatly. "So we should be informed well in order to give our consent," he said. "This was a rushed decision, so there must be no waste dumped into the sea. "We were not properly informed about the method, with mining and other laws concerning DSTP."

### **Papua LNG to deliver by 2032**

BY LORRAINE WOHI, Post-Courier, 21 September 2022

The Papua Liquefied Natural Gas project (Papua LNG) is projected to deliver a further 2-3 million tonnes per annum of Liquefied Natural Gas by 2032. Minister for Petroleum and Energy, Kerenga Kua views PNG to be an exporter of LNG in the coming decades with Total Energies announcing FEED (front-end engineering and design) for the Papua LNG Project in July this year. Mr Kua told the 2022 National Petroleum and Energy summit in Port Moresby yesterday that the project will almost double PNG's exports of LNG from the current 8.5 million tonnes per annum to 14-15 million tonnes per annum. "Papua LNG is likely to reach its final investment decision (FID) in late 2023 and with a four year construction phase, we expect the first phase of LNG around the end of 2027 and late 2028," Minister Kua said.

"This will be followed by FID and construction on P'nyang gas project with further plans to deliver 2-3 million tonnes per annum of LNG by 2032." Mr Kua said internationally, LNG is the transitional fuel as countries develop their renewable energy resources and PNG is on the pathway to achieve that milestone. He said PNG as an exporter of LNG will assist in the future when they could be customer for PNG green energy export. ExxonMobil PNG managing director, Peter Larden said PNG is well placed to expand its LNG capacity clearly built from the solid foundation of PNG LNG project. Mr Larden said the country has the opportunity now to see new developments progress which could advance the nation's economy for many decades to come.

"PNG exports somewhere between 8 and 9 million tonnes of LNG per year and even if the Papua Project comes online, it will still represent about 2 per cent of global demand or global supply through the 2030 period," Mr Larden said. He said the good news is PNG has number of advantages as the country can be the supply source of LNG to meet the global demand, especially in the Asia Pacific region. TotalEnergies PNG Ltd managing director Jean-Marc Noiray said Total is focusing on its early works on the Papua LNG project once sanctioned. He said the Papua LNG's national content principles and practices are under development to continue driving these outcomes into and through the large project undertaking. "The national content plan will provide the guiding framework and also the collection of reporting from across the project for our reporting to government," Mr Noiray said.

### **Dead fish pose health risk**

BY KENNY ROMANUS, Post-Courier, 21 September 2022

Komovai and Kaviananga villages in Middle Fly of Western Province are at high health risk with dead fish floating on the surface of the water causing a foul smell. More than 1000 dead fish have been seen floating on the surface of the lagoon at a particular spot between Komovai and Kaviananga villages. Komovai ward member Phidelis Phillie confirmed that the fish have started dying

since last week but was not noticed by the community until over the weekend. “This area is the favourite fishing spot for the locals and this is where the villagers go and get sago for survival,” he said.

Officer-in-charge of the Obo Health Centre Junlai Nawalin said the hospital has recorded a higher number of patients with skin itchiness and small sores. Mr Nawalin who visited the area on a dinghy said from observation, it seemed that some fish have been dead for almost three to four days ago while some looked like they died a few hours ago. He made a community announcement at the main oval where the independence celebration was and people responded saying that they also saw three different species of fish such as catfish and not only Makau (Tilapia) was affected. Meantime, the cause of fish dying is unknown and the locals are calling on the authorities to bring in environmental experts to investigate as their lives depend mostly on the river system.

### **Slaughter in Porgera continues**

BY MIRIAM ZARRIGA, Post-Courier, 21 September 2022

While policing continues to be an issue in Porgera, Enga Province, the killings continue in the mining township. And the latest killing of a village court magistrate has added to the 70 deaths within the space of six months. Police Commissioner David Manning has recently announced the establishment of a specific unit to “have the sole task and responsibility of securing our major resource projects around the country. “We will be taking steps to establish the unit by this week,” he said. In the latest killing, a village court magistrate from the Lukal area who had been actively involved in facilitating peace efforts for the ongoing tribal disputes was killed on September 17 while he was out in the garden gathering food with his wife and a female inlaw. Unconfirmed reports state that the two women have been taken hostage and are yet to be located.

Nine days earlier, the now deceased Lopan Wake had led the Paiam community in a staged protest calling on the government to declare a state of emergency after a man from the same Lukal village was killed. Frustrated family members, relatives and the Paiam community expressed their frustrations by blocking the highway and staged a haus krai for the deceased on the open road. They urged the government and relevant authorities to intervene and put an end to the spillover of killings of innocent people in the valley. Immediate family and relatives of the late magistrate Wake said they want the law and government to deal with the matter. Family spokesperson Kelly Yambi said there have been many spill-over conflicts in Porgera that there is confusion as to how to establish what tribal groups are responsible for the Lukal killings. “I am not sure who is really responsible for the initial tribal conflicts but all I know is that the spill-over of the conflict is affecting my people and we are falling victims.

We signed a covenant with God and we do not want to take revenge. We have buried two men already and now I will bury my brother,” Mr Yambi said. Commissioner Manning said, “As part of our restructure we now see a that we need to restructure how we do things and how the police force and other agency partners secure major resource areas. “While the bulk of our resources are taken up in securing the projects its often for the detriment of the livelihoods of the communities that have been subjected to violent criminal activities. “So by setting up this new unit, it will elevate demands on the resources so that we not only adequately secure projects but continue to progress our efforts in securing our community.” “As soon as we establish the unit, our focus will be on reopening Porgera. “Without a safe and secure environment to do so the reopening of Porgera can be challenging. “And we are up to the task of providing the necessary support in securing not only the project but the surrounding communities before the project recommences.”

## **Call on govt to stop Wafi project**

BY MARIE SONNY, Post-Courier, 20 September 2022

A coalition of PNG and Australian civil society organisations are calling for all levels of government to pause all moves to progress the Wafi-Golpu mine project following the earthquake on Sunday, 11 September. They are calling for the project to be paused until the geological phenomenon is fully understood, and until communities of Morobe Province have been adequately consulted, including being made aware of the risks of deep sea tailings placement (DSTP) to their communities, livelihoods and health. Centre for Environmental Law and Community Rights executive director, Peter Bosip said the earthquake ranks among the highest of magnitudes ever recorded for an earthquake in Morobe Province and they are deeply concerned there will be many more as the province is on the active Ramu-Markham fault line.

“If the 130km-long DSTP pipeline proposed for Wafi-Golpu had been operating on the weekend, it is unknown how many landowners would have seen their land and gardens covered in toxic mining waste, or how many streams and rivers would have been polluted,” he said. “The power of the earthquake is shown in the destruction it has caused to buildings and infrastructure and the many lives tragically lost, and we urgently demand an assessment of what could happen if something like the DSTP pipeline is built for Wafi-Golpu.” The proposed 130km DSTP pipeline for Wafi-Golpu plans to go through many village communities of the province, crossing watercourses and important agricultural land and forests, before dumping millions of tonnes of waste into the ocean.

The pipeline will carry toxic mining waste that includes heavy metals such as arsenic, lead and mercury. “Alarm bells are well and truly ringing,” Mr Bosip said. “Morobe has the highest population of any province in PNG. With Morobe prone to high magnitude earthquakes, there is a significant risk across the entire proposed 130km length of pipeline of the pipeline breaking, spilling mining waste and devastating the province.” Head of Jabem district of Evangelical Lutheran Church PNG, Reverend Yasam Awara said Wafi-Golpu’s proposed pipeline would carry 360 million tonnes across the province over at least 28 years. That is a risk that the people of Morobe would have to bear, everyday and that price is far too high for them.

## **Landowners want details of LNG shipment**

September 15, 2022, The National Business

LANDOWNERS of the Papua New Guinea Liquefied Natural Gas upstream and Petroleum Development License One (PDL1) in Hides want the State to provide details of LNG shipments since May 2014. Chairman of the Hiwa Tuguba Hides Association Inc Aluja Jakari said clan-vetting had been done and they wanted the records outlined as per a ministerial determinations by ex-Petroleum Minister Dr Fabian Pok. “Entire blocks for Hides PDL, from blocks one to six, call on the State to direct the Kumul Petroleum Holdings Ltd, Mineral Resources Development Company (MRDC) and stakeholders involved in the PNG LNG project to make the final calculations figure for the shipments after tax plus other stakeholders’ shares,” he said.

“We can’t bulldoze account openings and elections of directors as most of our people have been struggling to receive their benefits.” The landowners also demand that the LNG shipment cargoes left for Lealae LNG plant, calculations of 2.8 per cent share held by MRDC on royalty benefits for PDL1, the 4.27 per cent Kroton Equity share held by KPHL for Hides PDL1, dividends payouts held by MRDC and Kumul Petroleum, and total outstanding in terms of 30 per cent community investment trust and 30 per cent Future investments trust. The National was unable to get comments from the State.

## Mine deal to be finalised

September 15, 2022, The National Business



THE Porgera mine re-opening deal has to be finalised by the end of this year, or at the latest, January, says Mining Minister Sir Ano Pala. He was speaking during the handover ceremony of the mining ministry by his predecessor Johnson Tuke on Tuesday in Port Moresby. Sir Ano said Prime Minister James Marape has given the ministry a deadline. “Prime Minister has made it clear that we have to move forward,” he said. “Porgera has been negotiated. Former minister Johnson Tuke and team, Prime Minister Marape, as well as others were involved in the negotiations. So we have to make it happen.” Sir Ano said the Wafi Golpu project would follow “as soon as possible”. “The prime minister has laid the foundation,” he said.

## Reforms in SOEs to lift performance

September 15, 2022, The National Main Stories



PRIME Minister James Marape in his Independence message says that the economy cannot develop and progress if the service industries are not reliably functioning. “To support our economy, we have embarked upon major reforms of our State-Owned Enterprise (SOE) to improve their overall performance in terms of service delivery and revenue generation,” he said. “These reforms are to ensure profitability, improve services in the airline industry, water, electricity and telecommunications and ensure independence of the SOEs as well as create gender balance in the board of directors to encourage good governance. Marape said the review of the Mining Act 1992 had been completed and once endorsed by Cabinet, the Parliament will ensure fair and equitable returns to resource owners, the State and developer.

He said other amendments that had been passed included the Mineral Resource Authority Amendment Act and certain sections of the Mining Act 1992 to accommodate necessary situations. Marape said: “The long-awaited re-opening of the Porgera mine will happen during the tenure of this Government and Wafi–Golpu project will start construction. “Ok Tedi continues to pay dividends to the State as a result of prudent management and favourable weather conditions that allow shipment of ore. “Other mines in operation such as Ramu and Lihir will be reviewed because of increase in output and expiration of their leases in 2023.” Marape said in the gas and oil sectors, P’nyang and Papua LNG projects had been successfully negotiated and were entering the front-end engineering design (Feed) stage.

“Other projects such as Elk Antelope and Pasca are being reviewed and pending the satisfaction of the State’s project parameters, they will proceed as planned after that,”he said. “Review of Oil and Gas Act 1998 is progressing well with necessary changes on benefit sharing arrangements.” Marape said Papua New Guinea would finally have a sovereign wealth fund (SWF) structure in place in the coming months. “This SWF structure will see seven percent of dividends from all Kumul companies, including the extractive sector, being funneled through following the policy approval by the State,”he said. “Government has already approved for all Kumul companies, especially Kumul Mining Holdings Ltd, Kumul Petroleum Holdings Ltd and Kumul Consolidated Holdings Ltd that at every declaration of dividend, seven per cent is set aside to be funnelled into a SWF structure.”

### **ABG issue second alluvial mining license**

BY PETERSON TSERAHA, Post-Courier, 15 September 2022

THE Autonomous Bougainville Government (ABG) mining department has issued its second licence under the Toroama-Nisira Government. The licence has been granted to Bakearoro Limited in partnership with Wyndale Investments Limited for alluvial mining. The licence was presented on Monday by ABG Mining Minister Rodney Osioco and mining warden Fredrick Masu. Present at the ceremony were Wyndale Investments operations manager Daniel Fogarty and Awong Asan, the acting country manager. Representing the landowner company Bakearoro Limited were Gibson Ove, the managing director, and Gordon Quito Atona, the secretary with chiefs and village elders.

Mr Masu said licences have been issued throughout Bougainville in the past years. The problem is when landowners do not keep their bargain causing problems. “I would like to congratulate Bakearoro Limited. You have outclassed other exploration and small scale mining companies.” He told the landowners that the progress was for the bigger picture, towards independence. “You have now shown that you can contribute to the building of Bougainville,” Mr Masu said. Minister Osioco said the ABG was happy with the issuing of the licence. “This licence is the second under the Toroama-Nisira government. All other licences were issued by the previous John Momis government and all those licences failed. “Please look after all this equipment and take ownership of the project. My challenge is, if you do not want to support your government today, when are you going to support?”

## State asked to fix information

September 14, 2022, The National Main Stories

JUSTICE Teresa Berrigan has asked the State to fix the information properly on the misappropriation charge against two lawyers, an executive assistant and three board of directors in the Ok Tedi Mine-Western case. Justice Berrigan said this yesterday at the Waigani National Court after glancing at a motion filed by the State to have the matter transferred to Western. State, on the last mention, jointly charged lawyers Greg Sheppard, 65, from Perth, Australia; and, Gloria Salika, 39, of 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 with one count of misappropriating K52 million. Justice Berrigan said it seems that the amount of money on the charge against Sheppard, Gloria, Tabitha, Kassiman, Oai and Smerewai had changed but State's allegations on the misappropriation of the K268 million belonging to Western people remained.

“There is serious allegations involving large amount of money and the State must properly fix the indictment (summary facts),” she said. Justice Berrigan said it looked like the State motion was not to transfer the whole file in the case. It was before the court that State's notice of motion was to have half of the case files transferred to Western and half be heard in Port Moresby. State lawyer Helen Rolakona said the lawyer who was taking carriage of the matter was not available and she was not ready to move the motion yesterday. Justice Berrigan then adjourned the matter to Sept 22 to hear the motion.

The State alleged that Kassiman, Oai, and Smerewai, who were the board of directors of the Western Region Community Mine Construction Project, had conspired with and dishonestly misappropriated K268 million for development projects in the Western region affected by the OK Tedi Mine. Gloria and Malken were charged and committed with a number of fraud-related charges for allegedly facilitating a transfer of K15 million of the K268 million from Western Province people's dividend trust account with Australia New Zealand (ANZ) Bank to Young and William Lawyers between August 2018 and early 2020. Sheppard was initially sent by the committal court to the National Court charged with two counts each of obtaining by false pretence, conspiracy to defraud, misappropriation of property, money laundering and one count each of forgery, uttering and attempting to pervert the course of justice.

## Over 17mil tonnes copper concentrate shipped, says CEO

September 14, 2022, The National Business

MORE than 17 million tonnes of copper concentrate have been shipped out from the Ok Tedi mine since production began in 1984, says Ok Tedi Mining Ltd managing director and chief executive officer Musje Werror. Werror was in Port Moresby yesterday to welcome the mine's new vessel mv *Fly Enterprise* which will be used to transport copper concentrates overseas. This is the 38th year of Ok Tedi's operations, with the mine having generated more than K67 billion for the people of PNG and Western. “As a 100 per cent-owned PNG mining company, we are proud of our contributions to the development of our country as our nation will celebrates 47 years of Independence,” Werror said. The mine is expected to be closed in 2032. The Government owns 67 per cent of the mine through the Kumul Minerals Holdings Ltd while the people of Western province own 33 per cent.

## Mining lease approved, extended for 10 years

September 13, 2022, The National Business

THE Niuminco Group Ltd says its application for an extension to Edie Creek mining lease (ML 511) in Morobe has been approved for 10 years from Oct 5, 2021 to Oct 5, 2031. ML 511 covers 3.89 square kilometers, around five kilometres from Harmony Gold’s Hidden Valley Mine. Managing director and company secretary Tracey Lake said: “ML 511 includes high grade Au-Ag veins and lower grade bulk tonnage options with substantial economic potential. “Within the mining lease, Niuminco has developed a 120-person camp, mining/processing infrastructure, maintenance and administration facilities.

“It has undertaken measured scale-up of mining and processing over the past 11 years with over AU\$10million spent on exploration during that period. “In the financial year ending June 30, 2022, the Edie Creek Mine produced 262.6 ounces (8,165.5grams) of gold and 244.5 ounces (7,606.2 grams) of silver at an average recovered gold grade of 126 grams per tonne for sales of K1,643,278 (AUD\$652,612 @ avg 2022 exchange rate). “The Edie Creek mining lease remains significantly underexplored with only 51 holes drilled for approximately 6,800 metres since drilling commenced in 1988 (24 drilled by NIU since 2011).

## Anger as company gets go ahead to mine on seafloor

Radio New Zealand on 13 September 2022

Deep sea mining could begin in the Pacific as early as this month, after regulators decided to allow The Metals Company to start mining the seafloor. The International Seabed Authority (ISA) has granted permission to Nauru Oceans Resources, a subsidiary of The Metals Company, to begin exploratory mining in the Clarion Clipperton Zone between Hawaii and Mexico.



Photo: Supplied

According to the *Financial Post*, about 3,600 tonnes of polymetallic nodules are expected to be collected during the trial beginning later this month with an expected conclusion in the fourth quarter of 2022. It comes as [French Polynesia recently voted](#) for a draft opinion for a temporary ban on seabed mining projects. Greenpeace Aotearoa is calling on world leaders to step in, and put a temporary ban on deep sea mining to protect the ocean. Its seabed mining campaigner James Hita said Pacific peoples have been pushed aside for decades and excluded from decision-making processes in their own territories. He said deep sea mining is yet another example of colonial forces exploiting Pacific land and seas, without regard to people's way of life, food sources and spiritual connection to the ocean. Hita said the move signals the beginning of a new and destructive extractive industry

that will place profit before people and biodiversity, threatening ocean health and people's way of life.

"Deep sea mining is now right upon our doorstep and is a threat to each and every one of us. The ocean is home to over 90 percent of life on earth and is one of our greatest allies in the fight against climate change," he said. "The ISA was set up by the United Nations with the purpose of regulating the international seabed, with a mandate to protect it. Instead they are now enabling mining of the critically important international seafloor. "The Legal and Technical Commission, that approved this mining pilot, meets entirely behind closed doors, allowing no room for civil society to hold them to account. This mechanism is simply unacceptable." "Right now people across the Pacific are taking a stand, calling for a halt to deep sea mining. Civil society, environmentalists and a growing alliance of Pacific nations are urging government leaders to stand on the right side of history and stop deep sea mining in its tracks. We must stand in solidarity with our Pacific neighbours and put a lid on this destructive industry to preserve ocean health for future generations," says Hita.

### **Dumping of mining waste in Bismarck sea would be a threat to PNG coastal communities**

Radio New Zealand on 11 September 2022

An environmental campaigner in Papua New Guinea says the dumping of mining waste in the Bismarck sea would be a threat to the welfare of the coastal communities. Peter Bosip of the Centre for Environmental Law and Community Rights was speaking after Morobe Province's new Governor Luther Wenge said the provincial government would drop all legal challenges to the Wafi-Golpu mine going ahead appeared to give the green light for the new mine to dump its tailings at sea. Wenge said the income generated will allow him to pay for the free education of the province's young people.

But Bosip said what the local communities have sought is for the company and the national government to come up with an alternate solution to dumping the waste - one which doesn't undermine the livelihoods of coastal communities. "OK say let the sea be polluted and let those communities that are dependent on that marine resource and environment find their own ways of survival. The government is going to think about the national revenue - that's not the way forward. People's lives are very important. They have to find an alternate solution and that is up to the government and the developers," he said. Getting the copper and gold mine up and running is one of the goals of the national government as it looks at ways to kick start the economy.

### **Madang Governor Pariwa enthralled by Ramu Nico and its operation**

Donald Nangoi, Post-Courier, 9 September 2022

It took 50 years to fully develop Ramu Nickel project when the mineral was initially discovered in 1962. Ramu NiCo's community affairs deputy general manager Albert Tobe told the Members of Parliament (MPs) during the induction program that was organised by the PNG Chamber of Mines and Petroleum and the Clerk of Parliament recently. Mr Tobe said the other reason why Ramu Nickel Project cannot be developed sooner was because the technology to refine the mixed hydroxide precipitate slurry was not available before the establishment and operation of the Basamuk refinery. He said that is why many investors or project's developers refused to develop Ramu Nickel Project because it was generally regarded as economically non-viable. That was when the then Prime Minister, the late Grand Chief Sir Michael Somare, made a special request to the Chinese Government in 2004 for the MCC Group to develop Ramu Nickel Project, who at that time have developed the technology to process the MHP.

“The government has given special concessions to the MCC Group to develop Ramu Nickel Project,” he said. He said after the production in December 2012, Ramu NiCo has invested significantly in social and economic Infrastructure and development programs worth millions of kina annually. “The company has also increased its employment of nationals and locals including localising some senior supervisory roles to local and national employees,” he said. Madang Governor Ramsey Pariwa was also impressed to learn that the mine was the only largest nickel and cobalt Mine was located in Madang Province. Ramu Nico management Limited was also given time to talk about topics of interest that require the new government’s attention, including social-economic contributions to the locals.

### **It will take six years to process gold, copper: MRA**

September 9, 2022, The National Main Stories

The Mineral Resources Authority (MRA) says it will take six years before gold or copper from the Wafi-Golpu project is processed and ready for shipment, says managing director Jerry Garry. He praised Morobe Governor Luther Wenge and the provincial executive council for pushing the project to start. Wenge said this week that Morobe was allowing the US\$5.4billion (K18.5billion) Wafi-Golpu project to begin operations. Wenge said Wafi Golpu was a revenue source Morobe was missing out on because of the delay in getting it off the ground. He said all court cases filed by the Morobe government under former governor Gibson Saonu would be withdrawn.

Wenge said the province was prepared to sign the mining lease agreement in December to accept the mine and the deep sea tailing placement (Dstp) method of mine waste disposal. “Wafi-Golpu will open and DSTP will go on. “Anyone who disagrees can take it to court with their own research and facts,” he said. Garry said: “That is a very positive support. As a regulator, (the MRA is) pleased. “In terms of project permitting, we recognise that the project has some more work to do. “They (operator) must be permitted to go underground, drill more holes, understand the rock formation and improve their confidence in mineral resource itself. “Within the five years, they will be doing a lot of drilling and develop platforms for the construction of the mine, etc.”

### **LOs want concerns addressed before signing**

By GLORIA BAUAI, September 9, 2022, The National

LANDOWNERS of the multi-billion kina Wafi-Golpu gold-copper project want their concerns addressed, especially the infrastructure development grant payment, before the special mining lease agreement is signed in December. Bubuaf Landowner Association president Jack Raban was responding to the decision by Morobe Governor Luther Wenge to allow the delayed development process of the US\$18billion project by Wafi-Golpu Joint Venture to forge ahead. Wenge said this week he had talked to the joint venture partners Newcrest and Harmony to get ready for the signing of the special mining lease agreement. Raban is also the chairman of the Wafi-Golpu Development Corporation representing the three special mining lease (SML10) landowners groups of Yanta, Hengambu and Babuaf.

He said they did not get anything from the K34 million distributed to landowners in 2021, as part of the K100million allocated in the PIP Budget (2021-2025). He said the K34 mil was distributed to all the districts in Morobe, except Kabwum. The provincial government retained K12million. “There was no specific share for the three landowner groups and to date, we are yet to benefit from this,” he said. “The IDG or business development grant and any other funds for Wafi must help us (build) roads, hospitals, schools, water supply, and prepare us for the development forum.”

## **New governor rejects long-standing opposition to ditching by-products in the sea**

Radio New Zealand on 9 September 2022

Papua New Guinea's newly re-installed governor in Morobe Province, Luther Wenge, is happy for mining by-products to be dumped at sea. Getting the new Wafi-Golpu mine up and running is a focus of the national government as it strives to grow the country's economy. Wenge's support comes despite years of opposition to dumping at sea, from the community and from two former Morobe Governors. Wenge told the audience at his swearing-in ceremony the provincial government would drop all legal challenges to the mine going ahead. RNZ Pacific's PNG correspondent Scott Waide said Wenge was clear about his reasons for backing the mine. "He was saying deep sea tailings disposal will happen and that's where he is going to get the money to pay for free education," he said.

## **Damage continues to be caused by shutdown mine says Bougainville MP**

Radio New Zealand on 7 September 2022

A Cabinet Minister in the Papua New Guinea autonomous region of Bougainville says damage continues to be caused by long shut down Panguna mine. Education Minister and Ioro MP Theonila Roka Matbob [led a campaign that](#) successfully filed a human rights complaint against multi-national Rio Tinto over the damage its Panguna mine had caused.



Education Minister and Ioro MP Theonila Roka Matbob Photo: HRLC

Rio Tinto has committed to pay for an independent assessment of the damage and that work has begun. An on-site assessment is now being conducted by experts, Tetra Tech Coffey, which had earlier done a desktop survey using satellite images. Matbob said this confirmed what the community has long said about the ongoing environmental damage. "The activities of what Rio Tinto left behind is still very much the everyday impact to the people. So the waste, everything, it is still very destructive, and there are high levels of chemicals that are still present, which the desktop review has verified," she said.

## **French Polynesia moves towards ban on 'craziness' of seabed mining**

Radio New Zealand on 7 September 2022

French Polynesia has voted a draft opinion for a temporary ban on seabed mining projects. The territory's Council for the Economy, Social, Environment and Culture had 43 members vote for the proposal, while two abstained. The council acts as a consultant in advising and recommending during the enacting of legislation's from the French Polynesian government. This is after the president

of the territory, Edouard Fritch, made a resolution to ban seabed mining after the Pacific Island Forum.



Sampling copper under the sea Photo: Nautilus Minerals

Minister for Marine Resources, Heremoana Maamaatuaiahutapu, told *Tahiti Nui TV* that this should be an example to other Pacific neighbours. "Kiribati, Nauru and the Cook Islands are already engaged in an exploration process. "We need to convince our cousins of the Pacific to stop this craziness. "We are the first country member of the Forum to take this resolution on, I must say, the exploration of the seabed," Maamaatuaiahutapu said. "The knowledge that we have of our seabed is only 5 percent." 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.

The Council has been urging the government to secure resources in the seabed off France's overseas territories. It said France would be negligent not to profit from this as French Polynesia has rare earths, whose reserves are held by China in a near monopoly. The pro-independence movement regularly challenges France's control of the resource. In May, Maamaatuaiahutapu said that Wallis and Futuna, New Caledonia and French Polynesia all had the same stance on deep-sea mining, which is that "if we have to examine what's on the ocean floor, it should be solely for the acquisition of knowledge, not for exploitation purposes".

"And that has to be very clear. We want knowledge acquisition missions. I daren't even say 'exploration' because that term is too often associated with exploitation. We have 502 seamounts listed and we don't know a single one. I think it's important to know about the biodiversity around these seamounts beyond the minerals they house," he said at the time.

### **Newcrest mine a significant contributor**

Donald Nangoi, Post-Courier, 6 September 2022

Newcrest's Lihir Gold Mine in New Ireland province has contributed K1.5 billion to PNG through royalties, taxes, a production levy and vendor contracts. Newcrest PNG country manager Stanley Komunt said the company is committed to investing in PNG when addressing the recent induction of the Members of the 11th Parliament in Port Moresby. He said Newcrest is proud of what it has

helped to achieve so far for a stronger and more prosperous PNG, and it is looking forward to “growing our presence in the country over many years to come”. “In financial year 2022 (from July 2021 to June 2022) the highlights of Lihir’s contribution to PNG include, but are not limited to the following K238.8 million total tax and production levy paid to the PNG government, K85.8 million in royalties paid to the PNG government and Newcrest prioritises the purchase of goods and services from local suppliers and contractors in PNG,” Mr Komunt said.

“In 2022, the company paid K1.2 billion to PNG suppliers for operating costs including equipment, labour, maintenance, consumables, food and fuel and out of this, over K553 million was to Lihirian vendors, which is an increase of 8 per cent on the same period last year.” He said Newcrest is one of the largest contributors of foreign exchange to PNG having provided approximately US\$487 million to the national foreign exchange balance through the acquisition of K1.711 billion of currency. Mr Komunt said that measures taken to minimise the impact of COVID-19 on Lihir’s communities and operations translated into an additional management cost of K144 million. He also highlighted the importance of policy and regulatory stability that will encourage increased mining exploration and permitting of new mining ventures.

### **Pasca project targets 90 per cent of jobs for nationals**

Post-Courier, 2 September 2022

TWINZA, the developer of the Pasca A gas project, is ready to work with local Members of Parliament to identify and capture the benefits to the community of the Pasca Development project. Twinza’s executive chairman, Stephen Quantrill made this known when speaking at the PNG Chamber of Mines and Petroleum’s briefing during the Members of Parliament Induction last Thursday. Mr Quantrill said Twinza expects the project to generate 300 direct and indirect jobs in PNG in the construction period and for this number to grow to 500 once the project is operational. He explained that the company would target that 90 per cent of these jobs will be available for PNG nationals. “Twinza will introduce training programs to give the maximum number of Papua New Guineans the opportunity to work on the project and its supporting industries,” he said.

Mr Quantrill presented a status update of the Pasca development which the company says could be operating and start returning the targeted K500 million per year in direct revenue to the government before the end of this parliamentary term if the necessary approvals are obtained this year. The project is also expected to contribute more than K18 billion to Papua New Guinea’s growth domestic product (GDP) over its life and will unlock the economic development of nearby discovered and prospective resources. The project is located 93m below the surface of the water in the Gulf of Papua, approximately 95km off the coast near Kerema. Mr Quantrill said the project is ready to enter FEED immediately upon finalisation and signing of the gas agreement and approval of the petroleum development licence which the company said is ready to be achieved this year.

### **Exploration crucial for mining**

September 2, 2022, The National Business

THE resources sector is contributing 39 per cent of the country’s gross domestic product (GDP), according to the Chamber of Mines and Petroleum. Vice-president Philip Samar said exploration was crucial for the continuance of the industry as existing mines reach the end of their lives such as Ok Tedi which is set to cease operations by 2030. “Exploration is a high risk business with a failure rate of 99 per cent,” he said. “For every 1,000 exploration prospects, only 50 will move to advanced exploration followed by only two that will move to feasibility studies and only one will become a mine. “Ramu took 50 years from discovery to development while Lihir, Porgera and Ok Tedi took

just under 20 years plus a very significant amount of investment and expertise, so we need to act now to revive the exploration sector or the next 50 years will be bleak with no new mines for development.” Information from the Mineral Resources Authority (MRA) shows that in 2011 alone the whole country was covered with exploration licences. However, all of these activities have now dried up with only a handful of exploration licences in operation in 2022. Samar said the chamber was committed to partnering with the Government to address the key elements necessary to encourage exploration and mining such as:

- PROSPECTIVITY;
- CLEAR legal authority;
- SECURITY of tenure and transferability of exploration and mining rights;
- EXCLUSIVITY of exploration and mining rights;
- NON-DISCRIMINATION between local and foreign nationals;
- PREFERENTIAL right to convert an exploration licence to mining licence;
- REASONABLE royalty rates;
- TRANSPARENT licensing procedures;
- CLEAR and uniform policy on government ownership; and,
- PROTECTION against speculation.

### **Maru calls for investigation into level of tax paid by mines**

By HELEN TARAWA, September 1, 2022, The National Main Stories

MINISTER for International Trade and Foreign Investment Richard Maru has called on the Government to investigate the level of tax paid by major resources companies. The Yangoru-Saussia MP was responding to the Treasurer’s report on the 2022 mid-year economic fiscal outlook (MYEFO) in Parliament yesterday. “We cannot accept tax revenue lower than expected, we need to scrutinise these companies, there are still a lot of leaks,” he said. “The Treasurer needs to set up a task force to check out major resources companies and the levels of taxes they are paying. “This is something we need to focus on and if need be, bring global experts to come in and look at the amount of revenue we are receiving from these countries.” Maru said another area was the profits that the Ramu nickle mine had been making over the last few years.

“This is still a company that had not been paying taxes over the years because of an agreement they had with the government when they started,” he said of the Chinese-owned mine in Madang. This is a company that should be paying taxes to this country and it has not. Madang and Rai Coast district are losing out on significant tax credits because the mine is not paying taxes to the state. “It is time we scrutinise the company and relook at the agreement and see how they can start paying corporate taxes. “We need to ensure that these big resource companies start paying corporate taxes. “Rai Coast is a least developed district in this country and yet they are making so much money and getting away with it. “This has to stop now, they need to start paying to the social economic development of the provinces and districts they operate,” Maru said.

### **Twinza expects construction to generate 300 direct, indirect jobs**

September 1, 2022, The National Business

TWINZA expects to generate 300 direct and indirect jobs during the construction phase of the Pasca A project in Gulf, says executive chairman Stephen Quantrill. Quantrill said the number should increase to 500 once the project started operating. The company plans that 90 per cent of these jobs be made available to locals. It will conduct training to give locals the opportunity to work on the project and supporting industries. “Twinza is ready to work with the local MP to identify and

capture the benefits to the community of the Pasca Development project,” Quantrill said.

He said it could be operating and start returning the targeted K500 million per year in direct revenue to the Government before the end of this parliamentary term. The project is expected to contribute more than K18 billion to the country’s Gross Domestic Product over its life. It is located in 93m-deep waters in the Gulf of Papua, about 95km off the coast near Kerema. “It is ready to enter FEED immediately upon the finalisation and signing of the gas agreement and approval of the Petroleum Development Licence.”

### **Promote exploration, govt told**

September 1, 2022, The National Business

THERE must be more effort from the Government to protect the economy by promoting exploration to discover new projects in the resources sector, says the PNG Chamber of Mines and Petroleum. Chamber vice-president Philip Samar said based on the recent figures from the 2019 EITI country report, direct contributions of the resource sector to the Government included K2.9 billion to State-owned enterprises, K1.2 billion paid as taxes, K1 billion in royalties, K637 million in fees and levies to state agencies and K444 million for social projects in impacted communities. Samar said most of the existing mines were mature while some had a very limited life, treating lower grades. “PNG has had a very significant drop in production from our major exports over the last three years,” he said.

“Gold was down 40 per cent due to the closure of Porgera, copper down 55 per cent and nickel down 15 per cent. “While this has been significantly offset by increased commodity prices, this is a worrying trend that must be addressed by doing more in the exploration stage to ensure the discovery, development, growth and continuity of the mining sector in PNG. “This does not measure the multiplier effect which adds further to government contributions, suppliers and contractors with every mine employee also contributing to the economy when spending their wages.” Samar said the multiplier effects were greater when there was a major construction project occurring. “This has a great significance when we consider how our economy recovers from the Covid-19 induced weakness over the next five years with the Porgera restart, Wafi Golpu and Papua LNG approvals and the Kainantu mine expansion all expected to occur during this period,” he said.

### **Manetai limestone is world class**

BY PETERSON TSERAHA, Post-Courier, 31 August 2022

THE Manetai Limestone Project is of world class standard and can show the world that Bougainville is an economy that can stand on its own feet. The project’s developer Lakesville mine managing director John Kuhns, who recently received the exploration licence, said it will be one of the major projects in the region once it is up and running due to the lime being on high demand on the market. “We have worked with the landowners here, more precisely the tripartite group, for over three years now right up to this stage,” he said. “The importance of this project is that it is the world’s first class infrastructure project that will be developed that can show the world that Bougainville economy can be on its own now, and when this projects plus other projects on Bougainville are developed, Bougainville will now be qualified to become an independent nation.”

Mr Kuhns said this project is not only important to Bougainville but to so many customers in the South East Asia region as well. “The project will produce two products, limestone and lime. Limestone can be used to make roads before the roads get sealed, but that is not really where the money is,” he said. “If the lime is pure enough it can be used for cosmetics, lipsticks eye linings and others.

Other industries that use lime is in pharmaceuticals, 70 per cent of aspirin is made out of lime.” Mr Kuhns said while the project is yet to go into construction phase they have reaffirmed that engineers who first came in and made analysis have now found out that the Manetai limestone is of world class. “The Manetai limestone is 95.5 per cent calcium carbonate which is of very high quality lime in the world and will be highly sought after by consumers.”

### **Sovereign wealth fund to get 7 per cent from govt dividends**

BY MELISHA YAFOI, Post-Courier, 31 August 2022

THE country will finally have a Sovereign Wealth Fund (SWF) structure in place in the coming months. Prime Minister James Marape said this SWF structure will see seven per cent from dividends from all Kumul companies including the extractive sector being funneled through following the policy approval by the State. He assured the private sector at the 12th Prime Minister’s Back to Business Breakfast in Port Moresby yesterday that his government had already approved for all Kumul companies, especially Kumul Mining Holdings Limited, Kumul Petroleum Holdings Limited and Kumul Consolidated Holdings Limited that at every declaration of dividend, seven per cent is set aside to be funneled into a SWF structure. “Within the balance of this year we will be working to set up a structure that outlives James Marape and those of us who are present,” he said.

“This is something we will do at the very earliest. Policy has been approved already. Seven per cent from all dividend flow from all our companies will be geared towards a SWF structure. “I look forward to contribution from anyone of you who have expertise in this area. “We want to set up something that is solid and from the desktop studies that my department has done, if we get to work today, in 10 years’ time, we will get a billion dollar facility and so we look forward to head into that space. “A simple 7 per cent throw-away and hopefully down the line it gets to be a sustainable fund that supports our economy going forward.” Mr Marape confirmed this yesterday when questioned on when the much talked-about Sovereign Wealth Fund mechanism will come into play to provide stability in the economy in the long term.

### **Govt wants to see major projects move: PM**

August 31, 2022, The National Main Stories

THE Government wants to see major resource projects “move across the line in terms of the different milestones they have in their plans”, says Prime Minister James Marape. They include the Porgera gold mine, Wafi Golpu, Papua LNG, P’nyang LNG and Pasca A projects. Marape said the projects would boost the economic growth of the nation, provincial governments and the people. Marape noted the challenges highlighted by Governor-General Grand Chief Sir Bob Dadae when he opened the 11th Parliament yesterday. They included electoral reforms, building roads, building a stable and transparent government, effective implementation of programmes, and building a strong economy.

“To bring about real change, we have embarked on important improvements,” he said. “We have maintained stability but also ensures that a renewed vision of our government is fully captured in the makeup of Cabinet. “We have merged functions but created the opportunity for ministers to take to full responsibility of key areas in trade and investment, and agriculture. “We have also built accountability processes into the determinations so that ministers and bureaucrats have an obligation to report progress on major initiatives of the government. “We must build business and investor confidence by maintaining a stable government, with very focused policies.”

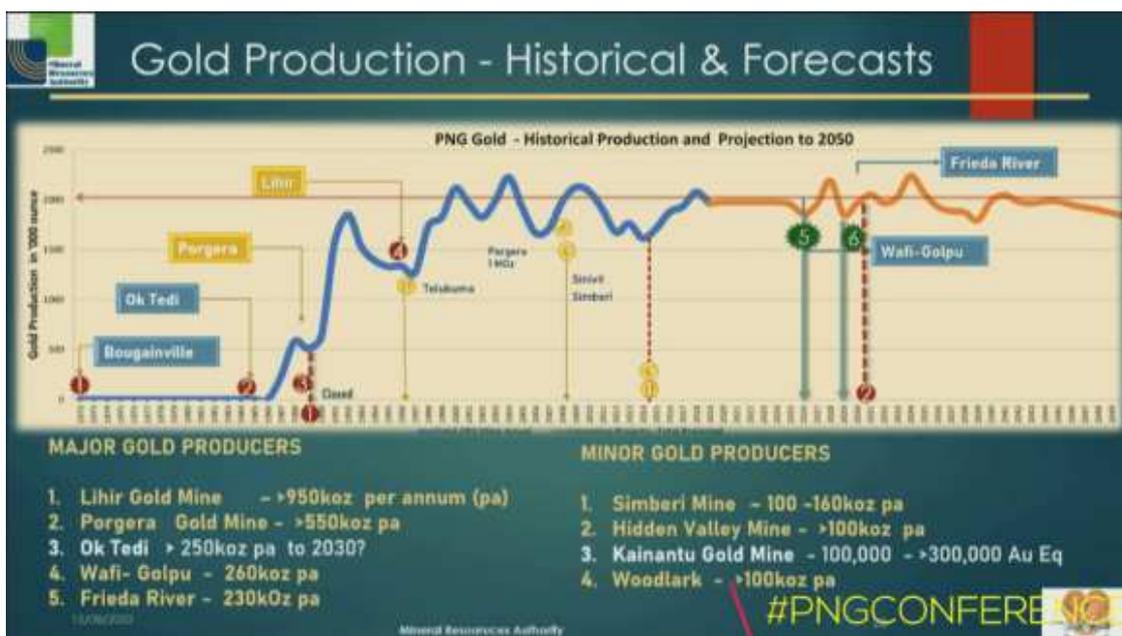
**Mineral Resource Authority MD predicts strong copper and gold production for Papua New Guinea up to 2050**

*If its two mining ‘mega projects’ – Wafi-Golpu and Frieda River – are delivered on schedule, Papua New Guinea will become one of the world’s major copper producers over the next thirty years, according to Jerry Garry, Managing Director of the country’s Mineral Resources Authority. However, he warns, PNG’s dependence on mining exports looks set to come to an end shortly thereafter.*  
 31 Aug 2022 by Business Advantage PNG



The Mineral Resources Authority’s Jerry Garry. Credit: Stefan Daniljchenko/BAI

Speaking at the [2022 Business Advantage Papua New Guinea Investment Conference](#) earlier this month, the MRA’s Jerry Garry outlined the three priorities for the Authority, which oversees PNG’s mining sector. These are the re-opening of the Porgera gold mine, closed since April 2020, and the permitting of the Wafi-Golpu and Frieda River ‘mega projects’. Mineral Resources Enga’s signing this month of the shareholders’ agreement for the [new-look Porgera joint venture](#) paves the way for the reopening mine’s development forum – an essential step before production can recommence. Jerry Garry told the conference that Porgera is now set to reopen in the last quarter of this year, or the first quarter of 2023, ‘if all goes well’.



PNG’s historical and projected gold production, 1972 to 2050. Source: MRA

**‘Mega projects’**

Between them, the Wafi-Golpu and Frieda River copper-gold projects hold an estimated 37.6 million ounces of gold and 20.6 million tonnes of copper, and will require capital expenditure of just under US\$10 billion (K35 billion) to develop. Garry said the State and the project’s developers, Newcrest Mining and Harmony Gold, were ‘in the final stages of concluding negotiations for a mining development contract’ for Wafi-Golpu. ‘Wafi-Golpu is ranked first in the world for its copper resource and reserve equivalent,’ he said, observing it would sustain PNG’s copper production once the Ok Tedi mine in Western Province reaches its end-of-life, currently expected in 2030. A tentative MRA timeline has construction on the project commencing in Q4 this year, with the mine commencing production in 2027. ‘By 2063, all the major mines in this country will be depleted and exhausted.’

Meanwhile, production at Frieda River isn’t expected until at least 2031, with permitting by the MRA possible as early as the end of 2024. A separate 600 megawatt power project is planned to provide power to the mine and, via a 370 km transmission line, to the wider Sepik area. Garry said there were still technical issues to resolve with the project’s proponent, PanAust Limited, most especially related to the way tailings will be managed. With both mines on stream, he said, PNG’s annual copper production would ‘gradually increase from around 200,000 tonnes to almost 600,000 tonnes of copper ... Papua New Guinea will be one of the major copper producers.’

**Exhausted mines**

However, Garry issued a clear warning: ‘not all good things last forever’. ‘We will have a healthy copper production output from 2030 until about 2055, if all goes well according to schedule. But look at the time when all these major mines will be closing. By 2063, all the major mines in this country will be depleted and exhausted. So we have a challenge in front of us. ‘When we don’t have any of these copper and gold mines anymore, where are we headed?’ He called for policies ‘that will also enable us to look at deep-seated ore bodies and ... growing the non-renewable economic sector.’