

**Pressespiegel – 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: <http://pidp.eastwestcenter.org/pireport/graphics.shtml>

PNG: Papua New Guinea

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**Porgera: Barrick Gold accused of being threat to environment** National 29.10.2010

BARRICK Gold Corp, operator of the world class Porgera Gold mine and other Canadian mining companies have been implicated for their involvement in alleged "sustained and flagrant violation of environmental protection" causing investors to withdraw their shares. The Montreal based Canadian online news The Gazette reported last Friday "heavy metal pollution, especially mercury buildup from Barrick's Porgera mine in Papua New Guinea, was an egregious case in point". The revelation came about last week when Norwegian government decided to sell off its shares in Barrick, saying: "Under Norwegian rules, the public pension fund is not allowed to invest in companies that in the judgment of Norwegian council on ethics entail an unacceptable risk of the fund contributing to environmental damages."

Two years ago, according to the online news, the Norwegian minister for finance Kristin Halvorsen ordered Norway's government pension fund to divest itself a C\$200 million plus investment in Barrick. However, a senior staff of Barrick in Porgera mine yesterday denied the report, saying: "Studies undertaken by the Commonwealth scientific and industrial research organisation found no evidence of anomalously high inputs of dissolved inorganic mercury from any of the inflows into the Lake Murray (including Strickland River), but rather an efficient process of the methylation and biomagnifications of mercury naturally occurring low levels in water and sediments up through the food web which occurs naturally."

The Gazette further reported that yet this week, there was the Canadian mining industry working overtime to try to contain the damages from a 2009 study it had commissioned and tried to keep buried." The study which the industry said was for internal consumption only, found that Canadian

mining companies are implicated in four times as many environmental and human rights violation as mining companies from other countries. Canadian companies accounted for nearly two-thirds of the 171 "high-profile" environmental and human-rights violations between 1999 and 2009, the study found. The National: <http://www.thenational.com.pg/>

### **LNG flights fuel cult**

Post-Courier 29.10.2010

By *PETER KORUGL*

Mysterious flights over Southern Highlands in the nights in recent weeks have added fuel to a cargo cult mindset that has developed over the liquefied natural gas project. According to a leading Christian church in the province, many people in the Southern Highlands do not understand how the benefits from the LNG project will be delivered and there are stories going around that the "cargo" in the form of the benefits will drop from the sky. The church say it does not help matters when aircraft are flying over Southern Highlands in the night, something that is regarded unusual because no flights had ever flown over the province in the dark before. "Someone in authority needs to explain these flights. Two planes flew in the night on two separate occasions in the past.

"Last Saturday, nine planes flew over Mendi town between 6pm and 1am on Monday. This is highly unusual and this is fueling this cargo cult thing," head bishop of the United Church in the Highlands, Reverend Wesif Porop said. Bishop Porop said when the planes were flying over Mendi, the story was going around that the planes would drop the "benefits" from the LNG from the sky. "This is no good. Somebody needs to explain these flights over Mendi in the night. We are doing a lot of work to educate our people and this unexplained events do not help." He said the planes were flying in a straight line over Mendi and this has aroused the curiosity of the people, who are talking about it. Bishop Porop said last month, some planes flew over Southern Highlands on separate occasion, drawing the same reaction from the people.

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

### **'High sediment in Watut', Morobe Province**

National 29.10.2010

By MALUM NALU

One of the joint venture partners in the just-commissioned Hidden Valley gold mine in Morobe has admitted that there are "high-than-expected" sediment levels in the Watut River. South African company Harmony Gold Mining, through its chief executive officer Graham Briggs, made the announcement in a letter to stakeholders published on its website on Tuesday. Briggs admitted that this was causing "serious concern within and outside the company" and a change in the course of a section of the lower Watut River, resulting in die-back of vegetation. The admission came about as Morobe Mining Joint Ventures, made up of Harmony and Australian partner Newcrest, started paying compensation to affected villagers along the Watut River and as Bulolo MP Sam Basil called on villagers not to accept the payouts. "The higher-than-expected sediment impacts in the Watut River in PNG have given rise to serious concern within and outside the company," Briggs said.

"The mine's environmental impact statement (EIS) predicted sediment loads in the Watut River during construction but, as it has taken longer than expected to reach hard rock at the mine which will be used to construct the interim waste dumps, the construction of stable waste dumps has been delayed resulting in a continued high sediment load in the Watut River. "Construction of the interim waste dumps has been prioritised, with specific resources allocated to the project to ensure speedy progress. "This will reduce the sediment load in the river, and allow the current sedimentation to flush out. "In addition, mining activities which contributed to the increased sediment load have been

stopped. “The MMJV commissioned further impact assessments so that we could better understand the impact of these sediment loads on the river.

“These studies show that the increased sediment load in the Watut River (of which the mine is one source) has resulted in a change in the course of a section of the lower Watut River, and a die-back of vegetation in that area as a result of flooding. “Although these changes in the river course occur naturally over time, the mine’s contribution to the sediment load in the lower Watut River has speeded up this process. “The MMJV has committed to expanding its monitoring programme to quantify the impacts coming from the mine and other sources, taking remedial action wherever possible and working with the government to assess fair compensation for those affected.” Hidden Valley mine was officially commissioned on Sept 29 by Governor-General Sir Paulias Matane at a ceremony which also marked its opening. The new gold project is a joint venture between South African miner Harmony Gold (70%) and Newcrest Mining Ltd (30%), the largest gold miner in Asia-Pacific.

**LNG: National Executive Council acts**  
By ANGELINE KARIUS

National 29.10.2010

A 30-STRONG police squad will be redeployed at three LNG project construction sites today to ensure work continues on schedule. The national executive council met in an emergency session yesterday afternoon and approved the immediate release of K10 million for security operations. Police Commissioner Gari Baki said last night that police from Port Moresby would be sent at first light to Gobe in Southern Highlands and Gulf’s Kikori and Kopi where construction of facilities were underway for the laying of the pipeline from the gas fields to the coast to Port Moresby. The police redeployment was to quash fears among investors, especially developer ExxonMobil and its construction contractor Clough Curtain Brothers Joint Venture (CCBJV), of growing landowner opposition over employment opportunities, working conditions and outstanding land pay issues. Infrastructure activities at Gobe,

Kikori and Kopi included camp construction and site clearing, wharf and laydown at Kopi and bridge and road works on northern and southern logistics routes. Baki said he gave a briefing on the security situation to the NEC which was chaired by Prime Minister Sir Michael Somare, who had flown in from Cairns, and attended by Internal Affairs Minister Sani Rambai, who had also flown in from Brisbane, Finance Minister Peter O’Neill, Arthur Somare (Public Enterprises) and Paul Tiensten (National Planning). The meeting was called about 4pm amid growing concerns that investors were seriously considering their options in the multi-billion-kina project, which was scheduled to begin production in three years. The construction phase had been targeted by the burning of equipment belonging to CCBJV at Kopi, strike at Komo airfield construction site and last Friday’s stop-work by 108 employers at two pipeline sites.

Baki said police personnel from the Port Moresby-based task force division would be deployed for an indefinite period. Police had withdrawn from selected sites during the year because of lack of funds. Rambai confirmed Baki’s statement, adding that the K10 million would be drawn from the K101 million set aside last month for special police operations, including resource areas. He said police presence was to restore law and order and, secondly, to instill public confidence in the project, especially among the expatriate workers. The NEC intervention yesterday was forced by events of the past week when villagers stopped early construction work on pipeline from Kopi to Kaiam and Mubi crossing. The villagers, many of whom were employed by CCBJV, had petitioned the prime minister to address their grievances such as poor salary and bonuses, among others. So far, ExxonMobil had not commented on the strike.

## **Newcrest continues dumping at sea**

Post-Courier 29.10.2010

MELBOURNE: Newcrest Mining Ltd has defended its environmental record, amid questions about its newly acquired Lihir Island gold project, but will continue to dump tailings from the mine into the sea. Newcrest recently became the third largest gold producer in the world by market capitalisation, after taking over Lihir Gold Ltd in a \$10 billion merger. Lihir's chief asset, its rich mine at Lihir Island in Papua New Guinea, was the subject of an ABC TV story last month that highlighted concerns at the way waste at the site was discarded into the nearby ocean. At Newcrest's annual general meeting in Melbourne on Thursday the miner hit back at claims that the waste, or tailings, at Lihir Island posed an environmental danger. "It is a marginal issue," Newcrest chairman Don Mercer told the meeting in response to a question from the floor.

"It came out (the ABC story) to those who know something of the subject as a not particularly well researched endeavour," Mr Mercer said. "We take our reputation seriously and we frankly do a responsible job, and that is the case of our predecessors at Lihir Island," he said. Newcrest chief executive Ian Smith used his address to shareholders to also defend the company's environmental record at Lihir and said tailings would continue to be dumped into the sea. "We introduce the tails into the sea at a depth of 115 metres, well below the mixing zone," Mr Smith said. "In the 15 years practical operating experience with monitoring has verified that was the correct choice and will continue to be, going forward. "Independent marine experts have verified that the ongoing monitoring has not shown any material metals concentration in the food chain," he said.

But campaign coordinator at environmental group Friends of the Earth, Cam Walker, said it was "plainly wrong" to say the technique was the best strategy. "If it is the best practice then clearly that company cannot be trusted to operate in the region," Mr Walker said. He said that in the long term it was possible heavy metals dumped into the ocean could affect sea life and ultimately affect people. Mr Mercer also told shareholders on Thursday that fiscal 2010 had been a transformational year for Newcrest. He cited the decision to approve the Cadia East gold and copper project in New South Wales, exploration success at Papua New Guinea and the merger with Lihir Gold Ltd. "It was a very successful year, culminating in record gold production, record profit and record cashflow for the company," Mr Mercer said. Shares in Newcrest closed up one cent, at \$39.33.

## **Member of Parliament bids to halt mine share sale**

Post-Courier 29.10.2010

By *JONATHAN TANNOS*

THE Lagaip-Porgera District in Enga Province will buy off the five per cent local equity shareholding its provincial government and landowner company are aiming to sell. This is because the Enga Provincial Government and Mineral Resources Porgera Limited (MRE) are planning to sell their stake in the world class mine. But under the leadership of its MP and Vice Minister for National Planning and Monitoring, Philip Kikala, his Joint District Planning and Budget Priorities Committee (JDP&BPC) want to put a stop to this. This is because they want to maintain the identity of the Enga people who are host to the project and to protect the country's identity in what could virtually be a 100 per cent foreign shareholding in the mine. Both the provincial government and MRE hold 2.5 per cent each in the project. Mr Kikala said the two entities have indicated their intention to sell their shares which his JDP&BPC is totally against.

He advised against the move "because it will effectively mean that one of the world's lucrative gold mines will be wholly owned 100 per cent by foreign interests." "Yet the resource is in our country and on Enga land," Mr Kikala said. Mr Kikala said the National Government should review the proposed sale "and ensure that the people of Lagaip-Porgera continue to hold shares in the Porgera gold mine through the JDP&BPC." Mr Kikala said his JDP&BPC have already made their inten-

tions known to the provincial government and MRE. Mr Kikala said he would vigorously pursue the matter at all levels of governments to ensure his people's interests were protected at all cost. He said if this eventuated the Lagaip-Porgera JDB&BPC would be the first in PNG to directly hold equity in an international entity like Porgera.

## **PNG PARENTS FIND IT HARD TO PAY SCHOOL FEES**

Inflation caused by gas project reducing cash

PORT MORESBY, Papua New Guinea (The National, Oct. 29, 2010) - Parents will have to dig deep to pay for their children's school fees next year despite hardship being faced in communities throughout the country. The PNG LNG project and other factors had caused a steep rise in inflation, and a report commissioned by the government indicated many parents would struggle to pay their children's school fees next year. The government had been warned that an El Nino-induced drought, expected next year, could wreak economic havoc in the country, driving most families into poverty. But, despite these reports, the government has decided not to lower school fees for next year but maintain it at the same level as this year. National education board (NEB) chairman and acting Education secretary Dr. Joseph Pagelio announced yesterday that the board had recommended the maximum school fee limits for next year be the same as this year for all institutions.

He said NEB had made the decision based on the outcomes of the "parental school fees affordability study" last year, which ascertained various hardships parents were experiencing and were living beyond their means. Pagelio said the study's findings had revealed that the income earned by parents was far less than their expenditures. He said families in the rural areas were struggling because there were no basic government services provided, coupled with additional community problems and commitments throughout the year. The report contrasted sharply with a national government's claim that the K14 million provided to each open MP in the last three years had brought changes and improvement to villages and communities throughout the country. School fees for next year were:

Elementary - PGK100 [US\$38];

Primary Grades 3 to 6 - PGK230 [US\$87];

Primary Grades 7 to 8 - PGK230;

Secondary/vocational Grades 7 to 10 - PGK750 [US\$286] (day) and PGK1,100 [US\$419] (boarding);

Secondary/national high schools Grades 11 to 12 PGK800 [US\$305] (day) and PGK1,300 [US\$495] (boarding).

Fees for teachers, technical and business colleges will remain the same. Pagelio said school administrations, parents and the school communities needed to realize that times were difficult and schools also needed finance to operate at the required standard. "The NEB maximum fee is an estimate of the average amount per student that each institution needs to budget in order to stay open for the full school year." He reiterated that the cost of education was a shared responsibility between parents and guardians, school governing bodies, education agencies and provincial and national governments. "To ensure schools operate effectively, parents are encouraged to start making arrangements to pay fees by the time schools start next year." Elementary schools had been charging fees this year despite clear direction from the ministry of education for free elementary education. "The school administrations are now required to reimburse parents before this academic year ends," the acting secretary said.

## **Ramu NiCo to go ahead with pipeline**

National 28.10.2010

WITH the court victory last week under its belt, Ramu NiCo is going ahead with the construction of the pipeline through which it hopes tailings or waste from the Ramu nickel mine will flow into the sea. Ramu NiCo, or MCC, is developing the mine. Its plan to have the mine up and running by the end of the year has been stalled because of the legal action by villagers over environmental concerns. After months of court ordered stop work on the pipeline construction, the National Court last week allowed the company to go ahead with it. The company, however, is not allowed to dump any mine waste into the sea until the substantive case is determined. The plaintiff villagers are seeking in the substantive case to permanently prevent the dumping of waste from the mine into the sea. They said that the waste dumping was not provided for in law, and would cause huge environmental damage. But by going ahead with the pipeline construction while the case is pending, Ramu NiCo is taking a gamble. They are going to spend a lot of money building a 400m pipeline they may end of not using, if the villagers win the case.

The villagers and their lawyers feel they have a strong case for success. “The fact of the matter is there is little environmental damage caused by building the 400m long pipeline,” lawyer Tiffany Nonggorr said this week in an email note to journalists. “We say that the dumping of five million tonnes annually of mine waste at a depth of 150m, only 400m from shore, will cause massive and irreparable environmental harm. “We have not alleged anywhere that the building of the pipeline itself will cause harm. It is also specifically approved in the permit. “We don’t have a legal basis for stopping them building it but we had asked the court to stop the construction so MCC would suffer less loss if we won, but MCC seem to want to take the risk of a loss if they are permanently banned from dumping into the sea,” she added.

## **Morobe Mining: K2.6m compensation for river villagers**

National 28.10.2010

By PATRICK TALU

THE Morobe Mining Joint Venture is paying a one-off ex gratia compensation payments of more than K2.6 million to people along the Watut River who are environmentally affected and displaced by the Hidden Valley mine. According to a statement released yesterday, payments began last week and is now into the second week. The payments followed consultation and assessments conducted by Hidden Valley Mine Joint Venture (HVJV) through working with communities, local level and Morobe provincial government, representatives, the Mineral Resources Authority officers and other stakeholder groups. Late last year, HVJV voluntarily committed to the communities along the Watut River to make this payment for damage to property and gardens of value throughout the river system. The said damage could have been partly traceable to the Hidden Valley mine construction period.

Three teams comprising HVJV officers and the government, community and MRA along with witnesses provided by local community including the Union of Watut River communities began the task of assessments in the lower, middle and upper Watut last March. Over the past several months, the teams have assessed more than 2,200 claims for individual compensation, with Upper and Lower Watut receiving their payments while Middle Watut payments are still being finalised. The payment exercise is expected to be completed by the end of next month. According to the HVJV compensation procedure, assessments undertaken throughout the Watut River System include loss of gardens, crop trees with food or commercial value and infrastructure caused by possible increased sedimentation or over-bank flooding.

## **Porgera MoA talks aborted**

National 28.10.2010

THE Porgera mine memorandum of agreement (MoA) review meeting ended prematurely on Tuesday in Kokopo when the Enga provincial government (EPG) team was ordered to return to Wabag. The review meeting was between representatives of the state and EPG. A statement sent from Kokopo said the EPG representatives left on direction from their "political masters". EPG representative Sandis Tsaka told the state team they had to abort the meeting and go back under instruction from their leaders. Tsaka could not say what the reasons were. The state team's leaders were disappointed with the withdrawal as they were committed to getting the review done after the last review in 2008. Enga Governor Peter Ipatas, who had ordered the withdrawal, said there were outstanding issues that needed to be resolved by the provincial executive council for an official position on the MoA review. He said the Enga government had not reached an official position on issues that would come before the review.

Ipatas said the special mining lease (SML) landowners had a good understanding with the provincial government and had agreed in principle to hold discussions and negotiations before an agreement was reached. "We need to talk with landowners and come up with a common stand on the issues before us." He said outstanding issues that needed to be resolved in the Porgera mine review included the Enga provincial hospital and jail reconstruction, Wabag and Paiam town development and the fly-in, fly-out arrangements which had never been implemented. Ipatas said other issues were the upgrading and rehabilitation of the Wapenamanda Airport, which after sealing had not been fenced yet, and the deteriorating Wabag-Wapenamanda road.

## **SOLOMON GOLD RAISES \$21 MILLION TO FUND EXPLORATION**

Proceeds to be used for mapping, sampling, trenching, drilling

HONIARA, Solomon Islands (Solomon Times, Oct. 26, 2010) – Solomon Gold (SOLG) has raised £15.1 million [US\$21.1 million] through a share placing to fund its Solomon Islands exploration program, but fears of dilution sent its shares lower. This dilution can shift fundamental positions of the stock such as ownership percentage, voting control, earnings per share, or the value of individual shares. AIM listed Solomon Gold placed 54,017,153 shares at a price of £28 [US\$39] per share, it said in a statement on Friday, as it looks to ramp up its campaign in the Solomon Islands. In mid-morning trading, its shares were almost 6 percent down at £33 [US\$46]. Chief executive Nick Mather was responsible for snapping up 1,116,071 shares, bumping up his total interest to 13.45 percent of the enlarged issued share capital, while United Kingdom director Robert Weinberg also subscribed for an additional 29,762 shares.

Solomon Gold said the proceeds will go towards extensive mapping, sampling, trenching, geophysics and a 9,900 meter drilling program at Fauro in the Solomon Islands over the next 12 months. [PIR editor's note: Fauro is an island located in the western Solomon Islands and lies 82 kilometers southeast of the large copper mine on Bougainville, Papua New Guinea. It has been prospected to have a potential of world class gold deposits.] Mather said: "The Company has taken the opportunity offered by strong institutional investor interest to accelerate its planned drill program in Fauro following the very successful assay results seen in the recent trench and rock chip sampling results."

In addition, Solomon Gold will also use some of the funds for near term drilling and a significant resources upgrade at the Rannes and Mount Perry projects in Queensland. Earlier this week the company's shares soared 20 percent on news that it had uncovered wide near-surface gold intersections at the Rannes project. At the Homestead prospect on the gold and silver project, the best results were 30 meters at 2.83 grams per tone (g/t) of gold while the highest grade at

Kauffmann's was four meters at 7.21 g/t gold. Both the Homestead and Kauffmann's prospects revealed substantially higher gold grades than expected, prompting the company to believe there is "significant potential" for extensive gold rich mineralization across all the Rannes prospects.

### **Nautilus licence deferred**

National 27.10.2010

By PATRICK TALU

THE signing and granting of a licence to Nautilus Mineral for the Solwara 1 underwater mining project has been deferred. Minister for Mining John Pundari yesterday attributed the deferral to conflicting advice given to him by the Mineral Resources Authority (MRA). He said it was not due to a court injunction taken out against the state and MRA by the New Ireland provincial government as reported in *The National*. "In light of the new deep sea mining method to be employed by Nautilus and the risk profile associated with the Solwara 1 project, I must ensure the state is not exposed to any unnecessary risks while preserving any benefits that the state may stand to lose in the development of the project," Pundari said. "With that in mind, it is my intention to use my powers under the Mining Act 1992 to grant the Solwara 1 mining licence with conditions for compliance by the company in the best interest of the state. "I was provided with two separate documents containing a number of conditions by MRA. "One document had 11 conditions while other had 12," the minister said.

The 12th condition was related to the preservation of state equity in the project. "In fact, these conditions reflect the position of the state as advocated by the minister for treasury and finance through the deliberation of the state team when assessing the development proposal of the project. "The condition give the state the right to exercise its option to take up 30% participating interest in the Solwara 1 project up to a period of at least 12 months from the time Nautilus advises that it has successfully completed the trial of the mining equipment," he said. Pundari said for some reason, MRA had recommended the document with 11 conditions for approval, leaving out the bit outlining the state's interest in the project. MRA and Nautilus had argued that the 12th condition would limit the developer's ability to raise capital to finance the project. "I am not convinced by this assertion by MRA and Nautilus," Pundari said. "I have directed the state team to reassess this condition and confirm the assertion made by Nautilus and advise me accordingly. "In the meantime, my position has not changed and I am determined to sign off the Solwara 1 project mining lease with the 12th condition attached," the minister said.

### **New Liquefied natural gas project looms**

Post-Courier 27.10.2010

By PETER KORUGL

Gulf Province is home to the second liquefied natural gas project in Papua New Guinea and it stands to gain massively from that project if all goes well. This comes after InterOil Corporation Limited, the developer of the Elk/Antelope project changed its plans to transport the natural gas from the fields in the hinterland of Gulf province by pipeline down to its Napanapa refinery in the Central Province to process the natural gas and export LNG and some condensate. According to the Department of Petroleum and Energy, InterOil was now proposing to relocate the LNG project to the Gulf Province. "In between, InterOil is also proposing to develop condensate stripping project and a 2mtpa LNG project. I totally support the relocation move as this would allow the LNG and associated projects to be fully focused and developed in the Gulf Province and I am to ensure this is realised," Department Secretary Rendle Rimua said.

Mr Rimua disclosed this in a letter to Gulf Governor Havila Kavov on Sunday. The change in the proposal by InterOil Corporation was hailed by the Gulf Provincial Government, which has been



taking the developer to task over this issue. “We are really pleased with the decision made by InterOil Corporation and we are willing to stand by the company to ensure that everything goes according to plan and the project gets off the ground,” Mr Kavo said yesterday. “To help the company, we have already identified the land on which it can build its processing facilities.” The Provincial Government has set aside 900 square km of land to establish an industrial zone and Governor Kavo yesterday handed over its government’s position to the Department.

## **Oil Search: Over US\$361m sunk in gas project**

National 27.10.2010

THE third-quarter report of Oil Search Ltd (OSL) revealed the company has already spent more than US\$361 million in the PNG gas project. The report showed that ongoing equipment mobilisation, construction of infrastructure and camp facilities, site preparation and more have already begun, with major construction jobs ready to start next year. OSL managing director Peter Botten said considerable time was also spent in helping PNG companies to enable them to participate in business opportunities with principal project contractors. He said some 700 local businesses had registered on the supplier database and an enterprise centre, where locals could receive advice on a range of business matters, including corporate structuring. “Training of PNG nationals in construction skills and operation and maintenance has seen almost 3,000 people employed by the project, of which almost 90% are nationals,” Botten said.

The report said that compared to the second quarter, there had been a 5% decrease in oil and gas production due to various situations. However, the performance from the key PNG oil fields this year to date, “has been pleasing, with total oil and gas production for the first three quarters only 2% lower than the corresponding period of 2009”. Botten said OSL and its joint venture partners continued to review the potential for LNG expansion during the quarter. He said resources for expansion might come from either existing project fields, from discoveries where there was a high commonality of ownership interest with PNG LNG or from exploration opportunities. The joint venture is considering accelerating drilling to test potential areas, especially in Hides, which are currently scheduled to be appraised as part of the project development drilling programme, due to begin in 2012.

## **New Ireland Province told stand for liberation**

Post-Courier 27.10.2010

*By Noel Pascoe*

NEW Irelanders should take a stand to free up their land and resources before they are “wiped out by the dictates of the National Government, a provincial leader said at the weekend. Provincial Cabinet chairman in New Ireland responsible for Economics and Infrastructure, Marius Soiat, says it is time New Irelanders band together and take their stand for liberation from the National Government. He said from Kavieng: “I call on every New Irelander in their right mind to carefully weigh the mistreatment and injustices suffered by their kinsmen at the hands of the National Government over the last 15 years of Lihir Gold.” A staunch supporter of the push for maximum autonomy in New Ireland, Mr Soiat was commenting on an article in the newspaper last month with the heading “Lihir is just a dream – money goes overseas.”

He said 15 years of Lihir and three years of Simberi gold mines had yielded nothing on the ground to show for these large investments while the National Government and foreign miners reaped the benefits and the province got rubbish. “We cannot be complacent, we must join forces and take our stand as a proud people and if necessary, let’s shut down the mine.” “The Prime Minister promised to pay before the Council of Elders and the Provincial Assembly in February 2009 and in a string of letters between him and his Cabinet colleagues, yet nothing has materialised while others elsewhere

get first bite at the national cake at the opening of their projects like the LNG.” Mr Soiat says: “We have been reasonable people all along and we cannot allow ignorance and false prophets to water down our God-given rights to resources on our land. We must stand up for our rights or face a future with nothing to offer the new generation.

### **Porgera MOA review query**

Post-Courier 27.10.2010

Porgera landowners have questioned the motive behind the review of the Porgera Mining Agreements spearheaded by the office of the Mining Resources Authority underway now in Kokopo. Chairman of the Porgera Development Authority Nixon Mangape said yesterday what the Government should be doing is a complete renegotiation of the mining agreement because the legitimate landowners have suffered on their own land based on the existing agreement. Responding to a MRA statement yesterday Mr Mangape said any agreements or review must be done together with all the stakeholders, the National Government, Enga Provincial Government, developers and the landowners.

Mr Mangape said the review was due seven years ago and not until now when the landowners had petitioned Barrick Gold Limited and the Government in relation to the outstanding dues of the Porgera Memorandum of Agreements. Chairman of the Porgera Land-owners Association Mark Ekepa questioned the legality of MRA and should MRA play any prominent role in the review, it will be difficult for parties to negotiate in good faith, as MRA is seen to be an agent of mining companies. “It’s improper to allow the board of a State agency made up of very senior employees of mining companies like Barrick Limited, 95 per cent owner operator of Porgera Gold Mine be members on the MRA board rush to review the agreement,” he said.

### **Ramu nickel JV firms laud DSTP court ruling**

National 27.10.2010

THE joint venture partners in the Ramu nickel project are supporting the decision of the national court in Madang to proceed with the construction of a deep-sea tailings placement system (DSTP). The court has ruled that the construction of the DSTP can now be completed. Highlands Pacific managing director John Gooding said the partners – MCC Ramu Nico Ltd, Mineral Resources Ramu Ltd (representing the state), Mineral Resources Madang Ltd (representing landowners) and Highlands Pacific – supported the decision, saying it provided a practical way to resolve an extremely important issue for the project and the PNG mining industry. We look forward to completing construction with the DSTP being the last major component after the significant disruption of the last six months,” he said.

Gooding said this would be an opportunity for the facts on DSTP to be presented, some of which included:

- \* The tailings are of low toxicity which are treated and neutralised prior to release;
  - \* The depth of the pipe outflow will be 450ft below sea level with the neutralised slurry dropping to much deeper depths;
  - \* The annual tailings represent less than 7% of the 80 million tones of sediment estimated to be deposited annually by rivers in the same area (which has occurred for thousands of years)
  - \* The significant number of independent studies undertaken as part of the environmental approval process which occurred in 2001; and
  - \* Monitoring systems and compliance standards will be in place for the projects duration
- Highlands Pacific owns a 8.56% stake in the Ramu nickel/cobalt project worth US\$1.4 billion.

## **PNG'S RAMU MINE CAN BUILD WASTE PIPELINE BUT NOT USE IT**

Momentarily, landowners are successful in stopping dumping

By Todagia Kelola

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Oct. 26, 2010) – IT WAS a win, win situation for both the defendants and the plaintiff in the Ramu Nickel Mine deep sea tailings placement project (DSTP), court battle. The defendants, Ramu NiCo Management (MCC) have expressed relief that the long-delayed construction of the DSTP System will finally be able to proceed immediately. In a statement, the company said it was going to commence and complete the offshore construction within the shortest possible time as the rainy season was now imminent. The earlier six month injunction on DSTP had caused significant disruption to the project's commissioning timetable and the company has made enormous financial losses on the project. The company stated that with the confirmation from the Court on DSTP construction, they will try and make up for lost time and minimise the losses to the project and stakeholders.

While the plaintiff and his lawyers said: "It essentially means that they can build the system, which is just really a 400m pipeline but they can't use it. The fact of the matter is that all of our evidence is about the harm the dumpings will do. The dumpings is the mischief the landowners want to prevent. The building of the pipeline will cause damage but little on the scale of things and they have been specifically permitted to build the pipeline in the Department of Environment and Conservation permit but our argument is that they are not allowed to cause environmental harm by the dumpings. The landowners therefore have been successful in stopping the dumping before it has started so that there will not be extensive and irreparable harm to the marine environment."

The National Court in Madang ruled last Friday that a permanent injunction to restrain the Ramu Nico Management (MCC) by Louis Medaing, from committing an alleged nuisance arising from its mining activities, in particular constructing and operating a deep-sea tailings placement system was refused. But the court made an order that the Ramu Nico Management be restrained in the interim from operating the DSTP until the substantive matter is heard.

### **Highlands Pacific hails court ruling**

Post-Courier 26.10.2010

Highlands Pacific (ASX: HIG), as a current 8.56 per cent shareholder in the US\$1.4b Ramu Nickel Project in Papua New Guinea, has been advised by the project's operator and manager that last Friday, the National Court in Madang rejected an application from a third party seeking an interim order to prohibit construction activities on the Deep Sea Tailings Placement (DSTP) system. The court ordered that construction of the DSTP can now be completed and the operator and manager, Ramu NiCo (MCC) Management Limited provide an undertaking to the court not to start operating the DSTP system pending the decision of a substantive hearing in January 2011. The DSTP system will be able to be commissioned using water however tailings will not be discharged. The court recognised the urgency of the matter and a directions hearing has been set for 9am Friday, November 5.

Managing Director of Highlands Pacific Ltd, John Gooding, said yesterday, "The joint venture partners – MCC Ramu Nico Limited, Mineral Resources Ramu Limited (representing the State of PNG), Mineral Resources Madang Limited (representing the landowners) and Highlands support the decision in that it provides a practical pathway to resolve an extremely important issue for the project and the PNG mining industry. We look forward to completing construction with the DSTP being the last major component after the significant disruption of the last six months." Mr Gooding added, "This will be an opportunity for the facts on DSTP to be presented. These facts include the understanding that, the tailings are of low toxicity which will be treated and neutralised prior to re-

lease, the depth of the pipe outflow will be 150m below sea level with the neutralized slurry dropping to much deeper depths, the annual tailings represent less than 7% of the 80 million tones of sediment estimated to be deposited annually by rivers in the same area (which has occurred for thousands of years), the significant number of independent studies undertaken as part of the environmental approval process which occurred in 2001 and monitoring systems and compliance standards will be in place for the project's duration."

### **Australian government okays first coal seam gas projects**

National 25.10.2010

CANBERRA: The federal government has approved Australia's first multi-billion-dollar coal seam gas projects, angering farmers and environmentalists but promising a major jobs boost for Queensland. Environment minister Tony Burke told a media conference in Canberra last Friday his department had given conditional environmental approvals for Gladstone liquefied natural gas (GLNG) – a joint venture between Santos, Malaysia's Petronas and France's Total – and BG Group's Queensland Curtis LNG. "I have decided that these projects can go ahead without unacceptable impacts on matters protected under national environmental law," Burke said, revealing he had placed 300 conditions on each of the projects. "We must protect the Great Artesian Basin, our threatened species, our waterways and the Great Barrier Reef." The approvals were delayed earlier this year by Burke's predecessor, Peter Garrett, who was concerned about the projects' potential impact on groundwater and the Great Barrier Reef.

Santos chief executive David Knox said the environmental approval was an important milestone for GLNG ahead of a final investment decision later this year. "As our EIS submission outlined, we are committed to implementing comprehensive environmental management plans," Knox said in a statement last Friday. A final investment decision will be made later this year. The A\$16 billion GLNG project involves 2650 coal seam gas wells being drilled over 25 years in Queensland's Surat and Bowen Basins, a 435km steel pipeline from the Fairview gas fields to Gladstone, and an LNG plant and export facility on Curtis Island. The project is expected to create about 5,000 construction jobs, as well as 1,000 permanent operational jobs from the start of shipments of LNG in 2014. QGC Pty Ltd, a BG Group business, received Queensland government approval for the Queensland Curtis LNG (QCLNG) project in June. – AAP

### **Joint venture: rich Wafi-Golpu mineral deposits**

National 25.10.2010

NEWCREST Mining Ltd and Harmony Gold believe that deposits in their joint venture Wafi-Golpu copper and gold project in Morobe could double in size. Newcrest is the new operator of Lihir gold mine on Lihir Island while Harmony has mining interests in South Africa. The partners had previously told the market that the resource estimate at Wafi-Golpu stood at 16 million ounces of gold and 4.9 million tonnes of copper. But latest drilling has further extended the deposit. The partners have now upgraded their "exploration target" to a potential 30moz of gold and 8 million tonnes of copper. Sydney Morning Herald newspaper last Friday reported that Newcrest managing director Ian Smith told analysts last Thursday that the Wafi-Golpu was shaping up as a major discovery and would form the basis of a "major ongoing long life operation into the future". A pre-feasibility study is planned for next year and Smith said that could lead to a development decision in 2014.

Smith was speaking on the release of Newcrest's September-quarter production report – its first since acquiring Lihir. Gold production for the quarter from all operations was 674,219oz. Newcrest also disclosed in its third quarter ending report that a new operating model it would adopt for the goldmine on Lihir island in New Ireland province would cost an additional US\$260 million (K640 million), taking the cost of the mine's optimisation programme from what Lihir had forecast to

about US\$1.23 billion (K3.2 billion). But the additional cost was more than covered by the additional 10 million ounces it would contribute to mine production out to 2040. Newcrest's cash costs at A\$488 an ounce for the quarter were up from A\$342 an ounce in the previous quarter due to the inclusion of Lihir's higher-cost operations, the impact of lower grades and exchange-rate movements. The gold production effort was lower than the market expected

### **Bougainville mine talks on hold with JSB**

Post-Courier 25.10.2010

THE delay in the Joint Supervisory Body meeting between the National Government and the Autonomous Bougainville Government is now affecting the review of the Bougainville Copper Agreement. The Bougainville executive council under president John Momis has begun discussing issues relating to mining in the Autonomous Region of Bougainville and high on agenda is the BCA review, which is supposed to have been on-going if the last three JSB's had not been cancelled. Momis' policy review announced recently states, the review process is the first step in order for Bougainvilleans to work with the other major stakeholders-the National Government and BCL. In the review process, issues like Bougainville Copper Agreement, compensation, environment, training, business opportunities for Bougainvilleans, and revenue sharing with landowners and the Bougainville government will be addressed. At the same time, the BEC will be considering the future of the moratorium on mineral exploration in Bougainville.

### **Ramu NiCo to proceed with DSTP**

National 25.10.2010

By JAYNE SAFIHAO

THE National Court has refused an interim injunction sought to stop the construction of the deep sea tailings placement (DSTP) by Ramu NiCo (MCC). Justice David Cannings made this ruling last Friday. The trial, however, continues. Seen as a double victory for MCC, the Chinese developer can now continue work on the DSTP but has been restrained from dumping any rubbish through the deep sea tailings placement or by any other means except by a National or Supreme Court directive. In the ongoing DSTP tussle between landowners and the developers over environmental issues arising, arguments were over the building of the pipes and the subsequent laying of them, if they would cause serious harm, whether MCC had abided with environmental laws or had statutory approvals for the work on hand and that the DSTP is not a permitted activity under the Environment Act 2000.

Cannings, when handing down his ruling considered MCC's arguments that the DSTP was authorised by the Ramu Nickel Environmental Plan 1999, that approval was sought from Department of Environment and Conservation under the now repealed Environmental Planning Act 2000, particularly section 136. He also stressed that statutory approvals were given to MCC to build and operate the DSTP. Cannings, however, took into account that the DSTP would not be operational until next February and would involve minimal damage as well as considering the incurred costs to MCC if the March 19 injunction continued. He, therefore, refused the granting of an interim injunction in the terms sought by the plaintiffs and that a directions hearing for a trial will be heard on the morning of Nov 5. Plaintiff in the current proceeding is Louie Medaing for himself and the Medaing family (18 others) of the Tong clan and the Sawang families (20 others) of the Ongeg clan.

### **Miner lauded for gender equality focus**

National 25.10.2010

HIDDEN Valley Gold mine, operating under the Morobe Mining Joint Venture (MMJV) in Bulolo district, Morobe, has been commended by the state for designing a recruitment policy that ensures equal recruitment opportunities for women. Governor-General Sir Paulias Matane, who was on an

official tour of the mine last month, said it was a first for PNG that the policy to recruit women into equal opportunities in the front line of mining operations was not an afterthought, but a designed policy aimed at empowering women from host communities to improve their lives. “I note the training and the 50% local recruitment into the 2,000-strong workforce, of which 95% are PNG nationals. I note the equal opportunity being accorded to women. I urge you all to take up your opportunities, and exploit them fully,” Sir Paulias said.

He noted that Hidden Valley Gold was also the first major mining project to install a driver training simulator, which would enable young men and women to be recruited directly from the surrounding community, to get hands-on driver training, and take up jobs driving the biggest machines without having any prior experience of the industry. He added that apart from its core business of mining for gold, the owners of the Hidden Valley project supported values that include honesty, integrity, respect, working together, courage, creativity and innovation and commitment to the project’s people. Sir Paulias said these same values were expected to flow into the surrounding community because almost half the Hidden Valley work force was provided by locals.

### **Porgera gold mine marks 20 years**

National 25.10.2010

THE world class Porgera gold mine in Enga celebrated its second decade of operations last week. Twenty years on and operating under the Porgera Joint Venture (PJV), the mine is positioned as a strong player across the emerging mining sector in Papua New Guinea. “This is a milestone achieved by very few gold mines and is testament to the achievements and efforts of many people. “Porgera’s outstanding success is founded in the partnership and enduring support of the national and local governments, landowners, and the people of Porgera and Enga,” executive general manager of Barrick PNG Mark Fisher said. “To date over 16.5 million ounces [513,2 tonnes] of gold has been produced and there is a bright future ahead as Porgera’s current mine life extends beyond 2020. “Porgera has also helped to improve the lives of people living in the community by providing jobs, opportunities for education and training. “This is facilitated through the development and upgrading of essential services and infrastructure. “The Porgera mine has been far more successful than anyone could have predicted 20 years ago,” Fisher said.

The celebration was held at Paiam station where 150 invited guests, local leaders and business partners were entertained by local school children and a singsing group with music and dancing. Porgera’s history can be traced back to 1938 when James (Jim) Taylor and John Black were appointed by the Trust Territory of New Guinea to lead a patrol to explore the land between Mt Hagen and the border with the then Dutch East Indies. On this patrol in September 1939, the team passed through Porgera and discovered gold in the Porgera River. Placer joined with MIM in 1973 and 1974 to create the Porgera Joint Venture (PJV) and the construction of the mine commenced in late 1989 after the special mining lease was granted by the government. The PJV was officially opened on Oct 20, 1990, by the then prime minister (Sir) Rabbie Namaliu.

### **Publish What You Pay: Resource watchdog in place**

Post-Courier 22.10.2010

By *HARLYNE JOKU*

A NEW coalition made up of PNG civil society groups will soon be launched to ensure transparency in the payments of money by international mining oil and gas companies to the PNG government, and the government’s payment to landowners and the state. The new coalition called the PNG Publish What You Pay (PWYP) is the initiative of a national mine and oil and gas NGO watch group called the Centre for Environmental Research and Development. Founder and director

Matilda Koma said yesterday the launch of the coalition which was to take place on November 15 was timely at a time when the country was experiencing a new mining and oil and gas boom.

Ms Koma said the PYWP was an international civil society network that aimed to put pressure on resource rich (extractive industry) governments to sign up as member of the Extractive Industries Transparency Initiative. Ms Koma said the US President Barrack Obama and the US Senate had recently passed a bill to enforce EITI. The new law will force US listed companies involved in extractive industries to publish details of taxes, royalties and other fees they pay in countries where they operate. "If the US President Barrack Obama is intent on stamping out corruption between governments and US extractive industries that mine gold, copper, oil, gas and other minerals – then it is not hard for our Prime Minister Sir Michael Somare and his government to sign up to the EITI," she said.

**State ordered to pay New Ireland government K400 million**      National 22.10.2010  
By ISAAC NICHOLAS

THE state has been ordered to pay the New Ireland provincial government K400 million [US\$ 143 million] by Nov 19. This was outstanding memorandum of agreement (MoA) funds from the Lihir gold mining project owed to the provincial government stretching back 15 years. On Wednesday, the National Court ordered the state solicitor to liaise with the Mineral Resources Authority, MRDC and other key government agencies to agree on how to settle the claim. Presiding judge Justice Ambeng Kandakasi directed all parties to return to court on Nov 9. However, he expected the outstanding MoA payments to be settled by Nov 19. He said the national government had, over the years, held the people of New Ireland at ransom when it failed to honour the agreement.

In welcoming the court decision, Namatanai MP Byron Chan said it was sad that the provincial government had to take the matter to court to be resolved. "It is a day of mixed feelings. "It is sad that we have to take the government to court after years of mediation and appeals, including our countless number of questions during parliament sessions. "We are happy that justice has been served for the people and government of New Ireland," Chan said. "We anticipate that the court decision will force the government to honour its outstanding commitments."

New Ireland Governor Sir Julius Chan said the provincial government had documents to prove that the prime minister had instructed his finance and treasury minister to pay New Ireland its money. "Stupidly, I followed this assertion and punch this into the budget and, now, we have a big hole in our budget." Sir Julius said he felt sorry for the people of Southern Highlands that if they look closely at the New Ireland example, they would be fighting for their MoA funding in court for the next 20 years given the national government's poor record. Meanwhile, government sources revealed that the court decision would impact on the supplementary budget and budget proper to be handed down next month.

**Mt Kare landowners cry foul**      Post-Courier 22.10.2010  
By MOHAMMAD BASHIR

Directors of the Kare Puga Development Corporation Ltd (KDC) who had a 10 per cent free carried interest in EL1093 Mt Kare gold mines prior to the liquidation of the developer, Madison (PNG) Ltd, has raised allegations of foul play and political interference in the transfer of mining licence EL1093 to the new joint venture developer Kingsgate-Pacific Union. Kingsgate Mines and Union Pacific, in a joint venture under the company Summit Ltd, purchased the interest of Madison PNG through the liquidator - James Kruse of Deloitte Touche Tohmatsu. The Liquidator then applied for

a transfer of the interest in June this year, which was to be effected prior to the expiry of the Licence on August 24, which is on Sunday. Since then, delays occurred in transferring the interest until last Wednesday when the Mineral Resources Authority announced its approval of the transfer which was to be effected prior to the renewal of the licence. A Wardens Hearing was organised for the November 3 at the Mt Kare camp and the directors of KDC, who had been in Port Moresby for more than a month, are preparing to travel to their homes this weekend.

The latest news is that the managing director of MRA has stopped the transfer of EL1093 to Summit. The reason given is that they needed legal advice on whether the transfer can be effected after the expiry of the licence. In this case, the application for transfer was lodged in June this year and has yet to be processed. Kingsgate and the liquidator want the transfer to go through and it is understood that they are prepared to go to court to see this happen. The KDC wanted the transfer to go through and will support the liquidator and Kingsgate in this regard to protect their 10 per cent free carried interest in the prior agreement with Madison PNG. It appears that the situation is being manipulated so that the application for renewal will need to be made by the liquidator, in this case despite the advice of the MRA that Kingsgate should be the applicant.

The KDC directors have not cancelled their travel plans to go back home because as representatives of the Mt Kare landowners with a promised 10 per cent equity in the project, KDC prevails upon the managing director of MRA to effect the transfer immediately so that the Mining Wardens Hearing can go ahead. The KDC will be petitioning MRA in this regard immediately as they suspected foul play and demanded that Mr Wali and MRA come clean as to why the transfer has not been effected. The KDC wanted to know why Mr Wali is holding onto the transfer for so long and question how the Government can expect the landowners to support the project if the police have burned down the Mt Kare village. Mr Kepas Wali said he did not have the powers to transfer or award licences except the Minister for Mining, acting on advice from the Mining Advisory Council (MAC). He is the chairman of the MAC, which is represented by government departments of Environment, Treasury, Provincial Affairs and Mineral Policy and the MRA.

## **Tolukuma operations halt**

Post-Courier 22.10.2010

*By Harlyne Joku*

Underground mining operations on the lucrative Tolukuma Gold Mine (TGM) site in the Central Province have been halted as local tunnel miners refuse to work over issues of better pay rates and risk allowances. The local miners who excavate the tunnels for gold stopped work on Wednesday morning after the TGM management refused to entertain their demands for increased rates and risk allowances. Charles Tau, who represented the underground miners, confirmed from Tolukuma yesterday that about 400 miners of the local workforce are involved in the stop work. They were gathered outside the Community Relations Office (CRO) on Wednesday and yesterday hoping to receive positive response from the management. But the management urged them to return to work or be sacked and ordered heavy police presence at the mine site, Mr Tau said. He further confirmed that at 11 am yesterday, the TGM General Manager John Moore met the miners and denied their demands. The miners asked to fill out resignation forms but Mr Moore also refused to give let them have the forms, Mr Tau said.

He added that most of the miners have worked underground since the mine began operations some 15 years ago. They have realised that the K6 per hour rate [US\$ 2,1] for 12 hours per day paid to them by TGM has not been adjusted compared to other workers on operating mines throughout the country, Mr Tau said. He further claimed that the miners have never been paid risk allowances as compared with other mine workers. Post Courier contacted TGM's General Manager John Moore at Tolukuma yesterday who confirmed the stop work. He also said that the workers have not followed



the appropriate procedures to voice their complaints so their stop work is illegal. Mr Moore said he has asked the miners to return to work. He also added that the mine management was under strict orders not to further comment until a senior official, Babani Maraga from Petromin, the developer of TGM gives them the authority to do so. Petromin is owned by the PNG state which took over two years ago after former developers DRD Gold and Emperor Mining Limited from South Africa left Mr Maraga when contacted briefly commented that TGM management will be issuing a press statement on the issue today (Friday).

### **Komo LNG works on notice**

Post-Courier 22.10.2010

By ANDREW ALPHONSE

A SEVEN-day stop work notice is looming at the proposed Komo liquefied natural gas (LNG) international airport in the Southern Highlands Province. Early works including engineering, procurement and construction (ECP) phase 5 of the airport is likely to be stopped by angry landowners early week. Yesterday, the main clans of the Hela Tuguba airport development project landowners association of Komo were seeing signing a petition to be presented to the State, LNG project developer ExxonMobil, its international contractor and developer of the airport McConnell Dowell Consolidated Contractors Joint Venture (MCJV). The landowners demanded that before the LNG airport is developed further, they wanted the State, ExxonMobil and MCJV to address some of their outstanding issues.

The landowners made this known through their spokesmen Ipitali Koi, Kapiaru Hegele and Albert Wayali (Imini clan), Thomas Walupali and Lembo Parajia (Takima), Luke Herebe and Jackson Puti (Tapu-Undupi), Hongawi Ipura (Maya), John Lai (Tamburuma) and Olape Papu (Dapamu). They said in the next few days, they would secure the signatures of more than 100 landowner leaders from the affected land at which the airport would be located to give a seven days notice to the State, ExxonMobil and MCJV to address these issues. They said in an earlier petition delivered on the October 9 to ExxonMobil, State and MCJV, they demanded that there be proper social mapping and landowner identification studies be carried out. They said without a proper social mapping and landowner identification, ExxonMobil and MCJV are “bulldozing the project and trespassing on customary land”.

They also want other benefits enjoyed by other project like landowners’ business participation, compensation for the destructions of forest and environment damage, seed capital, equity, airport land rental, re-settlement program, Komo township plan, Komo airport authority and separate memorandum of agreement (MOA) signing for Komo airport. The landowners told the Post-Courier at Komo yesterday that they were also excluded from the umbrella benefit sharing agreement (UBSA) and licensed based benefit sharing agreement (LBBSA) last year and they feel that they may miss out on the benefits if they do not act now. The landowners warned that after securing the signatures, they would issue a seven day stop-work notice to MCJV on Monday. Yesterday, the Post-Courier visited the Komo airport site and saw only a handful of machines and workmen working while the bulk of them remain idle at the MCJV base.

### ***Letter to the editor***

### **Conspiracy act for Mt Kare gold project**

Post-Courier 22.10.2010

I refer to the letter in the Post-Courier dated October 11, 2010 as “Pundari blasted”. As a legitimate landowner of Mt Kare, I am in support of the Minister who is calling for co-operation because I am not aware of who are those landowners spear heading the warden hearing at Mt Kare. I, as Apa

Youpe Mt Kare gold chairman, supported by seven tribes of Mt Kare which are Pakea, Laiyapi, Heli, Yolo, Koma, Kewai and Puiyoro am urging Mr Pundari to keep his stand and identify who are these greedy fox walking in and out of your doorstep and having secret deals with government authorities. We totally disagree on whether it be Mt Kare Development Corporation or Kare Puga Development Corporation (KPC) or Mt Kare Gold Resources Development or any other company who are interested in Kingsgate for the Mt Kare gold development.

We do not allow the warden hearing to be conducted because principal landowners back at home do not agree on this arrangement. It is the voice of the chairman with his company, Apa Youpe Mt Kare Gold Deposits be heard by people and not the voice of these conned street consultants and landowners of Port Moresby. You are only conspiring to topple company's (Apa Youpe Mt. Kare Gold Deposits) affair and future of Mt Kare people. I have every authority to make a deal with government authorities or developers for the Mt Kare gold development for my God given land. And I do not want any company; engaged from the streets of Port Moresby to operate in my land. Exploration after exploration for more than 20 years and had negative impacts on the environment, where there were no exploration/environmental reports and compensation payments.

We do not want any more exploration now. We want alluvial mining and it is in the hands of Apa Youpe Mt Kare Gold Deposits Limited. Mt Kare has a long history and we do not want any more disputes in the future. Whoever, involves in the Mt Kare gold prospects whether you are from Laiagam, Kandep, Wabag, Wapenamanda, Kompiam, Tari or elsewhere who wants to manipulate the system must withdraw because that Mt Kare vicinity is not your land and you are only impeding the progress of Mt Kare gold development. It is a real embarrassment for these people because you are only misleading your developer Kingsgate/Union Pacific or any other developer you would engage. ISAPA LAPE, Chairman - APA YOUPE MT KARE GOLD DEPOSITS LIMITED

### **Peace ceremony: economy set to blossom**

Post-Courier 22.10.2010

By mal taimé

THE economy of the country will grow in the next 50-years due to the multi-billion kina liquefied natural gas project in the Southern Highlands Province. Western Highlands Governor Tom Olga said this before a packed crowd that turned up to witness a peace ceremony held at Aviamp Primary School in South Wahgi district over the weekend. The ceremony between the Eskupake and Kenjimbe clans of the Tongai Monge tribe was spearheaded by prominent lawyer and senior state prosecutor Joseph Kesan with the help of the Menjpi, Walpi, Mamulka tribes including the Jiwaka Transitional Authority and other prominent leaders. Some of the dignitaries that attended were Deputy Administrator (Jiwaka Affairs) Daniel No Amban, Allan Mcwinden, Justin Paka, Jonathan Kumba, provincial police commander Chief Inspector Kaiglo Ambane, Managing Director of the Kigabah coffee processor Bill Gardner and Joe Koim.

Mr Olga said tribal fight had claimed a lot of the innocent lives and caused damage to many property and the people must consider this and shoulder some responsibilities and say no to tribal fights. "We must try to forgive others for their wrong doings and not to take the law into our own hands," Mr Olga said. He said if there was no tribal fight then everybody would have peaceful lives and achieve many things. The governor said that tribal fights had destroyed many things and also government services had been denied. Mr Olga urged the tribesmen not to instigate the problem in the future. He said the peace that had been achieved must be maintained by not breaching the agreement. He said his presence at the peace ceremony was to make sure the agreement was sealed because if there was peace then there would be many developments taking place for the future generations.

Mr Olga said he was happy to see those that took their time and effort to contribute towards the peace ceremony. He gave K10,000 in cash and promised to supply materials to both warring sides to rebuild their houses. He promised them bush knives, hammer, nails and other materials worth K5000 this week so that it would be distributed equally to them. Mr Olga said if there was peace in all parts of the province then it would make it possible for him to intervene and bring developments. He said people involved in tribal fights would one day realise the disadvantages it brought to them. Mr Olga said before instigating any problems the people had to think beyond for their future, saying that there was a government system there and they must follow the procedures. He said the government had peace mediators, police, and the courts and there were ways to resolve problems. Mr Olga said many times most of the people did not follow the right procedures and did not forgive others for their wrong doings which provoked them to cause problems. He said also the people do not inform police to arrest trouble makers and this was a big failure on their part which needed to be corrected.

### **Morobe Mining: 15% hike in gold output for quarter 3** By PATRICK TALU

National 22.10.2010

PAPUA New Guinea's newly-commissioned mine Morobe Mining Joint Ventures (MMJV) has reported a 15 % increase in gold production for the third quarter this year at its Hidden Valley operations. It also reported exploration drill hole intercepts at the Golpu porphyry copper-gold deposit at the Wafi-Golpu project in Morobe. MMJV is a 50-50 joint venture between Harmony Gold Mining Co Ltd and Newcrest Mining Ltd. The Hidden Valley mine was officially opened last month. In a statement released at the weekend, the 15% increase in gold production was driven by improved recoveries. It also said cash costs were reducing in line with expectations as the processing plant ramped up to design capacity. Hidden Valley's September quarter performance was 43,144oz of gold and 265,190oz of silver at a gross cash cost of A\$1,257 per ounce and a net cash cost of A\$1,234 per ounce. This compares with the June quarter performance of 37,570oz of gold and 231,122oz of silver at a gross cash cost of A\$1,259 per ounce and a net cash cost of A\$1,323 per ounce.

### **Australian firm wins LNG deal**

Post-Courier 22.10.2010

Toowoomba-based construction materials group, Wagners, has won a multi-million dollar contract to operate two concrete plants for ExxonMobil's US\$18 billion LNG project in Papua New Guinea. According to the Queensland business Review, through the help of the Australian Government's Export Finance and Insurance Corporation (EFIC), Wagners will supply, install and operate the plants for the Southern Highlands Province project. Wagners will work in collaboration with Japanese engineering and construction firms Chiyoda Corp and JGC Corporation, whose joint venture CJJV is building the LNG plant for Esso Highlands, a consortium led by ExxonMobil. Wagners Global Services general manager John Watts says EFIC, the Federal Government's export credit agency, has provided two performance bonds to CJJV on behalf of the company.

"The Australian commercial banks would have required full security to issue the performance bonds to a party in a foreign jurisdiction and we couldn't afford to tie up our cash resources in that way," Mr Watts says. "EFIC's bonds have freed up our working capital, enabling us to deliver this large-scale contract in a challenging location." EFIC has provided a US\$350 million loan to the broader PNG LNG project, joining an international syndicate of export credit agencies and commercial lenders. Wagners will install and operate two ready-mix wet-batch mobile concrete plants and supply around 130,000 cubic metres of cement for the construction of the LNG plant.

## Papua New Guinea gives green light to deep-sea mineral mine

Plans for a new mine for ore that contains copper, zinc and gold have caused alarm among scientists and indigenous people

Christine Ottery, guardian.co.uk, Thursday 21 October 2010

The green-lighting of the world's first deep-sea mineral mine in Papua New Guinea waters has caused alarm among scientists and indigenous people who fear it will damage local marine life. Papua New Guinea's prime minister, Michael Somare, today licensed the new mine for ore that contains copper, zinc and gold, to be run by Canadian company Nautilus Minerals. Sited in the Manus Basin within Papua New Guinea's territorial waters, it will be near hydrothermal vents 1,600 metres below the surface. Driven by rising copper prices around the world, Nautilus' Solwara 1 project will excavate 1.2 to 1.8m tonnes of high-grade sulphide ore a year. Scientists are concerned about the scale of the mining. Paul Tyler from the University of Southampton and chair of the Census of Marine Life said: "Hydrothermal vents have a very distinctive fauna that is only found on hydrothermal vents so mining close to the vents could wipe out the vents or cause a large amount of damage in the surrounding area."

Nautilus says it has carried out extensive environmental research and impact assessments, and has conservation mitigation strategies in place such as moving organisms for later recolonisation. But Tyler said: "When you mine near a hydrothermal vent you change the flow of fluids through the sea floor. You might switch the vent off or create another one elsewhere – that might affect the distributions of animals around the vent." Deep-sea organism populations do not have resilience to disruptions and have slow growth because of limits in food supply and the cold water. "These organisms catch, store and break down carbon that is removed from the atmosphere by shallow water organisms," said Elliott Norse, president of Marine Conservation Biology Institute in Washington DC. "The deep sea also harbours organisms that could be important to humans as anti-cancer medicines – but that we might not even know about yet."

The indigenous communities of Papua New Guinea are also against the mining operation, and have petitioned the government to prevent it. However, one expert said the risks had to be put into the context of damage caused by other types of mining, such as excavating a mountaintop. Linwood Pendleton, the director of Ocean and Coastal Policy at Duke University, said: "Hydrothermal vents are naturally combustible habitats, they blow up, they become colonised, then the vents die and the ecosystems around them die, so if mining were done at a small scale and low frequency then it may fit very well into this chaotic system of destruction. Mining a mountaintop, once it is gone, it's gone." It is unlikely that concerns will stop the mining project going ahead as no one from the international community can interfere in Papua New Guinea's territorial waters of the Bismark Sea. Comment was not available from Nautilus Minerals.

- **22 October update:** The expected announcement of the go-ahead for Solwara 1 to the national media of Papua New Guinea did not occur yesterday. No official reason was given for the deferral of the licensing.

## PNG DEVELOPMENT PROGRAM CALLED USELESS

\$750 million hasn't addressed mining impacts

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 21, 2010) – The Papua New Guinea government has criticised the development group headed by Australia's climate change expert Ross Garnaut for failing to deliver improvements needed after BHP Billiton's environmental disaster at the Ok Tedi copper mine. Professor Garnaut is chairman of the NZ\$1 billion [US\$750.3 million] PNG Sustainable Development Program that's responsible for overseeing aid and income-

generating programs across PNG. The Program was set up by BHP Billiton in 2002 after it divested its 52 percent shareholding. The Treasurer, Peter O'Neill, has written to BHP Billiton, which picks three of the six board members, calling for Professor Garnaut and his team to be sacked because after nearly a decade, the Program has achieved little. The Program has recently signed a memorandum of understanding with Australia's Origin Energy to develop a huge hydro electricity project on the Purari River in Gulf province. The Queensland government has expressed an interest in using the power. Radio New Zealand International: [www.rnzi.com](http://www.rnzi.com)

## **PNGs Government pushes for Garnaut's sack**

National 21.10.2010

THE national government wants the head of PNG Sustainable Development Program (PNGSDP), Prof Ross Garnaut, sacked from the organisation, criticising it for failing to deliver improvements needed after BHP Billiton's environmental disaster at the Ok Tedi copper mine. But Garnaut has hit back, questioning the motive behind the attempt to take over the assets of the billion-dollar company. PNGSDP was set up by BHP Billiton after their Ok Tedi mine caused devastating environmental damage to surrounding river systems in the late 1990s. BHP Billiton divested its 52% Ok Tedi shareholding and established the PNGSDP in 2002. This month, Treasurer Peter O'Neill wrote to BHP Billiton, which picks three of the six PNGSDP board members, calling for Garnaut and his team to be sacked for failing the country's most deprived.

O'Neill told AAP there were growing concerns among PNG leaders and citizens that PNGSDP had achieved little after nearly a decade. "Garnaut is appointed by BHP and his tenure is a matter for BHP," he said. "I met with Garnaut and raised these issues; he is fully aware. "BHP needs to review the whole structure; that is what we are encouraging them to do. "The reality is the people on the ground are not satisfied. The potential of such a large programme it is not delivering. "We also want to ensure there is new blood at board membership level that will create a new sense of direction for the organisation; we raised it with BHP, changes need to come." It was worrying that there had only been one new board member since 2002, O'Neill added. A BHP Billiton's spokeswoman said they were in "ongoing correspondence" with the PNG government. "BHP Billiton is committed to ensuring that PNGSDP remains effectively governed for the benefit of the people of PNG and the Western province in particular," she said.

BHP was completing a board skills review as part of the recruitment process for a new board member to replace Jim Carlton, who leaves at the end of this year, she said. Garnaut, who is also a director of the Ok Tedi mine, said an independent review of the PNG-SDP, undertaken by Harvard Institute of International Development director Prof Dwight Perkins, had been made public. "At various times, people in the PNG government have proposed that they take over control of the assets of PNGSDP and, upon consideration, have dropped the proposals," he said. "Such a takeover would require the agreement of BHP Billiton and the independent state of PNG. "Others can judge whether the PNGSDP directors have discharged their responsibilities well and whether the current attempt to take over the assets of PNGSDP is at all related to the performance of the company."

### ***Editorial***

## **THINGS LOOKING UP FOR PNG GOLD PANNERS**

PORT MORESBY, Papua New Guinea (The National, Oct. 21, 2010) - Morobe, especially Bulolo district, has a long history of alluvial gold mining going back to 1910 when a Canadian-Australian, Arthur Darling, first discovered gold in what is now known as the Morobe goldfield. Alluvial gold mining was mostly dominated by expatriates in the early gold rush days following a major

discovery at Koranga Creek in Wau in 1922. But, this changed when local people decided to go into mining for the first time in 1949 along the Wanion River in the Markham. The transferring of skills and knowledge of alluvial gold mining by expatriates to the local people took place in the 1950s and 1960s when many residents around the Wau-Bulolo area applied for and were granted mining leases. Up until now, alluvial gold mining remains one of the sources of income for the people of Bulolo, particularly the Watut River communities including the landowner villages of the Hidden Valley mine and the Wafi-Golpu project.

Recently, due to concerns raised by the villagers on the low incomes from gold sales as a result of poor yields, Morobe Mining Joint Ventures (MMJV) initiated a training program for the communities. The program is aimed at improving alluvial mining incomes, and more importantly, in a safe and environmentally responsible manner. Furthermore, the training aims to improve alluvial mining techniques introduce small-scale dredging and provide knowledge to avoid the use of mercury. These objectives are in line with the government's broad policy statement covering the small-scale mining sector, which is highlighted in the Eight Point Plan. The plan emphasizes promotion of rural-based industries where participation by PNG citizens is encouraged. Legally, small-scale mining is recognized as a rural-based cash-generating economic activity. It also stressed that any development activities or industries promoted must be done in an environmentally friendly manner beneficial for both present and future generations.

The training program is being implemented in partnership with the Wau Small Scale Mining Training Centre (WSSMC), run by the Mineral Resources Authority (MRA) with support from the European Union. To date, MMJV has sponsored 74 alluvial miners from the Watut River region and from around the Wafi project to receive training at the WSSMC. The basic course covers a wide range of topics including mining history, mining and affiliated laws, geology, mining and processing, mercury, occupational health and safety, HIV/AIDS, environmental issues and running small-scale mining as a business. Alluvial gold miners in the Bulolo district contribute to about four tons of alluvial gold produced by all alluvial miners throughout the country a year, valued at around PGK100 million.

### **Cairns' idle aircraft eyed for fifo miners**

National 21.10.2010

USING aircraft lying dormant throughout the night at Cairns airport is one of the ideas the business community will pitch to woo more fly-in, fly-out (fif) mining operations to the Far North in Townsville and Papua New Guinea. The Cairns Post newspaper yesterday reported the Cairns chamber of commerce, Advance Cairns, Invest Queensland and a consultant specialising in PNG mining prospects are heading to Perth in two weeks to highlight the credentials of the region as a fif base. Chamber executive officer Sandy Whyte said the delegation would meet six or seven companies as well as holding a couple of group sessions on Nov 8-9. He said there were a lot more opportunities than people realised and Cairns was shaping up well as an fif base for Perth-based mining companies. "Perth has very few slots left at the airport for flights north, particularly Karratha," Whyte said. "Karratha is currently serviced from Brisbane, Sydney and Melbourne but Cairns is closer than all three," he said. "There are big opportunities because there are aircraft sitting overnight in Cairns," Whyte said.

### **Training for miners**

Post-Courier 21.10.2010

Morobe Province, especially Bulolo district has a long history of alluvial gold mining, dating back to 1910 when a Canadian-Australian, Arthur Darling first discovered gold in what is now known as the Morobe Goldfield. Alluvial gold mining was mostly dominated by expatriates in the early gold

rush days following a major discovery at Koranga Creek in Wau in 1922. But this changed when local people decided to go into mining for the first time in 1949 along the Wanion River in Markham. The transferring of skills and knowledge of alluvial gold mining by expatriates to the local people took place in the 1950s and 1960s when many residents around the Wau/Bulolo area, applied for and were granted Mining Leases. Up until now, alluvial gold mining still remains one of the sources of income for the people of Bulolo, particularly the Watut River communities including the landowner villages of the Hidden Valley mine and the Wafi-Golpu project.

Recently, due to concerns raised by the villagers on the low incomes from gold sales as a result of poor yields, Morobe Mining Joint Ventures (MMJV) has initiated a training program for the communities. The program is aimed at improving alluvial mining incomes for the communities and more importantly in a safe and environmentally responsible manner. Furthermore the training aims to improve alluvial mining techniques, introduce small scale dredging and provide knowledge to avoid the use of mercury. These objectives are in line with the government's broad policy statement covering the small-scale mining sector, which is highlighted in the Eight point Plan. The plan emphasises promotion of rural-based industries where participation by PNG citizens is encouraged. Legally, small-scale mining is recognised as a rural based cash generating economic activity.

### **Gedrosselter chinesischer Export. Deutschen Firmen gehen Hightech-Metalle aus** Der Spiegel, 21.10.2010, von Axel Bojanowski



Bastnäsit: Minerale dieser Gruppe sind neben Monaziten die wichtigsten Erze zur Gewinnung der Seltenen Erden.  
(Foto: Reuters)

Die Welt ist abhängig von China - und Deutschland bekommt das jetzt zu spüren: Weil Peking die Lieferungen drosselt, erhalten erste Unternehmen nach SPIEGEL-ONLINE-Informationen keine Seltenen Erden mehr. Die Metalle sind unverzichtbar in der Produktion von Akkus, Turbinen und Motoren. Seit Jahren haben Experten gewarnt - nun ist der Ernstfall eingetreten: Erste Firmen in Deutschland bekommen keine Metalle für die Hochtechnologie mehr geliefert, die sogenannten Seltenen Erden sind ihnen ausgegangen. Das erfuhren SPIEGEL ONLINE aus Industriekreisen. Die Betriebe werden ihre Produktion vermutlich einschränken müssen. Der Grund für die Verknappung: China exportiert weniger Seltene Erden. Gleichzeitig hält das Land quasi das Monopol auf die Hochtechnologie-Metalle, produziert 97 Prozent der weltweiten Menge. "Wir stehen am Beginn einer Versorgungskrise", sagt der Geologe Harald Elsner von der Bundesanstalt für Geowissenschaften und Rohstoffe (BGR).

Vordergründig beruhigt die Volksrepublik die Industrieländer: "China wird weiterhin Seltene Erden an die Welt liefern", teilte das Handelsministerium in Peking mit. Allerdings werde China die Ausfuhr der Rohstoffe weiter einschränken, um seine Ressourcen zu schonen. Medienberichte, wonach die Ausfuhr von derzeit 30.000 Tonnen an Seltenen Erden 2011 um 30 Prozent gekappt werden soll, wies die chinesische Regierung zurück. Doch Experten beruhigen diese Aussagen nicht: "Es drohen brisante Engpässe", sagt der Geologe Peter Buchholz von der BGR. Hauptleidtragende dürften die Branchen der Autozulieferer und der Offshore-Windkraftanlagen-Hersteller sein. Die Preise für Seltene Erden haben sich zwischen Januar und August teils dramatisch erhöht, für einzelne Elemente um das Siebenfache. 17 Metalle gehören zu den Seltenen Erden, darunter Lanthan, Europium und Neodym. Sie werden nur in kleinen Mengen verwendet, sind aber unverzichtbar unter anderem für die Herstellung zahlreicher Elektroprodukte, darunter

Computer und Computer-Monitore,  
 DVD-Spieler,  
 leistungsstarke Akkus,  
 Hybrid-Autos,  
 Halbleiter,  
 Handys,  
 Rüstungsgüter,  
 Windturbinen.

Autozulieferer nutzen Seltene Erden bei der Herstellung von Elektromotoren.

Wegen der zunehmenden Bedeutung der Umweltechnologien rechnen Länder wie Japan, die USA, aber auch Deutschland mit einem steigenden Bedarf an Seltenen Erden.

### **Russland soll helfen**

Die Bundesregierung hat nun reagiert. Das Kabinett billigte am Mittwoch die vom Wirtschaftsministerium vorgelegte Rohstoffstrategie. "Für die Zukunft des Hochtechnologiestandorts Deutschland ist die Versorgung mit bezahlbaren Industrierohstoffen von entscheidender Bedeutung", sagte Wirtschaftsminister Rainer Brüderle (FDP). Die Regierung will Unternehmen dabei unterstützen, die kostbaren Metalle aufzutreiben: Sie will beispielsweise Kontakte herstellen, politisch vermitteln und Investitionen mit staatlichen Kreditgarantien absichern. Außerdem sollen künftig Seltene Erden aus Recycling gewonnen werden. Die Hoffnung der Industrie liegt besonders auf den guten politischen Kontakten nach Russland, wo immerhin ein wenig Seltene Erden gefördert werden. Doch diese Maßnahmen können bestenfalls kleine Engpässe überbrücken. Längst machen sich Geologen weltweit auf die Suche nach Metall-Lagerstätten, die das chinesische Monopol brechen sollen. Die neu gegründete Rohstoffagentur des Bundes an der BGR stellt folgende Lagerstätten für den Abbau Seltener Erden in Aussicht:

- In den USA soll das Bergwerk Mountain Pass in Kalifornien wieder in Betrieb genommen werden. 40.000 Tonnen Seltener Erdoxide pro Jahr könnten gefördert werden. Doch der Produktionsbeginn wird seit Jahren hinausgeschoben. Ob 2012 als Starttermin gehalten werden kann, ist unklar. Angeblich reichen den Betreibern - eine Investorengruppe - die knapp 400 Millionen US-Dollar nicht, die beim Börsengang in diesem Jahr eingenommen worden sind.
- Australien plant, in den nächsten drei Jahren zwei Bergwerke zu aktivieren: In den Lagerstätten Mount Weld in Westaustralien, Nolans im Norden des Landes und Dubbo in New South Wales sollen jeweils bis zu 22.000 Tonnen Seltene Erden pro Jahr gewonnen werden. Deutsche Firmen haben bereits Lieferverträge abgeschlossen. Mittelständische Betriebe hierzulande jedoch bekommen die Rohstoffe nicht direkt, sie bleiben auf Zwischenhändler angewiesen.



- Südafrika bereitet die Inbetriebnahme des Bergwerks Zandkopsdrift nördlich von Kapstadt vor, es soll 20.000 Tonnen Hochtechnologie-Metalle pro Jahr abwerfen.
- In Indien und Kasachstan werden nach Angaben der BGR demnächst Lagerstätten eröffnet, auf die allerdings nur Japan Zugriff hat. Die Autofirma Toyota nutzt die Metalle für ihre Produktion.

Ob all diese Lagerstätten den Engpass tatsächlich beheben können, bleibt jedoch zweifelhaft: "Sie werden vermutlich gerade mal ausreichen, um die stark zunehmende Nachfrage nach Seltenen Erden zu decken", sagt Elsner.

### **Geologen machen Hoffnung**

Die Hoffnungen der Geologen liegen vor allem auf Grönland und Kanada: Dort könnten in uranhaltigem Gestein riesige Mengen an Seltenen Erden stecken. Ein Areal im grönländischen Kvanefeld könne bis zu 100.000 Tonnen Seltene Erden pro Jahr abwerfen, berichtet Elsner. Die Menge kommt der derzeitigen Gesamtproduktion Chinas von 130.000 Tonnen pro Jahr erstaunlich nahe. Die Produktion in Grönland könne jedoch frühestens in fünf Jahren beginnen, sagt Elsner. Geologisch bestehe kein Grund zur Sorge, betont Elsner: Die Seltenen Erden seien geologisch nicht selten. Allein mangelnde Produktion sorge für Knappheit. Auch in Russland, Kanada, Indien, Vietnam, im Süden Afrikas und in den USA lägen vermutlich noch größere Lagerstätten. Bis mindestens Ende 2011, sagt Buchholz, bleibe Deutschland bei den Seltenen Erden aber "zu fast 100 Prozent" auf China angewiesen. Noch ist nicht absehbar, wie heftig sich die Verknappung der Hightech-Metalle auswirken wird - aber die Preise von Elektroprodukten wie Handys oder Windkraftanlagen könnten spürbar steigen.

### **SOLOMONS GOLD MINER ENCOURAGED BY PROSPECTS**

Exploratory drilling indicates ample deposits

HONIARA, Solomon Islands (Solomon Star, Oct. 20, 2010) - Allied Gold's drilling exploration, which commenced at Gold Ridge in mid-July, is progressing well. "Assays for a total 648 drill hole samples from the RC holes drilled at the southern end of the Namachamata deposit were received in September," the company reports. "The most encouraging down hole intercept was found 20 m from surface, as it occurs in a previously untested area on the south east side of the pit, opening up the possibility for further success in under-drilled areas around each of the known deposits. A core rig is presently being mobilized to site to allow testing of the deep targets, beyond the maximum 150m hole depth capacity of the RC rig on site.

Allied Gold Limited's gold production and exploration development portfolio is centered on the Pacific Rim of Fire, both at Simberi in the Tabar Islands Group of Papua New Guinea and at Gold Ridge, on Guadalcanal, in the Solomon Islands. The Pacific Rim of Fire is one of the world's proven and most prospective gold jurisdictions. In the two year period, 2008 to 2010, Allied Gold produced 136,936 ounces of gold at Simberi. In December 2009, Allied Gold acquired Australian Solomons Gold Limited (ASG) whose principal asset is the Gold Ridge mine located on Guadalcanal. Allied Gold holds 130km(2) of exploration tenure in the country.

Solomon Star: <http://www.solomonstarnews.com/>

### **Namatanai calls for funds**

Post-Courier 20.10.2010

ONE of PNG's largest and richest mining electorate is calling on the National Government to urgently appropriate K90 million in the 2011 national budget which is expected to be handed down next month. The Namatanai electorate in the New Ireland Province which houses the multi-billion

Lihir and Simberi mines and contributes nearly K500 million annually to the national purse has for the last 15 years seen no real tangible development. Its Member of Parliament Byron Chan re-echoed earlier concerns he made saying the Government as per the Lihir Memorandum of Agreement (MOA) has not honoured its commitments. Mr Chan said to date major developments and infrastructural impact projects are stalled because of the National Government's lack of commitment. This includes the resealing and redevelopment of the Boluminski Highway, the upgrading of Namatanai hospital and the outstanding mining grants each costing K30 million.

Mr Chan said if the Government can honour commitments made elsewhere like the Gulf and Southern Highlands provinces then Namatanai or New Ireland is no exception. "This is very unfair on the part of Government because in real terms Lihir has contributed a lot and it is Lihir today that stands as security to allow the Government to secure massive financial borrowing to kick start the multi-billion PNG LNG project. Where is the fairness?" He urged the Prime Minister Sir Michael Somare to release the K30.2 million in outstanding mining grants as promised in the last session of parliament. Sir Michael said: "New Irelanders will get their K30.2 million, as promised and reflected in the 2010 budget, the outstanding mining grants derived from Lihir." Former Finance and Treasury Minister, Patrick Pruiatch, and former Mining Minister and Deputy Prime Minister Sir Puka Temu also acknowledged the Prime Minister's statements to release the funds.

## **FIJI COMPANY SEEKS PERMIT TO DRILL FOR GAS**

*'Bright spot' identified near Suva*

SUVA, Fiji (Fiji Sun, Oct. 19, 2010) – The presence of a so called "bright spot" that indicates the presence of gas 20 kilometers east of Suva in Fiji has prompted a local firm to try to start drilling in the area as early as next year. This is subject to Government approval. This was revealed by Akura Ltd managing director Bill Brook at the South Pacific Applied Geoscience Commission/Science and Technology and Resources Network (SOPAC/STAR) meeting currently being held in Nadi. SOPAC provides assistance to 19 island countries in the Pacific region through applied geoscience and technology. Akura is a largely Fiji owned company that has been given an exclusive five-year exploration license to search for oil over a 17,600 square kilometer area. The license was granted in August last year.

Mr. Brook said Akura had already identified 17 seismic sites (leads) that "warrant further review work" with one prospect ready for drill testing. The site in question was first identified by Dr Mac Beggs, previously consulting to Akura and now exploration manager for New Zealand Oil & Gas. The structure has the potential to contain a minimum of 12.5 billion cubic feet of natural gas or enough to replace up to 50 per cent of the imported diesel now used for electricity generation in Viti Levu for a decade. However, Mr. Brook said, the only way to confirm this was to drill the prospect. Mr. Brook said that the identified sites were predicated on the data acquired from the Fiji Petroleum Data Package held in Canberra, which contains data collected by those who previously searched for oil in Fiji from 1969 to 1982. The seismic data has been studied by consultant petroleum geologist Alan Hart, a 30 year veteran of petroleum exploration having worked with Hunt Oil Company, Arco International Oil and Gas Company as well as 14 years in his own petroleum consulting business. "There have been impressive advances in exploration technology since international companies last searched for oil in Fiji. We have completed reprocessing the old seismic material which covers the sites.

Mr. Hart is about to commence a detailed review of this material using a dedicated computer program and work station. This will be completed by mid November and we will then have a much clearer picture of the potential of these leads. So although the data that was previously collected was substantive at that time, we have found additional evidence through our own research that has given

us the strong indications that oil and gas deposits do exist in Fiji," Mr. Brook said. The main explorers in the past were Amoco, Chevron, Mobil, Mapco and Pacific Energy and Minerals. Mr. Brook, who has been a geologist in Fiji for 35 years (he is credited with finding gold at Tuvatu), has assembled a small consultative team with extensive oil exploration experience including Mr. Hart and Dr Roman Leslie, a practicing well site geologist, who completed his doctoral thesis on the volcanic rocks of Fiji. *FijiSUN*: <http://www.fjijun.com.fj/>

### **Canadian mining firms worst for environment, rights: Report**

The Star, Toronto edition, 19.10.2010



Filipino field technicians work in Lafayette Mining's open pit multi-mineral mine at Rapu Rapu island in the central Philippines, 350 km (217 miles) south of Manila.

ERIK DE CASTRO/REUTERS

Les Whittington Ottawa Bureau

OTTAWA—Canadian mining companies are far and away the worst offenders in environmental, human rights and other abuses around the world, according to a global study commissioned by an industry association but never made public. “Canadian companies have been the most significant group involved in unfortunate incidents in the developing world,” the report obtained by the *Toronto Star* concludes. “Canadian companies have played a much more major role than their peers from Australia, the United Kingdom and the United States” in these incidents, says the Canadian Centre for the Study of Resource Conflict, an independent, non-profit think tank. The problems involving Canada’s mining and exploration corporations go far beyond workplace issues. “Canadian companies are more likely to be engaged in community conflict, environmental and unethical behaviour, and are less likely to be involved in incidents related to occupational concerns.”

The research surfaced as a long, fierce political battle over legislation to tighten federal government scrutiny of Canadian mining operations abroad comes to a head. Bill C-300, a private member’s bill put forward by Toronto Liberal MP John McKay, will be voted on in the Commons next week. The

proportion of incidents globally that involve Canadian corporations is very large, according to the report. “Of the 171 companies identified in incidents involving mining and exploration companies over the past 10 years, 34 per cent are Canadian,” the Centre found. It said the high incidence of involvement of Canadian companies is in line with the Canadian industry’s dominant position in global mining and exploration. But “this does not make the individual or corporate violations any more ethically acceptable, especially considering the efforts in recent years taken by industry and government to improve” the practices of the Canadian industry, the Centre said.

The Centre’s research was paid for by the Toronto-based Prospectors and Developers Association of Canada (PDAC). It was completed in October 2009 but was not publicly released. The study said the leading causes of incidents involving Canadian mining companies were related to community conflict, including “significant negative cultural and economic disruption to a host community, as well as significant protests and physical violence”. The second most common cause of incidents involved environmental degradation, followed by unethical behaviour, which the Centre defines as operating in a state that is under embargo or careless disregard for human rights or local laws. The report notes that the Canadian government and the industry have devoted considerable time and money to instilling principles of corporate social responsibility in the mining sector. “However, when one examines the current empirical reality, the results reveal a less than ideal picture of corporate social responsibility in the Canadian extractive sector. “Clearly, the Canadian mining and exploration community needs to shift its current strategy if it is to improve its relationships with communities, governments, civil society and risk mitigation.”

Of the incidents reported, gold, copper and coal mining were most often involved. The four “hot spot” countries with the most incidents were India, Indonesia, the Philippines and the Democratic Republic of Congo. Regionally, however, Latin America had the most incidents, followed by sub-Saharan Africa and Southeast Asia. The Centre said the majority of incidents arose from reports by non-governmental organizations (NGOs). Many in the Canadian mining industry accuse some NGOs of harbouring an anti-mining bias that has led to exaggerated and unsubstantiated allegations against Canada’s companies operating in developing countries. Bernarda Elizalde, PDAC’s director of sustainable development programs, said, “These are allegations and they aren’t proven cases.” She also noted that the incidents involving Canadian companies work out to only six a year. The research, Elizalde said, did not provide any fresh information. “There’s nothing new because we know there are some things we need to improve” in the industry’s operations abroad, she said in an interview.

The study showed that what are often seen as human rights problems are actually problems arising from a company’s interaction with the community where it is operating, Elizalde said. “So what we’re trying to do is provide the tools to the companies to understand how they can start improving their relationship with communities and how they can be more inclusive and be respectful and it’s an awareness that we’re creating but it’s a step-by-step process.” Improvements will take time, she said. The report was commissioned as part of the industry’s research arising from consideration of Bill C-300, she said. But, once PDAC received the study, it was decided not to make it public because more research was needed, Elizalde said. On Tuesday, supporters of McKay’s legislation to tighten regulation of Canadian mining firms operating abroad will be on Parliament Hill to lobby for passage of the bill. First introduced in May 2009, the bill has made it further along in the legislative process than most private member’s proposals. But the final vote on Oct. 27 is expected to be very close. The bill’s supporters say it is needed to curb a long history of abuses in the developing world involving Canadian mining companies. But the industry has waged an all-out campaign against legislation it says would damage its commercial interests, subject it to unfair accusations and attempt to enforce Canadian policy in sovereign nations.



## Government gave Ramu Nickel mine away `for free`

Ramu Nickel Mine Watch 17.10.2010

Sensational figures revealed in court proceedings last Friday show for the first time the details of how the government of Papua New Guinea has effectively given away the valuable Ramu nickel mine to the Chinese. The Ramu mine is expected to produce over 1.4 million tons of nickel and 140,000 tons of cobalt, which could be worth up to \$40 billion, but the government of PNG has always refused to reveal how much income the mine will generate for the people of PNG through taxes and royalties. The reasons for that reticence are now clear as the 2006 Mine Agreement gave substantial tax benefits that are unprecedented in the history of PNG mining and which mean there will not be any substantial injection of money into the public purse.

Among the concessions granted to the Chinese are a 10 year tax holiday, 5 year import duty exemption, removal of an option for the State to take a 30% stake in the mine, a clause that permits transfer pricing and no additional profits tax. This is very different from the terms of the original mine agreement signed with developer Highlands Pacific in 2000 which included a fairly standard set of financial clauses which guaranteed substantial government revenues from the project. But Highlands Pacific did not have the cash to develop the mine and a new mine agreement was signed in 2006 when Highlands Pacific sold a substantial interest in the mine to the Chinese. The table below, based on details revealed in court in a dispute over the mine's marine waste dumping plans, shows the additional concessions given by the PNG government to the Chinese.

RAMU NICKEL MINE AGREEMENTS

Fiscal item	2000 agreement	2006 agreement
Import Duty on goods, consumables and fuels etc	No Duty until commercial production starts	No Duty until 5th anniversary of the Tax Holiday
Stamp Duty	No concession	No Stamp Duty on transfer of interest or issue of shares for 12 months
Additional Profits Tax	To be paid	No Additional Profits Tax
Tax Holiday	Only as allowed for other new manufacturing projects	Tax Holiday for 10 years to start when the company chooses or when exports exceed 90,000 tonnes
Marketing	No concessions	Company allowed to sell to related businesses with no protection against transfer pricing
State equity	Option for 30% at cost	No option to increase 6% stake
Right to use know-how	State can use	No right to use
Stability of fiscal terms	Fiscal terms to be updated if a new developer is given better terms in the future	New fiscal terms to be made RETROSPECTIVE to date of Agreement if another developer given better terms

## CHINA TO FINANCE AUSSIE MINING VENTURE IN PNG

Yandera, Madang copper mine to be among largest

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 18, 2010) – Marengo Mining Limited says a Chinese firm will secure financing for its flagship project in Papua New Guinea, which could become one of the world's largest copper mines. [PIR editor's note: *Marengo Mining Ltd.* is based in Perth, Australia] Marengo has inked a non-binding memorandum of understanding with China Nonferrous Metal Industry's Foreign Engineering and Construction Company Limited for financing, construction and development of the Yandera project in PNG's Madang Province. Marengo says NFC may also take a stake in the Perth-based company and the project, which also contains molybdenum and gold. The company says in a statement that Yandera would be a large-scale, long-life operation, with production anticipated to start at about 25 million tonnes per annum, eventually ramping-up to 50 million tonnes.

Radio New Zealand International: [www.rnzi.com](http://www.rnzi.com)

**Ramu NiCo ruling set**  
By *TODAGIA KELOLA*

Post-Courier 18.10.2010

A DECISION on whether Ramu NiCo Management (MCC) will be temporarily stopped from carrying out construction work and operation of the deep sea tailings placement (DSTP) facilities pending a substantive trial will be handed down this Friday. This follows an application by Louis Meidiang, a Basamuk landowner on behalf of individuals from Tong clan and Ongeg clan from Basamuk area for an interim injunction. The National Court in Madang presided by Justice David Cannings reserved a decision to Friday after both counsels for the plaintiff and the defendants made their submissions before him on whether the interim injunction should be granted or refused. Counsel for the defendants Ramu NiCo Management (MCC) Ltd., Ian Molloy and Goiye Gileng from Posman Kua Aisi argued that the plaintiffs had a weak case.

They cited that the Environmental Act actually said that if one had a permit - it was a full defence to a claim of nuisance, the National Goals and Directive Principles were not justifiable and there was no breach of a constitutional law to attract the operation of section 23 of the Constitution; that the plaintiffs had delayed in bringing the proceedings; that the plaintiffs experts were academics and not people in the real world like their experts; that in any event they should be allowed to construct the DSTP system as the plaintiffs were not really concerned about the effect of that, but really just the dumping, and they would give an undertaking that they wouldn't discharge tailings until after the full trial in February or sometime; that the coral that they wanted to blow up was dead and not very much alive.

They said that the previous injunction cost them an additional K13 million and they were losing K2 million a day and that the previous injunction was for 6 months, even though the judge had said it should be only in place for a short time - and it was unfair to issue another injunction. Counsel for the plaintiff Tiffany Nonggorr responded that the Environmental Act actually strengthened the CL position in that it set out that there shall be a defence to causing unlawful environmental harm if the harm was authorised to be caused in the permit.

She argued that the National Goals and Directive principles were non-justifiable except to the extent provided in section 25(3) and (4) and they were saying that the decisions made which led to the DSTP being approved did not give effect to the NGDP and therefore there was a breach of Constitutional Duty which attracted the remedies and sanctions in Section 23. She also pointed out that Louis Medaing enquired about joining the old proceeding the day after Sama Mellambo (other plaintiff) pulled out and was happy to stick to the timetable set for trial but the defendant would not let him join so he had to start from the beginning which would cause more delays.

**Lawyers swapping clients on the Ramu mine merry-go-round**

Ramu Nickel Mine Watch 16.10.2010

Lawyers involved in defending the Ramu nickel mine, representing the interests of the State of Papua New Guinea and advising landowners are swapping allegiances in a confusing merry-go-round that could attract the interest of the Law Society which has strict rules about conflicts of interest. Three weeks ago Australian lawyer, Ian Molloy, was at the Madang Court house representing PNG's mining regulator, the Mineral Resources Authority. Yesterday, October 15, he turned up at court as lawyer defending the Ramu nickel mine. Apparently Mr Molloy sees no conflict of interest in swapping from lawyer for the Regulator to lawyer for the mining company in two sets of proceedings based on the same facts and legal issues.

Almost more astonishing was the appearance of Davis Stevens. Three weeks ago he was the new lawyer representing three landowners who, on the eve of court, decided to withdraw their legal action against the Ramu mine's waste dumping plans, a decision the judge described as "suspicious". Yesterday Stevens appeared at court as the lawyer representing the State in a new action filed by 37 landowners against the Ramu mine. Court observers were keen to know whether Mr Stevens was paid for his work on behalf of the three landowners three weeks ago or whether his new clients were picking up that bill as well.

### **Gold in place for vanilla**

Post-Courier 15.10.2010

By *CHRIS DONALD*

After vanilla prices dropped in Maprik in 1999, businesses in the area slowly went down as well. However, from 1999 to 2005, locals along the Apangai River discovered gold. Wosera Gawi district administrator Steven Aulem, a long time public servant in Maprik, said the economy in their area was booming due to locals generating their income from gold. He said the local buyers pay between K80 to K90 per gram. Mr Aulem said even the prices of store goods are very high but it doesn't stop locals from shopping. He added that Apangai River produces more gold along its bank during rainy periods. According to Freddy Maia, a local buyer in Maprik, he receives 20 to 30 clients a day and that makes him visit the bank three or four times a day. Mr Maia said all the areas in Nagipaim and Lonam villages are now panning for gold and forgetting cocoa, coffee and vanilla. He said they do community work every Mondays as directed by their ward councillors, their gold diggers meet them every Tuesdays to Saturdays.

### **Sinalis 'lost tribe of LNG project'**

Post-Courier 14.10.2010

By *MOHAMMAD BASHIR*

The Sinali speaking people number just over 4,000 and live in the middle of nowhere between Koroba in the Southern Highlands Province and Nomad in the Western Province. They are principle landowners of the Juha gas project licence No.PDL9 and they are not Hulis. Sadly, none of them are educated except only one who has reached grade 10 and is currently employed by the Department of Petroleum and Energy. The rest live like their forefathers, gardening the land and hunting the bushes everyday. Politically, they come under the Koroba Lake Kopiago electorate but culturally, they are Nomads. To get to either Koroba or Nomad stations on either side, they travel 7 days and nights. The multi-billion kina PNG LNG project is right on their door steps and has brought more confusion than good.

As a minority group in a backward area of the Southern Highlands and with only 12 clans, they have no access to schools, health services nor road links. Mr Alex Tao has been the councillor of the Sinalis for 15 years. He is also the village court chairman and chairman of a new umbrella landowner company called Sinali/Juha Central Co-ordinating team Development Corporation Ltd. The 12 clans include Demah, Yewesoso, Moyo, Kasomu, Gumitia, Sambu, Yowomo, Yetipi. Sili, Uwo, Waitie and Kofipi. Their leaders are Alex Tao, Frank Neabi, Moyo Beia, Sai Jerop, Pr Mekeya, Pr Sii, Egiso Yowomo, Dickson Dugubi, John Wapi, Jeremiah Kakala and Gua Ipi. Mr Tao yesterday told the Post-Courier that God Almighty created Juha land and blessed it and placed his people there as custodians.

He was concerned that people from Duna, which is in Tari and Koroba Kopiago who claim to be Juha landowners and were making submissions to the Government for grants and other entitlements. "We still live a very primitive lifestyle (stone age) and the gas project at Juha is a blessing which will rescue us and God the creator is watching," "We do not want anyone, Tom, Dick and

Harry from Huli, Duna, ie Tari, Koroba or Kopiago to claim as landowners and register companies with IPA under Juha project including umbrella companies on our behalf” Mr Tao said. He warned the Government to be wary of such con groups going around in Port Moresby with such dubious claims. He warned those not from Sinali that “the sun is watching and the sun will burn you, even at night and your days are numbered. Leave us, the Sinali people of Juha (PDL 9) alone and don’t jeopardise the project.”

### **Ramu: Landowners assured jobs**

Post-Courier 14.10.2010

LANDOWNERS from the Ramu NiCo project impacted areas are given first employment priority. If the required skills and knowledge are not available then people from other parts of Madang and PNG are sought. Ramu NiCo President Assistant, Duan Jiubin said this when welcoming more than 200 students and staff from Tusbab Secondary School who visited Ramu NiCo main office last Friday. Mr Duan said the visit by the students was very important for the Ramu Project as they must fully understand the project as students from Madang who might have direct employment opportunities with the company in future. “I believe most of you are from Madang, and we very much welcome your visit to our office. We would also welcome that after your study, you will apply to work with us and take ownership of this project,” Mr Duan said. He said that people might have different opinions about mining development and the project and it was important for people of different backgrounds to exchange information.

### **BOUGAINVILLE’S PANGUNA LANDOWNERS DEMAND MONEY**

*Left out of negotiations to reopen copper mine*

PORT MORESBY, Papua New Guinea (The National, Oct 13, 2010) – LANDOWNERS of the Panguna copper mine, who went to war in 1988 over what they claimed then was utter disrespect and disregard for their existence and welfare, are claiming the same maltreatment as the National Government, the Autonomous Bougainville Government and the Bougainville Copper Ltd prepare for negotiations on the possible reopening of the mine. They are claiming that the interim Panguna Landowners Association (PLA) has not been recognised and its reconciliation process not supported. In a letter dated Oct 5, to chairman of BCL Paul Coleman, PLA interim secretary Lawrence Daveona said: “The people of Panguna mine leases believe that ABG, BCL and the Government have the legal obligation to assist Panguna mine landowners. “For far too long, even before the crisis, we have been used for your own benefits. Through the crises and up till now our people are still suffering.”

He said while the name Panguna landowners was “too often prostituted in the news media by the chairman of BCL in his chairman’s statement at the AGM”, the same chairman had said variously that the landowners were disorganised. “Our simple question now especially with the arrangements to prepare for Bougainville copper agreement review is: How long do we have to wait for you our partners (with the resources) to assist us with funding to enable us to be prepared and be ready to take part in the BCA review?” Daveona said in his letter. It ought to be noted that both BCL and the ABG had assisted the Panguna landowners with their reconciliation ceremony last October. The company donated K5,000 and ABG threw in K300,000. Daveona said the work of reconciliation and disarmament was not yet completed and it would take at least two to three million more to cover the entire island.

He said presently their pleas were falling on deaf ears and it seems the reconciliation process might be short-lived and the review of the BCA proceed without the landowners participating.

“Most of the interim PLA executive members have worked tirelessly year after year over the past



21 years keeping the Panguna landowner's fire burning because of the concern for the welfare of their people without receiving any payment. Our concern for our people is deep rooted and we will not rest until such time we have achieved our goal," Daveona said. "All we need from you as partners in this process is for you to assist us with:

- \* Make funding available to ABG electoral commission to conduct PLA elections; and
- \* Make funding available for United Panguna Landowners Association (UPLA) BCA review task force."

Daveona said he was very disappointed to hear comments repeated about the Panguna landowners not being organised and do not constitute a legal body that BCL can organise. He said the landowners had formed the interim organisation out of their resources and it was up to the company to assist with an election to make the body be properly elected and incorporated. Daveona was particularly critical of the Government and its Office of Bougainville Affairs which had not accommodated a single request to date. He said such neglect had led to the crisis.

## **PNG PLAINTIFFS ASK COURT TO STOP MINE INTIMIDATION**

*Ramu NiCo allegedly threatened to fire employees*

By Todagia. Kelola

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Oct.12, 2010) – DEVELOPER of the Ramu Nickel project, Ramu Nico Management (MCC) Ltd has been slapped with a contempt of court. Principal plaintiff in the legal proceedings challenging the marine waste dumping plans by the Ramu NiCo Management, Louis Medaing has filed contempt proceedings against the mining company for allegedly assaulting, threatening and intimidating the members of the Tong and Ongeg clans that make up the plaintiffs to withdraw from or discontinue the proceedings against the company. In a statement yesterday, Mr Medaing said he had instructed his lawyers who filed a contempt of court proceeding against the Mining company as of yesterday. "I instituted the legal proceedings on 24 September 2010 being WS1192 of 2010 to seek a permanent injunction to restrain Ramu Nico Management Ltd from dumping 5 million tonnes of mine waste into Astrolabe Bay annually, on behalf of myself and at this stage 38 members of the Tong and Ongeg clans from the Rai Coast. A further 37 more clan members are seeking to join the proceedings this week.

"Since the legal proceedings were filed in the National Court in Madang, my family and clan members have been put under intense pressure by the mine owners, Ramu NiCo Management Ltd to discontinue the court case." Clan members of Tong and Ongeg who make up the plaintiffs and are not employees of Ramu NiCo Management Ltd have been threatened that unless they withdraw or discontinue the proceedings, all Tong and Ongeg clan members employed by Ramu NiCo Management Ltd will be sacked. For those members who are employees of Ramu Nico Management Ltd they have been individually told to sign documents to withdraw them from the case, on threat of termination from employment. Because of this intimidation, he said he has filed an application in the National Court for punishment for contempt of court against Ramu NiCo Management Ltd and its employees namely Jacky Wang and Tonny Nongi including a ward councillor Dongembu Dugai, for assaulting, threatening and intimidating the plaintiffs to withdraw or discontinue the proceedings.

## **GERMANS TO ASSESS MINING DAMAGE IN PALAU**

*4 million tons of phosphate shipped out a century ago*

By Aurea Gerundio-Dizon

KOROR, Palau (Island Times, Oct. 11, 2010) – Office of the President's Press Secretary Fermin

Meriang yesterday disclosed that the German Government will be sending a team to Palau to assess the environmental damage in Angaur that resulted from the extensive German mining operations in early 1900s.

*[PIR editor's note: Angaur is an Island state of Palau popular for its surf spot. Located southwest of Peleliu, it has an area of 8 square kilometers and an estimated population of 200 people. Angaur was one of the major sites during WWII and is the only Island in the Micronesian region that has feral monkeys, released during the German occupation. Angaur is only accessible by boats and small planes.]*

The commitment from the German Government came through Palau Ambassador to Germany and the European Union Carlos Salii's meeting with the German Ambassador to the United Nations in New York on Oct. 8. Meriang said that the sending of team here to assess Angaur situation is the first step in the rehabilitation efforts for the state. Earlier reports showed the mining operations in Angaur depleted most of the state's phosphate and rich top soil. More than four million metric tons of phosphate was reportedly shipped out of Angaur at the time of the mining operations. Meriang said that since 1995, Angaur leaders have sought to engage the German government about the situation in their state but have been repeatedly rebuffed. Meriang said there is no specific date yet as to when the team is arriving but they will be here this year.

## **NAURU BACKS APPLICATION FOR DEEP SEA MINING**

*Company estimates \$4 billion investment*

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 11, 2010) – A Nauru based company seeking an application to explore for deep sea minerals says it could bring enormous benefits in revenue, employment and capacity building. The Nauru incorporated company, Nauru Ocean Resources has made the application to the International Seabed Authority to explore an area in the north-east Pacific Ocean reserved for developing states. The Nauru government says it is the first developing state to sponsor such an application. The government says the agreement requires no monetary commitment from the country, and will not deplete its resources as the minerals are in international waters.

Nauru Ocean Resources chairman David Heydon says as well bringing in royalties and taxes, there could be other spinoffs. "We also need to employ Nauruans and help build capacity there of their skills in the marine environment and engineering and technical environment. So look it's an amazing endeavour." Robert Heydon says the venture may require about four billion US dollars in capital which could be drawn from capital markets, and existing mining companies in a partnership arrangement. *Radio New Zealand International: [www.rnzi.com](http://www.rnzi.com)*

**Newcrest inks deal on Manus venture**  
By PATRICKTALU

National 11.10.2010

THE Newcrest Mining Ltd (Newcrest), operator of Lihir Gold Mine, has signed an agreement which includes the possibility of taking a majority interest in an exploration joint venture in Papua New Guinea, according to TradingMarket.com last week. The gold miner has signed a heads of agreement with PNG and Vietnam-focused gold explorer Triple Plate Junction Plc in which Australia's biggest gold miner could earn a majority interest in the Manus Island joint venture. Newcrest would be able to earn a 60.78 % interest in the joint venture by spending A\$6 million (K15.6 million) over five years, with a minimum commitment of A\$1 million over the first two year, the Melbourne-based miner said in a statement last Thursday. Newcrest will manage the joint venture,

based on a 674sqkm tenement on Manus Island. The current joint venture participants are Triple Plate, with 76%; Golden Success Ltd, 10.6 %; and Pacrim Energy Ltd, 13.4 %.

The parties are negotiating definitive agreements, subject to required approvals by PNG authorities. Meanwhile, Newcrest has indicated to terminate Lihir Gold Ltd (LGL) security and exchange commission (SEC) registration and instead would maintain Newcrest level 1 ADR programme. ADR refers to American depository receipt (ADR). Following completion of the merger with Lihir Gold on Sept 13, Newcrest automatically succeeded to LGL's registration under section 12(g) and its reporting obligations under section 15(d) of the US Securities Exchange Act of 1934. Newcrest will shortly file an application with the US securities and exchange commission to terminate these US registration and reporting obligations. Termination of these obligations will not affect Newcrest's level 1 ADR programme in the US, which will continue to be available as before, for the benefit of US investors. Newcrest is listed on the ASX and the Port Moresby Stock Exchange.

**Marengo pleased with Yanderra progress**  
By SINCLAIRE SOLOMON

National 11.10.2010

MARENGO Mining chairman John Horan said last Friday he was very pleased to report significant progress by the company during the past 12 months towards its goal of developing the Yanderra copper-molybdenum-gold project in Madang. He said in the Perth-based company's 2010 annual report that efforts had been concentrated on drilling within the Yanderra central porphyry, with five diamond core drills operating for a good part of the field season. "The focus has been on infill and strike extension drilling and, more recently, the first deep drilling ever undertaken on the Yanderra project. "The first two of four deep drill holes have been completed to approximately 1,000m, with good results. It is planned to have the four initial deep holes completed by the end of this year."

Horan said the identification of a deeper system opened up a new exploration opportunity within the Yanderra central porphyry system, with the potential to add significant value to the project. The results to date confirmed that the large porphyry copper-molybdenum systems at Yanderra extended at considerable depths below the current JORC resource boundaries, he added. Horan also said that in other notable activity, a contract had been awarded for a full study on the provision of hydroelectric power to Yanderra. "Hydroelectric power is an important inclusion into the DFS (definitive feasibility study), and its ultimate implementation would be a significant economic contributor, as well as an important leverage point for the project. "Work is underway on a contract awarded for the collection of a final bulk metallurgical sample for testwork to establish processing parameters for the recovery of copper and molybdenum sulphide concentrates."

**Ok Tedi staff sign for 5 per cent increase**  
BY CALDRON LAEPA

Post-Courier 8.10.2010

OK Tedi Mining Limited staff will get a 5 per cent pay increase with better benefits. This follows after a new five year industrial agreement was signed between the union and mining company. The agreement is part of the company's five yearly industrial agreements. The new agreement would lapse by 2014. Ok Tedi Mining Limited (OTML) Corporate Relations Manager Musje Werror said the new agreement is focus on the future on win win bases for both the company and employees. He said apart from the pay increase other benefits have been given. Mr Werror said the benefits include home ownership scheme, education and travel assistance and increase provision for training of apprentice and locals. He said the agreement also provides support to OTML management to make organisational changes to the business to prepare for a small and more competitive mining operation beyond 2014 in parallel to setting up sustainable service for Tabubil. Present during the signing of

the agreement was the Secretary for Labour and Industrial Relation George Vego and Industrial Registrar Helen Saleu.

OTML Managing Director Alan Breen said the agreement is a significant milestone achievement. Mr Breen said the signing of the new agreement ensure that both the union and employess support the development of new projects ,including a Mine Life Extension which could see mining continue to 2022. “The Mine Life Extension is of course the core subject to the consent of mine affected communities and approval state,”Mr Breen said. He said the signing of the agreement maintains OTML as the industry’s best employer in terms of benefit. OTML and Allied Workers Union President James Geamsa said the agreement was result of both parties working in partnership. “I can sum up in one word what this agreement achieves, that is partnership” Mr Geamsa said. He said both long serving and young employees of OTML would significantly benefit from the new agreement. Negotiation of the agreement started last February.

### **First of its kind as landowner company signs K500m LNG deal**

By *MOHAMMAD BASHIR*

Post-Courier 8.10.2010

In a milestone event, Papua New Guinea’s first and only landowner company yesterday signed a massive half a billion kina [US\$ 192 million] contract to provide a complete transportation package for ExxonMobil in the PNG LNG project. The momentous event signified the recognition of a home-grown company which started with 50 pieces of equipment over 12 months ago in a highly competitive contractual work by a world class operator in ExxonMobil. ExxonMobil demands the best and Trans Wonderland Ltd (TWL) with joint venture partners Agility Logistics were awarded the contract based on those standards. Petroleum and Energy Minister Willaim Duma, SHP Governor Anderson Agiru and State Minister Moses Maladina all hailed the signing as significant achievement for the country. TWL and Agility stated that through their joint venture agreement, they will provide complete logistics and transportation requirement for the PNG LNG project servicing the northern route. This is made possible through an enabling Frame Agreement signed between Esso Highlands Limited (EHL) and Agility yesterday.

The signing was witnessed by Mr Agiru, Petroleum and Energy Minister William Duma, Minister assisting the Prime Minister Moses Maladina, MP John Kekeno and executives of EHL, Agility and TWL. Through the three-year Frame Agreement, Agility will provide an array of logistical services. The pact was signed by Agility Director, John Beattie, and by the EHL Development Support Senior Project Manager Mark Hackney. Mr Beattie said:“ The signing of this agreement signifies Agility’s long term commitment to the PNG LNG project in cooperation with our Trans Wonderland partners”. The logistics services covered include northern logistics base (NLB) that provides a central base of operations for the receipt, storage and processing of goods and equipment to be transported to project sites and use of a designated fleet of trucks from the national Lanco trucking companies to transport project freight to sites. NLB will be located in Lae near 11-mile that is expandable to 250,000m2. Site facilities will include a bonded area for customs/quarantine clearance, offices, accommodation, warehouses, materials handling equipment and lay-down areas.

Trucking resources and operations will be provided through a joint venture partnership between Agility and TWL. Lanco trucking companies contributing prime movers, trailer, drivers, and mechanics include: TWL, Mapai, Traisa, and Kutubu Transport Mr Larry Andagali, Managing Director of TWL said: “ Our joint venture agreement with Agility marks an historic event for landowners and it demonstrates the importance of national content. This will strengthen our ability to provide the highest quality logistics service to the world class PNG LNG project”. The PNG LNG project is a culmination of over 20 years of trials, errors and attempts by many companies and individuals to get a gas project going. Mr Andagali was one man that was involved in the oil and gas industry in

various capacities over 20 years. BP discovered the Hides Gas field and mooted the idea of a LNG project in 1996 with the gas to flow through a northern route pipeline to Wewak but it never eventuated.

Chevron Niugini later took over the challenge to sell dry gas to Gladstone in Australia but it all fell apart. Even ExxonMobil mooted the idea of selling gas to Queensland through Midland oil and gas which also did not see the light of day. The current PNG LNG project is the fourth LNG project that has been attempted in this country. Mr Andagali was a very important player in the project by leading landowners and was the first man to sign the UBSA in Kokopo and the subsequent LBBSA. With no clear definition on national content plan, Mr Andagali and his directors brain stormed in close door for a week and decided to wear their entrepreneurial caps instead of their landowner and political caps. TWL is a direct result of that change of mindset and has been thriving on the motto; “getting the basics right and doing the little things well.

### **LNG mgt an ‘enviable challenge’**

National 8.10.2010

By PATRICK TALU

PAPUA New Guinea has the enviable challenge of managing a sizeable resource boom, according to ANZ Economic Market Research for Pacific. “Indeed, the game has already begun,” Paul Gruenwald, the ANZ chief economist for Asia Pacific who contributed in the research, said. “If managed prudently, this boom has the potential to significantly raise incomes and living standards and propel PNG into the ranks of middle income economies. “Many developing countries have managed such booms well (Botswana with diamonds, Chile with copper), whilst others have not (Nigeria with oil). “A good outcome for PNG would be a period of high growth, moderate inflation, a large and growing sovereign wealth fund and steadily rising living standards. “A disappointing outcome would be a burst of high growth and inflation with minimal lasting economic and social improvement,” Gruenwald added.

The research said there was a definite buzz in the air as PNG ramped up for the much-awaited LNG mega-project. In addition to construction activity, consumption is being brought forward, spurring a robust domestic demand story. This adds up to possibly very high gross domestic product (GDP) growth, but weak infrastructure and human capital imply bottlenecks and therefore possibly very high inflation as well. “How should this ‘good problem’ be handled by the authorities? A key medium-term challenge is to shift out the country’s supply curve,” the research quoted Gruenwald. He said a recent visit to PNG revealed a booming economy.

### **Mt Kare warden hearing**

Post-Courier 7.10.2010

The gold mine has been in limbo for more than 20 years but landowner leaders say they are satisfied with reknown and international miner Kingsgate winning the bid . . .

By *MOHAMMAD BASHIR*

All process for the re-issuance of the liquidated mining licence for Mt Kare Gold mine has been completed, except the warden hearing before Mining Minister John Pundari issues the licence. Former holder of licence EL1093 was Madison Enterprises and its joint venture company Buffalo Joint Ventures Ltd which was liquidated. Liquidator James Kruse has already tendered the licence publicly in Sydney and has selected and transferred the tenement interest to Kingsgate/Union Pacific Joint Venture. A lengthy process of due diligence was conducted from late 2009 to early 2010 and MRA has affirmed in the national interest the decision of Liquidator Kruse to select the bid by the KGUPJV which permit the development of the Mt Kare Gold Project. The last thing left is for the warden hearing scheduled for October 13 to be conducted by the Mineral Resources Authority

(MRA) at Mt Kare to gauge the views of all stakeholders including landowners.

Kingsgate executives will be flying in this weekend while MRA and landowner leaders are also preparing for the conference. After that, Minister Pundari will be in a better position to issue the licence and he has made it clear in past media statements he wants to fully exercise his powers under the Mining Act to issue a licence to a new developer at the Mt Kare prospects. Mr Pundari while also expressing serious concern that the project has not been developed over 20 years, called on developers to demonstrate their financial capacity to develop projects from exploration to mining. "The Government has a duty to manage its people's expectation and we continue to renew licences time and again with very little or no tangible evidence of value adding in terms of proving up additional resources then we have provided false hope for our people," he has said.

Mt Kare has been in limbo for more than 20 years but landowner leaders said they were satisfied with internationally renown miner Kingsgate winning the bid. Kingsgate Consolidated (the proposed operator of the Mt Kare gold mine is a Blue Chip Australian ASX listed gold producer and was the second largest Australian gold mining company behind the now merged Newcrest/Lihir Group. The company is ready to move into the project Kingsgate management team was renowned internationally as being the only mining company in the world to have ever received the Amnesty Award for community relations in mining operations and landowners are excited.

### **Australian firm gets \$US53 million LNG jetty deal**

Post-Courier 6.10.2010

The BAM Clough joint venture has been awarded an additional \$US53 million order for Liquefied Natural Gas condensate offloading jetty, 20 kilometres north of Port Moresby, after receiving a letter of intent from the Chiyoda JGC joint venture. Clough said the new work order was for the fabrication and construction of the topsides for the jetty, bringing the total value of contracts awarded to BAM Clough for the PNG LNG jetty project to \$US308 million. The company added the topsides would be fabricated and assembled at its Sattahip fabrication yard in Thailand. "Clough and our long-term partner BAM International are delighted to be given the opportunity to deliver the topsides for this EPC project, which will provide continuity of quality work for our yard in Thailand" said Clough chief executive John Smith. Bam Clough Contracting Pty. Ltd. offers heavy construction and renovation services.

The BAM Clough joint venture has been formed between BAM International (formerly known in Australia under the name Harbourworks) from the Netherlands and Clough Limited from Western Australia. BAM International bv is part of Royal BAM group. According to the company's website its maritime construction know-how of the JV has proven to be very successful in its history. The PNG LNG project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facility with the capacity of 6.6 million tonnes per annum. Participating interests include ExxonMobil 33.2 per cent, Oil Search 29.0 per cent, Independent Public Business Corporation (PNG Government) 16.6 per cent, Santos Limited 13.5 per cent, Nippon Oil Exploration 4.7 per cent, Mineral Resources Development Company (PNG landowners) 2.8 per cent and Petromin PNG 0.2 per cent.

### **Hides landowner companies want politicians out**

National 6.10.10

LANDOWNER companies from the Hides fields in Southern Highlands do not want politicians handing out their business development grants, believed to be in the millions.

The companies are from the Hides fields included petroleum development licences 1 and 7 (south Hides) operated by ExxonMobil and PDL 1 which is the Hides gas-to-electricity project.

Wita Arua Holdings Ltd chairman Hare Hengi said Hides PDL 1 Development Corporation, Hides Gas Resources Ltd and his company had resolved to deal only with Commerce and Industry Minister Gabriel Kapris and his department.

He said they did not want “outside politics” to dictate how the grants were paid.

The three companies were representative of the LNG project facilities – from well head 1-4, Hides gas to electricity project and the Tugubua tribes.

The companies wanted their grants to be paid directly into their accounts and “not hand-delivered by some politicians from Hela”.

Hengi told The National yesterday that there had been too much involvement of politicians in the disbursement of the grants, causing inconveniences and delaying their participation in the LNG early work.

### *Letter to the editor*

#### **LNG attacks a sign of revolution**

Post-Courier 6.10.2010

Exxon Mobil, the international company mining the gas and oil in PNG has just one big worldwide policy and bylaws and that is to mine the resources using their own experience companies and not the landowner companies, so they get all they want and make huge fortune. Any government of the world either take it or leave it as in the case of many African countries. In PNG, however, it is different as people own the land and its resources no matter what! And such actions are not applicable here. As a result we see a stubborn and ignorant giant mining developer forcing its ways using money power to spoil our environment and giving us nothing but false hope in terms of land owner company spin-off contracts and benefits. It is the start of a revolution that is going to be worse than Bougainville that PNG will experience as we already see signs in recent “Kikori Attacks” on CCJV equipment. This government need to focus on tourism and agriculture instead of this overnight multi billion LNG project as we are on the losing side and we must save this country, PNG for our kids and their kids in the future. Virginjon Lae.

#### **New lands commissioners to deal with Ramu issues**

National 6.10.2010

THE National Executive Council has approved the appointment of two new special lands commissioners to deal with the Ramu nickel cobalt mine project land disputes in the Madang. In a recent NEC decision, Kutt Paonga and Joseph Gabut were appointed as the special commissioners while the appointment of current commissioners Justice Don Sawong, Michael Gene and Micah Pitpit were revoked. Acting Prime Minister Don Polye said Sawong, Gene and Pitpit were appointed to deal with Ramu land dispute issues early this year but the NEC recinded its decision. He said Sawong was re-appointed to the bench as a judge of the National and Supreme Courts and was posted to Kokopo, East New Britain, as a resident judge and was unavailable to deal with land issues. Gene and Pitpit could not proceed with the hearing due to unresolved issues. Polye said the NEC, therefore, appointed Paonga and Gabut to deal with the land disputes which have been slowing down progress and have the potential to disrupt the mine if the land disputes are left unresolved.

Meanwhile, Rai Coast MP and Vice-Minister for Works and Transport James Gau said that he was very happy with the new appointments. He said the land issue at the Kurumbukari mine site, inland pipe line, coastal pipeline and the Basamuk areas needed to be resolved immediately to avoid future hindrances. Gau said the issue was long overdue and the recent controversial issues surrounding the legal proceedings to stop the Ramu nickel mine was also a contributing factor to land issues. The mine is expected to be hindered by another court battle after a new plaintiff sought new court pro-

ceedings against the proposed deep sea tailings disposal last week after the previous three plaintiffs withdrew their court proceedings.

## **Environment activist warns government about Ramu NiCo case**

National 5.10.2010

By JAYNE SAFIHAO

A LOCAL environmental campaigner has warned the government to tread carefully with the Ramu NiCo issue regarding environmental damages as more locals express interest in seeking legal assistance. The activist and popular Bundi figure, Steven Andambo, after following the week-long court tussle over the commencement of the construction of the deep sea tailings (DSTP) at Basamuk Bay, said the four plaintiffs in the proceedings were from “behind Astrolabe”. “Legitimate landowners such as Louie Medaing, where the refinery is built, and those at Basamuk itself, will institute fresh proceedings once the settle differences amongst themselves,” he said. Andambo claimed to have done a previous environmental awareness exercise in which he said: “Most of the places I went the people were too afraid to speak out or were not educated enough to know their rights on what and how to address the environment issues currently faced by them and others.”

Andambo is now looking to gather key people from Basamuk, coastal and inland pipeline areas and Kurumbukari itself of which he also claims to be a landowner and organise a meeting where they can air their grievances. “I want to warn the state, MCC, supporters of Ramu NiCo and landowner representatives that this is not the end of the DSTP battle, the next one that will pop up will be a bigger legal issue,” he said. He also claimed to have overseas experts who have been in the country, following the case and lending their support to the cause which they claimed have breached every normal mining and environmental acts.

Among some of the issues he pointed out were the prolonged delay by the Lands Titles Commission, which have left clans fighting amongst themselves. “The pollution of the Gagao River, which has seen fish float to the surface and the water turning milky white in colour, and most importantly, the laying and construction of the slurry pipes which either run parallel to the main public highway or run through village clinics, schools, churches and houses posing a far greater risk,” the activist said. Andambo stressed that Papua New Guinean culture was different unlike China where everything is state-owned.

## **Kina 2 billion for LNG security**

Post-Courier 5.10.2010

By *TODAGIA KELOLA*

THE PNG Police need up to K2 billion to adequately provide protection to the multibillion kina LNG project. As the early works gets off the ground in Southern Highlands Province, Police Commissioner Gari Baki said a submission outlining the force’s strategies, as directed by the Government for the LNG project, was completed and presented to the National Executive Council for deliberation. This was revealed by Mr Baki in a conference with the Post Courier on how the Police force will be tackling this massive project in addressing security concerns – from the Southern Highlands to Western over to Gulf and into Central, the provinces impacted by the LNG project. INITIATIVES in the NEC submission include the establishment of a Special Operations Group (SOG) for tactical response within the LNG project areas and the general policing within the five Highlands provinces, Madang, Morobe, Gulf, Western, Central, National Capital District and the Highlands Highway.

“The current Special Services Division command structure will also be revamped to be included in the Special Operations Group Command. This establishment will accommodate a new Police Divi-



sional Command with the rank of Assistant Commissioner of Police to be stationed in Poroma, Southern Highlands Province. “This will signify the National Government and the police force’s commitment to guarantee and assure foreign investors of total security cover for the LNG project and other resource project areas in the country,” Mr Baki said. He also stated that the establishment of the Special Operations Group (SOG) will comprise of the special services division (all mobile squads), air operations, maritime operations, special project and Intelligence. “This command will be based and deployed out of Poroma in the Southern Highlands Province,” he said.

The general policing corridor of the LNG project includes a proposition to increase manpower, accommodation, infrastructure and other necessary policing resources and logistics. “Because of these, we are now revamping the Air Wing and have established a new directorate of Water Police. The water police must have fast waterborne crafts and patrol vessels that will be capable to uplift police logistic material and equipment to LNG corridor areas and similarly provide immediate direct support by smaller faster water crafts into rivers and estuaries. “The Air Wing capability is by helicopter which will provide immediate and direct air support to police mobile patrols. The air capability will also provide direct aerial coverage as well as provide insertion of small sized patrol groups into areas not easily accessible by vehicles and seaborne crafts in ample time for immediate response to situations on the ground,” Mr Baki said

The proposals to revamp, re-establish and refurbish assets and infrastructure, he said, will be a mammoth task and will take time to develop. “The concept is to develop the project by stages so that we are able to maintain sustainability of police operations with minimum disruptions to any security operations. “It is imperative that we prioritise our project in stages so that we maintain continuity of police operations in LNG corridors and concurrently develop this police project,” he said. These he said, are real facts and considerations for the Government to make a decision on so that police are properly equipped to be fully be involved in the LNG security operations with minimum or no disruptions.

**Morobe mining JV opens estate**  
*BY OSEAH PHILEMON*

Post-Courier 5.10.2010

NINE Mile outside Lae City is fast developing into a satellite township for the Morobe capital, says a leading Lae-based business executive. Hornibrook NGI managing director Mal Lewis made the prediction at the commissioning of the newly-developed housing estate for senior employees of the Hidden Valley Gold mine. The estate named Valley View Estate is located adjacent to the present Awilunga Estate which is a housing estate situated at Nine-Mile and owned by Hornibrook NGI. Following the signing of a contract with Morobe Mining Joint Venture (MMJV) some time ago Hornibrook NGI has so far constructed 78 four-bedroom houses for the mining staff with more to be built soon. Mr Lewis said the company will soon be developing a sporting and recreational area at the front of the estate adjacent to the Highlands Highway. “Across the road from Valley View, we will also be establishing a medical clinic, an extension to the Lae International Hospital,” Mr Lewis said.

Mr Lewis said the company is also holding discussions with the owners of Andersons to establish a supermarket on the opposite side of Valley View and Awilunga Estates. “Other developments will naturally follow on as the community expands. Nine Mile will fast become a satellite city to Lae,” he said. Mr Lewis said the quality of the housing development at Valley View has become the envy of other resource projects. Shortly he said the company will be building a single persons quarters at valley View Estate for MMJV which is going to be a 40-room motel room type of development for single mine workers. Mr Lewis was joined by the Morobe Governor Luther Wenge and the chief executive officers of MMJV – Graham Briggs from Harmony Gold and Ian Smith from Newcrest

Mining to unveil a plaque for the new estate at a special function to mark the official opening of the Hidden valley mine.

## **The report the PNG government didn't want revealed**

BY ALEX HARRIS

I HAVE BOTH the final and draft copies of the Scottish Association for Marine Science report for the PNG government of expected impacts of the Ramu Deep Sea Tailings Disposal (DSTP) plan for Basamuk Bay. In part, the report also looks at impacts at other sites, like Lihir and Misima. In short, Lihir disposes of 3.5-4.5 million tonnes of tailings to the marine environment each year. The material discharged at a depth of 128 metres is a mixture of tailing solids (93% silt), heavy metals, zinc, copper, cadmium, lead and mercury, together with arsenic. The report states the tailings contain “a significant amount of heavy metals with the finer particulate material having higher specific concentrations of metals.” Subsurface plumes of this crap vary in thickness from 10-200 metres and occur to depths of 700 metres with deposits of tailings found up to 4.4 km north of the discharge point. The report states “the presence and dispersion of subsurface plumes will increase the tailings deposition area from that initially predicted.”

It concludes that the tailings are contributing a significant amount of material to the immediate marine environment as far afield as Masahet Island: “The results show clearly that mine tailings deposition east of Lihir has a significant impact on macrofaunal communities at all three sampled depths.” In addition, 0.5-3 km offshore are two sediment mounds 35 and 55 metres high from barge-dumped waste. That DSTP is allowed anywhere is shocking. That the majority of DSTP operations occur in PNG is a travesty. Here is a primordial environment - the closest to creation there is. It is blessed (due to late colonisation) with still pristine, ancient rainforests with a multitude of unique flora and fauna, the vast bulk yet to be discovered. PNG is reputed to have the highest and most valuable biodiversity of marine life in the world, and so little research has been done. The value of this to the people is inestimable in terms of biological and pharmaceutical research, wildlife research, diving and ecotourism, health and lifestyle. It is in ecological terms, perhaps the richest nation in the world.

Yet it continues to squander this wealth - for what exactly? The PNG government can bluster all it likes about the economic value of these mining projects, but after decades of such operations, PNG remains one of the poorest countries in the world with the poorest health record in the Pacific, and with increasingly and irrevocably damaged environments from end-to-end. If the Ramu project is allowed to proceed, it will be followed by the Yandera copper mine which will dump five times the volume of toxic waste into the same bay. With the environmental disasters of Lihir, Misima, Ok Tedi, Porgera, and Panguna already on record, I despair for the people of PNG. (from PNG Attitude October 2010, p. 13)

## **Garnaut TV response was ‘disproportionate’**

BY CHARLES ROCHE

THE MINERAL Policy Institute commends the ABC and journalist Greg Hoy for his investigative report, *Price of Gold*, into submarine tailings disposal [DSTP] in PNG. Despite the heated response to the program, it was not the first report or analysis of controversial mining practices in PNG, nor was it the first to link Lihir Gold to an environmentally destructive waste disposal practice. Indeed, the Mineral Policy Institute has been raising concerns about Lihir and the use of submarine tailings disposal in PNG for more than ten years. The Institute is willing to acknowledge the value of Professor Garnaut's work in areas such as mining, taxation and climate change. Further we acknowl-

edge that Lihir Gold has a reasonable reputation within PNG. This does not, however, change the facts about submarine tailings disposal, which remains a controversial and damaging practice.

The Institute sees the rise of DSTP, especially in countries with poor regulatory regimes, as a direct result of the failure to properly evaluate the impacts of mining on people or the environment. Furthermore, we do not believe that companies should benefit financially from using lower cost but harmful waste management practices. The response to *Price of Gold* should be examined in light of events earlier this year, where the politically and economically dominant mining industry initiated an advertising campaign in response to the super profits tax. What we learned from that was just how powerful the mining industry has become. Seeking to introduce a new tax or daring to criticise a mining company is a very brave act, especially when the company, through its chair, has the ear of the Australian government and media. In this case, the response to *Price of Gold* was disproportionate, with a press conference called to defend reputation and the practice of submarine tailings disposal. Outside major industry and political figures, it is rare that an individual would be afforded such an opportunity.

It is obvious that not only did Professor Garnaut's involvement add an extra dimension to the story, it was through his significant public profile that he was able to publicly criticise a television program he had declined to be involved in. It is unfortunate that Professor Garnaut declined the opportunity to be part of *Price of Gold*, which would have allowed a more thorough examination of Lihir's mine waste management practices. The Mineral Policy Institute will continue to keep an eye on mining by holding to account the boards and management of Australian companies involved in social and environmentally destructive practices in developing countries.

*Charles Roche is Executive Director of the Mineral Policy Institute: [www.mpi.org.au](http://www.mpi.org.au)*  
(from PNG Attitude October 2010, pp. 13-14)

## **China's expansion in PNG continues apace**

### **PNG EXPOSED**

NAUTILUS MINERALS has confirmed Chinese interests are planning to take a controlling stake in the Solwara 1 undersea mine as China's expansion into PNG continues. Solwara will be the world's first undersea mining operation and will produce both copper and gold. The Chinese are also likely to fund the Yandera copper and gold mine in Madang Province. Like the Ramu nickel mine, Yandera will use marine dumping to dispose of mine waste. China is also looking to expand its manufacturing capacity in PNG on its own terms. The PNG government is currently negotiating a loan from the Chinese government for China to build the Pacific Marine Industrial Zone which will be the first Special Economic Zone in PNG. Within the zone Chinese companies will be able to operate tax free and avoid local wage restrictions and health and safety laws. This will provide an opportunity for the Chinese to process the gold produced from the Solwara and Yandera mines.

China's interests extend to other resource sectors. Zhoushan Zhenyang Deep-Sea Fishing, a subsidiary of Zhejiang Hailisheng, is building a \$20 million tuna processing factory in Lae. Other Chinese companies hold licences to fish in PNG waters. China is the biggest consumer of unprocessed logs from PNG's rainforests, importing around 80% of PNG's annual log production. Australia's Lowy Institute has pointed out that large-scale resource projects in PNG do not alleviate poverty as most jobs are taken by foreigners, profits sent off-shore and government revenues not spent on regional development. (from PNG Attitude October 2010, p. 7)

## **MMJV seeks to invest K1.25b over 10 years**

National 4.10.2010

MOROBE Mining Joint Venture (MMJV), the operator of the newly commissioned Hidden Valley (HV) gold mine in the Wau-Bulolo district in the Morobe, will invest a total of K1.25 billion over a 10-year period. The outlay will go partly to wages and salaries (K800 million), royalty payments (K200 million) and revenue for the provincial and national government (K250 million). The Hidden Valley mine is projected to produce an estimated 2.9 million ounces of gold. The mine was officially commissioned on Wednesday night by Governor General Sir Paulias Matane at a ceremony which also marked its opening. The new gold project is a joint venture between South African miner Harmony Gold and Newcrest Mining Ltd, the largest gold miner in Asia-Pacific. Harmony chief executive officer Graham Briggs told JV partners, government ministers, shareholders, landowner representatives and the media that MMJV was committed to further exploration and investment in the country particularly Morobe, which, in earlier times, was the source of most PNG's gold production.

Briggs said PNG remained highly-prospective in modern mining era while recent exploration increased the prospect of a mining development at Wafi/Golpu also in Morobe. "The mine has introduced and will continue to introduce innovation, quality mining technology and expertise," Briggs said. "A 4.5km overland ore conveyor is the most visible symbol of this innovative technology enabling separate ore bodies to be economically delivered to the processing mill. "Extensive use of landowners and local business development contracts is already spreading economic benefits to the Wau/Bulolo region and elsewhere in the province," Briggs said.

## **Ramu NiCo tailings case far from over**

National 4.10.2010

By JAYNE SAFIHAO

THERE will be further delay to the construction of Ramu NiCo's deep sea tailings placement (DSTP) system at Basamuk nickel refinery in Madang following a successful notice of motion by Rai Coast villager Louis Medaing at the National Court in Madang last Friday. His lawyer, Tiffany Nonggorr of Nonggorr William Lawyers, was granted leave for the case to be heard on Oct 15, a week after three original plaintiffs in the DSTP battle withdrew their case which resulted in the lifting of an interim injunction against construction which had been in place since March. Medaing's fresh application means that Ramu NiCo would have to give an undertaking that it would not blast, pop coral reefs or rocks offshore for any purposes related to either building the DSTP, sinking or laying of pipes and the eventual discharge of the tailings until Oct 15 or further order of the court. In related cases, Kurumbukari Landowners Association chairman David Tigavu and former chairman of coastal pipeline association Steven Saud appeared before Justice David Cannings last Thursday.

Tigavu was summonsed for contempt proceedings against him as a result of his Sept 23 outside the court premises where he shouted down Nonggorr and Ray Williams, both representing Medaing, and also made remarks about Cannings. Before turning up at court in the morning, he had sent a letter of apology of Nonggorr. The court claims that Tigavu had tried to lower its authority and charged him with four counts of threatening and inciting abuse against persons and parties with matters before the court. In his written apology, he claimed that he was under undue pressure and stress from electorate members at the Kurumbukari mine site who wanted to know reasons for delay in the construction work and why there was a total breakdown in communication with Ramu NiCo community affairs programme in carrying out the re-settlement exercise for the displaced people, among other things. "The arguments that I made were on the spur of the moment outbursts and I humbly and sincerely apologise to you and you law firm for any inconveniences caused," the letter read.

Tigavu stated last week that he was only frustrated that the whole construction work was halted stopping any real progress work from continuing especially the resettlement exercise up Kurumbukari. The matter will be heard on Oct 15. Meanwhile, Saud pleaded guilty to five counts of assault against a non-governmental organisation worker in front of the Madang police station on Sept 23. He was also charged with drunk driving, driving without a licence and driving an unregistered motor vehicle. Saud's case will be heard on Friday. He is on K500 bail.

## **NEW PLAINTIFF REKINDLES PNG MINE BATTLE**

Earlier lawsuit against Ramu NiCo dropped

By Liam Fox

MELBOURNE, Australia (Radio Australia, Oct. 3, 2010) - A legal battle to stop a mine dumping its waste into the sea in Papua New Guinea is back on after the original plaintiffs pulled out. A court-ordered temporary injunction had prevented the Ramu nickel mine from proceeding with a plan to dump millions of tonnes of tailings into the sea near Madang. [PIR editor's note: Previously, a report said the lawyer, Tiffany Nonggorr, has filed another application for a new injunction. She's indicated that there are more landowner groups with an interest in stopping the pipeline. But the plaintiffs who had wanted to make the injunction permanent suddenly abandoned the case and a judge lifted the injunction just over a week ago. Now another plaintiff, Rai Coast landowner Louis Medaing, has taken up the legal challenge and gone to court to prevent the dumping. The matter has been adjourned until next week. The mine's operator Ramu Nico has given an undertaking not to carry out any work on its deep-sea tailings pipeline until the matter returns to court.

Radio Australia: [www.abc.net.au/ra](http://www.abc.net.au/ra)

### *Letter to the editor*

#### **Please stop deep sea mining!**

Post-Courier 1.10.2010

I would like to ask this Government to stop touching, digging and using all our resources. We are a very small country and we are blessed with a lot of resources. The good Lord has blessed us (PNG) richly, yet we are very poor in terms of development and the way of life. I can say that we are very rich in terms of resources compared to other countries in the world but after 35 years we haven't developed like Singapore after 40 years Independence. Something is terribly wrong in the way the affairs of the country are being managed. There is a lot of mining activity going on in a lot of provinces in PNG, apart from logging, fishing, tea coffee, cocoa and copra. But this hasn't brought development to our country which is being managed by selfish leaders and only benefit themselves and their families. I ask the present government to stop digging all our resources, think about the future. Do you have a backup plan if we use all our resources? We must not misuse them or used them up. I go against the deep sea mining and I ask all NGI regions, especially East and West New Britain, New Ireland, Manus and other leaders to join forces and stop Nautilus, stop deep sea mining. It's our life, our sea, our land and most of all our future. Nautilus please listen. Stop the exploration in our sea. Leave our sea alone. Yours faithfully, Maris Tana, NIP

### *Letter to the editor*

#### **Lihir is just a dream, money goes overseas**

Post-Courier 1.10.2010

LMC started the project and LGL took over. Now Newcrest has swallowed up LGL. Its over 20 years of mining now at Lihir but nothing seems to have changed despite all the takeovers and

makeovers. As a professional Papua New Guinean, I find it hard to believe that some expatriate workers are still here performing the same jobs. I thought that under the Labour Department's localisation plan, Papua New Guineans are supposed to take over from expats after three years. Also my understanding is that Lihirians and New Irelanders are supposed to be given every opportunity to progress but it is not happening. When LGL was in place, there was a certain "expat wantok" system going on where friends of expats working at Lihir were brought in as consultants and later given job offers for positions that PNG professionals can perform. Even some localised positions were delocalised overnight and this was the cause of the strike by mine workers in 2008. Even the mine workers union is now ineffective because the company used money and favours to entice the leaders of the union away from the workers.

Recommendations by the Labour Department were ignored by the HR Department and to this day, resentment is growing again among the workers. Compared with expatriate employees who fly all the way home even as far as New Zealand, US and Australia, PNG nationals on field break fly only to main centres and have to pay for their own PMV fares home. This is a very unfair system because if there is a break in the travel, expats have their hotel accommodation and meals paid in full while Papua New Guineans have to fork out their own. I am not surprised that New Ireland Governor Sir Julius Chan is a vocal proponent for the Lihir MOA to be revised and revisited again. You only have to come to Lihir to see a big hole, a damaged reef, DSTP and no sustainable benefits to the people in the northern and western parts of the island. Lihir is just a dream. The money is all going overseas. Palik, Lihir Island

## **SECOND MAJOR GAS DEVELOPMENT ANNOUNCED IN PNG**

*InterOil to compete with ExxonMobil's project*

MELBOURNE, Australia (Radio Australia, Sept. 30, 2010) – Papua New Guinea is a step closer to getting a second Liquefied Natural Gas project to compete with the US\$16 billion dollar LNG project already underway. InterOil Corporation has discovered substantial gas deposit at its Elk and Antelope wells in PNG's Gulf province.

*[PIR editor's note: InterOil Corporation is a \$2.7 billion oil exploration and refining company formed in 1997 and based in Port Moresby. ]*

The company says there are enough reserves to start PNG's second LNG project, to compete with the ExxonMobil led PNG LNG project currently under construction. Earlier this week, InterOil signed an agreement with the Australian Stock Exchange listed company, Energy World Corporation. It paves the way for InterOil to complete the Front End Engineering and Design Stage, a prerequisite for the project getting off the ground. Energy World Corporation, which has experience in developing LNG project in both Indonesia and Australia, is the first company to enter a partnership with InterOil. InterOil says a final decision on the project is expected in the next couple of months. PNG's Prime Minister Sir Michael Somare who witnessed the signing says he is delighted PNG will host two LNG gas projects. *Radio Australia: [www.abc.net.au/ra](http://www.abc.net.au/ra)*

## **Watut people still waiting**

*By JOHN KEMBU*

Post-Courier 30.9.2010

Communities living along the Watut River in Bulolo district of Morobe Province have called on the Ministry of Environment and Conservation along with its department to come out clear on the recently compiled environment audit of Hidden Valley gold mine. They asked the ministry and department to explain to the mining affected communities as to how and when the environment audit of the mine will be implemented. Speaking through their organisation Union of Watut River Com-

munities (UoWRC) president Rueben Mete said the Watut River Communities have patiently waited for the Minister's commitments to be fulfilled as it was his promises but nothing has eventuated.

Mr Mete blamed Mineral Resource Authority (MRA), Department of Mining and the Health Department for ignoring the suffering of the silent majority by permitting a foreign owned Harmony Gold and Newcrest Mining Ltd to control their own actions in the Hidden Valley gold mines. The president said UoWRC has served a 14 days' notice starting, starting last Friday and they want the department Environment and Conservation and the Mineral Resources Authority to respond satisfactorily to their appeal. He also warned that a collaborative dialogue should take place as soon as possible or they would cease any working relationship with the Government and deal with the current issues according to their own way.

### **Hidden Valley gold mine gets thumbs up**

Post-Courier 30.9.2010

By *MOHAMMAD BASHIR*

Almost 90 years after PNG's legendary gold rush of Wau and Bulolo, the country's newest gold mine is on foot and landowners are in cloud nine because of its benefits. The Hidden Valley Gold mine is the first major gold development to be commissioned in the last 15 years in PNG since Ok Tedi, Misima, Pogera and Lihir although it is modest. In the fourth quarter of 2009/2010 financial year, Hidden Valley has paid K15,143,00 in taxes, K6984,934 in royalties, K769,00 in compensation, K314,000 in assistance, school fees and donations which totaled K265,350. Joint Venture partners Newcrest and Harmony Gold spoke highly of the Hidden Valley project which involved some of the most sophisticated technological innovations available. It has been learnt that threats of a boycott of the commissioning by landowners was orchestrated by an individual landowner with a vested interest for his own political gain.

Landowner Chairman Rex Mari and principle landowner of Nakuwi Association Peter Aski were on hand to ensure proceedings of the official launching of the mine went ahead. While acknowledging that the boycott threat was an internal issue, he apologized and said landowners were behind the Harmony Gold/Newcrest Mine joint venture. Mining Minister John Pundari, Treasurer Peter O'Neill and firebrand opposition MP Sam Basil whom the mine is in his electorate were on hand to witness the event. While Mr Basil said there were a lot of issues to be settled, Minister Pundari said landowner issues and other associated problems was one of socio-cultural issue that should be addressed in its context. "PNG is not the easiest place to invest, especially in mining but I wish to congratulate all parties involved including the leaders of landowners who have made this possible," Mr Pundari said. Other notable guests included chief secretary Manasupe Zurenouc and executives of the joint venture partners and friends.

### **Panguna mine answer to reviving economy**

Post-Courier 30.9.2010

BOUGAINVILLE seriously needs a major impact project to pump its economy back to reality especially when the region has less than 10 years already towards referendum and independence, Bougainville Affairs Minister Fidelis Semoso said. And Mr Semoso says the Bougainville copper mine is an ideal answer for Bougainville's economy, provided all issues are sorted out quickly and the Autonomous Bougainville Government in conjunction with the National Government address the issues surrounding it. Mr Semoso has been singing out everywhere that Bougainville can boast about the cocoa and coconut it has, or the marine resources it brags about, but the autonomous government still needs the copper mine to re-open so that all problems on economy of the region can be solved. "Yes, revenue from copra and cocoa before the crisis used to bring to Bougainville's econ-



omy K60 to K70 million a year.

“We also speak about seven other mines not yet operated in Bougainville and many more things that we talk about that can bring money into Bougainville. “These new mines will take may be 10 years, agriculture can help but not so much at this time, the Panguna mine will take about three to five years and surely we can get back to where we were or better before the crisis. “Our education system has gone really down, our health services are just picking up, classrooms in all remote and town schools are run down, no libraries or no computer labs and we seriously need an impact project like the mine to get us back to our feet, this time more than what he used to gain before the crisis,” Mr Semoso said.

Semoso echoed how the Bougainville Copper Agreement was still one of the best blue prints in place and appealed for all stakeholders in PNG and the ABG to come together and seriously address the BCL issue so that real development can start taking place. He said it was a serious matter for the landowners and the PNG Government should seriously come to one table and review the Agreement or talk about the issues at stake so they see what they can do. Mr Semoso is planning on making a visit to meet with the landowners and stakeholders of Panguna to seek first hand their views. He wants to do that before the getting to the National Government for any updates.

## **RAMU NICKEL MINE TO WAIT ON OCEAN WASTE DISPOSAL**

*Chinese company plans outfall pipe in Basamuk Bay*

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 30, 2010) – The operator of Papua New Guinea’s Ramu nickel project has assured landowners it won’t construct its marine tailings pipeline until a new legal application for an injunction on the project is heard. Landowner efforts to halt the pipeline from Madang Province’s Ramu mine into Basamuk Bay will continue despite the lifting of an injunction on the project. The Madang court last week lifted the injunction on the Metallurgical Corporation of China’s tailings pipe following the sudden withdrawal from the case of the plaintiffs. However the plaintiffs’ former lawyer, Tiffany Nonggorr has filed a fresh application on behalf of a new group of landowners whose motion for a new injunction will be heard in two weeks time.

*[PIR editor’s note: The attorney representing plaintiffs who recently dropped their lawsuit to stop the planned dumping of mine wastes into Basasmuk Bay was reported to have alleged that “thugs” connected with the PNG government intimidated her clients shortly before the case was waived. The government has been aggressive in its support for the massive Chinese investment at Ramu and in efforts to convince area landowners that legal action against Ramu InCo is not a good idea.]*

"The company will give an undertaking not to do any blasting of coral or to construct the pipeline or discharge any tailings pending the hearing of the application for an injunction, so everything is now stopped again." *Radio New Zealand International: [www.rnzi.com](http://www.rnzi.com)*

### **Ramu: Ruling pleases Highlands Pacific**

By ROSALYN EVARA

Post-Courier 30.9.2010

HIGHLANDS Pacific Limited (HPL) has expressed relief over the lifting of the interim injunction by the Madang National Court on the Ramu nickel project, saying it was “a great outcome for all stakeholders”. The interim injunction was granted on March 19 and lifted last Friday after the remaining three of the five plaintiffs who had filed the proceedings against Ramu NiCo (MCC) Limited had successfully sought leave from the court to discontinue the proceedings. It was also lifted



after the same court also refused to accept a joinder application filed by another local from Basamuk, Louis Med-aing, to join the same proceedings. HPL managing director John Gooding said this now meant that MCC could get on with the task of completing the remaining construction work and commissioning.

Mr Gooding said construction had commenced in 2007 and was nearing completion when the proceedings were filed and the injunction subsequently being ordered by the courts against the construction of the deep sea tailings placement system. "The injunction has unfortunately caused a delay of approximately six months and start up is now mostly likely in the March quarter of 2011," Mr Gooding said. "With the wet season starting soon that may also impact things." He confirmed that the court proceedings had had an impact on HPL's share price but said it would be difficult to quantify to what extent. However, he said the company did get a lift with the announcement that the first two plaintiffs, Sama Melambo and the Pomern Incorporated Land Group, had withdrawn and the fact that the market had been good over the last few weeks had also served as a bonus. "Any delay of six months is going to impact investor sentiment and its fair to say that there has been a cloud over HPL due to the extended legal issues," he said.

"What is unfortunate too is the way the injunction has had a major impact on people's perception about the good people of Raicoast and Madang and of the perceived investment risk in PNG. "Given the project is fully permitted, had been discussed for over a decade and that significant investment had been made, this event would have sent a poor signal." When asked what lessons had been learnt and could be drawn from this experience, Mr Gooding replied that communication and negotiation, and not litigation would always achieve better quality and lasting outcomes and that developers need to continually be in dialogue with communities. "...This is the same issue anywhere, no matter whether it's a development in a Brisbane suburb or in PNG," he said.

### **'Ignorance drove us to court'**

Post-Courier 29.9.2010

Former plaintiffs revealed that ignorance and rumours forced them to take 10-month court injunction against Ramu nickel mine developer

*By MOHAMMAD BASHIR*

The three remaining plaintiffs in the court case over the Ramu nickel mine deep sea tailings placement (DSTP) yesterday explained that ignorance and rumours had forced them to take the 10 month long legal case that resulted in the court injunction that stopped the mine. But they said they were never intimidated nor induced into the withdrawal. Former plaintiffs Eddie Tasi, Peter Sel and Farima Siga said they were compelled to inform the affected people that it was never their intention to close the mine down. "The mine development is not only significant for the advancement of the people of Rai Coast, Kurumbakari and Madang but the nation as a whole and it is important to recognise the degree of risk to the developers who have committed to invest so much money in this project," they said in a joint statement. "We agree that for every development, there is a cost, but the development of the mine must not be at the expense of human life."

Having this in mind and based on the information available at that time, they decided to take the issues to court for two main reasons. "We were not convinced that a DSTP would bring minimal environmental cost, particularly the sea that we depend on for our livelihoods and secondly the package offered for social and economical advancement for the people of Rai Coast have been minimal and do not promise to deliver on the expectations of a remote and isolated coastal community," they said. After pursuing the case for almost 10 months, they became more aware as the Government enhanced their understanding on the DSTP being the best option available. This has given them confidence and dispelled their doubts.

“We are now putting our development needs to our local member of Parliament and our governor to work with the Somare/Polye government to look into the needs of the ‘goodnight people’ of Rai Coast,” they said. “We are grateful to NGOs such as Bismark Ramu Group (BRG) and others who made financial contributions to the case. “We have also realised that other external interests have come to play in this case. “We did not fully understand the intentions of the NGOs and we have little knowledge on who funds these NGOs and what their real intentions are. “We have come to the decision to withdraw the case at the right time before these external interests completely overtake our interests and our good intentions.”

## **Boycott threat**

Post-Courier 29.9.2010

Mine commissioning to go ahead without landowners

By *FRANK RAI*

Trouble has hit PNG’s newest gold mine on the eve of its commissioning. Landowners from the multi-million kina Hidden Valley Gold mine in Bulolo district of Morobe Province yesterday said they will boycott the commissioning of the gold mine, to be held in a ceremony in Port Moresby today. The official commissioning of the gold processing plant (mill) and pouring of the first gold will take place at the Crowne Plaza Hotel in Port Moresby this evening but this will be done without the presence of the landowners. Both chief executive officers of New Crest Limited Ian Smith and Harmony Gold Graham Briggs who own the Morobe Mining Joint Venture (MMJV) will fly in today from Australia to be at the commissioning.

HIDDEN Valley landowner group, Nakuwi Landowners Association yesterday told a press conference in Lae they were boycotting the official commissioning to air their frustrations over two issues. President Rex Mauri said firstly, the company had turned a blind eye on those who had sacrificed their lives in the past 25 years to get the gold mine up and running. Secondly, Mr Mauri said, the company had failed to show their appreciation to the local people by awarding the benefit sharing agreement component of five per cent equity to the people. “We have received nothing from the company (MMJV) since it poured its first gold in October 29 last year. What have we got to celebrate? The company has also failed to consult us to show their appreciation for those who have sacrificed their lives for the project,” Mr Mauri said.

He said MMJV should thank those who have did the ground work for the company, not only the local landowners but also those in the government and MMJV. He said MMJV had promised the people that flood gates to basic services would open during the gold production period but nothing had happened in the past 12 months. “What has the developer (MMJV) done for the landowners, the people of Wau, Bulolo, Morobe and PNG? We have nothing to show even when the gold had been poured?

## **Security risks around LNG call for community leadership, says PNG Police Chief**

28 September, 2010 UTC

Papua New Guinea’s Police Commissioner has appealed for strong leadership in communities involved in the Liquefied Natural Gas project to prevent more unrest around the massive development. This comes after the latest attack on infrastructure for the 16 billion US dollar project, a rampage by villagers in Gulf Province on an ExxonMobil gas site which left vehicles burnt and other equipment destroyed. It’s linked to ongoing disagreements between various landowner groups in LNG sites across the country, often over benefit sharing issues.

Commissioner Gary Baki says he's yet to receive a report about the situation in Gulf as police have no real presence there. "The issue of security: the people themselves are the security of the project. As long as there is good leadership within the landowner groups that are currently benefitting from the project. We will continue to have contentious issues if they are misled by their own leaders." Papua New Guinea's Police Commissioner, Gary Baki. © Radio New Zealand International

**Survey: PNG's demand for gas, oil rising**  
By PATRICK TALU

National 28.9.2010

THE new Papua New Guinea oil and gas report from Business Monitor International (BMI) forecasts that it will account for 0.13% of Asia Pacific regional oil demand by 2014, while providing 0.38% of supply. Regional oil use of 21.42 million barrels per day in 2001 is set to reach a forecast 27.15mbd this year, then to rise to around 30.21mbd by 2014. Regional oil production was around 8.35mbd in 2001 and is forecast to average an estimated 8.82mbd this year. BMI said it was set to increase only slightly to 8.89mbd by 2014. Oil imports are growing rapidly, because demand growth is outstripping the pace of supply expansion, while PNG holds fifth place, behind Vietnam, in BMI's composite business environment (BE) league table. "PNG is now ranked fourth, ahead of Malaysia, in BMI's updated upstream Business Environment (BE) rating, benefiting from its strong gas production/export potential, an attractive licensing environment and a lack of state involvement," BMI said.

**PNG VILLAGERS RAMPAGE, BURN GAS PROJECT EQUIPMENT**

*Reason for attack undetermined*

By Patrick Talu

PORT MORESBY, Papua New Guinea (The National, Sept. 28, 2010) – Villagers from liquid natural gas (LNG) project impacted areas in Papua New Guinea's Gulf province have attacked construction workers of Curtain Clough Joint Ventures (CCJV) and burnt heavy machineries and trucks. The destruction happened last Friday night at a quarry site near Kaiam Ferry in Kikori. It could not be confirmed by police but it was understood that high-powered weapons were used in the surprise attack. No man or woman was at the site during the raid. Machines or equipment destroyed included a 740 dump truck and a service truck, a source, who was made aware of the incident, said.

The reason for the attack could not be substantiated but pictures made available to The National last night showed holes of pellets penetration on big trucks and the burnt machinery. The National understands that the landowners' unrest was part of an ongoing disagreement by various landowners along the entire LNG project footprint – from Juha in Western to Hides, Angore, Moran and Kutubu in the Southern Highlands, to Gulf and portion 152 west of Port Moresby. The landowners have openly expressed frustration about the lack of participation in the early works. Landowners in the Gobe area yesterday presented a petition to Esso Highlands highlighting some demands about the project. But, this was not related to the attack at the camp site.

Police could not confirm details of what transpired last Friday but project operator Esso Highlands Ltd stated that the matter was under police investigation. The National was informed late yesterday that the villagers struck last Friday – at Kaiam, near the Omati River and Kopi LNG facility or base camp, between the Gulf-Southern Highlands provincial boundaries. CCJV workers and its machineries were working on the early works component and building infrastructure needed to provide logistics for subsequent engineering procurement construction. Several attempts last night

to get independent and official confirmation of the attack from provincial police commanders of Gulf, Western and Southern Highlands failed.

## **Ramu Nico helps Lutheran people**

Post-Courier 28.9.2010

RAMU NiCo Management (MCC) Limited is exploring avenues to encourage church-private sector partnership to develop Madang Province. This was obvious when Ramu NiCo president Madam Luo Shu's visit to Madang Memorial Lutheran church last Sunday. Madam Luo attended the English service at 10am and later met with church Pastor Daniel Wang and other church elders. She share some mutual exchanges on how to work in partnership with the church and ordinary people to help improve Madang communities to become better. The church pastors and elders, including the congregation welcome Madam Luo and appreciate Ramu NiCo's attempt to promote its "One Ramu NiCo, One Community", philosophy to help improve and enrich of all the people.

The two parties believe that any co-operation between MCC and the church will have tangible benefits on the community and foster mutual understanding. Madam Luo's visit follows the earlier free medical service provided by Ramu NiCo through its medical team lead by Dr Yang Yan. Dr Yan in early September conducted free medical check and treatment to members of the Memorial Lutheran Church. Ramu NiCo president assistant Duan Jiubin, Dr Yan and community affairs representative Jerico Pan accompanied Madam Luo during the visit. Ramu NiCo Management (MCC) Limited is the manager of Ramu Nickel and Cobalt mine in Raikos, Madang Province.

## **NEW SUIT FILED TO STOP PNG MINE DUMPING PLAN**

*China's Ramu InCo faces new plaintiffs*

WELLINGTON, New Zealand (RNZI, Sept. 27, 2010) - Landowner efforts to halt construction of a pipeline to dump waste into the sea off Papua New Guinea's northeast coast will continue despite last week's lifting of an injunction on the project. Judge David Cannings on Friday lifted the injunction which prevented Metallurgical Corporation of China from building a marine tailings pipe from the proposed US\$1 billion Ramu nickel mine in Madang Province. This followed the sudden withdrawal from the case of the plaintiffs, representatives of three local Rai Coast landowners groups, who were earlier seeking to make the injunction permanent. However their former lawyer, Tiffany Nonggorr, has filed a fresh application for a new injunction. She's indicated that there are more landowner groups with an interest in stopping the pipeline. The Madang court is scheduled to hear the new application on Friday.

*[PIR editor's note: Ramu Nickel Mine Watch is questioning Australian company Highlands Pacific, a minority stakeholder in the Ramu nickel mine in Papua New Guinea, if they are misleading the Australian stock market in a released statement saying Papua New Guinea's local community support for the mine "has never been stronger."]*

*Radio New Zealand International: <http://www.rnzi.com/>*

## **PNG LEADERSHIP APPLAUDS LIFTING OF MINE INJUNCTION**

*Acting Prime Minister Polye cites national interest*

PORT MORESBY, Papua New Guinea (The National, Sept. 28, 2010) – ACTING Prime Minister Don Polye yesterday welcomed the decision by the National Court in Madang to allow operations at the Ramu nickel mine to resume. Operations at the mine had been halted since March 19 as a result of a court action by villagers relating to possible damages to the environment through the deep sea

tailings disposal. The operator, Ramu NiCo of China, said the stop work had caused them hundreds of millions of kina. Plaintiffs to the proceeding changed their mind about the case and withdrew, prompting the court to lift the injunction last Friday. Polye said yesterday the court decision had created a win-win situation for all stakeholders, including government and landowners. "I commend the judiciary for being mindful of national interest when determining the merits of the issues brought by the parties involved in the case," Polye said. "I commend the plaintiffs for their bold decision in withdrawing their case.

"I am glad they now fully appreciate the facts about this project, and are prepared to work with the developer and the government to achieve our goals. "This project will benefit all of us." The acting prime minister commended Works and Transport vice-minister and Rai Coast MP James Gau, Madang Governor Sir Arnold Amet and Mining Minister John Pundari for their efforts in resolving this issue. "This action by the plaintiffs show one thing, which I have said all along, and that is the failure to raise sufficient awareness on this issue. "There has been a lot of misinformation about this project. "People are twisting facts. "Certain people took advantage of this by trying to portray the government as being corrupt in pushing this project," he said. "With proper awareness, we now know what the facts are, and the plaintiffs are taking the correct and necessary steps so this project can proceed."

### **Palau, at risk from rising seas, aims to drill for oil**

27 Sep 2010 10:22:00 GMT; Written by: AlertNet correspondent



An aerial view of islands in Palau, a Pacific Island nation that is pushing ahead with oil exploration despite concerns that continuing fossil fuel use worldwide will lead to rising sea level that could drown the country. REUTERS/Jackson Henry

By Justin Nobel

Palau is a paradox: The low-lying Pacific island nation is threatened by climate change but may soon be drilling for oil. Seismic tests in the 1970s indicated the presence of petroleum but exploratory wells were never dug. Now, President Johnson Toribiong is pushing for exploration, hopeful oil will bring cheaper fuel, revenue and jobs. "Right now we are importing fossil fuel and that is very, very expensive," Toribiong said in a telephone interview. "If we find oil we will use the proceeds to make Palau a green country." Many island nations around the world are looking for creative solutions to a pending crisis - predicted boosts in sea level, associated with climate change, that could ruin their drinking water supplies and crops, put them at greater risk from storms and tidal surges and, in some cases, submerge their homelands entirely.

Officials in Kiribati, a group of Pacific Ocean atolls, are trying to train their young people as nurses and other sought-after professions, in hope they - and eventually their families - can migrate legally to other countries, particularly Australia. The president of the Maldives is exploring buying land elsewhere - perhaps in India or Sri Lanka - to accommodate an eventual wholesale migration.

Other island officials think finding ways to improve the economic plight of their people will give them more resources and options to adapt to the coming changes. Palau, however, may be the only imperiled island nation aiming to raise needed funds by pumping oil, which when burned boosts carbon dioxide levels in the atmosphere and drives climate change.

Toribiong, Palau's president, established the world's first shark sanctuary in Palau but also, prior to becoming president in 2009, did legal work for Palau Pacific Exploration (PPX), the Australia- and U.S.-based company now drilling for oil. His position on drilling is in marked contrast to that of Tommy Remengesau Jr., Palau's former president, who launched a project called the Micronesia Challenge to conserve 30 percent of Palau's near-shore marine resources by 2020 and was cited by Time magazine in 2007 as a "Hero of the environment" for trumpeting the threat of climate change. Presently, he is a member of Palau's Congress.

The island's Congress has criticized the President's contract with PPX, which gives the company until May 2011 to drill two exploratory wells and which Toribiong signed before giving Congress a chance to draft legislation guiding the development of petroleum resources. Palau is now working with the World Bank to craft such legislation, which will ensure that as the country pursues an oil economy, social and environmental concerns are considered and a means for the fair distribution of profits is set up.

### **'I HOPE WE DON'T HAVE TO DRILL'**

"In the end I hope we don't have to drill," said Noah Idechong, a renown marine conservationist who is now a leading member of Congress. "But I kind of sat down myself and realized that if you don't get the legislation done right it will pop up in the future and we won't be able to control it." Some analysts question why the World Bank is helping Palau develop fossil fuel resources when the island's very existence is threatened by the burning of them. "It is gut-wrenching and kind of sickening that Palau has been put in this position by those who have developed on the backs of the country's future," said Janet Redman, a sustainable energy researcher with the Institute for Policy Studies, a Washington D.C.-based think tank. "We are contributing to the process of an entire country disappearing."

When asked why the World Bank was helping Palau pursue oil, Silvana Tordo, the lead energy economist in the World Bank's oil, gas and mining policy division replied: "The choice of developing Palau's resources is theirs, not ours. They will develop them with or without World Bank assistance. It is therefore important for the Bank to be part of the dialogue." Palau has 16 states and a complex system of governance that includes both state- and nationally-elected officials and traditional chiefs. Nearly two-thirds of the country's 21,000 people, and most of its hotels and institutions are in the capital state of Koror. The oil is located far from the capital, some 13 miles offshore from the remote state of Kayangel, a sandy reef-ringed isle of sparse tribal villages.

"Kayangel is not like Koror," said Kayangel Governor Edwin Chokai. "They have a lot of jobs over there; over here we don't have a lot of jobs, so over here we want to start the [oil] project so we can help the people of Kayangel." But even President Toribiong worries about what oil might bring. "I am concerned. It is easy for people to be friendly in advance, but once you get the money greed sets in and shysters and phony consultants come," Toribiong said. "Kayangel is a simple state, and these are not sophisticated people."

*Justin Nobel has reported on science and culture in Nunavik, Micronesia and northern California, and has an ongoing interest in climate issues in the South Pacific. (www.alertnet.org)*

## **The true story of the Ramu mine litigation**

*By Tiffany Nonggorr*

Ramu Nickel Mine Watch 26.9.2010

IT IS GOOD to see the issues concerning litigation around the Ramu nickel project being debated but I enter this discussion for the sole purpose of correcting the false information concerning both the existing plaintiffs and the parties who attempted to be joined to the now discontinued proceedings. Mr 'Dexter Bland' uses a false name to defame me often on this website, to which I generally do not respond. But spreading incorrect information about the people I represent is another matter. He alleges that instead of acceding to clients wishes I went in search of another landowner to be the face of rich international environmental purists. These are complete and utter lies. The parties seeking to be joined as additional plaintiffs were Mr Louis Medaing and the Tong and Ongeg clans. They approached me at the Madang National Court on 7 September, after Mr Mellambo had pulled out the day before and after it was reported in the newspapers that I had been threatened.

Mr Medaing stated he and his clans wished to join the proceedings and asked me to represent them and gave me many documents to set out his position. I discussed the matter with the plaintiffs and, on 13 September, the existing plaintiffs filed a motion to join Mr Medaing and his clans. That motion was to be heard on 15 September 2010 but was adjourned to 21 September on the grounds of short service. Last week I wrote to the Provincial Police Commander seeking a police escort for the plaintiffs to come from the Rai Coast to Madang as there had been numerous threats against them. On Saturday 18 September we sent a boat to collect the plaintiffs, who I was in mobile phone contact with, and who were in hiding in the bush on the Rai Coast due to the numerous threats to force them to stop the proceedings. When the boat neared the coast it was ambushed by two other boats carrying men with guns and knives who then threatened the occupants of the boat and told them they could not get the plaintiffs and they must return to Madang. On their return to Madang, they contacted me and told me what happened and I rang the Provincial Police Commander who provided Task Force Police members to accompany three boats back to the Rai Coast to collect the plaintiffs.

The plaintiffs came out of hiding and boarded the boats, and they arrived in Madang on Saturday night at about 7 pm. All this is in affidavit material that was filed in court. The next day, Sunday 19 September, the plaintiffs attended a meeting, that went from 11 am to 2 pm, with elders from the Minderi area (near Basamuk) who had travelled to Madang to hear the plaintiffs' position on the court case as they had heard rumours of the threats and did not know whether the plaintiffs would continue or not. The plaintiffs at the meeting told the elders that they were 100% going ahead with the court case which was to start on Tuesday. An affidavit by Terry Kunning, one of the elders present at the meeting, was filed in the court proceedings confirming this.

That was the last we heard from the plaintiffs until Tuesday morning at court, when a fax was sent from Stevens Lawyers in Port Moresby stating that they had instructions to represent the plaintiffs and the plaintiffs wished to discontinue. I had arrived in Madang only on Monday and had previously tried to contact the plaintiffs from Sunday night to Monday evening, but their phones were switched off and, as I was concerned for their safety, I reported them missing to the Provincial Police Commander at 6.20 pm Monday evening. Apparently in the 36 hours between Sunday afternoon 19 September and Tuesday morning 21 September, someone had flown the three plaintiffs to Moresby, had hired them new lawyers, and they had decided to discontinue.

In their brief affidavits filed later on Tuesday as ordered by the court, they stated that they had been happy with the case, that they did not want DSTP and that they were concerned about the trouble that the case had caused and they were concerned for their safety so they wanted the case to discontinue. Mr Medaing and his clans' applications were due to be heard - so the judge adjourned the applications until Wednesday afternoon to be heard, as well as ordering the plaintiffs to appear. Mr

Medaing and the clans' applications were heard, and on Friday the judge determined, as a result of affidavit material filed by Louis Medaing and intensive cross examination by the miner's QC, that Mr Medaing was a genuine claimant in nuisance with sufficient standing to sue, but that he would not join Louis Medaing and the clans to the current proceedings because there were no proceedings left as the plaintiffs had discontinued.

His Honour said of course Mr Medaing and the clans could file fresh proceedings, which they did at 9.40 am on Friday morning 24 September, along with a motion for an injunction to prevent the construction of the DSTP system. That motion will be heard on Friday 1 October 2010. For Mr Bland to state that I go looking for landowner plaintiffs to be puppets for some unnamed rich environmentalist is not only completely false but it is offensive to Mr Medaing and the clans and also racist in the extreme. Mr Bland fails to understand that PNGeans are capable of thinking for themselves and are capable of determining that they want the mine but they do not want their marine environment destroyed, particularly when there are safer land based tailings alternatives. Yes there was an affidavit from a mine waste expert (not a mine paid for consultant) which set out alternatives and further that no nickel laterite project in any tropical area in the world used riverine or deep sea tailings disposal systems.

PNGeans run many court proceedings with or without lawyers and can hire lawyers if they determine to. Mr Louis Medaing and his clans successfully completed a judicial review proceedings in February this year wherein they had sought to quash the decision of the Minister for Lands to award the title over the land at the refinery when the land was subject to a dispute in the Lands Title Commission. Mr Medaing conducted the case by himself all the way to the final hearing and then hired a lawyer to do the trial. Mr Bland owes Mr Louis Medaing and his clans an apology. Mr Bland chooses to make his false statements under cover of anonymity and takes aim at those that seek to protect their land through proper court processes and those who are not so cowardly to have their true names revealed. It is one thing to have a point of view under an anonymous name; it is a whole other situation to make false and defamatory statements under the cloak of anonymity. It smacks of bad faith and maliciousness. <http://wp.me/pMvf7-fn>

## **Marengo eyes expansion**

National 24.9.2010

By SINCLAIRE SOLOMON

MARENGO Mining Ltd has lodged a new exploration application north-east of its Yandera project site in the Finisterre Ranges, Madang (see map), to follow up on stream sediment gold anomalies identified in the recent mining sector support programme funded by the European Union. Company managing director Les Emery said in a statement yesterday the new application (ELA1851) was a particularly exciting development for the company as there had been almost no prospecting or geographical mapping work carried out in Finisterre Ranges and accordingly, the mineral potential of this area was unknown. He said that geologically, it represented a possible strike extension to the Torricelli Mountains between Wewak in East Sepik and Vanimo in West Sepik.

Perth-based Emery, who visited the Yandera copper-molybdenum-gold prospect two weeks ago, also said the Yandera regional activities had progressed well. He said that this year's dry season had allowed Marengo Mining to instigate a reconnaissance stream sediment and geographical mapping survey in EL1665 Koinambe, located northwest of the Yandera central deposit. Emery said two principal drainages were investigated over a one-month period by a small team comprising one geologist, two field assistants and a community relations officer. "The local people were very pleased to see the company expanding into their area where various alluvial gold workings are currently exploited by the landowners. "The results from this work will be available in the first quarter



of 2011,” he said. Marengo Mining is an Australian-based metals company whose core focus is exploring and developing the world-class Yandera project in the highlands of Madang.

## **Judge Cannings warns against threats**

Post-Courier 24.9.2010

By ROSALYN EVARA

PARTIES and their supporters involved in the Ramu Nickel court case in Madang were sternly warned by the National Court that any threats or intimidation will be deemed as contempt and they can be charged. The warning was dished out yesterday afternoon by the presiding judge Justice David Cannings following an incident at midday when the court had adjourned for lunch. The drama outside the court house had included a handful of disgruntled landowners from where the Ramu mine is located. The group, apparently led by the Chairman of the Kurumbukari Landowners Association, David Tigavu had turned up anticipating some decision to be made and were clearly not too happy when this had not happened.

Soon after emerging from the courtroom and as he was walking out the gate of the national court premises, Mr Tigavu started shouting at the plaintiffs involved in the case, saying they were hindering development to the people of Bundi and Raikos. He was then heard screaming at the plaintiff's lawyers, Tiffany Nonggorr and Ray William telling them they were only interested in making money for themselves. “If we have to fight over this project than we will fight and it will be a civil war. Stop hiding inside there and come outside here and we fight (referring to Medaing)”. “We want development and these lawyers keep twisting things. “You will not bring development to us. You will not feed us. Our children right now are not attending school. Will you support them? We are the least developed place and want development to come. All you care about is money,” he said. He was also heard questioning Mrs Nonggorr, in particular, as to what alternatives she had to develop Raikos and Bundi should the project fail.

Mr Tigavu went on to label Justice Cannings, a “sympathetic judge” saying he had allowed the case to drag on without any substance. Soon after resuming at 2 o'clock this afternoon, Justice Cannings warned, through an interpreter, that the court will not hesitate to charge supporters or anyone with contempt of court if they threaten or intimidate lawyers and parties involved in the case. He stressed that the court house in Papua New Guinea is a special place and must be respected at all times. He said the penalties for anyone found guilty of contempt of court would include imprisonment or a court fine. Meanwhile a decision is to be made this morning as to whether Louis Medaing will be allowed to become a plaintiff in the proceedings or not.

The court is also expected to make a ruling on the motion which has been filed by the three remaining plaintiffs Eddie Tarsie, Peter Sel and Farima Siga to discontinue the proceedings from which an interim injunction was issued by the courts on the construction of the deep sea tailings placement system by Ramu NiCo (MCC) Limited. In another court story, the case involving alleged bank robber William Nanua Kapris and his accomplices was yesterday adjourned to the 5th of October. This is because one of the lawyers representing a number of the accused is unable to be in court until the first week of next month. Seth Daniels, from Daniels Lawyers, is representing Ruben Micah, Bobby Selan and Joyce Maima in the case, however he is currently away in Manus attending to his father's death and is not able to attend.

## **PNG JUDGE LIFTS INJUNCTION, MINE FREE TO DUMP**

*Landowners suddenly drop suit against Ramu mine*

MELBOURNE, Australia (Radio Australia, Sept. 23) – A court has lifted an injunction that prevented a mine from dumping millions of tonnes of waste into the sea in Papua New Guinea. In March, three landowners obtained a temporary injunction preventing the Ramu nickel mine from building a deep-sea tailings pipeline near Madang. But Justice David Cannings has lifted the injunction after the plaintiffs this week removed their lawyer and successfully sought to discontinue the legal action. The ruling means the mine's operator, Ramu Nico, can now proceed to dump five million tonnes of tailings a year into a deep-sea trench in Astrolabe Bay. Justice Cannings was critical of the plaintiffs' decision to halt the proceedings on the eve of a trial. He said the circumstances were suspicious and people would legitimately wonder if the landowners had been intimidated, threatened or paid off. *Radio Australia*: [www.abc.net.au/ra](http://www.abc.net.au/ra)

## US CONGRESS TO HEAR HUMAN RIGHTS ABUSES IN PAPUA

*West Papua seeks more US scrutiny*

WELLINGTON, New Zealand (RNZI, Sept. 23, 2010) - There are hopes that today's U.S. Congressional hearing on human rights issues in Papua will prompt more scrutiny of U.S. policy towards Indonesia. The Congress' Sub-Committee on Asia and the Pacific heard from witnesses such as the Asia Advocacy Director for Human Rights Watch, Sophie Richardson. Her testimony focused on ongoing abuses in Papua by security forces such as severe restrictions on freedom of expression and assembly, killings, rape and torture. Ms. Richardson says she thinks that as a result of the hearing, there should be more oversight of Indonesia's performance in Papua. "One of the points that I tried to emphasize was that as the US' relationship with Indonesia broadens and deepens and solidifies, that should make it easier - not harder - to raise some of these real hold-over problems like Papua. You know, we can't just have a narrative that says, Indonesia has made it across the Rubicon and there are no problems anymore."

[*PIR editor's note: Jakarta Globe reports: "Human rights groups in West Papua are calling on the national rights commission to investigate last Wednesday's shooting deaths of two Papuans by the Indonesian police."*] *Radio New Zealand International*: <http://www.rnzi.com/>

While the rest of the country was celebrating 35 years of self-governance, two sisters in Nipa, Southern Highlands saw no reason to celebrate, instead they dressed in black and covered their faces in ash to mourn the lack of Government services in PNG . . .

### **No reason to celebrate . . .**

Editorial Post-Courier 23.9.2010

By DAVID MURI

WHILE Papua New Guineans nationwide saluted our flag with happy celebrations, in Nipa district of Southern Highlands, two sisters publicly asked a question few politicians will take seriously. Sisters Ruth and Janet Sol wore black on September 16, PNG's 35th Independence Anniversary to protest what they see as a lack of real development, prosperity and improvement in law and order and advancement for the common people. Their question was simple - why celebrate when all around, there is little or nothing to show for celebration? It's a question that nags at the fabric of PNG's economic growth and prosperity, a question politicians sweep aside with political rhetoric that would rather paint a rosy picture for a country anchored by its natural mineral resources but well known to be mismanaged and poor.

Its poor are faceless that Ruth and Janet Sol so courageously stood up for on a breezy mountainside in Nipa, not far from where the nation's oil and gas wealth will be extracted at Kutubu. The women asked: "What has independence really brought for PNG after three-and-a-half decades of self gov-

ernance? Do we really have to celebrate and what for?” Indeed the Sol sisters are not alone in their cry for the suffering majority. All over PNG, Papua New Guineans complain on a daily basis of poor government services. Roads are bad, airstrips are closed, aid posts have no medicine, wharves have fallen into disrepair, bank services are withdrawn, schools have no teachers and the list of lack of government services is endless. Sadly women, who provide 90 per cent of the labour that powers the agriculture backbone of PNG, suffer the most with PNG having the worst child maternal death rate in the world among other health issues, low literacy levels, family violence and abuse, victims of ethnic and criminal violence. Women are also underrepresented in the 109 seat Parliament where a recent law intends to introduce 22 reserved seats for women. Currently only outspoken Minister Dame Carol Kidu (Community Development) is the only female MP in the male dominated house.

So while the independence celebrations were underway at Nipa last week, the two young sisters were in mourning instead. They were in protest of the nation’s woes, particularly law and order problems. The siblings, Ruth and Janet Sol from Komea village were in black attire, bodies covered with mud and armed with wooden rods depicting bereaved widows in the customary fashion of the local area. “PNG is a widowed nation without a husband,” declared Janet Sol. “We are here (at Soe village) to mourn the death of our uncle who was murdered at a pub in Goroka. The SP bottle on top of my cap indicates that my uncle was simply killed over nothing, but a bottle of beer,” says Ruth Sol. “People can be killed in PNG for anything...even K2. That indicates that we are very poor and are fighting each other to survive even though we proclaim to be rich and independent,” she continues.

The two sisters said the killing of their relative was a result of a nation losing its focus in containing law and order problems in its society since independence. Another local Mathew Hiol expressed similar sentiments saying, PNG should be mourning rather than blindly celebrating the anniversary. “Are we celebrating for the ever skyrocketing prices of store goods, for massive corruption, for those dying from curable diseases and for the dilapidated state of our colonial-built infrastructure? What have we gained?” Mr Hiol asked. The 54-year-old said electorates like Nipa Kutubu were way back in terms of infrastructural developments despite it being the home of huge gas and oil projects. “If a major oil and gas producing electorate can terribly suffer, I don’t know the fate of my fellow countrymen in Menyamya or Nuku. His big question on independence day is: “Where has all our money gone?”

## **PNG POLICE FORBID PUBLIC PROTEST MARCH**

*Anti-corruption activist defies authorities*

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 23 , 2010) – POLICE have gone on alert in Port Moresby, the Highlands and Mamose today to stop a protest march by non-governmental organisations this morning. The protest, to be led Noel Anjo and his associates in Port Moresby, was stopped by the Police Commissioner Gari Baki but Anjo has said it will go ahead as planned and late yesterday he was seen mobilising public support for the protest march to Parliament. Provincial police commanders in Mamose and the Highlands have appealed to the general public to refrain from taking part in the march which will be deemed illegal if it eventuates. In Goroka yesterday, police and leaders drove around town warning activists not to stage any protest march in Goroka and Kainantu towns and along the Highlands Highway. They warned those who refuse to heed the warning would be dealt with including Anjo or his agents if they appear in Goroka.

Provincial police commander Augustine Wampe said policemen would be out in full force in Goroka, Kainantu and along the Highlands Highway today. Police Commissioner Gari Baki on Tuesday stopped the protest after the incidents in Kainantu and Goroka where millions of kina were

lost as a result of rampage and looting by youths, believed related to the proposed protest by Anjo and his group. In Port Moresby, NCD Metropolitan Commander Fred Yakasa said yesterday police and the Peace and Good Order Committee in the nation's capital had reviewed their stand and have stopped the march because it was not in the interest of public safety. "The committee comprising the Governor, city manager and myself after a lengthy discussion has refused the request by Noel Anjo and his group to stage the protest tomorrow. "While many of the issues raised are good for the silent majority, the committee felt that the experience in Eastern Highlands Province, ex-servicemen's outstanding issues in the city and many more, we have decided to refuse their request," said Mr Yakasa.

And he has appealed to the public to refrain from participating in the protest which will be deemed unlawful. "I urge the general public not to take part in the protest and I appeal to the leaders of the protest to take their petition and deliver it to whoever that has been invited to receive the petition by themselves and maybe the media instead of a huge number of people in which opportunists might use it to cause trouble," said Mr Yakasa. He said they had a very good working relationship with activists in the city and he had appealed to the leaders to understand the position of the committee. "A letter has been written to Mr Anjo and his group informing them of our decision to stop the protest march," said Mr Yakasa.

Word has gone to businesses in the city as well as in Lae, Madang, and the Highlands to be on alert also in case the protest spill over and they become targets of the protestors, mainly opportunists who would want to smash buildings and loot shops. "It (protest march) is scheduled to start between 0900 and 1000 from the Jack Pidik Park and / or Unagi Park in Boroko. They will then march to the Parliament building, route unknown. Although no violence is expected, all safety precautions should be taken and the above areas avoided. "All travel should be kept to a minimal too," Shane Clayton, Client Relation Manager of security firm, G4S Secure Solutions (PNG) Ltd informed clients yesterday.

### **Lutheran church, mine foster ties**

Post-Courier 23.9.2010

A NEW Lutheran church pastor Daniel Wang does not find beautiful Madang strange to him though he is new in the country. With his desire to reach out to both christians and non-christians, Ps Wang quickly established good working relationship with Ramu NiCo Management (MCC) Limited and is working in spreading the gospel and also providing free medical service. On Sept 5, Ramu NiCo's medical doctor Dr Yang Yan and Ps Wang visited a seriously ill Lutheran church member outside Madang with medical supplies after the son informed the pastor about his seriously ill mother. After medical examination Dr Yang found that the patient contracted serious pneumonia, had chills, fever, cough, chest pain and malaise clinical symptoms. The condition was very serious and would have cost her life if not treated soon. Dr Yang treated the patient with specific drug therapy for treatment of pneumonia and Ps Wang prayed for the patient. A week later, the patient returned back to good health.

### **Court to rule on new Ramu NiCo plaintiff**

Post-Courier 23.9.2010

By ROSALYN EVARA

THE National Court in Madang is expected to make a decision this morning as to whether it will allow another plaintiff to join the proceedings which have been filed against Ramu NiCo (MCC) Limited. It is also expected to hear two other motions the first being by the three remaining plaintiffs namely Eddie Tarsie, Peter Sel and Farima Siga to discontinue the proceedings and another by the defendants in relation to the costs. The case against the construction of the deep-sea tailing

placement system by MCC resumed at 1.30pm before Madang's resident Judge Justice Cannings with the court being told that Louise Medaing intended to join the case and that he was representing the Tong and Ongeg Clan of Tugiag village at Basmuk, where the Ramu nickel refinery site was located. It heard he had made his intentions known to join the proceedings soon after the fourth and fifth plaintiff, namely Sama Melambo and the Pomern Incorporated Land Group, had withdrawn from the case.

It heard that he had approached the lawyer Tiffany Nonggorr of Nonggorr and William Associates and with the consent of the three remaining parties filed and served his affidavit on September 13. The application to have him join was objected to by all the lawyers representing the defendants in the case particularly MCC who argued that it was improper especially as all five original plaintiffs in the case had now consented to the proceedings being withdrawn. Queens Counsel Charles Scherri argued that Mrs Nonggorr was now seeking to represent a party which was opposing what the plaintiffs wanted. However, Mrs Nonggorr argued that under the court rules and in a case where a party had withdrawn another could join if they had the same interest. The court is expected to hear submissions on this application this morning at 9am and also rule on this application and two others.

## **PNG JUDGE TO DECIDE FUTURE OF MURKY MINE LAWSUIT**

*Elusive Plaintiffs Appear Before Madang Judge*

MELBOURNE, Australia (Radio Australia, 22, 2010) – The three plaintiffs who disappeared in Papua New Guinea before pulling out of a court battle to stop a mine dumping waste into the sea have reappeared. In March the three men won a temporary injunction preventing the Ramu nickel mine from building an undersea tailings pipeline near Madang. But before the substantive hearing this week, they disappeared before dumping their lawyer by fax and announcing they wanted to stop the proceedings. On Wednesday they reappeared at the National Court in Madang but so far have declined to publicly explain their change of heart. In an affidavit tendered to the court, one of the plaintiffs, Eddie Tarsie, says the case is now generating disquiet among his people and he's concerned for his security. Justice David Cannings is expected to decide whether the case will continue on Thursday. *Radio Australia: [www.abc.net.au/ra](http://www.abc.net.au/ra)*

## **OK TEDI MINE SEEKS EXTENDED OPERATIONS IN PNG**

*Feasibility study underway to continue to 2022*

Jemima Garrett

MELBOURNE, Australia (Radio Australia, Sept. 22, 2010) - Papua New Guinea's Ok Tedi mine is examining new pollution controls as part of a feasibility study for a seven-year extension of the mine's life. Ok Tedi is scheduled to close in 2013 but a feasibility study is being undertaken to push that out to 2022.

*[PIR editor's note: In a separate report it states that "during the 1980's and 90's Ok Tedi became synonymous with environmental devastation. Tens of thousands of people living below the mine on the Ok Tedi and Fly rivers found their waterways choked with sediment and their food gardens and drinking water supplies polluted. But the mine also provided vital services such as health and education."]*

The new mine plan would see output reduced by one third, to around 100,000 tonnes of copper and 350,000 ounces of gold a year. Ok Tedi Mining Limited Managing Director, Alan Breen, says the new plan would not be the same as current mining operations. "It's open cut mining which is quite

different to what we are proposing in the future," he said. "The feasibility study that we are currently undertaking would involve the operation of two small underground mines which produce very little waste and an open-cut operation which would produce a significant amount of waste." "As part of the study though, we are looking at designing and constructing a stable waste rock dump at the mine which would prevent that waste flowing into the river system so quite a substantial change from our current practices."

The extension would create 14 million tonnes of waste rock. Currently waste rock goes into the Ok Tedi River but Mr. Breen, says he hopes that will change. "We are looking at designing a stable waste rock dump which would prevent that waste flowing into the river system," he said. Mr. Breen says more engineering work must be done to discover if the dump is feasible. Ok Tedi currently generates 20 percent of Papua New Guinea's Gross Domestic Product. With big new projects like the PNG LNG project not expected to come on stream until 2014, the extension of Ok Tedi will be an attractive prospect. Consultations have already begun but Alan Breen says the process has a way to go. "The process as it currently stands is that our people are currently doing the environmental impact studies and we are well down the track with those, we are probably 75-80 per cent complete on those," he said.

"The next thing we have to do is complete them by the end of October. We need to pass this information on to the state and they will have a team of independent advisers who will have a look at the information we have prepared and they will make recommendations and assessments, and provide them to not only government, but the communities." "On the basis of that feedback, the communities then will have a decision to make on whether or not they can live with those impacts." Mr. Breen says the feasibility study is due to be finished by November. The company expects to finish consultations with communities and the government by the end of the year.

*Radio Australia:* [www.abc.net.au/ra](http://www.abc.net.au/ra)

## **RIO TINTO SEEKS DISMISSAL OF BOUGAINVILLE MINE CASE**

*Landowners seek hearing in U.S. Supreme Court*

WELLINGTON, New Zealand (RNZI, Sept. 22, 2010) - A group of landowners from the Papua New Guinea province of Bougainville who have taken the mining company Rio Tinto to court over human rights violations has had its long-standing case heard in the United States appeal court today.

[*PIR editor's note: According to [Business & Human Rights Resource Center](#), the people of Bougainville filed suit in 2000 against Rio Tinto under the Alien Tort Claims Act in the U.S. federal court after the initial protests back in 1988. Bougainvilleans allege that crimes were committed against humanity during Bougainville's secessionist movement, including the improper dumping of mine waste into the environment and discrimination against laboring black workers by paying them lower wages than white workers while housing them in poor conditions.*]

Their lawyer, Steve Berman, says in what is an unusual move, a full panel of 11 appellate judges convened to hear the case, which Rio Tinto is trying to have dismissed. Mr. Berman says both sides argued as to whether the case should proceed in the US, with Rio Tinto arguing that the Bougainvilleans should have taken legal action in Papua New Guinea first. "At the time they filed their lawsuit there was a war going on and for most of the plaintiffs there was a bounty on their head so for them to walk in and file a lawsuit would have been a highly dangerous act. In those circumstances courts have recognized the futility of suing where you live and have excused you from doing so. And the second reason is that there's this statute that says any alien who's been injured by a violation of international law can sue in US courts." Steve Berman says it seems likely that the case will be permitted to proceed to the Supreme Court.

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

## **NEW PNG PROVINCE PINS HOPES ON GAS REVENUES**

*Hela wants tangible development*

By Isaac Nicholas

PORT MORESBY, Papua New Guinea (The National, Sept. 21, 2010) – Hela Transitional Authority chairman James Marape has recommended the HTA embrace the Hela long-term development plan to lock in gas revenue to realise the province’s development aspirations. [PIR editor’s note: Hela in Papua New Guinea’s Southern Highlands is due to become a new province in 2012. It is to include the districts of Tari-Pori, Komo-Magarima, and Koroba-Kopiago.]

Marape said the liquid natural gas (LNG) revenue must be locked in for development in line with the long-term plans and not controlled by politicians. He said the next six months would be critical as HTA’s task was to have nationwide consultations with its people and stakeholders including the elite Hela working class, students, youths, churches, women and leaders on the long-term plan for Hela province. The chairman of HTA and member for Tari-Pori said this when announcing that the HTA had passed a PGK23 million [US\$8.5 million] budget to ensure infrastructure is in place for a full provincial status for Hela province by 2012. The funds were allocated by the national government in this year’s budget for physical infrastructure and public service structure in preparation for the provincial status.

Marape said the appropriation was to put in place structures for a new province by 2012 and to ensure that the province gets maximum benefit from the LNG project and not squandering the wealth created from their gas. The breakdown included K1 million to each for office rehabilitation in each of the three district offices, K200,000 each to the 16 local level governments (LLGs) for the setting up of LLG assemblies, K250,000 for a youth centre in Tari, K250,000 to the Hela council of churches, K250,000 to the council of women and K3 million for the construction of the HTA office complex in Tari.

## **DSTP plaintiffs ‘dump’ Nonggorr and want out Nonggorr**

National 22.9.2010

By JAYNE SAFIHAO

THE three remaining plaintiffs in the Ramu deep sea tailings placement (DSTP) case have appointed a new counsel and indicted to the National Court in Madang yesterday that they want to discontinue the case against Ramu NiCo, the state and Mineral Resources Authority for the alleged environmental harm. Eddie Tarsie, Farina Siga and Peter Sel indicated through their lawyer Steven Lawyers that they would file the notice of motion to discontinue and supporting affidavits today. Tiffany Nonggorr of Nonggorr Williams Associate, the lawyer who had been representing them in this case, yesterday made an application to join Louis Mediang, a land title claimant from Rai Coast, to the proceedings, insisting in court that the joinder application to be heard immediately. However, lawyers for defendants argued that the court should first establish whether Tarsie, Siga and Sel wanted to proceed with the claims or not.

The trial was due to start yesterday with a few interlocutory matters to be heard first. Both Ramu NiCo and the state had filed applications in court seeking millions of kina of securities for legal costs and for damages already incurred. After hearing both sides’ submissions, justice David Cannings adjourned the case to 1.30pm today when he would make a decision on the future of the proceedings. He also ordered Tarsie, Siga and Sel to appear before him. On Sept 1, two earlier plain-



tiffs in the case, Sama Melambo and Pommerm ILG, were granted permission to cease litigation proceedings against Ramu NiCo and the state. In his affidavit in support, Melambo criticised the foreign interests operating behind the litigation, saying they were hijacking the agenda through foreign-financed NGO groups like Bismarck Ramu Group. Melambo explained that his people's complaints had been mainly with the lack of basic infrastructure and growth opportunities in the Rai Coast region, not about stopping the nickel-cobalt project through the DSTP litigation.

Nonggorr is also representing two other landowner cases against Ramu NiCo. Last month, her client Joseph Koroma, a land claimant in the Kurumbukari mine site area in Usino-Bundi district, expressed his dissatisfaction in *The National* that his lawyer was not acting on instructions and that the Australian anti-mining NGO group Mineral Policy Institute had failed to deliver on promises. Koroma said the money earmarked for his own case against Ramu NiCo had been used to fight the Basamuk DSTP case which in turn was likely to stop the future of the project and that of all stakeholders. In court yesterday afternoon, Nonggorr said she had tried in vain to contact her clients but failed. "I have always had direct access to my clients and call them all the time. "This time they are not answering their phones and I do not know where they are," she told the court.

### **Ramu: Plaintiffs summoned**

Post-Courier 22.9.2010

By ROSALYN EVARA

THE three remaining plaintiffs in the case against the construction of the deep sea tailings placement (DSTP) by Ramu NiCo (MCC) Limited have been summoned to appear in court this afternoon. The order was made by the presiding judge Justice David Cannings yesterday. This is in light of concerns raised by their lawyer, Tiffany Nonggor, regarding their disappearance. Mrs Nonggor when Justice Cannings had called for representations stated she was supposed to be appearing for Eddie Tarsie, Peter Sel and Farima Siga. However, she said she did not know what was going on other than the fact that she had not heard from them over the past 36 hours and that she was served with a copy of a letter from Steven's Lawyers by the lawyer of the first defendant (Ramu NiCo (MCC) Limited) that they (Steven's Lawyers) would now be acting on their behalf.

Further, that the letter stated their intentions to discontinue to the case. She said she was supposed to have met with her clients yesterday at about 5pm but they did not show up despite attempts to reach them via their mobile phones. She said in light of these events and alleged threats which had been issued to them she was concerned about their wellbeing as she had never had difficulty in contacting them. The court also heard that during the last meeting she had held with them, which was soon after the announcement by the fourth and fifth plaintiffs' (Sama Melambo and the Pomern Incorporated Land Group) withdrawal that they had stated that they had no intentions of pulling out of these proceedings. She requested that the court summon the plaintiffs to appear and to ascertain for itself if they had reached this decision freely.

During the proceedings Mrs Nonggor had also filed an application for another plaintiff named as Louise Medaing to join the proceedings. However, this application was objected to by the defendants' lawyers particularly MCC which said that the plaintiffs including Mr Melambo had in his affidavit made it known that they had never wanted the project to end and with the withdrawal of the remaining ones it was quite clear they did not wish to pursue the matter. QC Charles Scherri said in light of these developments it seemed Mrs Nonggor was "scratching around to find another plaintiff". Justice Cannings also ordered that any motions and supporting affidavits for leave to discontinue be filed yesterday and served and be set for hearing on September 30 at 1.30pm and the substantive trial adjourned to a date to be fixed by court.



## **PNG LANDOWNERS DROP SUIT AGAINST RAMU NICKEL MINE**

Attorney alleges threats by 'thugs' linked to government

WELLINGTON, New Zealand (RNZI, Sept. 21, 2010) - Three Papua New Guinean villagers have been summonsed to appear before Madang's National Court tomorrow when the legal case over the validity of the planned Ramu nickel mine marine tailings system could be decided. The trial's start has been delayed another day after the three plaintiffs, customary landowners who have been opposed to the US\$1 billion Chinese-run mine, missed the scheduled beginning. The court was informed by a fax purportedly from the plaintiffs that they want to drop their legal challenge against the government and the mining giant Metallurgical Corporation of China. They also reportedly want to sack their lawyer, Tiffany Nonggorr, who has suddenly lost contact with her clients. She recently voiced concern about threats and intimidation that she and her clients had received as the trial approached. "I'm still concerned for their safety and their well-being. They had a meeting with elders on Sunday lunchtime and they had advised the elders that they were definitely proceeding with the case. So this is a complete turnabout in twenty-four hours, and in that time they have been flown to Port Moresby."

[PIR editor's note: The Papua New Guinea government has been aggressive in efforts to dissuade area landowners from their efforts to stop the planned dumping of mine wastes off the Morobe coast. Radio New Zealand International reported yesterday that the landowners' lawyer, Tiffany Nonggorr, alleged threats were made against plaintiffs in the lawsuit by "thugs linked to the government." Meanwhile, the Post-Courier reports that George Ireng, an opponent of plans to dump the mine wastes at sea, filed a complaint after he and the three plaintiffs were allegedly confronted over the weekend. Mr. Ireng said he and his party were stopped at sea by a group of men who were armed and met them half way in three boats. The men ordered Ireng to leave without the plaintiffs. The three plaintiffs then missed a court date and subsequently faxed to the court a notice to drop their legal challenge.]

Judge David Cannings ordered the men appear before him on Wednesday to explain their decision in person, before deciding the future of the case and the planned tailings system. Ms. Nonggorr says that two new landowner representatives want to join as plaintiffs but that if the three formally withdraw, the injunction in place on the planned tailings pipe will be lifted. Many Rai Coast locals claim they were never consulted over the construction of the tailings system. A group of scientists say the mine's plan to dump 100 million tonnes of waste into the sea over two decades is destructive to the environment. Radio New Zealand International: <http://www.rnzi.com/>

### **Ramu nickel case set**

Post-Courier 21.9.2010

By ROSALYN EVARA

MADANG provincial police commander Superintendent Anthony Wagambie Jr has urged parties involved in Ramu nickel court case to remain calm and allow due process to take its course. The plea by Supt Wagambie follows complaints on alleged threats and attacks by disgruntled landowners on the three plaintiffs and their associates. He confirmed that a complaint had been laid by anti-deep sea tailing placement campaigner George Ireng regarding an alleged attack on him and several others over the weekend. Mr Ireng said he and his party were stopped at sea by a group of men who were armed and who had travelled out to sea and met them half way in three boats and ordered to turn around without the plaintiffs. He said Mr Ireng did and soon after reaching Madang had the matter reported to police. Supt Wagambie said because there was no police boat for them to use, his men got on with Mr Ireng and his party on their hired dinghy and returned to Rai Coast where they did pick up the plaintiffs. Meanwhile with the DSTP case set down this morning for trial

at the Madang National Court, lawyer representing the plaintiffs Tiffany Nonggorr soon after arriving in the province said she had not been able to get in touch with her clients.

## **PNG SIDES WITH MINE OPERATOR AGAINST LANDOWNERS**

Plaintiffs in lawsuit against mine reportedly threatened

WELLINGTON, New Zealand (RNZI, Sept. 20, 2010) - The trial in a Papua New Guinea court case which has halted the Ramu Nickel project in Madang province has been delayed a day due to last minute motions filed by the Government and the mine operator. The trial reviewing the validity of the planned deep sea tailings disposal system for the nickel mine was due to get underway tomorrow. An injunction remains on construction of the tailings system, after a legal move by a group of landowners opposed to the system.

The plaintiffs' lawyer, Tiffany Nonggorr, says the miner, the China Metallurgical and Construction Company (MCC) and the state have filed motions to sue for security over costs and losses if they win the case. "The state and the miner are saying because the customary landowners don't have any cash and won't be able to satisfy the judgment if we do lose, they should pay into the court before we start the trial a sum of money. Now the sum of money sought from these customary landowners is eight million kina. These customary landowners don't exist in the cash economy. So this application is being used very oppressively."

[PIR editor's note: According to *Ramu Nickel Mine Watch*, the Chinese Metallurgical and Construction Company posted a six month profit of US\$540 million ending in June 30. The site states that "the Chinese legal strategy is being orchestrated by Charles Seri QC from Melbourne with assistance from Ian Molloy from Brisbane."]

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

## **MOA signed for Ramu basin gas**

Post-Courier 17.9.2010

By ROSALYN EVARA

A MEMORANDUM of Agreement was signed early this week to progress the development of the South Eastern Ramu Basin Gas project which covers parts of Madang's Usino and Astrolobe Local Level Government areas. This was revealed by the chairman of the Sagi Landowners Association Gabriel Aimai and one of his executives Tony Tomongo in an interview they gave this paper on Wednesday. Mr Amai said the MOA was signed by representatives of the developer Energy World Cooperation Limited including the Chairman Stewart Elliot and the Chairmen of the and the Sagi, Banam, Mabuluk Suap and Shaggy Ridge Landowner Associations respectively. He said the ceremony was witnessed by a host of dignitaries including Madang Governor Sir Arnold Amet, PNG Power's deputy chief executive officer Lawrence Solomon, senior members of the Madang Provincial Administration, Bank South Pacific Capital and Nature Energy to mention a few.

He said the event was quite significant and as landowners they could not have asked for a wonderful Independence gift. He said the oil and gas reserves had been discovered back in the seventies but that nobody had really been serious in progressing it beyond the exploration stage. Mr Amai said for this Australian company to not only take this bold step but go one step better and offer 20 per cent equity participation to the landowners in this project on a golden plate was overwhelming. In making these remarks he extended on behalf of the landowners their sincere appreciation not only to Mr Elliot and his delegation but those in country who had worked hard to make this happen. He said under the MOA just signed the developer and landowners have set obligations which each must fulfill for the smooth progression of this project.

For the landowners this includes sorting out their in-house matters amicably and avoid politicking on the project to disturb the smooth operation of the negotiations of project to the implementation and life after the project and also to work closely with the developer in all matters of concern and have mutual respect to each other and with the developer. The developers obligations include ensuring that the laws of the country are respected. To maintain a cordial working relationship the parties have also agreed to an 'inter alia' where they reach decisions through dialogue and consultation, settle issues if and when they occur through consensus and that all times they uphold and respect each others integrity including fundamental principals of their constitutions.

Mr Tomongo said the developer is set to return to the country on September 28, basically to tour the project site. "With the signing of the MOA we now have set obligations to each other and for us this also means refining "an activity plan which we already have in place. "We were given a thorough presentation of the developers profile and business activities and I must say they have pretty impressive track record having energy companies in most parts of South East Asia. "With so many projects coming on site, PNG Power has made it clear power supply will be an issue and this project is the sure way forward as we will not only be able to supply the domestic market but also export overseas," he said.

### **K10,000 for Bougainville Foundation**

Post-Courier 17.9.2010

By *GORETHY KENNETH*

THE German president of the European shareholders of Bougainville Copper, Axel G. Sturm, donated K10,000 to the Bougainville Copper Foundation this week. Mr Sturm who celebrated his 60th birthday recently in Rome in a statement advised instead of his friends bringing presents to him, he did a fundraiser to raise funds for unfortunate Bougainvilleans. These funds were disbursed with the hope to help the needy Bougainvilleans who are still suffering - his main agenda is help educating unfortunate students and to better health services in the region. "When I've been to Port Moresby two years ago I met a couple of very well educated Bougainvilleans who are engaged in the island's future," Mr Sturm said. "I also learnt that some of them had received BCF support for education. That's why I decided to raise funds on my birthday party instead of receiving gifts. "I am determined to improve the BCF's charity work on the island with this donation and I strongly hope that others will do the same."

As one of Bougainville Copper's major shareholders Mr Sturm knows very well that the foundation disposes of little money since the Panguna mine was closed 21 years ago. "So my dearest wish is that the mine will be re-opened as soon as possible. Under condition that Bougainville Copper Foundation will receive enough money from the company's earnings to provide much more sustainable services to the people of Bougainville," Mr Sturm said. "There is nothing better than to invest into the youths' education and into health care. I am absolutely convinced that our company secretary Mr Paul Coleman will give the funds to those in Bougainville who are really in a need." The Bougainville Copper Foundation has been sponsoring many students of Bougainville into tertiary institutions especially those that come from the mining area. A lot of elite Bougainvilleans now holding top jobs in the public and private sectors have benefited from this foundation.

### **Allied to spend K86m on Simberi gold output**

Post-Courier 17.9.2010

PERTH: Allied Gold was announced that it will spend \$A32 million (K86 million) to increase its gold production at the Simberi mine, in New Ireland Province, to 100 000 oz/y, it announced on Wednesday. The company reported that it would expand the oxide processing circuit at the Simberi operation from its current two-million tons a year capacity to 3,5-million tons a year, by December

2011. Although a number of options have been considered to increase production at the project, the gold miner said that the expansion of the oxide processing circuit to 3.5-million tons a year would be the most efficient in terms of immediate project delivery, incremental capital spend and investment payback. The design work being conducted also ensured further expansion to five-million tons a year could be reconsidered in the future.

Allied noted that the expanded throughput to a nameplate capacity of 3.5-million tons a year would occur incrementally over the next 12 months, and added that oxide expansion construction works have already started on site. Meanwhile, further reconnaissance exploration would also be conducted over the largely unexplored western area of the Simberi Island, for both oxide and sulphide mineralisation. Allied said that it would consider an expansion of up to five-million tons capacity at the plant as part of a future combined oxide and sulphide processing circuit. The gold miner was also nearing the finalisation of a prefeasibility study (PFS) examining options to mine the significant sulphide ore resources at Simberi.

The sulphide PFS would deliver the investment basis for a decade-long production at Simberi, and development optionality. Allied noted that the PFS has suggested a signed stage roaster treating 1.5-million tons of ore a year. A combined 3.5-million ton oxide, and 1.5-million ton sulphide circuit would produce around 200 000 oz/y of gold, providing confidence that Simberi could sustain a gold output of more than 200 000 oz/y for a minimum of ten years. The gold miner said that a formal investment decision into the sulphide development would be subject to a bankable feasibility study, which is scheduled for 2012, with a two-year development time frame.

## **GEOLOGIST SAYS SOLOMONS RICH IN COPPER, GOLD**

Bluewater Metals finds undersea riches in Western province

By Moffat Mamu

HONIARA, Solomon Islands (Solomon Star, Sept. 16, 2010) - An internationally renowned geologist says Solomon Islands may have rich deposits of copper and gold on its seabed. Dr. Tim McConachy revealed this after his team discovered samples of copper during their prospective exercise in the Western Province seabed. Dr. McConachy is chief executive officer of Bluewater Metals (Solomon Islands) Ltd, a locally registered company that has license to prospect here. [PIR editor's note: Bluewater Metals Pty. Ltd. is a South Wales, Australia, company also licensed to explore offshore waters in Tonga for ocean mining.]

He invited local mining officials yesterday on board his research vessel Dorado Discovery, during which he showed them samples of copper he found during their exploration. "This copper ore weighs about 3 kilogram," he told officials as he showed them the sample. Dr. McConachy's discovery came as Solomon Gold announced yesterday its prospecting and exploration work on Fauro Island in Shortlands showed the island has the potential to host world class gold deposits. Dr. McConachy, a world renowned geologist with extensive experience in the Solomon Islands and undersea exploration, said they have been prospecting in parts of the Western Province over the past few days and the results were encouraging. "With this sample it may mean there is a possibility of high concentration of copper in Solomon Islands," he said. "But that would be determined after further tests, and analyzing of the data and information collected are being done," Dr McConachy added.

A local geologist told Solomon Star that with Bougainville just next to Western Province, the presence of copper there are highly likely. Bluewater Metals (Solomon Islands) Limited says it is interested in prospecting for gold and copper. This first exploration trip for Bluewater Metal was

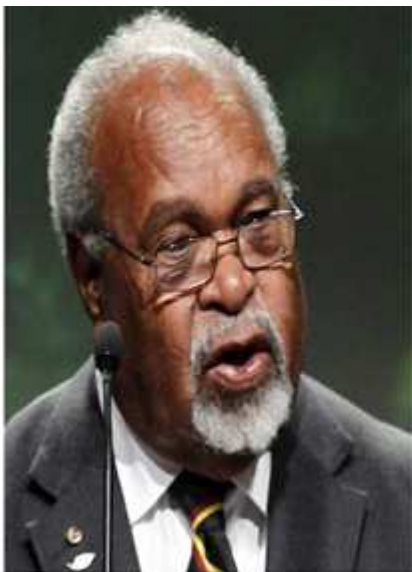
conducted in conjunction with Odyssey Marine Exploration and Dorado Ocean Resources using the most advanced seabed copper and gold mineral exploration ever undertaken in Solomon Islands. The ship, Dorado Discovery, was in port since Tuesday and will leave Honiara today for further exploration work in the eastern part of the country. Tom Dettweiler, Operations Manager of Odyssey Marine Exploration, who discovered Titanic and other famous shipwrecks, is part of the exploration exercise here. Mr. Dettweiler said Solomon Islands is highly prospective for commercial deposits of copper, gold and other mineral metals from the seafloor. "This is the new frontier and with over 70 percent of the world covered in oceans, the opportunities are limitless," he said.

He added Solomon Islands forms part of the Pacific Rim of Fire, where tectonic plates are colliding making favorable volcanic sites that have the potential to host significant mineralization. Bluewater Metals has been granted the prospecting license by the Department of Mines and Energy in 2007 to undertake systematic mineral exploration. Dr. McConachy said they are excited about the project. "We are excited to undertake this program and for the first time, we will be investigating the seafloor in and around the Solomon Islands with the most advanced technology available today," he said. As part of the program the team has taken on board two local geologists. They are Douglas Billy, Director of Geology Survey and Patrick Vatopu, a senior Mines inspector. They will be on board for a month until the trip ends in Fiji. From Temotu the team will travel to Vanuatu before concluding it in Fiji. Director of Mines Peter Auga said Bluewater Metals, with the Dorado Discovery, has assembled an excellent team of marine technologists, geologists and environmentalists. "The team will undertake safe and professional program which, if successful, may ultimately create new business opportunities, wealth and jobs in the country," he said.

[PIR editor's note: A *separate report* states that Fauro in the Shortlands, just southeast of Bougainville has the potential to host world class gold deposits. According to the report, the gold deposit in Fauro has geological similarities to Lihir in Papua New Guinea.]

## **PNG PRIME MINISTER MEETS WITH CHINESE PREMIER**

*China says it will tap PNG's rich resources*



PORT MORESBY, Papua New Guinea (The National, Sept. 15, 2010) - CHINA, the second biggest economy in the world after the US, has expressed willingness to invest in Papua New Guinea's major sectors of agriculture, forestry, fishery, energy, telecommunications and transport. Chinese premier Wen Jiabao said in Tianjin on Monday while meeting with prime minister Sir Michael

Somare that China encourages its enterprises to expand investment in PNG. China's People's Daily online yesterday reported that Sir Michael was attending the annual meeting of the new champions 2010, also known as the summer davos in the northern Chinese port city of Tianjin.

As a friend and partner of Pacific island countries, Wen told Sir Michael that China would continue to provide assistance within its capacity for this region's development. The premiere also congratulated Sir Michael on the country's 35th anniversary of independence, believing that the PNG would make more achievements in its social and economic development. In response, Sir Michael said Papua New Guinea valued the friendly ties with China, and firmly adhered to the one-China policy. Applauding China's unselfish help to PNG's national reconstruction, Sir Michael said Papua New Guinea welcomed the investment by Chinese enterprises to push forward bilateral co-operation.

## **NRI-Report: Instability, bad leaders get blamed**

Post-Courier 15.9.2010

By *HARLYNE JOKU*

POLITICAL instability and bad leadership has hampered PNG's development in the past 35 years and has failed to deliver the most basic and priority services to its people. This is the strong message given by PNG academics and former Deputy Prime Minister Sir Dr Puka Temu at the eve of PNG's 35 independence anniversary. A National Research Institute Report titled, PNG's Development Performance 1975-2008, was launched by Sir Puka yesterday giving this message. It revealed that party infighting and frequent shifting of MPs between government and opposition has also contributed to the instability of PNG's political leadership since independence. Sir Puka, who commissioned the study, said at the launch: "PNG this is your life." But he pleaded for good leadership and for leaders to learn from their mistakes and make a positive change in the next 35 years.

NRI's senior research fellow Dr Alphonse Gelu said: "The party infighting and frequent shifting of MPs between government and opposition has resulted in a preoccupation of MPs with numbers and with maintaining their tenuous hold on political power, sometimes through cash exchange and material goods. "Votes of no confidence have averaged the lifespan of PNG governments to just two and a half years and prevented any government from remaining in office for a full five-year term until 2007. Repeated ministerial reshuffles and votes of no confidence have distracted MPs from their main task and affected governments to concentrate on delivering services to its people," Dr Gelu said.

Head of the research department at the Bank of PNG, Dr Gae Kauzi, said PNG leaders in the past had mismanaged the country's economy and must not repeat the same mistakes now with the LNG gas and economic boom. He said the 1990s were characterised by gross mismanagement by successive governments. "The windfall in revenue from the mineral boom was not put to good use such as improvements in infrastructure. There was excessive spending with a high proportion of consumption expenditure and budget deficit was prevalent," Dr Kauzi said.

([Papua New Guinea's Development Performance 1975-2008](#))

## ***Editorial***

### **35 YEARS LATER, PAPUA NEW GUINEA STILL AT SQUARE ONE**

PORT MORESBY, Papua New Guinea (The National, Sept. 15, 2010) - 9.30am, Sept 14: We are taking off in a south westerly direction from Jackson International Airport bound for Kagamuga in Western Highlands. From here, we trek to Kerema in the Gulf before turning northeast and arrive at Kagamuga an hour from now. The pilot expects the weather to be fine all the way but, at cruising



altitude, we can expect some bumps. The F28, with its pressurized cabin and speed, has made travel between our provinces a vastly comfortable experience to that of the old workhorses that were the DC3s in the days immediately prior to independence in 1975. Then, it would take literally hours and the ride had more bumps and frights on the finest days than we are going to experience today, even if we were to fly into the eye of a hurricane. In many ways, the people living on the land we are flying over just now – rural Central, Gulf, Southern Highlands, Enga and Western Highlands – continue to live in the age of the DC3.

Mothers die in labor, their child often dies with them or does not live past its fifth birthday; there is lack of medical services and, often, trained personnel to deliver them. Government services are at a bare minimum. Schools infrastructure are dilapidated and falling apart and the roads are in dire need of upgrading. In another sense, the communities below us have been thrown into the age of the F100. Today, they can languish in the comfort of their homes and talk to their sons and daughters in distant parts of this land or any other place on earth in their own language. Modern telecommunications have ensured that. Their sons and daughters now pilot the F100 we are flying in, and are engineers who fix this aircraft when it goes in for repairs. They even teach other nationalities to fly the latest commercial airliners coming on the market in distant parts of the globe. They lecture at universities here and abroad and manage multinational corporations in distant lands. We have changed governments often in the last 35 years, but never once at the point of a gun.

A difficult period in the nation's journey was experienced between 1987 and 2001 in a civil strife on the island of Bougainville, which has seen much blood shed. We hope never to see this period repeated again. That is behind us now and a new political creature, calling itself the Autonomous Bougainville Government (ABG), has been created. For now, it seems to have got off to a good start with a successful and peaceful election conducted early this year. What is to become of Bougainville and its 260,000 people is vested in the ABG. We entrust it to the wisdom of the men directing its destiny under the guiding hand of God to make decisions that will be in the best interest of the people of Bougainville and Papua New Guinea. While that tumultuous period is behind us, before us loom challenges of a different kind that will take the combined intellectual and managerial skills of our leadership to steer the ship of state. True, the future appears to have silver linings with a multitude of resource projects about to start up, led by the liquefied natural gas project.

There will be many billions of kina flowing into the country, but, will it be all good for the country? Many other countries before us, and even our own experience since independence and all the other resource developments and the billions of kina in aid money, have shown us that big money, which is not managed properly, will not benefit the majority of our people. The promise of new billions from the Liquefied Natural Gas and other projects currently in the offing must be viewed from this perspective. Unless properly managed, unless there is good governance and corruption is stymied, those billions might also over fly PNG. Unless the money can be pumped to rejuvenate the rural industries such as agriculture, livestock, fisheries and forestry, and to value add to those projects through downstream processing, the bulk of the population might also lose out on the future billions as they have the past billions. That is the challenge facing Papua New Guinea leaders and their people as we celebrate 35 years of independence tomorrow.

## **Arms race in the Highlands**

Post-Courier 15.9.2010

By *PETER KORUGL*

MAJOR resource projects like the LNG are in jeopardy because the arms buildup among communities has reached an alarming level that the Government needs to take immediate steps to reign in the situation, a senior government member said yesterday. National Party leader and MP for Kun-

diawa/Gembogl, Joe Mek Teine said the arms including hand grenades and high powered guns were being bought and kept by village people in the name of security for themselves. “The situation is alarming. Already people with guns are making decisions for the communities and these people are even prepared to use the weapons to get what they want or push their own agendas. “People are using bombs to blow up others in tribal fighting, high powered guns are used in crime around PNG ... this is frightening,” Mr Teine said. He is also the chairman of the Constitutional Reform Commission.

Mr Teine said the use of guns and crime go hand in hand and as long as there are guns out there, PNG was fighting an uphill battle against the criminals. In his independence anniversary message, Mr Teine said it was time for the Government to revisit the report from the PNG Guns Control Committee and act on the recommendations. Mr Teine said PNG communities are made up of tribes, with their own value systems, cultures and traditions and it was very dangerous if these groups were arming themselves. He said the arms buildup has the potential to destroy major projects like the LNG and it was time the government took a decisive step. “If it means imposing tougher jail terms as a deterrent, so be it. The government must move this,” he said.

Mr Teine said good governance was essential to PNG’s prosperity and development. For this reason, the Government must take the lead and honour commitments and obligations it has to the people of PNG. “There are Papua New Guineans out there who are crying to the Government to be paid their dues so that they can return home and live normal lives,” he said. “I am talking about the ex-servicemen and women, many of whom have died while waiting for their entitlements. “Those that need to be paid, must be paid.” The Government should also look at the banking sector in PNG and review its policies in relations to how these financial institutions were operating. Mr Teine said the PNG Banking system was not becoming user friendly and many ordinary people were reluctant to use the banks.

### *Letter to the editor*

#### **Kainantu mine in pathway of Misima**

Post-Courier 15.9.2010

Life after the mines is the utmost goal landowners, who depend entirely on land and environment, should consider. The regret of Misima people and life after the mine should be a lesson and baseline for landowners who blindly trail mining giants and government for stomach refuelling. In fact, it is our Government and the Mineral Resources Authority’s fault. There is no policy and guidelines on mine closure and rehabilitation phase in the country. The Government through MRA is only opening doors to outside investments in mining but have not placed stringent management and monitoring tools like mine closure policy. Kainantu mine was shut surprisingly with no good explanation for landowners and the citizens of PNG to be in tune with. While closed, Barrick (mine operator) advanced into other exploration lease areas near the closed mine. MRA, Lands Department and Barrick (HPL) played delaying tactics in awarding landownership title to battling clans while allowing the mine to operate. There are no tangible changes like water supply, aid posts, schools and well maintained road networks in the landowners’ backyard after the mine is closed. It’s a life threatening experience to consider. Duwigon Iyampon, POM

#### **Porgera: Falling rocks kill ‘miners’**

National 14.9.2010

By JEFFREY ELAPA

TWO illegal gold miners were killed and four others were injured by falling rocks at the Porgera gold mine’s open-cut pit in Enga last Friday. According to reports from Porgera yesterday, the in-



jured are recovering at the Porgera hospital. “They risked their lives going to steal gold at the restricted mine,” an official said from Porgera. The two dead men were identified as Pair Daniel, 22, from Ubis Karkar area in the Kandep district, and Tarai Iapara, in his 30s, from Tucusanda in the Laiagam district, both in Enga. Larop Kepen, an illegal miner who was among the group, told authorities that the two were killed at the bottom of the bench while others were hit by the falling rocks and received serious injuries to their legs, arms and head. Kopen said that many rocks were falling and they had to run for their lives but the two were late to escape and died after they were hit by the rocks.

Porgera police were contacted but said that they had not received any report or complaint about the fatalities and, therefore, could not comment. The mining township’s Paiam Hospital chief Dr Granda Granada confirmed receiving the bodies of two men and placing them at the morgue last Saturday morning. He also confirmed receiving and attending to four others who had sustained injuries. Granada said one of four had his limbs amputated because it could not be fixed; the other three were assisted by doctors at the hospital and were recovering. Mark Fisher, the executive general manager of owner Barrick PNG Ltd told The National yesterday that trespassing was a problem which the company had taken all available approaches to discourage by educating the local people not to venture into the restricted mine area. He said many different approaches had been taken by the company to educate the people but nothing had changed. “It is an unfortunate situation and also a difficult situation. “We have used numerous attempts to educate the communities through the local radio station and the company’s communication unit to disseminate messages to educate them of the dangers of going to the mine site but that was still lacking,” Fisher said.

He said that the company even fenced the entire special mine lease area but people continued to take the risk and trespass. Regular incursions by illegal miners into the open pit, the ore stockpiles and the waste areas at Porgera are common even though people are warned of the dangers of illegal mining and the risks of accessing the pit with no appropriate safety measures in place. In recent years, criminal behaviour in and around the mine had become much more aggressive and had often involved armed individuals. Frequently they enter the mine site in large groups prepared to confront security personnel, who are responsible for the safety of the mine and its employees.

## **PNG OFFICIAL SUSPENDED IN GAS PROJECT FRAUD**

*\$1 million landowner payout under investigation*

WELLINGTON, New Zealand (RNZI, Sept. 14, 2010) - A senior official of Papua New Guinea’s Department of Commerce and Industry has been suspended and referred to the police fraud squad over the payment of more than one million US dollars to a landowner company representative of portion 152, the plant site of the PNG liquefied natural gas project. The Post Courier reports that the Commerce and Industry Minister, Gabriel Kapris, took the action following a payment to the Boera Rearea Porebada Papa Development Corporation Ltd on September the 1st, well ahead of the scheduled payment period last week.

*[PIR editor’s note: According to Post Courier, the man allegedly conspired with an executive of Boera Rearea Porebada Papa and paid the check to the latter without the knowledge of the department nor the Liquefied Natural Gas unit which manages those funds.]*

The Corporation representative who picked up the check has also been referred to the fraud squad to be investigated. Mr. Kapris has also instructed the Bank of South Pacific to stop payment on the check. *Radio New Zealand International*: <http://www.rnzi.com/>

## *Editorial*

### **PNG LABOR FORCE UNPREPARED FOR HUGE GAS PROJECT**

PORT MORESBY, Papua New Guinea (Sept. 13, 2010) – The Papua New Guinea (PNG) gas agreement was signed between the state and ExxonMobil in May 2008. At that point, it was almost certain that a liquefied natural gas (LNG) project would become a reality, at least in so far as the government was concerned. Along the way, several other agreements were negotiated and signed, including the two benefits sharing agreements, finalization of markets, the environmental impact study, front end engineering and design, execution planning, project financing, gas marketing and all the regulatory and permitting work including community and landowner consultation and financial closure. Despite all that, two years on and PNG is still struggling to get sub-contractors organized for the project and is critically short on manpower.

Already, there is talk about recruiting welders from neighboring Fiji and even heavy equipment operators from overseas. This would indicate to us that the government was so concerned with getting the project off the ground that it neglected its primary duty to ensure the people of this country get maximum benefits from the Papua New Guinea Liquefied Natural Gas (PNG LNG). There should be several thousand welders and heavy equipment operators' in-country. Indeed, PNG has had world class mines in Bougainville, Ok Tedi, Porgera, Misima, Kainantu and Hidden Valley among others. These workers should be called up. Even if the workers were not to be found, training welders and heavy equipment operators should take no more than 24 months. That was the time PNG had between May 2008 and this year. Yet, we did not move on it. The same goes for project sub-contractors.

Unless the government insists on a certain amount of work and labor force to be exclusively Papua New Guinean, ExxonMobil is going to draw experienced workers from its present operations all around the world to ensure this project gets off the ground on the target date of 2014. Project proposals have been available to the government for as long as the project has been discussed, yet little thought was put to mobilize and prepare our workforce and our business community to take full advantage of the project. The LNG project being championed by ExxonMobil proposes to draw gas from three large gas reservoirs in the Southern Highlands and Western. The development envisions the construction of the 960-million-cubic-foot-a-day gas-conditioning plant and a gas pipeline to a liquefaction plant near Port Moresby. The LNG plant would produce six million metric tonnes a year of LNG for shipment to international markets. The gas is to be transported to the plant by a 440-mile pipeline (250 miles subsea).

Liquids recovered at the existing Hides gas plant would be combined with crude oil from the oil operations and transported through the existing oil export system to the Kumul platform, an offshore tanker loading facility. Just from this information alone, the amount and size of work can be worked out. A select committee should already have been at work evaluating the needs of the project and reviewing present capacity. All this while, all we have heard is that the benefits would be substantial and the project could transform the economy of PNG and doubling its gross national project. These are generalities we have heard and were content with but nobody has had a closer look at just how PNG is going to benefit from the project. Indeed, looking at the project now, it would appear that the government might have given away far more than it should have in tax concessions and other benefits.

The company cannot be expected to utilize its national content plan to assist PNG's manpower problems. Esso Highlands might be committed to some training for project construction and ongoing operations, buying local goods and services, building local supplier proficiency and assisting communities but its greater and primary focus is on getting the project off the ground and

delivering on the gas to the exclusive markets it has signed contracts with. If there are easier ways to achieve its aim, such as bringing in ready trained and experienced workforce from its existing projects that is the course of action it will take. It is crucial, therefore, for the government to insist on a number of jobs to be reserved for Papua New Guineans and to ask the company on how many workers it will require and to locate them in country or train them if necessary.

### **Misima people regret life after mine closure** By STEPHANIE ELIZAH

National 13.9.2010

LANDOWNERS of the Misima mine in Milne Bay have called on the government to review their mine closure plan and the memorandum of understanding affecting the closure. The Eguma special mining lease (SML) landowners also requested that the state honour its mine closure commitment to conduct a socio-economic feasibility study before the end of this year. Managing director Taulea Mosebi claimed that after Misima Mines Ltd ceased operations, no socio-economic impact study had been conducted. He said the people's standard of living had not improved despite the good things that Misima mines brought when it was in operation like well-maintained and supported health, education, transport, electricity and banking services.

Mosebi said apart from the current monitoring of the environment's rehabilitation, there had been no major economic development on Misima to boost the livelihood of the islanders. "Our people are struggling. "No one has made any attempt to find solutions to the problems. "Since 1989, Misima mine had earned more than K9.9 billion for the state. Yet, after the mine ceased operations, we have rundown buildings, inconsistent power supply and landowner projects initiated during the mine life have not continued," he said.

Mosebi said Eguma landowners had taken the initiative to spearhead a Misima island project, which is aimed at assessing the island's social, economical, environmental, cultural and political status. "We seek to revive the island's economy and, as such, we have obtained the support of the Milne Bay provincial administration, Department of Agriculture and Livestock and the provincial industry and support services as part of the steering committee," Mosebi said.

### **CHINA, PNG HAIL NATURAL GAS TERMINAL PROJECT**

*PNG to export 6.6 million tons per year to China*

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 13, 2010) - The National Government has hailed the ground breaking ceremony for Sinopec Corporation's Qingdao LNG import terminal as an important step in ensuring the success of Papua New Guinea's plan to export 6.6 million tons of Liquefied Natural Gas annually starting in late 2013 or early 2014. Construction of Papua New Guinea's first LNG project commenced early this year as part of a \$US15 billion project being undertaken by ExxonMobil and its joint venture partners, which include the PNG Government. Other equity partners include Oil Search Ltd, Santos Ltd, Nippon Oil and Papua New Guinea's own Kroton No. 2 Ltd, MRDC and Petromin. Sinopec will be a foundation customer for LNG exported by Papua New Guinea with its planned purchase of two



Papua New Guinea ministers Arthur Somare and Paul Tiensten join Chinese officials to shovel earth at a grand ground breaking ceremony for Sinopec's Qingdao LNG terminal in Shandong Province. Sinopec, PNG's largest customer for LNG, will import two million tonnes of gas a year by early 2014.

*Photo courtesy of PNG Post-Courier*

million tons annually from late 2013 or early 2014, making it the single largest customer for the PNG LNG project.

Speaking at the ground breaking ceremony for Sinopec's LNG import terminal, Mr. Somare said the event represented an auspicious occasion since he went to Shandong Province during his first visit to China 15 years ago. He never imagined then that one day he would represent the PNG Government as Sinopec implemented plans to import LNG from Papua New Guinea. Somare thanked the Chinese Government and especially the National Development and Reform Commission of China for approving the sales and purchase agreement between ExxonMobil, as the operator of the PNG LNG project, and with Sinopec. Following full technical appraisals, NDRC last month also approved for construction of this LNG import terminal to proceed. He said Sinopec, as one of the world's most important oil and gas companies, had been the first international company to commit to buying LNG from Papua New Guinea. "Sinopec is our single largest customer. Today my delegation (including PNG's National Planning Minister Paul Tiensten) is greatly honored to be here to witness the ground breaking ceremony for Sinopec's first LNG import terminal," he said.

Somare said the LNG sales and purchase deal would enhance bilateral relations between PNG and China. "I am sure LNG exports from my country have been possible because the economy of Shandong Province has been doubling in size every four or five years. Papua New Guinea is extremely proud to contribute to your future growth by supplying natural gas, a high quality clean source of energy for your industries and citizens of your great nation," he said. Somare assured his hosts, the NDRC, the Shandong Provincial Government and Sinopec, that Papua New Guinea will be a reliable, secure and stable supplier of natural gas to Shandong Province through the Qingdao LNG import terminal when LNG deliveries begin by early 2014. The PNG delegation to the ground breaking ceremony at the planned terminal site was feted to a grand celebration, including a daytime fireworks display.

**Prime Minister: Government to maintain environment**  
By ROSALYN EVARA

Post-Courier 10.9.2010

THE National Government is committed to ensuring the integrity of the environment is maintained while supporting the country's economic development. Prime Minister Sir Michael Somare said this in a speech read on his behalf by Environment and Conservation Minister Benny Allen during the opening of the Ministerial segment of the Secretariat of Pacific Regional Environment Program (SPREP) meeting in Madang yesterday. Sir Michael said for the first time since independence in 1975, this country had experienced political stability for a sustained period of over eight years. He said this has translated into many development activities that had the potential to affect the environment. He said his Government through the various agencies had taken the necessary steps to ensure the integrity of the environment was maintained as this remained the peoples' life. "This is our land and as is the case in your own countries, it is our heritage, our livelihood, our culture, our life and we will make sure we protect it and use it in a sustainable manner. This land is home to about seven per cent of the world's biodiversity, there are fauna and flora species that are still being discovered as new to the scientific world," he said.

Sir Michael said to the 11 Pacific Island environment ministers, Director General of SPREP David Sheppard and secretariat staff commended them on their work and reaffirmed his government's plan to work with them. "The work of SPREP has not been very visible in our sub-region until recently and it is timely that this meeting has been brought to our shores. "My government supports the work the SPREP Secretariat is charged to undertake," Sir Michael said. He also said the issue of climate change remained a major environmental problem for all Pacific islanders and they needed to

collectively address this issue. "...Individually our countries are too small to make an impact at the global level but collectively as a region, we can make the rest of the world sit up and take note of this phenomenon that we have little to do with on our people. "My government considers this as a priority issue which is why we have established an office amply named the Office of Climate Change and Development. This is an addition to our national Department of Environment and Conservation, which is the operational focal point of SPREP activities in this country," he said.

### **Local firm signs deal for LNG**

Post-Courier 10.9.2010

By MOHAMMAD BASHIR

With environment issues being a major issue in all resource projects including the legal battle over the Ramu NiCo mine deep sea tailings, one local company is venturing into the waste management business in the PNG LNG project with a leading Australian firm. To prop up its capacity, Eco Car Engineering Ltd (ECE) has gone into a joint venture arrangement with Australia's leading waste management company Transpacific Industries Group Ltd (TPI). The two companies yesterday signed a joint venture agreement at the Crowne Plaza in front of a small crowd which signified a milestone in starting a partnership. TPI's general manager for Queensland Blake Senior and Eco Care Engineering's (ECE) managing director Dennis Marvin Kai put pen to paper to seal the partnership witnessed by technical staff of ECE, journalists and TPI's general manager for international projects Geoff Sparks.

ECE has a contract on environment and waste management with Oil Search and has been undertaking that work for the past four years. The new JV Company is yet to be named but will undertake management of all the LNG related projects such as camps, plant sites, geo-hazard management, chemical, environmental, industrial and domestic waste. Mr Kai said with a resource boom in the country, it was important to approach the environment in a positive way in all aspects of development. He said developers had strict guidelines when it came to environmental issues and it was imperative to have the best in the business to manage it in a proactive manner. TPI's Senior said he was excited at the opportunity and thanked ECE for choosing his company to be its partner in PNG.

### **PNG LOSING PUBLIC SERVANTS TO GAS PROJECT**

*Massive development offers higher pay*

By Johnny Poiya

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 10, 2010) – THE Southern Highlands Province is faced with a major threat of a "brain drain" in losing its qualified public servants to the LNG project. Provincial Administrator William Powi yesterday raised concerns in Mendi that the multi-billion-dollar LNG project in the province has already drawn public servants and the momentum was likely to increase with the flow of the project. "It's a big concern for us in the administration because of the better pay and package offered by the developers of the LNG project. We may run into trouble of losing all our qualified and experienced public servants," Mr Powi said. "The onus now is on our Governor and the government to keep our public servants here. We have to provide incentives to hold back our public servants or they will all be lost one by one for the better opportunities out there." On the situation of the public servants in the province, Mr Powi said under a new provincial government corporate plan, several hundred officers would lose their jobs under a retrenchment exercise.

He said there were a lot of unnecessary public servants and the retrenchment exercise would allow for removing of the "excess officers" from the system. Mr Powi said the previous administration went on a recruitment drive without retrenching ageing staff. "The Chief Secretary has given the

green light for the retrenchment exercise and we'll have to retrench some of our officers," he said. He said Southern Highlanders were realising the presence of government. "We have reconstruction, rehabilitation, and rebuilding process taking place now. People are seeing we are here now." He said the province did not feel government presence in the past and things were changing were the people were participating and appreciating the changes.

## **HEALTH CONCERN RAISED OVER PAPUA URANIUM MINING**

Freeport mine said to ignore welfare of indigenous people

WELLINGTON, New Zealand (RNZI, Sept. 9, 2010) - There are concerns that uranium exploration in the Timika region of Indonesia's Papua is ignoring indigenous people and could harm their long-term welfare. The Papuan Customary Council says there is a need for transparency by investors at the Freeport mine about how long the explorations will be conducted and what the local communities will receive in payment. The Council says explorations have been under way for eight months and it's made strong representations to the company about the harm they are doing to the indigenous people. It says investors and the government need to be more open towards the local communities about the benefits and disadvantages of the uranium exploration.

[PIR editor's note: *Indigenous Peoples Issues & Resources* reports that "the amount of uranium thought to be present in the Freeport mine is far higher than the minimum rate of 83 ppm (parts per million), whereas the economically viable minimum universally accepted is 1,000 ppm."]

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

## **THOUSANDS TO BE RELOCATED FOR SOLOMONS GOLD MINE**

*Gold-Ridge to spend \$64 million reopening mine*

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, Sept. 8, 2010) - Solomon Islands' Gold Ridge mine is on track to pour its first gold in March 2011. The mine is expected to be a major foreign exchange earner and is an important part of the Solomon Islands government's strategy for economic recovery after the ethnic violence earlier this decade. Relocation of thousands of people living on the Gold Ridge mine site has begun. More than 300 houses will be built for landowners, 90 of which are expected to be completed by the end of this year. Allied Gold's Executive Chairman, Mark Caruso, says the first group of 130 gold panners has now been resettled 10 kilometers away, at Turarana. Allied Gold has already spent 50 million Australian dollars [US\$45.8 million] on rebuilding the Gold ridge mine and expects to spend another AU\$70 million [US\$64.1 million] before the end of the year.

Caruso noted that they are employing around about 500 people on the site, which approximately 375 of them are locals. So we're very comfortable with how that sort of labor buildup and development is working with the local workforce. He says "our main issue clearly is to ensure that due process that allows allowing our project, mining to develop in the Solomon Islands is both streamlined and developed to best world standards. And clearly mining is not a significant proponent or part of the economy at the moment, but clearly I think if we can demonstrate that this project can get off the ground smoothly with appropriate government support, which has been forthcoming to date from the previous Sikua government, then I think it will keep the country in good stead." *Radio Australia*: [www.abc.net.au/ra](http://www.abc.net.au/ra)

## **Ramu: Free medical service for Lutherans**

Post-Courier 9.9.2010

By OSEAH PHILEMON

CHRISTIANS who attended the Memorial Lutheran Church in Madang last Sunday were given free medical services, courtesy of a team from Ramu NiCo (MCC) Limited headed by Dr Yang Yan. Dr Yang and his translator Jerico Pan visited the church with medical supplies and treated patients who were unable to seek proper medical services at established clinics and hospitals for various reasons. The pastor's office was given to Dr Wang that morning for him to examine and treat those needing medical attention. The exercise is the first of its kind outside of Ramu NiCo project impact areas and stemmed from a discussion Dr Yang had had with the church pastor during which he was told that many church goers were ill and unable to afford professional medical attention. MCC supplied the medical equipment and medicine to carry out this exercise and it is expected that this will not be the last.

The medical team also took time out that day to visit another patient, who is also a congregation member of this local church at his village which is situated eight kilometres from Madang town with the clergymen after discovering that he was very ill. "The patient did not think that after being bed-ridden for so long, a doctor, let alone a foreign one would take the time out to visit him at his house just to treat him." Ramu NiCo president Madam Luo Shu and executive vice president Gu Yuxiang urged the team to carry out more free medical service to uphold its motto, "one ramu, one community," and be part of the community.

## **Ramu tailings case date set**

National 8.9.2010

By SINCLAIRE SOLOMON

THE trial date for the deep sea tailings placement (DSTP) legal battle against Ramu NiCo management (MCC) and state stakeholders has been confirmed for Sept 21-Oct 1 at the Madang National Court. At directions hearing yesterday, defendants Ramu NiCo, Mineral Resources Authority, Environment and Conservation Department and the state maintained that the trial date should be kept and the trial preparation should be fast-tracked while the plaintiffs should file and serve any affidavits to prosecute their claims. Justice David Cannings heard three applications which were returnable yesterday:

- \* First defendant Eddie Tarsie's application for an expedited trial and related matters;
- \* Sama Melambo and Pommern ILG's application to withdraw from the proceedings; and
- \* Plaintiffs Tarsie, Farina Siga and Peter Sel's application to have the matter referred to the alternate dispute resolution (ADR) courts for mediation.

Cannings ruled that the plaintiffs should file and serve additional affidavits and notices by Sept 13 and the defendants by Sept 17. He also expressed concern that the application for mediation was too late in the litigation process, however, he would hear the notice of motion on Friday. Cannings also accepted an invitation, in principle, from Ramu NiCo to visit the DSTP site at Basamuk, Rai Coast, but not before the trial. He said the site visit could take place after the close of the submissions but before he hands down his decision. The plaintiffs had been granted an interim injunction since March, halting work on the DSTP offshore facility construction claiming that the tailings were environmentally damaging to marine life and their livelihood. Yesterday, Cannings granted leave for Melambo and Pommern ILG to cease the litigation proceedings.

Outside the court, Ramu NiCo said yesterday it would make good preparations for the trial while always ready to start the settlement discussion with the plaintiffs any time this week. It had sent a letter to all parties on Sept 5 but had not received an indication from the remaining three plaintiffs.



Ramu NiCo also said that it was seeking legal advice and would be making applications to seek cost and undertakings on damages from third parties who were believed to have financed the litigation. In a separate but related move last week, four LLG presidents and a magistrate of the area filed affidavits in the Waigani National Court saying that they had not authorised Tarsie, Siga and Sel to be party to the proceedings initiated in March against Ramu NiCo and the state. The K3.1 billion project was due to go into production at the end of this year.

### **Newcrest: More buy-outs**

National 8.9.2010

NEWCREST Mining Ltd, the new owner-operator of Lihir gold mine, said it is eyeing further merger and acquisition opportunities in the Asia-Pacific and West Africa. The miner just completed a US\$10 billion takeover of Lihir Gold Mine. "There are great opportunities in this part of the world, and compared to the Americas, there's a lot less competition for some of those assets," company chief executive Ian Smith, told ABC TV last Sunday. "We buy in so we can apply our expertise in exploration and build assets." "It is driven by recognising gold's rightful place as a risk-leveller, so people see gold as part of a portfolio now, to be a legitimate part of how you address risk," Smith said. "Takeovers in the industry have picked up this year because of strong gold prices," the head of Asia-Pacific investment banking for metals and mining at Merrill Lynch in Hong Kong, Greg Fournier, said last month.

Gold companies have completed or are evaluating acquisitions estimated at US\$37.5 billion this year, more than double last year's total, Bloomberg data showed. Gold for immediate delivery hit a record US\$1265.30 an ounce on June 21 and is headed for a 10th annual gain. Prices might reach US\$1,300 an ounce this year as investors seek a shield against financial turmoil, weak currencies and inflation, the London researcher GFMS said. "Half the pundits say that going forward, we are going to have inflation, another half of pundits say we are going to be facing deflation. "Gold is a good part of portfolio risk management in both of those environments," Smith said. LGL and Newcrest shareholders agreed last month to a US\$10.45 billion share-and-cash deal that will create the world's fifth-biggest gold producer. The national court of Papua New Guinea approved the deal last Aug 27. Gold output would grow 8.2 % a year, from 1.76 million ounces to 3.75 million ounces, for Newcrest and by 980,000 ounces for Lihir, according to Newcrest report last month.

### **Australian economy set to boom**

Post-Courier 8.9.2010

BRISBANE: Australia's economy will be strong and is on the upswing for a boom within the next decade, as long as mining remains strong, a leading economist says. BIS Shrapnel chief economist Frank Gelber, speaking in Brisbane on Tuesday, said the boom would come as a result of the country's strong exports to the thriving continent of Asia, a strong mining sector and fiscal stimulus during the global financial crisis. "All of the pre-conditions that led to the GFC are gone," Dr Gelber said. "The mining drivers are here for another five years at least. "The boom won't mature in 18 months, it will take six or seven years, or eight or nine." Dr Gelber did question whether the mining boom will last past its current projects, which are locked in for the next five years. Falling commodity prices and a downturn in construction would cause a real "problem". "I'm not sure how long commodity prices stay this high," Dr Gelber told AAP after his speech. "(During) the second five years, there is a question mark about whether the minerals boom is sustained. "A bust would create havoc in the economy and we'd have a recession."

Despite the rebound in the economy, debt and equity markets were gun shy, which was keeping a lid on the upswing creating a "pressure cooker" effect for a boom, he said. "Now is the time where I would go aggressively equity and away from fixed interest because the risk is gone," Dr Gelber



said. On the other hand, the US, UK and some European markets would take more than a decade to recover, Dr Gelber predicted. He added that those market were not having a double dip recession because they didn't recover fully from the original downturn. Australia's situation was totally different with the country emerging from a relatively mild downturn. Specifically, he said Queensland had recovered well, as it was the first state hit the hardest by the GFC. "There was a time where year-on-year Queensland went negative, but they are strongly positive again," he said.

Dr Gelber said the stimulus was largely responsible for staving off the impact of the GFC. "We would have had a recession had it not been for very strong household handouts and government investment," he said. Another saviour of the Australian economy was Asia, which took nearly 80 per cent of the country's exports, he said. "The strength of Asia is been an incredible windfall for us," he said. The unemployment rate will also drop below five per cent by mid 2011, which will mean the country will run into labour and capacity constraints two years from now. "Then we'll see the re-emergence of demand inflationary pressure and the Reserve Bank freaking out because inflation's going up," he said. "And they'll fight it with rising interest rates and will cut the housing boom in the bud before we have a chance to supply our under supplied markets."

### **Mt Kare: Landowners reject Pundari bid**

Post-Courier 8.9.2010

By *MOHAMMAD BASHIR*

MINING Minister John Pundari wants to fully exercise his powers under the Mining Act to issue a licence to a new developer at the Mt Kare gold deposit which has been in limbo for over 20 years. But landowner leaders say they are satisfied with internationally renown miner Kingsgate winning the bid by the liquidator of the licence EL1093 held by former holder Madison Enterprises Ltd. After a lengthy court battle in the Supreme Court and in consultation with MRA, the landowners say they are happy that eventually a new developer will be given the licence. After the successful tendering, landowner leaders have warned against political interference, saying they trust in MRA to handle the process and look forward to the transfer. They have already gone one step up by planning the signing of an agreement between landowners and Kingsgate/Union Pacific JV after a ward hearing in October to settle the two distinct groups of landowners from the Hel and Paiela sides.

Minister Pundari, while also expressing concern that the project has not been developed over 20 years, called on developers to demonstrate their financial capacity to develop projects from exploration to mining. "The Government has a duty to manage its people's expectation and we continue to renew licences with very little or no tangible evidence of value adding in terms of proving up additional resources then we have provided false hope for our people. We learnt that the Kingsgate management team is renowned internationally as being the only mining company in the world to have ever received the Amnesty Award for community relations in mining operations and for us this really was great news; it is a dream come true after 20 years of the Mt Kare project being in limbo land," principal landowner Eddie Yuwi, Mt Kare Head Trustee chairman Andria's Aiyange, Hetopa Gold Ltd's Pele Puli and Sir Matiabe Yuwi said in a joint statement yesterday.

They said they were also delighted to learn that Kingsgate's management had a very strong and longstanding connection with PNG having not only discovered the Lihir project, but also have extensive technical and community experience at Porgera, Kainantu and Mt Kare itself. Mr Yuwi said Kingsgate had demonstrated the capacity to work with Mt Kare landowners in developing the resources. "We were thrilled to learn of the Kingsgate interest and for once all felt united in our commitment to see the project go to this world class company. What is more, Kingsgate told us of their plan to put in place a full ethnological study over the Mt Kare region to ensure that all real land owners are included in any benefits to be derived from mining, as opposed to one or two," he added. About 90 potential investors bidded but tenement regulator MRA after due diligence has ap-

pointed Kinsgate/Union Pacific JV which trades as Summit Development Ltd. “As Mt Kare land-owners we say that despite the attempted gloss and political spin Mr Pundari has put on the matter last Friday he has entirely failed to disclose the discussions he has had with Mr Simon Kambe and his Chinese partner and this is itself utterly inappropriate for any Minister of Mining to undertake.”

### **Ok Tedi mine looking at 7-year extension**

National 7.9.2010

OK Tedi copper-gold mine (OTML), which has been scheduled to close in 2013, is expected to be extended for another seven years. This is due to further open cut mining and the introduction of underground mining, according to OTML general manager Ian Sheppard. The company’s mine life extension project is subject to a two-part feasibility study. Sheppard, who is the general manager business development, told PNGIndustryNews.net recently the first part would determine the viability of a push-back expansion of the west wall of the open pit. “This first part is due to be substantially completed by the end of this year,” he said. “The process of seeking community and government approval will then extend into early next year.”

The second part of the feasibility covers two proposed underground mining operations to complement the extended open pit. Sheppard said the underground mine study is due for completion middle of next year. “Resource definition drilling for the underground mines is in progress from two exploration passages driven into the wall of the open pit,” he said. “Technical and design studies are currently suspended until sufficient drilling information has been obtained to allow the next round of work to commence.” “A copper equivalent grade of 1.5% or better is expected ... completion of the resource definition drilling is necessary before the diluted production grade can be estimated.”

### **Morobe: Villagers demand compensation**

Post-Courier 7.9.2010

*By Michael Koma*

LABU tribespeople living on the banks of the Markham River have petitioned the developer of the Wau goldfields, Harmony Gold, to compensate them for “environmental damages.” The people have claimed that chemical wastes were deposited into the Watut and the Wau/Bulolo rivers, which flowed into the Markham River, “killing fish and posing a serious threat” to the Labu people, whose livelihood depended on the river system. They said food crops growing along the banks were at risk of being poisoned by toxic chemicals as they absorbed water from the Markham river. Reports have indicated that some people have stopped fishing and even eating fish, crabs, and turtles caught in the Markham river. Huon/Gulf’s Wampur Local Government councillor Douglas Gelinde Gedisa claimed the fish population in the River has diminished.

### ***Editorial***

### **Ramu nickel delays – cause of irreparable damage**

National 7.9.2010

By BRIAN GOMEZ

A DECISION to delay development of Ramu nickel could be likened to a national disaster, including the threat of long term damage to the economy, according to government sources. The developer has spent US\$1.3 billion after getting assurances from the government that the project had received all environmental and other approvals so development could proceed. “It made its investment decision on this basis but now finds itself confronted with a temporary ban on an essential part of the plan to build a nickel and cobalt export operation,” one source said. “Even if the ban on construction of the deep sea tailings placement (DSTP) operation is lifted now, irreparable damage has

already been done to overseas perceptions of sovereign risk in PNG,” he said. Highlands Pacific, the original proponent of this venture, is a joint venture partner of the developer, Metallurgical Corporation of China Ltd (MCC).

After receiving approvals for development, Highlands Pacific sought unsuccessfully for several years for a major overseas developer prior to MCC’s entry at the invitation of the PNG government. In recent years additional environmental reviews have been undertaken by the Department of Environment and Conservations and more work has been done by MCC with the use of world class consultants from Canada and Australia. One of the world’s most successful DSTP programmes undertaken by BHP Billiton is at its now closed Island copper mine in Canada. A similar waste handling technology has been used for some 12 years by the giant Lihir gold mine in PNG and in Batu Hijau in neighbouring Indonesia. The Perth-based Marengo Mining has said DSTP is its preferred option for tailings disposal for its Yandera copper-molybdenum project, not far from the Ramu nickel mine, on which a US\$1.5 billion development could commence next year.

The Department of Environment and Conservation has received recent endorsements from the Australian government’s Commonwealth Scientific and Industrial Research Organisation (CSIRO) and from one of the world’s largest environmental consultants, Dames & Moore. Now that major land-owner groups have withdrawn their opposition to DSTP, the main opponents are two foreign controlled non-governmental organisations, the anti-development Bismarck Ramu Group and Australia’s Mineral Policy Institute. Government sources said if these groups delay the start of the DSTP operation until the start of the rainy season next month, it was possible that MCC, as the developer, might walk away from the project. This will depend on the cost of placing the entire operation in care and maintenance and the total costs of delayed completion, particularly the finance costs now about K7 million a day. “If this took place, MCC would have to assess whether it should take the PNG government to court for damages caused by misleading it on the status of the project at the time of the joint venture agreement,” the source said, adding: “Because of good bilateral relations between the two governments, this is unlikely to occur.”

But such an outcome would make it extremely difficult, if not impossible, for Marengo to raise capital for its Yandera project and other future mega-mineral projects could suffer a similar fate. An industry source said: “One could argue that the delays have indirectly already hurt most Papua New Guineans even though the mine will employ just over 2,000 workers directly. “In its mid-year economic review for 2010, the Treasury cut PNG’s economic growth estimate for this year by one percentage point from 8.5% to 7.5%, a loss that may never be recouped.” Government sources said the national government had worked hard, with much success since 2003, in building the reputation of PNG’s mineral exploration and development sector. Much of that success could now unravel, depending on the fate of the Ramu nickel mine.

Brian Gomez has specialised in covering the resource sector for many years in Australia and PNG, and this is his personal opinion.

### **Ramu: Counsel threatened**

Post-Courier 7.9.2010

THE lawyer representing the plaintiffs in the case against the Ramu nickel waste disposals scheme had to be escorted by police from her hotel to the National Court house yesterday for security purposes. Tiffany Nonggorr of Nonggorr and Williams Associates told the National Court yesterday that she had to be escorted from the hotel to the courthouse following an incident which happened over the weekend which she stated amounted to interference with an officer of the court. A distraught Mrs Nonggorr claimed the leader whom she named as convicted and former Governor James Yali had turned up at Jais Aben where she is staying with six other people, all intoxicated,

and had attempted to find out where she was. She claimed that they had attempted to give the bar attendants money to get her room number but they did not divulge anything to them and had instead called her and reported the matter.

She said at that time she was in a meeting with three of the plaintiffs, adding that she was not sure what his intentions were. She told the court that she had already reported the matter to police. The court heard that the same leader had allegedly approached the plaintiffs earlier and had also instructed that they pull out. Counsel representing MCC interjected, asking the court to request Mrs Nonggorr to put everything she had raised in an affidavit, stating these to be serious allegations which were criminal in nature because the court had specific issues to deal with. Presiding Judge Justice David Cannings advised Mrs Nonggorr to put everything in a statement if she intended on pursuing the matter.

## **WORK BEGINS ON HUGE NEW CALEDONIA NICKEL PLANT**

\$4 billion Koniambo project to employ 4,500 workers

WELLINGTON, New Zealand (RNZI, Sept. 6, 2010) - The first four Chinese-built modules have been shipped to New Caledonia's north as plans for the new multi-billion dollar Koniambo nickel smelter project appear to be on track. 17 such units are being built in China and their completion will require eight million workers' hours.

[PIR editor's note: An *earlier report* states that 60 percent of the plant is complete and that by production is expected to begin in 2012. Koniambo is one of the largest and highest-grade undeveloped nickel resources in the world.]

The plant, which will cost nearly four billion US dollars, will be more than 100 meters high and be the tallest such construction of its kind in the world. 1,500 people are currently employed on site and a further 3,000 workers are due to arrive from China, India and the Philippines to complete the establishment of the Koniambo plant. The project is a key element of a decades-old policy to seek to develop the mainly Kanak north. The Northern Province is a key stakeholder in the development, working in conjunction with the multi-national company Xstrata.

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

## **Awareness on Marengo mine**

Post-Courier 6.9.2010

By PORENI UMAU

Madang Provincial Government has come up with an initiative to bring awareness on the deep sea tailing placement (DSTP) exercise to coastal communities in Raicoast district. The move was the brainchild of the Madang provincial mines director John Bivi. Mr Bivi visited Erima village last Sunday with the community affairs co-ordinator of Marengo Mining Greg Tuma who told the villagers that with experience from the Ramu nickel project, the awareness exercise for Marengo should start now before construction begins. Mr Bivi said with the Ramu nickel experience, he did not want Marengo to go through the same saga and urged the villagers to conduct the awareness with support from the provincial government and the developer. He asked the villagers to form a committee that could conduct awareness with assistance from his office and the Perth based company, through Mr Tumu to inform the coastal pipeline landowners of the issues surrounding the DSTP system.

He said that with such an initiative, the community could take the lead while his office and Marengo Mining would provide the necessary support required. Mr Bivi said the concept was not to

talk about land issues or anything besides but to conduct the awareness of the operation of DSTP and it was also proposed by Marengo. Mr Tuma also said that awareness was the first thing that must be done before any construction work could be carried out and has called upon the villagers to work together with the Perth based developer and the provincial government. He said Marengo was still in its exploration stages but it was important for an awareness be done so that people could understand the DSTP concept. The DSTP awareness would be done in five areas including Erima to Bom village, Lalog to Kaliku/Male villages, Bongu to Songum/Marakum, Lila to Kul and Kumusanga/Bibi village. The villagers were asked to organise themselves and endorse a committee within two weeks.

### **Ramu: Case turns as litigant withdraws**

Post-Courier 6.9.2010

By ROSALYN EVARA

ONE of the plaintiffs in the court challenge to the Ramu nickel mine wastes project has withdrawn from the judicial proceedings. The announcement shocked some but was welcomed by others including Raicoast MP Gau Gelak who is calling on the other plaintiffs to follow suit. An advertisement that ran in a newspaper was signed by Sama Melambo, who has been in the proceedings representing himself and the Pommern Incorporated Land Group. He stated on August 28 that he had been instructed by Pommern and Saidor LLG presidents and councillors to withdraw from the proceedings. Mr Melambo said they had successfully strived to get the "full attention" of the political leadership of the country and the management of Ramu NiCo (MCC) Limited on their concerns. He said it was never his intention or that of the ILG he represented to stop mining in Ramu and to hold the country to ransom.

#### *Letter to the editor*

### **Protect our land from exploitation by foreign invaders**

Post-Courier 6.9.2010

CONGRATULATIONS the NGOs of Basamuk for successfully battling CMCC with the State. The land and sea are ours and you've got every right to make every decision for our land and not to serve their own interest and not our interests. Therefore we must always protect our land and environment from exploitation by foreign invaders. They should understand that every piece of land has its owners. Therefore all landowners must be approached at all costs prior to any development on customary land. I, as an NGO activist with human rights environment and better housing, am paying close attention. Steven Andambo.

#### *Letter to the editor*

### **Lihir still the same**

Post-Courier 6.9.2010

Lihir Island is one of those recognised islands in the world market. Millions are coming out of the island but the island itself hasn't developed, especially the town, roads, bridges and the wharf. The Lihirians are still living in bush material houses. Handing and taking over of these three mining companies: LMC, LGL and Newcrest Mining Limited. Will there be any changes with this new mining company? Come on Lihirians, don't be blind, companies come steal and go. So see where you stand and fight for the rights because it will benefit your future generations.

ORIGINAL DUSTY BOBBY – LIHIR ISLAND.

## **Governor Sir Julius vows to right Lihir agreement**

Post-Courier 6.9.2010

By JOGE RUMAROPEN

New Ireland Governor Sir Julius Chan has hit hard on the issues surrounding the mining activities in the province and is optimistic about creating changes during the Kavieng District caucus held recently in Kavieng. "We will not rest until we receive what is due us under the Lihir MOA. I have made it clear to the Prime Minister and Minister for Mining and to the rest of the National Government that the people of New Ireland are tired of being treated like second-class citizens," Sir Julius said. He said he has made it clear that until the Lihir arrears are paid there is a moratorium on any new mining activity in New Ireland. He said New Ireland will not be a party to any negotiations for new mining leases or any other new activities. "Although we don't have the authority to place the moratorium as publicly said by the National Government we have the power," he said.

Sir Julius has refused to accept plans for Lihir Gold Ltd to expand production to twice its current capacity because he Lihir had included the provincial government and the landowners as part of the discussion to the MOPU. He added that his government is about to enter negotiations for the revision of the Lihir MOA in which greater control will be given to the province and the people under the negotiations. He said the reduction from 1 per cent to only 1/4 of 1 per cent annual revenues from the special support grant cannot be tolerated and further delay in implementation of major infrastructure projects promised under the original MOA was no longer acceptable. Sir Julius has mapped out plans to modernise the Kavieng Airport, transforming it to international standard, revitalise the Kavieng wharf to a multi-purpose world standard facility, complete the sealing of Bolu-minsky Highway and the complete rehabilitation and upgrading of the Namatanai Hospital.

## **PNG GAS PROJECT FRAUD COSTS GOVERNMENT \$20 MILLION**

*Bogus land compensation claims alleged*

By Pearson Kolo

PORT MORESBY, Papua New Guinea (The National, Sept. 6, 2010) – In Papua New Guinea, the government lost 54 million kina [US\$19.9 million] to fraud and bogus claims disguised as compensation for the Highlands Highway rehabilitation project, an expert has claimed. Consultant Mori Resources said the fraud was perpetrated by the absence of legislation on road corridor managements. The fraud and bogus claims were pushed by public servants colluding with dishonest villagers, the firm said. Further claims lodged by villagers with the Department of Works escalated to 68 million kina [US\$25 million], compelling the state to put on hold the Highlands Highway rehabilitation project. This had abruptly disrupted all rehabilitation and upgrading work on the Highlands Highways and other major roads in the country.

The Asian Development Bank, which loaned the money to fund the project, has pulled out. Deputy Prime Minister and Minister for Transport and Works Don Polye received the report of this fraud last Friday by the consulting firm which was engaged to undertake structural mapping, verification and valuation. Mori Resources said less than 10 million kina [US\$3.7 million] should have been paid to the landowners if proper procedures were followed with only those structures within the 40m corridor of the highway being pulled down, and their owners compensated. The minister was not impressed with the involvement of public servants into the rod. "This is corruption by state agents and contractors who are collaborating with the people," Polye said. "Everyone in society entangled themselves and willingly participated in this act of corruption to rob the country."

Polye said immediate actions would be taken against those involved once all the evidences were put together. Identifying and persecuting those involved, including the landowners, would be fairly easy because Mori Resources had used the geographic information structural mapping system linked to a

satellite precisely identified who were genuine claimants and who were not. During the structural mapping process, Mori Resources discovered that of the total 54,067,338 kina [US\$19.9 million] paid out for structures either outside the legal 40m road corridor or were non-existent, only 8,957,175.35 kina [US\$3.3 million] worth of structures were recorded within the 40m corridor. The minister said he would present the report of the finding to cabinet for deliberation.

### **Mining: New watchdog formed**

National 3.9.2010

ANOTHER association has been formed by the Watut River communities to fight for environmental justice. The Bulolo Watut River Association had sprouted from within the ranks of the Union of Watut River Communities and was now the subject of ill-feeling among landowners. The association was launched last week in the presence of Morobe Governor Luther Wenge. Another organisation, the Upper Watut River Impact Association, will be launched today. All the associations are pushing for the proper management of the Watut River to save it from any ill-effects of mining by the Morobe Mining JV at Hidden Valley, Wau. Bulolo Stretim Sidaun committee chairman Jack Isaac said there were two pressing issues in Bulolo district – the ethnic unrest and the environmental damages along the Watut River.

Isaac said Bulolo Watut River Association principals Som Kerak and Charlie Gelinde had confused the people because there were already established groups which had dealt with the problems with the concerned stakeholders. He said the committee he headed had been “in the thick of things” in dealing with the Bulolo crisis while other groups, like the independent consultants Tanorama Ltd-appointed group and the Union of Watut River Communities, had been in constant negotiations with the developers regarding the Watut River issues. He said Kerak and Gelinde had never involved themselves in these causes from the beginning. “What is the governor giving his blessings for?” he asked. Union of Watut River communities chairman Reuben Mete said the association was a duplicate other groups. He said Wenge had pledged financial assistance to help the affected communities seek legal advice. However, Mete noted that Wenge said the same for the middle Watut and communities in Markham bridge but nothing had eventuated.

### **Ramu: Rai Coast leaders blast foreign NGO**

National 3.9.2010

THE influential Saidor LLG of Madang’s Rai Coast has disassociated itself from non-governmental organisations (NGO) that claim to represent their interest in opposing the Ramu nickel project deep sea tailings placement (DSTP) system at Basamuk Bay. The LLG specifically singled out Bismarck Ramu Group (BRG), based in Madang, in affidavits filed at the Waigani National Court on Tuesday. It said in its court papers that BRG was a foreign-owned NGO that was using the Ramu NiCo project landowners of Basamuk to secure overseas funding for its own benefit. The affidavits were from Saidor LLG president Lau Nangar, vice-president Yabi Asime, chairman of social services Dongembu Dugai, member Daniel Malaka and Village Court magistrate Devi Sama.

They said that BRG was not transparent, or accountable, to the people of Basamuk and Rai Coast on the funding it had received and the source of the funding to instigate the court action on DSTP. “The principals of BRG have not been transparent or accountable to us, the people of Basamuk and Rai Coast, with the funds they have raised using the DSTP issue,” all five affidavits stated. They also accused BRG of not consulting with them to use Eddie Tarsie (first plaintiff), Farina Siga (second plaintiff) and Peter Sel (third plaintiff) in the DSTP litigation. “This NGO did not consult or get the Saidor LLG’s permission and, instead, snatched one member from Saidor LLG (Tarsie). “Sagi is ward three secretary to Tarsie while Sel is a ward committee member of ward three which is under Tarsie,” Dugai said in his affidavit.

He also said Tarsie was under his LLG and did not represent the wider interest of Saidor LLG and its people. “The interest of BRG, as an NGO, is not the same as that of Saidor LLG and the people of Basamuk. “The people want the project to continue with the national government addressing the people’s issues,” the affidavits stated. They said they had authorised Sama Melambo (fifth plaintiff) and Pommern ILG to institute the case, and not the other plaintiffs in the matter against the project currently stopping the DSTP system construction. Melambo announced on Wednesday that he and Pommern ILG were withdrawing from the proceedings.

### **Plaintiffs withdraw from Ramu tailings**

National 2.9.2010

THE principal plaintiff in the Ramu nickel project court case is withdrawing from the National Court proceedings which has halted construction of its deep sea tailings placement (DSTP) in Basamuk Bay, Madang. Sama Melambo announced that he (fifth plaintiff) and Pommern ILG (fourth plaintiff) had also filed court papers to seek leave and await the government the project developer, Ramu NiCo, to come up with satisfactory environment and development package for the people of Rai Coast, which includes Basamuk. In a separate but related move four LLG presidents and a magistrate of the area filed affidavits in the Madang National Court on Monday saying that they had not authorized the first, second and third plaintiffs to be party to the proceedings initiated in March against RamuNiCo and the state.

A spokesman for Ramu NiCo said yesterday the company was aware of the latest turn of events but would not comment at this stage because the case was still pending. Melambo, Pommern ILG, Eddie Tarsie, Farina Siga and Peter Sel had been granted an interim court order on the DSTP off-shore facility construction claiming that the system was environmentally harmful. The matter will be heard by the Madang National Court on Dec 21. However, Melambo said in a media statement on Monday that he and Pommern ILG were withdrawing from the case in the national interest. “The greater good of all citizens requires that this litigation not fester and endanger a national project. “We have laid our concerns before our government and we are confident the government will answer the legitimate cries of the forgotten people of Rai Coast.

“Personally, I have worked hard as the officer in charge of occupational health and safety and environment for Ramu nickel project to see it come to fruition. “I am not about stopping it or closing it down. I want to see it progress on proper footing. This is the Madang way.” He said he, the Pommern LLG and Saidor LLG were satisfied that they now had the full attention of the political leadership and that of the Ramu NiCo management about their concerns. “It was never my intention or that of Pommern Bay LLG and Saidor LLG to stop mining in Ramu and hold the country to ransom. “It was not our intention to stop deep sea tailings placement (DSTP) system. “Rather it was always our intention to ensure that the laws are fully complied with and our development needs in what is a world-class project area be properly addressed, and the environment be properly protected and managed.”

### **Landowners plan to close mine**

Post-Courier 2.9.2010

By *FRANK RAI*

LANDOWNERS from the Wafi Golpu copper and gold project area are threatening to shut down the mine. The landowners’ intentions were contained in a petition given to Mining Minister John Pundari in Port Moresby on Tuesday. In the petition, a 14-day ultimatum was given to the developer Morobe Mining Joint Venture (MMJV) to prepare for the closure. The petition also called on the Mining Minister to recall the Special Lands Title Commission (SLTC) hearing appointed by National Executive Council and throw out the orders made by the commission on August 18.



Yanta Development Association president Seli Tau and Hengambu Landowners Association acting president John Nema, in a joint statement, said if the Government failed to address their petition within 14 days, the mine would shut down.

Mr Nema and Mr Tau said a shut down forum will be staged at Wafi Golpu camp site on September 13. They said the appointment of the SLTC and the order by SLTC had challenged their customary and legally recognised landownership rights and therefore severe measures would be taken against the project. "...It has come to our knowledge while processing through the SLTC hearing that it did not recognise and respect our customary rights which was confirmed through the Provincial Land Court ruling in 1995," the statement read. It alleged that the SLTC had been trying to bulldoze everything aside and determine new landowners and therefore they had withdrawn themselves from the hearing and will shut down the Wafi Golpu mine. "We would like to clarify our position that it is not our intention to do such as we have been supporting the development of Wafi Golpu project. We are forced to shut down the mine because of the NEC decision to appoint the SLTC which has caused inconveniences," the statement said. It is understood Mr Pundari has received the petition and will make a response today.

### **Ramu: Awareness bid**

Post-Courier 1.9.2010

THE Madang Provincial Government is initiating awareness on the Deep Sea Tailing Placement (DSTP) exercise to coastal pipeline communities in the Rai Coast district. The effort is the brain-child of the Madang provincial mines director John Bivi. Mr Bivi, who visited Erima village last Sunday with the community affairs co-ordinator of Marengo Mining Greg Tuma, told the villagers that with experience from Ramu nickel, the awareness exercise for Marengo should start now, before construction begins. He said he did not want Marengo to go through the same saga and has urged the villagers to conduct the awareness with support from the provincial government and the developer. He urged the villagers to form a committee to conduct awareness with help from his office and the Perth-based company. He said the community should take the lead while his office and Marengo Mining would provide the necessary support required.

### **Ramu: Government messages confuse locals**

Post-Courier 1.9.2010

By ROSALYN EVARA

CONFLICTING messages were sent by Government as to whether it wanted those who are opposing the deep-sea tailing placement system to provide alternatives or not. While the national MPs during a recent DSTP awareness meeting called on critics, including the non-government organisations, to provide the Government with alternatives, the bureaucrats on the other hand said the issue was non-negotiable. Several locals who attended the meeting, which was jointly organised by the Department of Environment and Conservation and the Mineral Resources Authority at the Divine Word University, had said that with science, information and technology constantly evolving they did not believe the government had exhausted all means to find an environmental system which was safer than the DSTP method.

Anton Yagama, a local from Bundi, said he was neither impressed nor convinced that the DSTP was safe. Mr Yagama said that with all the resources which leaders and bureaucrats had, it was disheartening that they could not present to the locals of Madang an alternative and were dead-set with just the mine waste management system. "Waigani with all its resources has not given us any alternative other than the DSTP. Many times this is the case with government. It comes up with one decision and always forces it down our throat without providing options. "Our land and sea is our life

and issues relating to this cause us great pain and instead of soothing it, you are trying to suppress it.

“You should refrain from trying to force things down our throat,” he said. Another speaker told the meeting that one alternative which had not been pursued and which he believed would solve some of the problems government was experiencing was the plasma-waste technology whereby the mine tailings was transformed into by-products, some of which were known to be suitable for road maintenance. The suggestion intrigued Madang Governor Sir Arnold Amet who had during the meeting queried the speakers who had raised the issue if the option was viable and further they had any supporting documents and a proposal in which they could put forward to government and the developer as an alternative to the system they already had. These comments drew the ire of DEC acting executive director of environmental protection wing, Michael Wau, who said that the department understood full well that land was an issue.

### **Newcrest lists on POMSox**

Post-Courier 1.9.2010

By *ERIC TAPAKAU*

AUSTRALIAN gold and copper company Newcrest Mining Ltd yesterday became the 20th company to be listed on the Port Moresby Stock Exchange following its recent merger with Lihir Gold Limited. Newcrest, which will trade under the symbol NCMN, undertook a compliance listing in the exempt foreign entity category. The company's listing also increased the number of listed companies involved in the exploration and mining. Newcrest is undertaking a merger with Lihir Gold Limited. The merger is implemented through a scheme of arrangement. Newcrest Mining and Lihir Gold Ltd entered into a merger implementation agreement on May 4 to effect the merger. The merger will be done by way of a scheme of arrangement between Lihir and its shareholders under provisions of the Companies Act 1997 of PNG pursuant to which all existing shares in Lihir will be transferred to Newcrest or its nominee.

When the merger is done, the combination of Newcrest Mining and Lihir Gold to form a single entity under Newcrest Mining Limited will be Asia-Pacific's leading gold producer, with a stand out portfolio of long-life, high margin, tier one gold assets. The combined entity will form a highly complementary portfolio of operating and development projects the foundation of which are the Cardia Valley, Lihir Island and Telfer Operations that will generate a base load annual product of around 2.5 million ounces for many years to come. “The listing of Newcrest Mining Ltd provides an opportunity for PNG investors to buy and own shares in the company,” said Port Moresby Stock Exchange listing manager Vincent Ivosa when admitting the company to the official list. “The listing also signals the confidence that NCMN has in the local exchange in its ability to provide a growing competitive market. Listing of Newcrest Mining effectively increases the market capitalisation by a further K62 million.”

Newcrest said in a statement that its PNG operations in Morobe Province and on Lihir Island “are an important contributor to the PNG economy as well as a very significant part of the ongoing value of Newcrest”. The combined company is the fourth largest gold company in the world by market capitalisation and will be the largest company listed on POMSox. Newcrest Mining Limited is incorporated in Australia, and its securities are quoted on the Australian Securities Exchange (ASX) and the New York Stock Exchange and has not listed and quoted on POMSox. The company is Australia's largest gold producer and one of the world's top 10 gold mining companies by production, reserves and market capitalisation. The principal activities of the company are exploration, development, mining and the sale of gold and gold/copper concentrate. Newcrest Mining Limited has a portfolio of low cost, long life operating mines, a strong pipeline of growth projects and highly

prospective brown fields and green fields' exploration projects. Its operations comprise a portfolio of eight mines, five in Australia, one in Indonesia and two in Papua New Guinea.

## **COOK ISLANDS TASK FORCE TO GUIDE UNDERSEA MINING**

*Huge deposits of cobalt near Cook isles*

By Helen Greig

RAROTONGA, Cook Islands (Cook Islands News, Aug. 31, 2010) – In the Cook Islands, a Seabed Minerals Policy Taskforce has been set up by government to provide advice on the national seabed minerals policy and guidelines on the set up of the Seabed Minerals Authority.

*[PIR editor's note: According the site-Secretariat of the Pacific Community, Cook Islands nodules have among the highest cobalt content in the Pacific worth 10 to 30 times more than copper or nickel. It is estimated that the 32 million tonnes of cobalt resource is enough to sustain the current world demand for 520 years. According to SPC, the mining tailings could be harmful to the marine ecosystem if not disposed of properly.]*

The taskforce, headed by Marine Resources Secretary Ben Ponia, was appointed about two months ago with the approval of cabinet under minister of natural minerals resources Robert Wigmore. It is responsible for developing the national policy for the seabed minerals industry and will provide legal, policy and technical advice to government in the development and management of the resource. The taskforce vice chair is Foreign Affairs and Immigration Secretary Jim Gosselin, and members are National Environment Service Director Vaitoti Tupa, Office of the PM Policy Director Liz Koteka-Wright, Public Service Commissioner Navy Epati, Solicitor General Tingika Elikana, acting Financial Secretary Kevin Carr, and private sector representatives Nadine Newnham and Tim Arnold. Ponia said the taskforce will review the draft of the seabed mineral policy and look at how it will be brought into effect.

The taskforce was set up about two months ago and has had 'one quick inception meeting' which included the Commonwealth Secretariat legal advisor Johsua O'Brien. Ponia says the taskforce serves as an interim arrangement before a Seabed Authority is appointed. Local lawyer Tim Arnold said he had agreed to be on the taskforce to help look at the legal issues involved. "This is an entirely new frontier from legal point of view. Obviously there's a policy – clearly the policy needs to have a legislative underpinning. And there's a huge piece of legislation (Seabed Minerals Act 2009) that's been passed by parliament but unless that's understood, and unless people engage with it in terms of everything that flows from that in terms of regulations, in terms of identifying suitable people to man the office – then there will be nobody at the wheel when people come asking for exploration licenses."

Arnold says he's personally skeptical that the whole thing is going to result in anything in the short to medium term. "The technology to exploit these minerals in a cost effective way is probably at least a decade away. I believe that one of the things the taskforce can and should be doing is letting the public of the Cook Islands know that we're not here because there's huge amounts of money to be made next year – we're here because we're dealing with something that belongs to all Cook Islanders and its part of people's heritage over the next 50 to 150 years. It's an opportunity to be involved in setting something up in a responsible manner," he said. Newnham says part of the policy will address how future revenues from the exploration and mining of the manganese nodules will be managed. *Cook Islands News*: <http://www.cinews.co.ck/index.htm>

from PNG Attitude No. 151, September 2010, pp. 9-10

### **Tensions surround Chinese in Ramu project**

**THE PNG GOVERNMENT has stood down two lawyers from the Ramu mine injunction case for refusing to follow orders from the Chinese mine owners.**

The lawyers had been representing the Department of Conservation but were removed after they insisted that the Department's interests as a regulator were not the same as those of the Chinese government and its mining company. The issue came to a head when the lawyers refused to agree to modify an affidavit they were preparing on behalf of the PNG government. Their replacement, a junior lawyer, has since briefed an Australian barrister who until now has been representing the Chinese in the court case! It was been known for some weeks that the original lawyers were unhappy with what was described as "Chinese bullying" in the court case. They were strongly defending the Department's interests. Observers believe the two men were removed with the knowledge of the Somare government.

Meanwhile, it is alleged that public servants have been told by the government to "give the Chinese whatever they want" in respect of the Ramu nickel mine, an instruction which is causing resentment at the Mineral Resource Authority. The Authority was established to keep the mining regulation independent from political interference! Authority and Department of Conservation employees say they are "sick and tired of being told what to do by the Chinese." One officer said: "It is bad enough being told to do what these people say, but the manner in which the Chinese just boss us around and the obvious lack of respect for us is making more and more of us angry. It can't continue. "There is no attempt by either the government or the Chinese to hide what is going on or who is in control. Everyone in the public service is talking about it.

To say PNG is an independent country at the moment is a joke – and we all know it." "There is a resentment building, not just in the public service, but all across the country – and why shouldn't there be," said one higher ranking official. "The Chinese are furious with what is happening up in Madang. They have no idea of customary land tenure in PNG nor of the PNG legal system. "All they are doing is demanding that PNG 'get their nickel mine going'. They are issuing threats – including pulling the plug on other projects if the Ramu Nickel issue is not taken care of quickly." Another official said: "The Chinese simply do not care about anything except their agenda. Any suggestion or any criticism is seen as being 'anti-Chinese'. There is simply no dialogue with them – and this is partly because so few speak English, Tok Pisin or Motu, nor do they make any attempt." *Spotter: Charles Roche, Executive Director, Mineral Policy Institute*