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OSL nears sale of its 3.5% stake in gas project

Thu, 27/08/2009 Source: The National

OIL Search Ltd is finalising the terms to sell 3.5% of its total 34% stake in the PNG liquefied natural gas (LNG) project.
When finalised, this would leave the oil explorer and operator of most operating oil fields in the country with 30.5% equity in the project.
The 3.5% stake lies within Petroleum Development Licence 2 (PDL 2) at Kutubu field in Southern Highlands province.
The sale has been proposed to Abu Dhabi’s International Petroleum Investment Corp (IPIC).
Oil Search managing director Peter Botten said in a statement the terms of the transaction were mostly agreed but details would be released later upon approvals by the boards of both Oil Search and IPIC. Mr Botten said funds received from the sale would help finance Oil Search’s share of capital costs in the PNG LNG project.
The funds would also be used to progress a range of growth initiatives, primarily designed to lay the foundations for further expansions and growth in LNG and other gas-based industries in the country. Meanwhile, Oil Search recorded a 73% decline in profit for the first half of this year compared to the same period last year.
The company said the plunge – after seven years of strong growth – was due to weaker oil prices stemming from global financial crisis recording US$35.6 million (K97.8 million) compared to US$133.3 million (K366.2 million) same period last year.
Total oil and gas production in first half was 3.81 million barrels of oil equivalent (mmboe), a 12% lower than same period last year.
By end June, Oil Search had a cash position of US$410.5 million (about K1,127.7 million) and was debt-free throughout the period.

Garrett approves massive Gorgon LNG project Post-Courier 27.8.2009

CANBERRA: Federal Environment Minister Peter Garrett has approved the multi-billion dollar Gorgon project which will supply liquified natural gas to China for the next two decades.
The project on Barrow Island, off Western Australia’s Kimberley coast, will proceed with 28 extra environmental conditions designed to protect endangered species such as the flatback turtle.
The yet-to-be developed project will create 6,000 jobs at its peak - and underpin a major massive expansion of liquefied natural gas (LNG) production across Australia.
Joint venture partners Chevron, Shell and ExxonMobil have signed off a $50 billion contract to

supply gas to state-owned national petroleum group, PetroChina, during the next 20 years.
Mr Garrett said the environment of Barrow Island, which is home to threatened species such as the flatback turtle, would be “properly protected”.
“I’ve considered it very carefully. I don’t believe that there’d be unacceptable impacts and as a consequence of that I’ve made my decision today,” he told reporters in Canberra on Wednesday.
“There’s an acceptance that additional conditions mean the public can have confidence that the environment of Barrow (Island) will be properly protected under this proposal.”
The project’s developers are planning to bury greenhouse gas emissions deep beneath Barrow Island.
Asked about the possibility of carbon dioxide leaking from faults in the geographical formation under the island, Mr Garrett said monitoring would need to be done to ensure the carbon capture and storage program was safe.
“I have required that we monitor whether or not there will be any potential adverse impact on species which are subterranean and are located in the groundwater of Barrow (Island),” he said.
The environment minister’s portfolio responsibilities are limited to considering the impacts the project would have on listed endangered species.
Chevron will be required to contribute $62.5 million to a flatback turtle conservation program.
The company will be required to make public its performance reports, outlining how the project is complying with approval conditions.
It will also be required to monitor changes in the flatback turtle population and to put forward plans to reduce noise and light emissions.
Chevron must also put forward plans, subject to government approval, to protect protected species such as the hare wallaby, burrowing bettong marsupial and golden bandicoot.
Mr Garrett said the company would be “more than willing” to meet the environment conditions imposed on it, adding he was aware of the economic size of the project.
“We have had those discussions with the company and it is the case that there is agreement on the basis of the conditions I have put forward and I welcome that,” he said.
Discussions with West Australian government officials had also been constructive, he added.

Oil Search signs deal with Kurdistan **Post-Courier 27.8.2009**

OIL Search Limited says it has signed a seismic option agreement with the Kurdistan Regional Government (KRG), over Block K42 in Iraq.
The K42 Block, which covers 511 square kilometres, lies in the south-eastern fairway of the Zagros Fold Belt of Kurdistan, adjacent to the Pulkhana discovery and the Kor Mor gas condensate field, which is currently under development.
The K42 Block has not previously been drilled, but is thought likely to contain the highly productive Cretaceous and Tertiary intervals present in the region and therefore has the potential to contain material reserves.
Under the agreement, Oil Search will acquire 200 kilometres of 2D seismic.
These seismic acquisition activities, which Oil Search will operate and fund 100 per cent, are expected to begin within the next six months.
Oil Search then has an option to sign a full production sharing contract (PSC) on agreed terms, should the results of the seismic data be encouraging and if other conditions are met.
Commenting on the agreement, managing director Peter Botten said:
“This seismic option agreement in Block K42 provides Oil Search with an opportunity to expand its presence in a highly prolific fairway. It is in line with Oil Search’s strategy to focus on licences that have material hydrocarbon potential, as Block K42 has an excellent address in a world class hydrocarbon province.
“Several companies have announced large new discoveries in this highly prospective region and oil

exports have recently commenced from the Tawke and Taq Taq fields.
“The option allows the company to reduce subsurface risk prior to taking on drilling commitments. Knowledge gained from our past non-operated ventures in the region will be applied to Oil Search’s first operated venture in Kurdistan.”

GOVERNMENT PAYMENTS TO PNG AGENCY QUESTIONED
No projects despite $7.8 million paid to agency

PORT MORESBY, Papua New Guinea (PNG Post-Courier, August 26, 2009) – The Papua New Guinea Government has been called to stop all special support grants and royalty payments to Porgera landowners as millions of kina had been misused over the past years.

Member for Laiagam/Porgera Philip Kikala made this call after K20.4 million [US$7.8 million] released in 2007 to the Porgera Development Authority was not acquitted for and the authority made calls for new funds to be released.

Mr. Kikala said there had been no impact projects in Porgera Valley and there no sign of evidence of the money having been spent for any useful purposes.

"All the K20.4 million and K25 million in MoA funds and royalty payments to Porgera over the years have not been utilised for its purposes and that’s why I have this call to appropriate government authorities to stop any payments to Porgera landowners," Kikala said.

The Member made this call after receiving frequent letters from landowners of the seven major clans in Porgera.

"The seven affected major clans are organising signatures to sign and petition the Government on the matter," Kikala said.

He said office bearers of Porgera Development Authority (PDA) Board had "completely gone off the track’’ and failed miserably to implement the mandated tasks with the funds.

"Appropriate actions will be taken on those involved in misusing these funds because the Public Accounts Committee has already conducted an investigation on the PDA accounts to see the expenditure and the actual projects implemented," Kikala said.

He said that no funds should be released to the PDA while many issues were outstanding. Porgera Development Authority is a government statutory body established as an implementing agency of the National Government.

Papua New Guinea Post-Courier: www.postcourier.com.pg/

Sinivit deal signed **Post-Courier 26.8.2009**

THE long delayed memorandum of agreement (MOA) for the Sinivit project was signed last Thursday in Rieit village in the Baining district of East New Britain Province.
The agreement was signed by Mining Minister Sir Puka Temu and representatives of project developer New Guinea Gold Limited, the East New Britain Provincial Government and Mt Sinivit landowners.
The genera- Terms of the agreement are:
- THE National Government to pay landowner company Uramot Company Limited 100 per cent of the royalties from the project; - THE National Government to appropriate and make available to the East New Britain Provincial Government in each financial year, a grant to be known as the “Special Support Grant” for use on provincial projects and programs in the Sinivit LLG, Inland Baining LLG and Lasual Baining LLG;
- THE State through the Department of National Planning and Monitoring undertakes to extend the tax credit scheme to the joint venture operators of Mt Sinivit;
- THE East New Britain Provincial Government to waive its share of the royalty payment in favour of the Uramot landowners to be disbursed to the Uramot Royalty Investment Trust Fund;
- THE joint venture partners to recognise that the Uramot Baining people, through their company Uramot Company Ltd, are significant shareholders in Goldmines of New Guinea Holdings Limited by virtue of their 25 per cent shareholding; and
- TO explore all avenues of consultation with all parties to resolve any problems or difficulties emanating from the mining operations.

Exploration to start on coal seam gas **Post-Courier 26.8.2009**

OIL Search Limited plans to investigate the potential of producing coal seam gas (CSG) in Papua New Guinea. The PNG based oil and gas producer has just been awarded seven mineral exploration licences, covering about 17,500 square kilometres in the Strickland Basin of Western Province, to carry out its work.
The company plans to spend $US5 million (K14.45 million) over two years on the evaluation of existing data within the seven licences and the drilling and sampling of three shallow wells. It has the option to extend the licences for another two years.
CSG exploration and production in PNG are governed by the Mining Act and the licences are administered by the Mineral Resources Authority (MRA).
The licences, in which Oil Search has 100 per cent equity, are located in the PNG Foreland, which is characterised by lowland forests and swamps, has few roads and a very sparse population.
Existing well data in the area is limited, but suggests the presence of thick coal layers and a large coal basin in this area. The rank, gas content and production ability of the coals will be constrained by the proposed drilling program.
The wells required to dril- These sequences are relatively shallow, with a total depth of less than 900 metres. Drilling activities will utilise mobile mineral-type drilling rigs and are therefore significantly cheaper than those targeting deeper petroleum systems.

PNG MINING INDUSTRY OPPOSES MINERAL RIGHTS PROPOSAL
Amendment would sanction private ownership of resources

PORT MORESBY, Papua New Guinea (PNG Post-Courier, August 25, 2009) – The Chamber of Mine and Petroleum, a peak body representing the mining and petroleum companies in the country is totally opposed to the proposed amendment to the Mining Act 1992.

The chamber said the ownership of mineral, oil and gas resources is vested with the State and the State is the only resource owner.

Chamber executive director Greg Anderson said yesterday that the arguments presented for private ownership of resources were grossly misleading and simplistic and "will stop any future resource development in PNG".

"The simple fact is that if a change is made to mineral ownership, exploration will die and there will be no new resource developments as the risk profile will be unacceptable to any potential developer. There will be a complete breakdown in the well established, internationally recognised system that underpins resource development in PNG. There will be no benefits for anyone," Mr. Anderson said.

"State ownership of minerals is vital to the development of PNG as a nation. State control of resources allows them to be developed for the benefit of all citizens as required by the Constitution.

"The resources are managed in an effective and orderly manner that is recognised internationally and accepted by the investor. Private ownership of minerals means that a few lucky individuals could expect to become rich at the expense of the rest. Papua New Guinea cannot develop as a nation under these conditions; it would splinter into groups driven by self interest.

He said an exploration tenement gave the holder the right to explore for minerals or oil and gas which is an expensive and high risk activity.

The explorer's only security is the tenement and the guarantee provided by the State that the explorer will have the right to develop any discoveries made on the tenement in accordance with requirements and obligations set by the State, Anderson said.

"If any potential explorer believes that the State will not, or cannot, provide this guarantee with an acceptable risk profile then the explorer will not invest exploration dollars."

He said the real issue of resource development in PNG was governance and transparency associated with the use of benefits generated from resource development and change in ownership would not address these problem but otherwise increase the risk of a certain group or individuals becoming more rich at the expense of the rest of the people in the country.

Papua New Guinea Post-Courier: www.postcourier.com.pg/

Oro set for new nickel project **Post-Courier 21.8.2009**

ANOTHER nickel cobalt mine is in the making as major partner Regency Mines plc signs an agreement in relation to its interest in the Mambare nickel–cobalt project in the Oro Province. Under the terms of the memorandum of understanding, Regency and Direct Nickel Pty Ltd (DNi) have agreed to work together towards a proposed transaction. It will pool Regency's interest in

Mambare with DNi’s lateritic nickel/cobalt treatment technology or the DNi process in a new company in which both companies will have shares, which will have non-exclusive licensing arrangements for the DNi process, and which will raise funding for the further development of Mambare, including a pilot plant.
DNi will assume the role as project operator in the new company, and both parties will be represented on the board and in the management of the new company.
Listed on the Alternative Invest-ment Market of the London Stock Exchange, Regency is a mining exploration and mineral investment company with interests in copper and nickel in Western Australia, Queensland, and Papua New Guinea.
Regency owns a 75 per cent interest in the Mambare project.
Regency and DNi will be required to devote to the planning and implementation of the proposed transaction, they have mutually agreed to grant each other a period of exclusivity up to October 1 this year, in which they will not negotiate with or furnish information to any third parties on Mambare or the MOU, and in which Regency will not vary or enter into any material contracts in relation to its operations at Mambare.
The parties have entered into the agreement because they recognised the significant potential of both the Mambare project and of the DNi process, and that putting the two together can maximise the value of each.

Australia signs biggest deal with China   Post-Courier 20.8.2009

AUSTRALIA has signed a record $50 billion export deal with China, agreeing to supply energy giant PetroChina with liquefied natural gas from the Gorgon development off Western Australia.
The deal, which comes a week after a $25 billion deal to supply gas to India, had been in doubt because of tensions between Canberra and Beijing over the arrest of Rio Tinto executive Stern Hu and the visit to Australia by Uighur leader Rebiya Kadeer.
Resources and Energy Minister Martin Ferguson said the unprecedented deal confirmed Australia as a global energy superpower.

(vgl. hierzu FAZ vom 20.8.2009: „Australisches Gas ist in Asien heiß begehrt”)

Nautilus focus on training   Post-Courier 20.8.2009

By Rosalyn evara

NAUTILUS Minerals is committed to the long term training of Papua New Guineans, say company officials. Nautilus’ environment manager Dr Samantha Smith said the company had a training program in place and it intended on getting as many Papua New Guineans as possible versed with the concept of seabed mining. Dr Smith said at present many of the Papua New Guineans working for the company were graduates.
However, she said they were sending them to Brisbane on a regular basis for training purposes.
She said with Nautilus set to start its 2009 PNG and Solomon Islands exploration program, a total of nine Papua New Guineans would also be involved in this exercise.
“Some of these people were involved in the exploration activities that Nautilus conducted in Tonga. They will also be going over to the Solomon Islands for that leg of the exercise as well.
“The campaign will also provide on the job training for these people,” she said.
Dr Smith said among the nine is a young Papua New Guinean named William Saleu who had won a

scholarship offered by the company to a leading university in the United States of America.
She said Mr Saleu during his stint there had not only learned but helped in the development of some of the techniques in this field of mining.
The paper understands that some of the Papua New Guineans including Mr Saleu, will be boarding the exploration vessel, MV Fugro Solstice, in Madang. Another group in Rabaul will also board when the vessel calls into port to refuel. Dr Smith said the crew have been rostered for shift work, working seven days a week and up to 12 hours a day.

Investor slump looming Post-Courier 20.8.2009

By Eric Tapakau

PAPUA New Guinea is being predicted to hit an economic slump if the proposed amendment to the Mining Act 1992 is passed in Parliament.
The mining industry, contributing about 64 per cent of export earnings, will be thrown into chaos and many people mostly Papua New Guineans will be unemployed.
This "worst than thought" picture was painted jointly by the Department of Mineral Policy and Geohazards Management (DMPGM) and the Mineral Resources Authority while explaining the proposed amendment to the media yesterday.
DMPGM and MRA formed a committee to look at the proposed bill.
DMPGM is responsible for formulating mining policies while the MRA is responsible for the implementing these policies.
They both feared that the proposed bill would push investors away from PNG's lucrative mining industry.
North Fly MP Boka Kondra is looking for Parliament's support to amend the Act which would see landholders having a bigger say in developing their mineral resources and having direct negotiations with the developers.
Both the department and the MRA see increasing benefits from mining operations to landowners as the best option rather than landholders taking control over the mineral rights as they fear that there would be unequal distribution of benefits if just one group of landholders or individual take control of mineral rights.
The State has rights over minerals under the current legislations.
"The implications from the proposed Bill to transfer mineral ownership to landowners will be very drastic. It will literally change the whole scope of mining activities in PNG. State Institutions like MRDC and MRA will have to do administrative changes to align with the amendment if it is passed by Parliament," said director of mineral policy and legislation Harry Kore.
"We must consider the wider implications of the legal, administrative, financial, social and technical effects. The substitution of the word State with landholder (inclusive of both customary and freehold land) throughout the Mining Act 1992 and the Oil and Gas Act 1998 does not adequately serve the purposes or intensions of the amendment.
"The impact on the PNG economy will be severe. Companies would not want to sacrifice their money in any high risk climates. The security of the tenure of their licence will also be in question (currently that is the main concern for companies dealing in high risk countries). If the companies do leave then thousands of Papua New Guineans will be out on the street with no jobs."
He said the proposed change would make single landowners or family units become "filthy rich" overnight. This will also attract many crooked companies to come in and deal with these landowners at the expense of the nation.
"Under the current system, everybody in the community receives the benefits derived from the activity as long as they are impacted, regardless of whether minerals are found on their land or on a neighbouring land," he said.

Ramu NiCo project resumes operation Post-Courier 19.8.2009

By SIMON ERORO

CHIEF Inspector of Mines Mohan Singh has given the Ramu NiCo project approval to resume full operations. The approval was given based on the company's latest submission made to the inspectorate, seeking approval to resume full operations with the submission also containing details of rectification work the company had made so far.
The Ramu NiCo management (MCC) also announced they wee pleased to advise that the construction has now fully resumed at the Ramu nickel/cobalt project in Madang Province from August 16, subsequent to the resumption of all civil works from August 7. They returned to work following a site inspection and a review of safety processes and procedures conducted by the MRA inspection team from August 8 to 10.
The site-specific improvements were focused on compliance in areas including heights and electric works.
Mr Singh, in view of the noticeable progress made by the company in the critical areas as well as their ongoing efforts, said the company was permitted to resume operations at their project. "However, strict regulatory conditions as stated in a letter to the company on August 15, will be applied," Mr Singh said.
He said the inspectorate aimsed to keep a constant vigil on the company to ensure compliance of its instructions and help the company discharge its statutory obligations."
On August 8-10 following several submissions made by the company subsequent to the stop work order, two officers were dispatched to the Ramu NiCo project to inspect Kurumbukari and Basamuk construction sites to verify compliance.
Following this, the project management made fresh submissions on August 13-14 to Mr Singh, asking him to consider resumption of operations at their project. MCC vice president Dr James Wang and general manager Raymond Lei were in Port Moresby to discuss their latest proposal with the chief inspector on August 14-15.
In an email to this paper, MCC president Madame Luo Shu reiterated: "The company is committed to continuous improvement in the health and safety aspects of its operation." She added that health and safety was always of paramount importance and "we support and promote initiatives" that would improve the safety awareness and training of employees. The managing director of joint venture partner Highlands Pacific Limited, John Gooding, said yesterday that they were pleased that normal operations had resumed at Ramu.
He said Highlands Pacific was fully supportive of the constructive approaches with which the MRA, MCC and the site team had worked through the issues. The construction phase of the project is scheduled to be completed by the end of this year followed by the commissioning phase.

PNG VILLAGERS SHUT OIL OPERATION, CHASE WORKERS

Landowners demand $193 million compensation

PORT MORESBY, Papua New Guinea (PNG Post-Courier, August 18, 2009) – Landowners from Komo in the Southern Highlands Province have closed down the Hides gas and oil and electricity plant and are demanding K500 million [US$193 million] from Oil Search and Department of Petroleum and Energy.

All the Oil Search staff were chased out of the processing plant and electricity plant yesterday before the landowners shut off all operations.

Oil Search Hides gas field operation office confirmed the closure of their facility and declined to comment further.

But they promised to make a statement today on how they would deal with the issue.

Southern Highlands provincial police commander Supt Jimmy Onipia and Highlands operations commander Simon Kauba while confirming the incident said police had been sent into the area to monitor the situation.

Supt Onipia said no damages had been reported but the situation was tense in the area.

Papua New Guinea Post-Courier: www.postcourier.com.pg/

Chinas Poker um die Rohstoffe FAZ 18.8.2009

Von Christoph Hein

Warten auf die Eisenerz-Ladung: Schiffe in West-Australien

17. August 2009 Wenn sich die Unterhändler der weltgrößten Bergbaukonzerne mit den Entsandten der staatlichen chinesischen Stahlwerke an einen Tisch setzen, geht es eigentlich um den Preis für Erz. Ganz nebenbei aber sind die Verhandlungen zwischen dem weltweit wichtigsten Käufer und den führenden Anbietern aus Australien oder Brasilien eine Lehrstunde in chinesischer Verhandlungstaktik: Deswegen geht es hinter den Kulissen auch um Spionage, um Erpressung, um Korruption. Wer hier die Oberhand behält, der holt für seine Auftraggeber ein paar Cent Gewinn je Tonne Erz heraus – und beschert ihm über das Jahr gerechnet damit Milliarden. Wer verliert, endet im Gefängnis.

Nie wurden die seit gut vier Jahrzehnten Jahr für Jahr geführten Verhandlungen zwischen Bergwerkskonzernen und Stahlhütten so erbittert geführt wie derzeit. Mit Japan und Südkorea kam es im Sommer zur Einigung. Schon im Juni hätten auch die Gespräche mit China enden sollen. Doch immer noch geht das Kräftemessen weiter. Jeder weitere Tag könnte nun freilich den Anbietern helfen: „Die Weltkonjunktur hat ihren Tiefpunkt erreicht. Von nun wird es, wenn auch mit vielen Ausschlägen, langsam bergauf gehen“, sagte David Wyss, Chefvolkswirt von Standard & Poor’s, am Montag in Singapur. Das aber heißt, dass auch aufgrund der staatlichen Hilfspakete gerade in China der Bau von Automobilen oder Brücken, Häusern oder Flugzeugen mindestens stabil bleibt. Und dafür braucht China vor allem eines: Stahl. Der Preis für dessen Rohstoff könnte also, so spekulieren die Anbieter, weiter steigen.

China setzt auf kräftige Nachlässe

China dagegen setzt alles daran, angesichts der Wirtschaftskrise kräftige Nachlässe zu erhalten. Lange genug hatte es sich erpressen lassen müssen. Denn die Großen der Branche, die Konzerne BHP Billiton und Rio Tinto aus Australien, Vale aus Brasilien, hatten die Rohstoffhausse der vergangenen Jahre weidlich genutzt. Angesichts der nimmer enden wollenden Nachfrage aus dem Reich der Mitte hatten sie noch im vergangenen Sommer die Preise fast verdoppelt.

Diesmal aber schlägt die chinesische Regierung zurück. Und greift tief in ihre Trickkiste. Die Verhaftung eines Mitarbeiterquartetts von Rio Tinto in Schanghai aufgrund fadenscheiniger Vorwürfe interpretieren alle in der Branche gleich: Die vier gelten als Faustpfand, als Geiseln im „Krieg ums Erz", wie chinesische Zeitungen das Ringen titulieren.

Der Riese China ist gereizt. Denn sein Einstieg bei Rio Tinto ist geplatzt. Er hätte das Unmögliche möglich gemacht: Wäre es dem Staatskonzern Chinalco gelungen, seinen Anteil an Rio Tinto aufzustocken, hätte plötzlich der wichtigste Kunde im Erzgeschäft an beiden Seiten des Verhandlungstisches gesessen. Das aber wussten die Rohstoffkonzerne in letzter Minute durch Schulterschluss zu verhindern. Denn Rio Tinto und die finanzkräftigere BHP Billiton führen nun ihr Erzgeschäft zusammen. Das Ergebnis: China wird kein Mitspracherecht erhalten. Sondern sieht sich künftig einer noch stärkeren Marktmacht gegenüber.

Jüngster Profiteur ist Fortescue

Nun haben die Chinesen sich darauf verlegt, in großem Stile kleinere Anteile an Rohstoffkonzernen rund um die Erde zu erwerben. Das erzeugt weniger Aufsehen in Politik und Gesellschaft. Ihre Finanzkraft schöpfen sie neuerdings bei einem zweiten Ansatz aus: Können sie sich nicht beteiligen, sichern sie sich für Milliardenkredite zu Niedrigzinsen Jahrzehnte währende Lieferverträge. Dies gilt für Erz genauso wie für Gas oder Öl. Nie war die Zeit dafür besser: In der Hochpreiszeit vergangener Jahre hatten sich Minenunternehmen verhoben. Die Börse bleibt ihnen derzeit verschlossen. Also warten sie sehnlich auf einen Scheck aus China. Gleiches gilt für ganze Staaten, deren Ratings schwach sind, die aber Bodenschätze haben: Peking hilft. Dass dabei Menschenrechte nicht hoch im Kurs stehen, zeigen Beispiele chinesischer Investitionen von Afrika bis Burma. Um künftig die Schwankungen im Dollar auszuschließen und vom erstarkenden Yuan zu profitieren, bietet China neuerdings auch Lieferverträge, die den Greenback umgehen – wie etwa bei Brasilien.

Jüngster Profiteur Chinas ist das australische Minenunternehmen Fortescue Metals Group. Am Montag einigte es sich mit Baosteel, dem Partner von Thyssen, auf einen Preisabschlag von 35 Prozent für Erz – dafür erhalten die Australier bis September 6 Milliarden Dollar Kredit aus China. Die Anbieter-Konkurrenz hatte 33 Prozent Nachlass angeboten, China 45 Prozent gefordert, als die Gespräche vor zehn Monaten begannen. Also rief die chinesische Seite am Montagmorgen in einer „dringenden Pressekonferenz" „Sieg", ein neuer Referenzpreis sei gefunden. Die Erzproduzenten konterten kühl, nur eine kleine Schlacht sei verloren, die Verhandlungen gingen weiter. Zumal Fortescue lediglich den Preis für die zweite Jahreshälfte festgelegt hat. Die anderen aber verhandeln über Preise für zwölf Monate.

Text: F.A.Z.
Bildmaterial: Reuters

PNG'S NEW IRELAND TOUTS TOURISM POTENTIAL
Province said to have isles that rival Tahiti's

WELLINGTON, New Zealand (RNZI, August 17, 2009) - The province of New Ireland in Papua New Guinea is looking to boost tourism in the hope of reducing its dependence on mining.

New Ireland Tourism Board chairman, Noel Levi, has issued the challenge to expand tourism, saying it would provide the province with a more sustainable future.

Mr. Levi says diving, surfing, big game fishing and yacht racing are all potential attractions, along with adventure tourism.

"We have some of the best atoll islands here in New Ireland, its probably just as good if not better than the ones you find in Tahiti or Fiji. But we need to develop the infrastructure and make it more attractive. Hopefully in the long term maybe in the next five to ten years we can get all these things happening."

Noel Levi says he has approached the mining companies in New Ireland to seek their support in developing tourist activities.

Radio New Zealand International: http://www.rnzi.com/

WORK RESUMES AT CHINESE MINE IN PAPUA NEW GUINEA
Nickel mine halted over safety concerns last month

WELLINGTON, New Zealand (RNZI, August 17, 2009) - Construction has resumed at the Ramu nickel cobalt project in Papua New Guinea following rectification of a number of health and safety issues.

The mainly Chinese-owned US$1.3 billion Ramu project was last month ordered by PNG authorities to stop construction work and to withdraw of workers, pending the implementation of health and safety measures at the site.

The site has this year also been the subject of violent clashes between local and Chinese elements of the workforce.

The mining company Highlands Pacific on its website quotes Managing Director John Gooding as saying that full activity has now resumed and that the safety review has not unduly delayed the project's timetable.

The targeted annual output of the Ramu mine is 31,500 tons of nickel and 3300 tons of cobalt contained in high grade concentrate over a 20 year mine life.

Highlands Pacific has an 8.56 percent interest in the project.

Radio New Zealand International: http://www.rnzi.com/

StreetInsider.com

Hagens Berman Sobol Shapiro: Plaintiffs Celebrate as Rio Tinto Loses

August 3, 2009 6:52 PM EDT

SEATTLE, Aug. 3 /PRNewswire/ -- The United States Federal Court again rejected arguments from Rio Tinto (NYSE: RTP) late last week, in a massive human rights claim brought by South Pacific islanders claiming the world's largest mining company conspired with the government of Papua New Guinea (PNG) in crimes against humanity, racial discrimination and war crimes.

(Logo: http://www.newscom.com/cgi-bin/prnh/20080317/AQM144LOGO)

In the most recent ruling, Judge Margaret M. Morrow held that the heinous nature of the allegations led to the court's conclusion not to impose an "exhaustion requirement" with respect to the claims.

An exhaustion requirement would require the Court to explore the possibility of dismissing the case in the United States, leaving plaintiffs to start the legal process all over again in Papua New Guinea.

"Rio Tinto has tried every possible stalling tactic to prolong the case," said Steve Berman, lead attorney and managing partner at Hagens Berman Sobol Shapiro. "Now that the court has rejected Rio's arguments again, we're eager to move this case forward so that the people of PNG can receive the justice they deserve."

The case, originally filed in 2000 in U.S. District Court in Los Angeles, seeks to represent Bougainville island residents exposed to toxins resulting from Rio Tinto mine operations and those who were injured or killed during the political and social conflict between Rio Tinto and PNG citizens, which began in 1989 and raged until 1999.

Rio Tinto has argued for years that despite the Alien Tort Claims Act explicitly stating that foreign nationals can bring suit in the United States against companies that violate international law, plaintiffs in the Rio Tinto case should not be allowed to do so. Rio Tinto is the parent company of subsidiary U.S. Borax Inc., headquartered in Los Angeles.

"We are anxious to show the world evidence of the company's participation in these international law violations from former senior level army officers," said Berman. "We are eager to introduce evidence showing that Rio supplied gunships and supplies and facilitated war crimes in order to keep revenues from their mine flowing."

According to a declaration by General Singirok, commander of the Papua New Guinea Defence Force (PNGDF) at the time of the alleged atrocities in the 1990s,"the PNGDF was Rio Tinto's personal security force and was ordered to take action by any means necessary."

"We can only hope that Judge Morrow's thorough and reasoned opinion will allow victims in this case an opportunity to prove the allegations against Rio for its indefensible human rights violations," Berman continued.

About Hagens Berman Sobol Shapiro

The law firm of Hagens Berman Sobol Shapiro is based in Seattle with offices in Chicago, Cambridge, Los Angeles, Phoenix and San Francisco. Since the firm's founding in 1993, it has developed a nationally recognized practice in class-action and complex litigation. Among recent successes, HBSS has negotiated a pending $300 million settlement as lead counsel in the DRAM memory antitrust litigation; a $340 million recovery on behalf of Enron employees which is awaiting distribution; a $150 million settlement involving charges of illegally inflated charges for the drug Lupron, and served as co-counsel on the Visa/Mastercard litigation which resulted in a $3 billion settlement, the largest anti-trust settlement to date. HBSS also served as counsel in a $850 million settlement in the Washington Public Power Supply litigation and represented Washington and 12 other states in lawsuits against the tobacco industry that resulted in the largest settlement in the history of litigation. For a complete listing of HBSS cases, visit www.hbsslaw.com.

Papua New Guinea LNG project seeking $2 bln

By Sharon Klyne

MELBOURNE, July 30 (Reuters Basis Point) - Sponsors of a $16.5 billion-plus liquefied natural gas project in Papua New Guinea are seeking $2 billion in project finance bank debt to partially fund the deal, banking sources said.

The sponsors are proposing a 15-year deal, comprising a five-year construction phase and a 10-year pre-completion phase. The average life after completion is 7.75 years. The loan will not have any political risk coverage, the sources said.

Project financing is just one part of an $11.7 billion multi-sourced senior debt package needed to fund the project, expected to be the largest oil and gas project in the Asia Pacific region when completed.

"The project is seeking to raise approximately $11 Billion in debt financing and anticipates a final investment decision will be taken in late 2009 with a corresponding first LNG cargo targeted for late 2013/early 2014," said a spokesperson for the project.

In addition to the project financing deal, the sponsors are planning to raise up to $2 billion in bonds and $4.2 billion from export credit agencies in the form of direct loans or guarantees.

Lead sponsor Exxon Mobil Corp (XOM.N) will provide a $3.5 billion loan which will rank equally with the other creditors. The other partners in the project are Oil Search Ltd (OSH.AX), Santos Ltd (STO.AX), Nippon Oil Corp (5001.T) and PNG landowners.

The sponsors are hoping to get an investment grade rating for the project finance bond as there is little investor appetite for non-investment grade stand-alone project bonds, one of the sources said.

The sponsors are kicking off a global roadshow with potential lenders in London on Aug. 3, with stops scheduled for Beijing, Tokyo and Sydney later in the week.

Some 40 banks and institutions are said to have been invited to the presentations.

In addition to the debt needed to fund the project, the sponsors will also need to invest an extra $5 billion based on a 70:30 debt-to-equity ratio.

The sponsors are aiming to reach financial close by Dec. 15 2009, with first gas expected by the end of 2013 or early 2014. SG is the sponsors' financial adviser. Early works on the project are underway, including road upgrades and repairs, the construction of camps, wharf upgrades and early site preparation. The works are expected to cost about $600 million.

Gas sales are moving ahead with China Petroleum & Chemical Corp (Sinopec) (0386.HK) recently signing an off take agreement for 2 million tonnes per annum (tpa) of the LNG produced by the project.

The sponsors are also in talks to secure sales from South Korea's Korea Gas Corp and Japanese electricity companies. The project is expected to produce 6.3 million tonnes of LNG a year. The sponsors have indicated that they are finalising terms of sale for the other 4.3 million tpa to Asian buyers.

The project will replace a proposed upstream project to pipe gas from Papua New Guinea to Queensland, which was abandoned in 2006 due to insufficient customer demand. (Editing by James Thornhill)

LAWSUITS, CONFLICT UNDERLIE PROPOSED PNG LIQUID GAS PROJECT
Proposed pipeline would carry gas from inland fields to Port Moresby

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 27, 2009) – The [major] PNG LNG project is in an unsteady stage with many issues yet to be addressed. There is a court proceeding pending to nullify the LNG agreement of May 22 last year while a new court challenge has been taken to nullify the controversial umbrella benefit sharing agreement.

A Bill presented by North Fly MP Bok Kondra to amend the existing oil and gas laws of 1992 and 1998 is before Parliament. The governors of Western and Gulf provinces which the project would affect declared that their provinces with the resources were not part of the LNG project. The governors said their provinces and people were not benefiting from the project.

Amidst this, landowners of the oil and gas heads of Juha, Angore and Hides PDL 1 and PRL 12 in the Southern Highlands said last week that the LNG project should not be disturbed by individuals for their vested interests. They said they did not support the call by the governors or any others trying to stop or delay the LNG project.

INDIA SEEKS ACCESS TO PAPUA NEW GUINEA OIL AND GAS
Government wants piece of action in resource-rich PNG

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 27, 2009) – Papua New Guinea and India have agreed to pursue opportunities for cooperation in the hydrocarbon sector between the two countries.

At a meeting between Foreign Minister Sam Abal and India’s Minister of State for Petroleum and Natural Gas Shri Jitin Prasada over the weekend, the two ministers stressed that there were vast opportunities which the corporate entities of two countries could harness for mutual benefit.

Mr. Prasada said Indian oil authorities like

ONGC, GAIL, Petronet LNG and downstream companies were keen to take part in development of the hydrocarbon industry of PNG, with the entire hydro-carbon "value chain’’. He said Indian companies were interested in participating in the upstream sector to carry out exploration and develop fields.

The minister said Indian companies had been engaged in talks with their counterparts and other operators in Papua New Guinea. Shri Prasada also said that India could render help in using vast natural gas reserves of the country by setting up liquefaction facilities as well as its transportation and source the LNG to India. He said the modern training facilities with Indian oil operators could be used to train hydrocarbon staff of Papua New Guinea for indigenous capacity building.

Meanwhile Mr. Abal said: "India is not only a largest democracy but a country that has made substantial achievements in science and technology as well as education and health. These are areas PNG can look to India for co-operation.''

Abal while in India has raised the issues of concluding a technical cooperation agreement, an investment promotion and protection agreement, information and technology cooperation including a PNG satellite launch initiative, education and training and community college education to name a few.

Papua New Guinea has vast reserves of natural gas (also copper, gold and nickel). The country's natural gas reserves have been estimated at 15.6 TCF which can support about 15 MMTPA of the LNG project.

Papua New Guinea Post-Courier

INTERNATIONAL FINANCE GROUP EYES SOLOMONS MINE
Australian-owned Gold Ridge Mine needs financing

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, July 26, 2009) - The

International Finance Corporation is considering a major investment in the Gold Ridge mine in Solomon Islands.

The Gold Ridge Mine shut-down during the ethnic trouble in Solomon Islands early this decade and has struggled to reopen.

International Finance Corporation Vice President Rachael Kyte says the mine has the potential to add a number of percentage points to Solomon Islands economic growth.

The mine owner Australian Solomons Gold has found it difficult to obtain finance for the project in the wake of the global financial crisis.

Ms. Kyte says the IFC is willing to invest but that the company will have to meet strict sustainability guidelines.

"It has to abide by our environmental and social standards, and it has to adhere to best practice in corporate governance again a standard that we set that other institutions use," she said.

The IFC is expected to make a final decision in October.

Radio Australia

WORK HALTED AT CHINESE MINE IN PAPUA NEW GUINEA
Health, safety concerns at huge Ramu nickel mine

By Liam Fox, PNG correspondent

MELBOURNE, Australia (Radio Australia, July 26, 2009) - Papua New Guinea's Chief Inspector of Mines has been suspended work at the Ramu nickel mining project because of health and safety concerns

The Chief Inspector, Mohan Singh ordered a halt to construction work at the US$1.3 billion mining project in Madang province last week.

Mr. Singh went to the site to investigate an accident in May, in which a worker was injured after being run over by a tractor.

He has not released the reasons for his stop work order.

The mine's majority owner, the China Metallurgical Construction Group Corporation, says it's working to address the issues and hopes construction will resume this week.

The project has been plagued by disputes with local workers.

After the accident in May, local workers bashed several Chinese employees and the project was temporarily shut down.

Radio Australia

AUSTRALIAN OIL COMPANY TO DRILL IN PNG
Up to six exploratory wells planned

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 22, 2009) – Junior oil and gas company New Guinea Energy Ltd (NGE) says it has reached agreement with a major multi-national oil company to fund substantial seismic programs and up to six exploration wells in Papua New Guinea. Under the joint venture, a wholly owned subsidiary of the new partner will undertake and fund seismic and drilling activities in NGE's 100 per cent owned PPL 269 and PPL 268 exploration licences in the Papuan Basin.

[*PIR editor's note: New Guinea Energy Ltd. is an Australian company focusing on oil and gas exploration and production in central Papua New Guinea*.]

A binding agreement is expected by August 31 at which time full details of the joint venture will be announced, NGE said in a statement on Monday. It said the identity of its JV partner will not be revealed until a binding agreement is signed. NGE said negotiations were continuing on farm-in terms for PPL 267. It said the parties also intended to enter into a technical support agreement whereby the partner would provide services to NGE including a geological and strategic review of the NGE's remaining Papua New Guinea portfolio, subsurface technical support and community and government support. "It is anticipated that the seismic acquisition will be completed by end 2009 with drilling starting in mid 2010," NGE said.

It said the key terms of the heads of agreement were outlined in the announcement that was made to the Australian Stock Exchange on Monday. NGE said it had six highly prospective onshore petroleum prospecting licences (PPLs) in Papua New Guinea covering 52,000 square kilometres, the largest exploration footprint of any oil and gas company in the country. It said the farm-in agreement would allow NGE to fast-track seismic, exploration and drilling programs across its portfolio with the aim of ultimately commercialising oil and gas for both the PNG domestic and export markets. The company said it started a formal process last year seeking farm-in and funding proposals from potential joint venture partners suited to assisting NGE in developing its PNG licences.

"NGE has to date undertaken a multi-million dollar infrastructure and exploration program in its PPLs, which are adjacent to licences containing discoveries of one billion barrels of oil and 15TCF of gas," the company said. "The existing prospects within NGE's portfolio have the potential for undiscovered resources of between 616 and 641 MMBOE." NGE's executive chairman Michael Arnett said the announcement was a significant step forward for the company's PNG operations. "We are delighted to have reached this agreement with a partner whom we believe is well suited to meet the financial, technical and commercial challenges of developing these assets in PNG," Mr. Arnett said. "This agreement represents a strong endorsement of the potential of our PNG licences and successfully completes the enormous efforts over the last two years." The dual-listed NGE closed steady at K0.16 on the Port Moresby Stock Exchange yesterday.

EXXONMOBILE ANSWERS PNG LANDOWNER CONCERNS
To negotiate with umbrella landowner group

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 17, 2009) – EXXONMOBIL Corp yesterday clarified that the national content plan for the PNG LNG project had been presented to the Government and business opportunities had been discussed with landowners in the project areas. "In fact, we have already reached agreement with one group to create an umbrella landowner company and are working with others at this time," ExxonMobil's public affairs adviser Stuart Symons said. He said ExxonMobil's community affairs and business development representatives were active in all project areas and it was inaccurate to portray otherwise.

Mr. Symons said this in response to landowner concerns that the multi-billion-kina project developer had not spelled out its content plan in time for the finalising of the BSA agreement in September. He said during March, the PNG LNG project conducted a communication road show on national content, including workforce development and local business development, at 26 locations throughout the project area. About 3000 people attended and some 500 were consulted through questions and comments, he said.

"Additionally, there have been numerous meetings with government officials including MPs, departments and the Prime Minister on national content," Symons said. "During the umbrella BSA meeting, the project made a presentation on national content, workforce development and local business development." He added that ongoing communication with landowners about national content would be conducted through road shows and focused communication via land and community affairs village liaison officers, which would take place at the villages and not in Port Moresby.

Esso Highlands Limited, a subsidiary of ExxonMobil Corporation and operator of the PNG LNG project signed its first agreements with executives from upstream landowner companies (or Lancos, as they are known) -- Gobe Freight Services, Kikori Oil Investments and Gobe Field Engineering --

to participate in early works developments. The service outline agreements documented the terms and pricing structure under which each Lanco and the PNG LNG project agreed to do business during the next five years. The agreements covered services which each Lanco could perform in their geographic location, such as labour hire, equipment hire, catering and freight services.

A total of 11 such agreements were planned with 10 in the area of the upstream onshore facilities (Kopi/Gobe, Kutubu, Moran and Hides) and one in the area of the LNG plant site near Port Moresby. The major early works contract for the upstream portion of the project was last month awarded to Clough Curtain JV, a joint venture between Clough Niugini Ltd and Curtain Bros PNG Limited. The scope of the early works contract includes civil engineering, construction and site preparation work that is required to upgrade existing infrastructure and build new infrastructure and facilities to enable full-scale construction to start early next year.

PNG LANDOWNERS WARY OF BIG OIL COMPANY
They say ExxonMobil using 'divide and rule' tactics

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 14, 2009) – Central Province leaders have slammed developers of the multi-billion-kina LNG Gas project Exxon Mobil for allegedly confusing landowners of their province who belong to the project impact areas.

"Exxon Mobil is in the business of confusing the landowners and playing the divide and rule tactic," Mr. Aihi told a meeting held by landowners of Papa, Lealea, Porebada and Boera villages on Saturday.

Aihi and Central Governor Alphonse Moroi attended the meeting at the Hideaway Hotel with landowners to organise them concerning the sharing of benefits from the project.

"If we are not organised, the company will run rings around us and choose whoever it wants to negotiate with and genuine landowners will miss out on benefits," Mr Aihi said.

Moroi urged the landowners to have their ILG (Incorporated Landowner Groups) registered.

He said the landowners at the meeting had unanimously voted that they would do that for the interim work under the umbrella group BRPP (Boera, Lealea, Papa and Porebada) and must remain united.

He admitted there were minority factions of landowner groups from Papa and Boera working behind the scenes who were asked to attend the forum, but they had refused.

He agreed with Aihi that Exxon Mobil was disuniting the landowners by recognising and dealing with Labah Holdings, supported by former Kairuku Hiri MP Sir Moi Avei.

"We do not know who has given the mandate to Labah Holdings to negotiate," Aihi said. About 60 landowners of the impacted villages attended the meeting.

Lagea attacked in own electorate National 13.7.09

By NIKINTS TIPTIP

MEMBER for Kagua- Erave James Lagea and his delegation were attacked allegedly by tribesmen of a political rival on Saturday afternoon at Sumbra village some kilometers out of Kagua station in Southern Highlands province.

Mr Lagea was returning by road from Erave station back to Kagua when he was attacked by drunken youths who blocked the Sugu River Bridge with sawn timbers.

A young man from the MP’s Wambi Sumi area was slashed in the neck and is in critical condition at the Ialibu Hospital.

The two 10-seater Landcruisers were damaged with stones and bush knives and the rear windscreens of both vehicles were smashed.

Some of those who travelled in the vehicles received minor injuries.

Quick action by Mendi-based police, who escorted the delegation, prevented what could have been much worse.

Although Mr Lagea did not receive any injury, he was in shock.

“I have done nothing wrong in the area since I was elected and I have no enemies throughout Kagua-Erave electorate,” he said.

Mr Lagea said he had allocated K1.3 million for the upgrading of the Kagua to Erave road which people of Sugu Valley directly benefited.

The attack seemed planned as most of the young men were drunk and deliberately blocked the bridge to attack his delegation.

Mr Lagea was accompanied by former MPs Yano Belo and Charles Luther, assistant police commander Samson Mapi, and district administrator Paul Pawa when they were attacked.

“Leaders from Sumbura should come out and explain to the people of Kagua-Erave why they blocked the road and attacked his delegation,” he said.

Mr Lagea urged his supporters not to attack anyone from Sumbra in retaliation as this would not solve any problem.

Mr Lagea was in Erave to explain the benefits of the LNG project for the province.

He announced that a landowner forum on the LNG project would be held in Kagua station in September to be organised by the Department of Petroleum.

Mr Lagea also gave out K62,000 in cash to the people of Erave for cleaning up the Erave district office area and clearing up landslips between Kagua and Erave.

Rio Tinto Kalter Krieg um Rohstoffe FAZ 10.7.09

Von Stephan Finsterbusch und Ulrich Friese

Rio Tinto ist der drittgrößte Bergbau-Konzern der Welt

10. Juli 2009 Zwischen Australien und China kracht es an allen Ecken, und ein Ende der Streitereien ist nicht in Sicht. Im Gegenteil: Es geht um chinesische Vorwürfe der Spionage und die Verhaftungen von Mitarbeitern des britisch-australischen Rohstoffkonzerns Rio Tinto in Schanghai, es geht um liquide Staatskonzerne aus dem Reich der Mitte und finanziell klamme Rohstoffunternehmen auf dem fünften Kontinent, es geht um Fusionen und Übernahmen, um Kontrolle, Macht und sehr viel Geld.

Was westliche Rohstoffkonzerne vor kurzem in Russland erlebten, scheint sich nun im Reich der Mitte fortzusetzen: ein kalter Krieg um Rohstoffe. Seit Rio-Tinto, der drittgrößte Bergbau-Konzern der Welt, Anfang Juni ein milliardenschweres Aktien-Kauf-Angebot des Staatskonzerns Aluminium

Corp. of China (Chinalco) zurückwies und stattdessen sein ursprünglich angestrebtes Bündnis mit dem australischen Rivalen BHP Billiton forcierte, haben sich die atmosphärischen Spannungen zwischen Canberra und Peking zu einem gewaltigen politischen Tiefdruckgebiet aufgebaut.

„Diebstahl von Staatsgeheimnissen"

Die australische Firma BHP Billiton hat den Zuschlag bekommen. Als die Wettbewerbsbehörden in Canberra im Mai die Hürden für den Einstieg von Konzernen aus dem Reich der Mitte bei Unternehmen auf dem fünften Kontinent höher legten, sahen sich die Machthaber der kommunistischen Regierung erstmals gezwungen, lautstark an die Spielregeln des freien Marktes zu appellieren. Als die China Minmetals Corp. im Februar einen Kampf zur Übernahme der australischen OZ Minerals startete und Canberra das Vorhaben auf Druck konservativer Kreise in Australien ins politische Abseits laufen ließ, hielt Peking noch still. Doch mit der kürzlich erfolgten Absage der geplanten Allianz zwischen Rio Tinto und Chinalco brach bei den politischen Akteuren in China ein Sturm los. Er gleicht einem Taifun, den wohl auch verbal die abgewogenen diplomatischen Noten, die seit Tagen über den Pazifik hin- und hergehen, kaum noch bremsen können.

Wie einst bei großen europäischen Ölfirmen in Russland werden auch in China zunächst ausgewählte Mitarbeiter ausländischer Investoren unter Druck gesetzt. Unter dem Vorwurf der Industriespionage ließ die chinesische Regierung am Wochenende in den Geschäftsräumen einer Rio-Tinto-Niederlassung Computer mit Vertragsdaten beschlagnahmen sowie vier Mitarbeiter dieser Gesellschaft verhaften. Darunter befindet sich neben drei chinesischen Mitarbeitern auch der australische Chef der Rio-Vertretung in Schanghai, Stern Hu. Der Topmanager soll in den jüngsten Verhandlungen um Preise und Liefermengen australischen Eisenerzes an die großen Stahlwerke in China eine entscheidende Rolle gespielt haben. Die Behörden werfen ihnen Agenturberichten zufolge den „Diebstahl von Staatsgeheimnissen" vor. Ein Vergehen, das in China mit einem lebenslangen Gefängnisaufenthalt bestraft werden kann.

Einer der größten Abnehmer von Eisenerz

Seitens der Chinesen hieß es, es handele sich bei der gesamten Aktion um einen individuellen Justizfall und sollte nicht politisiert werden. Australien dagegen bestellte den chinesischen Botschafter in Canberra ein. Daraufhin erlaubt China australischen Diplomaten nun, ihren Manager Hu Ende dieser Woche aufzusuchen. Der australische Außenminister wies öffentlich zurück, dass ein Zusammenhang bestehe mit Chinas gescheitertem Geschäft, seinen Aktienanteil bei Rio zu erhöhen.

Dabei hatte Canberra dem in chinesischer Staatshand befindlichen Konzern Chinalco einen dicken Strich durch die Rechnung gemacht, für knapp 15 Milliarden Euro seinen Anteil an Rio weiter aufzustocken und Schritt für Schritt die Kontrolle zu übernehmen. Peking war empört, düpiert und zeigte sich getroffen. Für Rio ist China einer der größten Abnehmer von Eisenerz. Für China ist Rio einer der wichtigsten Lieferanten der für das rasche Wachstum so wichtigen Rohstoffe.

China scheint mit seiner Aktion einen Weg zu beschreiten, den Russland 2006 vorgezeichnet hatte. Moskau fing damals an, gegen europäische Ölkonzerne vorzugehen. Als erstes Ziel für seine Attacken wählte Moskaus ehemaliger Staatschef Wladimir Putin Shell aus. Der niederländisch-britische Konzern profitierte noch vor drei Jahren von einer Vereinbarung, die zu Zeiten von Putins Amtsvorgänger Jelzin ausgehandelt worden war und dem westlichen Betreiber eine Schlüsselposition bei der Erschließung des russischen Öl- und Gasfeld-Projekts „Sachalin 2" zusicherte. An der dafür gegründeten Förder- und Entwicklungsgesellschaft hielt der Ölproduzent aus Den Haag 55 Prozent. Der Rest fiel den japanischen Partnern Mitsui und Mitsubishi zu.

Hohe Steuernachforderungen und scharfe Umweltauflagen

Putin war die vermeintliche Vormachtstellung von Shell in dem höchst lukrativen Energieprojekt ein Dorn im Auge, und er drückte einen Einstieg des russischen Staatskonzerns Gasprom durch. Direkte Interventionen des Staates in dem Projekt wurden von den zuständigen Regierungsstellen in Moskau bestritten. Stattdessen machten diverse Behörden durch Umweltauflagen oder den drohenden Entzug von Betriebslizenzen den Shell-Managern die Arbeit im Tagesgeschäft schwer. Putins Kalkül ging freilich auf. Shell musste seine Führungsrolle für „Sachalin 2" an Gasprom abtreten.

Ähnliche Widerstände des Kreml spürte auch BP. Im Gegensatz zu Shell zog der Ölkonzern aus London vor sechs Jahren die Gründung seines britisch-russischen Gemeinschaftsunternehmens TNK-BP zwar mit ausdrücklicher Genehmigung Putins durch. Doch mit zunehmendem Geschäftserfolg und der wachsenden Bedeutung von TNK-BP für die Öl- und Gasversorgung in Russland - das Unternehmen kontrolliert immerhin knapp ein Fünftel der Gesamtreserven - setzten staatliche Stellen in Moskau den Betreiber aus dem Westen durch hohe Steuernachforderungen und scharfe Umweltauflagen gezielt unter Druck.

Analysis **Pacific Islands Report**

GUADALCANAL MINING COULD LEAD DEVELOPMENT EFFORTS

By Alfred Sasako

A decade or so ago, Guadalcanal, the largest island in the Solomon Islands archipelago, was drawing international attention for the wrong reason.

It was here in 1998 that a civil uprising known locally as the "ethnic tension" had begun, drawing young men largely from Guadalcanal and Malaita to engage in a long drawn all-out war, resulting in the loss of many innocent lives, destruction of hundreds of properties and countless businesses.

Many companies folded. Among these was the Solomon Islands Plantation Ltd [SIPL], with job losses in the thousands. SIPL, which operated the country's only large-scale palm oil development on the Guadalcanal Plains just east of the capital, Honiara, lost everything, and with it, about a 17 per cent in tax revenue loss to the government. [The company has since been taken over by Guadalcanal Palm Oil Ltd [GPOL], a subsidiary of the Malaysian conglomerate operating in neighboring Papua New Guinea's West New Britain Province].

Nearby, the Gold Ridge Mining Company, operated by Ross Mining was also forced to shut down after only two years of production. Thousands of workers were also forced out of their jobs. [Like SIPL, Gold Ridge has been taken over by Australia Solomons Gold]. The new outfit is now trying to raise US$140 million to restart production. In the aftermath of the "ethnic tension" thousands of skilled, semi-skilled and unskilled workers have been left without jobs today particularly on Malaita where an estimated 20,000 former workers from different industries have been resettled.

Appeals for international help at the height of the uprising went unanswered. Australia, for instance, said at the time that it was an internal matter for the people of Solomon Islands to resolve themselves. They didn't. The ethnic tension had all but torn the nation apart. [Australia finally relented five and a half years later. It put together a regional coalition of the willing by sending troops and police under the banner, Regional Assistance Mission to Solomon Islands [RAMSI]]. It now shares a billion dollar a year budget with New Zealand to rebuild Solomon Islands. Now Guadalcanal, the island where it all began more than 10 years ago, is again drawing international attention – this time it appears – for all the right reasons. In more ways than one, the island itself is a floating gold mine.

At just about every section of the island, shaped like a sea cucumber, there are mineral deposits of some sort. Gold, copper and even oil traces are found in just about everywhere. Satellite images are said to have indicated traces of the black gold in the Tangarare area on west Guadalcanal. At Koloula on the island's Weathercoast region, the hub for militant activities during the ethnic tension, a huge copper deposit reportedly three times the size of Bougainville copper, the world's largest open-cut mine, abandoned during the Bougainville uprising in the 80s, has been identified.

Closer to the capital, Honiara, it is gold, gold and more gold. It seems to be confirming the first sighting of gold made some 441 years ago when Spanish explorer, Alvaro de Mendana, sailed into Point Cruz in 1568. Mendana's find was on the riverbed of Mataniko River that divided Honiara into halve, this time around gold is found in every spot imaginable – on the seabed, in the riverbed and in hard rocks in the mountains. Located just 30km or so east from the heart of Honiara itself is Gold Ridge, a rich, sizable mine abandoned during the uprising after only two years of production. In that period, some 210,000 ounces of gold were extracted and exported.

Proven reserves from the three deposits there stand at two million ounces of gold. More are being discovered in nearby ridges as prospecting work continues. Australia Solomons Gold, the company that has taken over the mine, is fighting to stay afloat. It needs capital injection of around USD140 million to get the mine in full production. Just eight short kilometres to the east is a place called Sutakama along the upper Balasuna River. In July last year, a relatively unknown New Zealand businessman was granted a prospecting licence for a 50 sq km concession there.

Kelvyn Alp, little known in the mining industry, is the Managing Director of CARATAPA Group of Companies. A subsidiary of his company, Phoenix International [SI] Ltd was granted a full mining licence in March this year – just seven and a half months after he deployed local geologists in favor of foreign ones to ascertain gold deposit in the Sutakama area. Alp is a lucky man. Initial prospecting results on just two-thirds of the company's 50sq km concession at Sutakama suggest the deposit could hold as much as 42 million ounces of alluvial gold or approximately 1.33 million kilograms of the metal.

Proven reserve right now is 1,104,501 ounces, a probable reserve of 11,503,215 ounces and a possible reserve (pending further exploration in the southern end of the prospect), of 42,757,235 ounces. Results gleaned from several targeted six metre excavated depths geologists sunk at the Sutakama site in the three months to March this year, showed that the deeper the hole, the higher the grade and the larger the quantity of the metal, first discovered some five thousand years ago.

By comparison, the Sutakama find is potentially 28 times more than the proven reserves at the three Gold Ridge deposits nearby. There, the combined reserves is said to be only 2.0 million ounces of gold (62,200 kilograms) with an estimated mining lifespan of 10 years. Production on the Sutakama alluvial mining operation is expected in about July/August this year at the initial cost of USD10 million. Little did Mr. Alp know that his involvement in Solomon Islands' mining industry is igniting a revolution of its own. It is not so much his involvement that has thrown the spanner in the works so to speak. His business model does.

"My business model is of course a fair and just one. I supply finances, equipment and expertise and the landowners supply access to their land and resources as well as settle all of their own disputes and a 50/50 profit sharing in the business takes place," Mr. Alp who has drawn a large following, said. "The Company also identifies immediate things required by the people and attempts to address those while the business navigates all of the legal requirements to successfully operate.

"The landowners via their trustees appoint an oversight committee for the company operations and have access to all of the books related to the operations on their land," he said. As well as that, locals from that area are employed and community packages are created to stimulate that local economy. Mr. Alp's team of local geologists consists of three people, including the team leader, Cromwell Qopoto. A former Director for the Environment [Moses Biliki] was also deployed by Mr. Alp to assess the impact of the alluvial mining operations within the area.

Since Pheonix International [SI] Ltd had celebrated the granting of the mining licence, Mr. Qopoto, a former Director of Mines in the Department of Mines and Energy, has been fielding calls from landowners drawn by Mr. Alp's business model on mining. "We want that man to come and do business with us. We have minerals in our land," they told Qopoto. "Man, they come from all over Solomon Islands. They want to see that their resources are shared equally as Mr. Alp has done with the Hokola Landowners Association," Mr. Qopoto told me.

Others simply congratulated Mr. Qopoto's team for doing what has been perceived as a reserve for foreign geologists. Mines, Energy and Rural Electrification Minister, Edward Huniehu, acknowledged in a recent interview that Mr. Alp's business model had the potential to revolutionize the future of the mining industry in Solomon Islands. "His business model, particularly his introduction of the profits being shared on a 50/50 basis with landowners, is going to be very difficult, if not impossible to match," Mr. Huniehu said.

"I must admit it is the sort of thing our people want. Our people really want to see tangible results [from their resources] with their own eyes. In the case of Mr. Alp, they see money in their own hands". Mr. Alp's approach has filled a vacuum left by RAMSI's work. While RAMSI has addressed law and order, it has not fully focused on the economic dilemma of rural Solomon Islands where 85 per cent of the country's population lives. This is where Mr. Alp comes in. But while the all round support has been strong; there are some dissenting voices as well.

For example, Solomon Islands National Union of Workers' [SINUW] Tony Kagovai issued a public call, urging the government to investigate Mr. Alp's business background, a call the union boss now appears to be regretting. In his outburst, Mr. Kagovai described the New Zealand businessman as a 'conman" and that his business dealing was "shady" – descriptions vehemently rejected by Mr. Alp himself as well as Hokola Landowners Association of Sutakama. Association Chairman, Simon Tonavi rejected the characterization that Mr. Alp was a "conman". "Kelvyn is a man of his word. When he says he will pay he pays. When he says he will do this he does it. May be it is his straight forward honesty that causes discomfort to those who are now defaming his character," Mr. Tonavi said. "Kelvyn is a simple, approachable man.

"He comes to see us and we go to see him anytime we need to. He even brought his family to see us in the villages. He talks to us about the progress of things like a true friend. "Kelvyn is an organiser. Pheonix International (SI) Limited would not be where it is now if it is not for Kelvyn's strategic planning and organising abilities. He helped to organize and facilitate our landowners association into a bargaining body then negotiated with us through the association. "Kelvyn pays fairly and justly but only after you have completed the job to specification and acceptable standard. To the best of our knowledge he does not bribe.

"For sure, Kelvyn does not entertain incompetent and lazy people. In this attitude we learned quite a lot from him. Kelvyn follow regulations to the best of his ability. "He does not take short cuts. If he is fast it is because he does not entertain delays and delaying tactics. "He used to remind us that doing business honestly and justly can also pay handsomely. "A person does not have to engage in dirty dealings to make good profit. One other advice he usually gives is common sense is a good guide in life.

"In our association and dealings with him we found that he uses this simple common sense principle successfully. "Kelvyn trusts and believes in the raw ability of people. One of his common sayings goes like this, "I don't come to tell you what you don't already know, I only come to remind you of it". Discoveries of gold-bearing ores are not confined to Guadalcanal. Strategically located on the famous ring-of-fire arc, indications are that Solomon Islands are shaping to be one hell of a pot of gold. New discoveries are being made in other islands from the Shortland Islands in the northern tip of the country to various island groups in Western, Choiseul and Isabel Provinces.

Isabel in particular has a proven reserve of more than 52 million tonnes of nickel, according to the Kaiser Engineers' Report on the prospect in 1993. It is widely known that more deposits have been discovered since then. There are also indications of potential mineral deposits of diamond, platinum, gold and copper on Malaita, the only island in the archipelago that remain a virgin in terms of commercial mineral prospecting. Kelvyn Alp may be a relative newcomer in the mining industry in Solomon Islands. But he sure had set the cats among the pigeons – all it seems for the betterment of Solomon Islands' resource owners – in recognition of the plight of resources owners in Solomon Islands. "All I want to do is to stop the slave wages resource owners receive for their resources at the hands of foreigners," he said. While Kelvyn Alp is leading the revolution in resource sharing in Solomon Islands, Guadalcanal is definitely leading what can only be termed as the regional gold rush of the century.

Alfred Sasako is a freelance journalist who writes a weekly column for Solomon Star, a daily newspaper in Honiara and regularly contributes articles to the Fiji-based regional magazine, Islands Business. Alfred's reporting career spans some 30 years. In that time, he worked in Papua New Guinea, Australia and Fiji. In 1997, Alfred successfully contested the national general election in his home country of Solomon Islands. He subsequently became his country's first Minister of State, Assisting the Prime Minister. He also held two other senior portfolios – Agriculture & Livestock AND Infrastructure & Development.