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Abbreviations:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report (<http://pidp.eastwestcenter.org/pireport/graphics.shtml>)

PNG: Papua New Guinea

Call for Government to address social issues so all can benefit from LNG

The National 26.2.2010

THE Public Employees Association and PNG Trade Union Congress blames State authorities for the tribal fights that claimed four lives in Porebada village. Representing both groups, Michael Malabag said the clashes between Boera and Porebada villages were due to lack of preparedness by the authorities to contain negative social impacts related to the gas project. “It’s a direct outcome of no mechanisms being put in place by the authorities to cushion those negative impacts,” he said. Mr Malabag said all eyes were on the amount of money that would be pouring in rather than on the social impact on the villages. “It’s a tragic outcome (the deaths) and it’s very sad. I wish to express my condolences to the families and hope this will not reoccur,” he said. He said the LNG project was causing so much division between the people that even families were turning against each other. “The root of evil is now creeping into the once peaceful Motuan villages because of the LNG project,” he said.

Mr Malabag said to date, the Government and developers had been obsessed with the monetary value of the project while there appeared to be no focus or plan on how the nationals would deal with law and order issues, housing needs, HIV/AIDS, escalation of settlements, rural/urban migration, urban infrastructure, human resource needs and succession, pressure on limited city budget and deteriorating infrastructure, health facilities, water and energy supply, management and disbursement of increased revenue flow, taxation issues and regulatory framework. “These are an indication of the long list of areas to which attention should be drawn. “We call on the Government, developers and resource owners not to restrict discussions to them, but to open the doors to the cross section of PNG to participate in their relevant areas of interest and expertise,” he said.

“We accept and recognise the enormity of the project. Undoubtedly in terms of volume and magnitude, it is by far the biggest project the country has seen. “Understandably, the Government, private sector, developers and resource owners are positioning themselves to reap the benefits.” However, given the nation’s history on how it has handled projects in the past, Mr Malabag said there was also a justifiable sense of cynicism permeating much of the nation. “This cynicism emanates from the fact that despite the opening up of world class mines, oil fields, agricultural projects, marine and timber and millions of kina worth of donor funded projects, the key social indicators had worsened, national infrastructure is withering and the standard of living for the vast majority is not reflective of the handsome returns from the projects. “These are reasons we call on the Government to ensure that all stakeholders are involved. The priority of the people of PNG and many key stakeholders has been sidelined. “While we respect the rights of developers and landowners, ultimately, this is the nation’s project owned by the people of PNG who must be included in the planning and decision making,” he said.

Southern Highlands: Police outgunned, outnumbered

National 26.2.2010

Source: By JAMES APA GUMUNO

THE two armed police mobile squads (MS) deployed to stop tribal fights in Sembirigi have found themselves outnumbered by tribesmen roaming about with rocket launchers, Mag 54 chain link bullet assault rifles, AK 47, machine-guns and other firearms. S 10 and 8 from Mendi and Kerowagi respectively were sent there on Feb 1 to try and end the tribal war in the Kagua-Erave district, Southern Highlands province. Instead, they were unable to do anything to get the feuding tribesmen to lay down their arms. Provincial police commander Supt Jimmy Onopia said the Imaua and Lualipu tribesmen and their allies were fully armed with high-powered firearms and outnumbering the police. “The fight is likely to result in more deaths but the presence of the MS members have managed to stop the fight for now. “Only two people from the warring sides were killed when the fight started late last month and not 11 as reported by Post-Courier,” he said.

Supt Onopia said MS members were seeing tribesmen moving around with machine-guns, rocket launchers, AK47, Mag 54 chain link bullet assault rifles, M16 and other high-powered guns but they could not do anything. “They have more fire power and more men than us,” he said, adding that the built-up of firearms in the area was through the exchange of marijuana. Supt Onopia said police confiscated 25kg of dried marijuana and found that many villagers grew marijuana as their only source of income because they could not transport their produce to sell due to lack of road access. “They sail down the Erave River down to Purari and then to Orokolo Bay to exchange their marijuana for guns.

“Sometimes, the drug dealers would travel up by boat and buy marijuana from the people or sometimes exchange the drug for guns. “The guns for marijuana trade is flourishing in the area and there is a big need for the police and authorities to address it,” he added. Supt Onopia said since Sembirigi was only accessible by plane, it was very difficult for the police to monitor the guns and marijuana trade. “I am seeking some funds to deploy policemen to be permanently based in the area and also open up the Sembirigi airport. It’s a very big concern to see locals in possession of such heavy firearms. “MS 8 members have returned after 21 days of duty but MS10 members are still in the area assisted by general duty policemen from Kagua,” Supt Onopia said.

Petromin gets Prime Minister’s praise

Post-Courier 26.2.2010

PRIME Minister Grand Chief Sir Michael Somare is pleased that Petromin is emerging as a leader in developing its mineral tenements through “green field” exploration. In an address to the Petromin

board of directors, the Prime Minister said he was extremely pleased to learn that the Petromin board and management had allocated around K6 million this year for exploration of the company's mineral tenements within the vicinity of the Tolukuma gold mine and regional tenements. "For a newly established company, Petromin has done extremely well and can be seen as a leader in developing its tenements through increased green field exploration than most of the junior mining companies who have been in the business for a much longer period," Sir Michael said.

He said Petromin's determined approach in upgrading the total to be resource potential of Tolukuma gold mine through an extensive exploration program was proving successful for the company. "This program is paying off as the total resource has been upgraded by an independent Australian based company to about 700,000 ounces. This has the potential to extend the mine life to about five years," he said. Sir Michael encouraged the Petromin board and management to continue with its extensive exploration program as results had proved this strategy the correct one. "I want to encourage you to continue in the exploration program and I am hoping that one day you will also invest in the petroleum activities through expanding your exploration program in this sector." The Prime Minister addressed the Petromin board at Wewak's Windjammer Hotel.

Government steps in to combat lawlessness in resource rich Hela National 25.2.2010

THE National Government has stepped in to help combat law and order problems in resource-rich Hela. The National Executive Council (NEC) meeting in Kimbe last week approved a new police structure that will see a deputy police commissioner assigned specifically for Hela and the gas project. The Government, considering the recent spate of law and order problems which have affected the LNG works, agreed to assign the second highest ranking officer to take charge of operations on the ground. Education Minister and Tari-Pori MP James Marape welcomed the decision, saying it complements efforts of the provincial government and MPs to address law and order issues in Hela.

Mr Marape said yesterday the problems were not related to the multi-billion-kina gas project but were the results of new tribal fights and alcohol-related issues. "Most of the problems are alcohol-related and the provincial government's liquor ban which will take effect in May will ease some of these problems." Mr Marape, who initiated a peace programme after the 2007 national elections, has seen 20 tribal clans signing peace pacts, promising not to fight again. He appealed to the groups that have started fresh tribal fights to lay down their arms. He said the provincial and local level governments had progressed the peace programme by building 36 houses for Correctional Service at Haua and a further 36 police houses in Pai. Mr Marape said he kick-started the peace programme in Tari district by buying two vehicles.

The Southern Highlands provincial government and Hela MPs have purchased six new vehicles to be used in the peace campaign. He said the National Development Bank had been established in Tari to ensure the people sought financial assistance to participate in spin-off businesses. Mr Marape also urged the Government to continue with its law and justice sector programmes in the province. "These are some of the efforts by the Government, provincial government and MPs to combat law and order in the face of the LNG project. "Our efforts will be in vain if the local people do not respect the efforts of the leaders at the LLG, district, provincial and national levels.

"We have signed the LBBSA and are happy with the gains totalling about K2 billion of Government commitments to Hela, Southern Highlands, Gulf and Central provinces," Mr Marape said. He warned that huge benefits were at stake if people continued to create law and order problems. "The MPs and leaders can do what they can but the onus is on the people to take ownership of law and order," he said. He appealed to the Hela people to keep their part of the bargain in providing a conducive environment to progress the gas project.

PNG to attend largest mining conference

Post-Courier 25.2.2010

PNG over the years has always taken out a booth at the Prospectors and Developers Association of Canada convention and used that as a shop to display our potential.

The Metro Toronto Convention Centre in Toronto Canada, will be a “global mining village” come March 7-10. The occasion is the prestigious annual global mining convention which is hosted by the Prospectors and Developers Association of Canada (PDAC). This event is the premier event on the calendar of the world of mining and exploration, and industry suppliers. The “who’s who” of the multi-million-dollar business of mining and exploration will converge on this venue, to put on the world stage, mineral and exploration opportunities available in their countries and multinational companies. The convention will feature:

- * Exchange forum, offering up-to-the minute information on the activities and investment potential of the hottest exploration and development companies
- * More than 350 trade show exhibits showcasing non mining companies and governments from around the globe
- * More than 550 resource companies exhibiting in the investors exchange
- * Dynamic luncheon speakers
- * Superb social program offering the industry’s best networking opportunities and more

Among those who are expected to attend are analysts, brokers, consultants, exploration managers, financiers, geoscientists and government representatives. PNG will be one of many countries that will wave out to the market, its mineral potential at this event, which normally attracts representatives of more than 120 countries, 20,000 attendees and over 1000 exhibitors annually. The PNG delegation is expected to be led by the Deputy Prime Minister and Minister for Mining Dr Puka Temu. The PNG delegation will comprise members of Parliament, representatives from the Mineral Resources Authority, Department of Mineral Policy and Geohazards Management and a few other government agencies. Members of the PNG mining industry who will participate at the event include the PNG Chamber of Mines and Petroleum, Marengo Mining Ltd, Woodlark Mining, Allied Gold, Highlands Pacific, Titan Mines, Papuan Precious Metals, Vangold and Niugini Gold.

PNG is attending with a lot of optimism and excitement about the opportunities that will be available in terms of promoting PNG as the preferred destination for mineral exploration and mining, and ultimately attracting more mineral investment into PNG. The country has a huge mineral resource base that will be marketed. Coupled with our positive investment climate, market prices and the international demand for minerals, the timing is just right for the country to be out there promoting and marketing our potential. On the same note, the PNG delegation will promote and encourage the concept of responsible and sustainable mining. This is a very important aspect of the Mineral Resources Authority’s operations, as the government agency tasked with the regulation and promotion of the PNG mining industry. The concept is in line with the authority’s mission statement which is to: “Effectively promote a healthy and sustainable mineral industry, and provide a regulatory environment which maximises mining opportunities to ensure optimum benefits for the people of PNG.”

PNG over the years has always taken out a booth at the PDAC convention and used that as a shop to display our potential. This year, the PNG delegation has secured a dedicated conference room to provide a platform from which both the government and industry participants will have the opportunity to showcase themselves and to provide an update on their various programs. This provides a venue for our officials to interact directly with potential investors on a one-to-one basis. The Minister for Mining is expected to provide the keynote address at this forum. The global mining community will be watching PNG closely at this year’s convention with the expectation that the PNG Gov-

ernment will be releasing newly acquired valuable geological data. The acquisition of these data was made possible through the European Union Sysmin project airborne geophysical surveys. The surveys covering the PNG Highlands and the Owen Stanley Ranges were conducted over the last three years. Datasets such as geochemistry, magnetic and radiometric will be promoted and made available in the form of both digital data archives and paper maps.

The data sets contain extremely valuable information on the mineral occurrence, potential and prospects of the entire PNG Highlands region. Similarly, there is anticipation for news by the PNG Government on the progress of the approval and granting process of a mining licence for the world's first offshore mining to Nautilus Minerals Limited. If Nautilus acquires the mining licence, the project is expected to take PNG's mining sector to a whole new level given the project's unique operating environment, and the innovative technological capability, to prove the feasibility of mining on the seafloor at depths in excess of two kilometres. As we have seen in the recent past, the PNG economy has been substantially riding on the back of high mineral commodity prices which has worked out in our favour in terms of revenue generation and ultimately economic growth. Despite economic indicators, showing low economic growth up to the September quarter of 2009, the mining sector still contributed 61 per cent of the total merchandise exports for that quarter. The Government realises that in order to achieve continued growth, it has to attract more mineral investment into the country through participation in events such as the PDAC 2010 convention in Toronto.

The National Government through the MRA and the PNG Chamber of Mines and Petroleum have, over the years, been aggressively promoting responsible and sustainable mining at international forums. In fact, PNG is one of only a few countries in the world that has adopted this "government-industry" partnership model of presentation at the PDAC. The obvious benefit has been that investors have both the policy/regulator with whom they can consult as well as hear from our industry participants the actual challenges of doing business in an operating environment that is not only geographically and socially challenging but at the same time rewarding by way of securing world class mineral tenements that have proven their worth as some of the largest mining operations in the world.

TRANSPARENCY GROUP SOLICITS PNG, SOLOMONS

Goal to reduce corruption, exploitation

MELBOURNE, Australia (Radio Australia, Feb. 24, 2010) – One of the world's leading mining and resource non-government organisations has called on Papua New Guinea and Solomon Islands to join an international body. The Extractive Industries Transparency Initiative was started by former British Prime Minister, Tony Blair. It aims to reduce corruption and exploitation of poor countries by getting companies to publish the payments they make and countries to publish the revenue they receive. Karin Lissakers, Executive Director of the New York-based Revenue Watch Institute, says developing countries can use the initiative to increase the revenue they get from mining and resource projects. She has called on Papua New Guinea and Solomon Islands to join. The Revenue Watch Institute offers free technical advice to countries implementing the Extractive Industries Transparency initiative.

Editorial

Divert from LNG obsession, we say

Post-Courier 24.2.2010

WHILE we all go ga-ga about the LNG project, we should not lose sight of the worth of other industries to our nation. Such industries as agriculture and tourism will be around to give us overseas exchange and keep many of our people in jobs well beyond the lifetime of the gas venture.

The potentially daunting reliance of our economy on the gas deal is one of the great threats to our continued existence as an independent, well balanced nation. Yes, it will be a huge boost to our economy in the next few years and will continue to pump in large amounts after the construction phase concludes. But there are many provinces and many, many people who will not get a direct benefit from the gas. The likelihood is that some people in three provinces will do extremely well out of the gas venture.

For the rest of the nation, we need to keep up our smallholder agriculture efforts and large-scale farming and tourism. The visit of the huge cruise ship, the Queen Mary 2, is an example. It will spend a day moored in Rabaul's Simpsons Harbour while thousands of wealthy tourists throng the volcano town and nearby parts of the Gazelle Peninsula. Rabaul is still blessed with its reputation as a pearl of the Pacific, although it has been blighted somewhat by the ongoing volcanic dust and the resultant degradation of some infrastructural items. But Rabaul and to some extent Madang are still viewed as idyllic tropical islands which are attractive to many from colder places. If only we could widen the experience to lure the cruise ships and air travellers in large numbers to Wewak, Kavieng, Bougainville, Alotau and other centres.

This would spread the potential for extra jobs and boosted income for many of our people. Sadly, our peak attraction for such cruise ships has passed. We have lost some of the allure with overseas headlines about crime (mostly in Port Moresby and some parts of the Highlands), the costs of internal travel and accommodation. We are yet to hear of any ambitious, concrete plans by our Government to aid the private sector in creating such major changes. It's time to divert for a few minutes from the obsession with gas!

Lihir landowners invite government ministers for talks

Post-Courier 24.2.2010

By GRACE TIDEN

SENIOR government ministers and officials have been invited by the people of Lihir who shut down the Lihir gold mine early this week to look at their grievances. The leaders invited include Mining Minister and Deputy Prime Minister Sir Puka Temu, Provincial and Local Level Government Minister and Manus MP Job Pomat and New Ireland Governor Sir Julius Chan. The landowners with their leaders placed gorgors at the mine and plant site gates on Monday this week after a public forum at the Nimamar LLG headquarters at Potzlaka. It was believed that the landowners wanted to press their claims about the alleged corrupt actions with millions of kina that was supposed to have been paid to them over many years.

It was understood the mine workers returned to work yesterday after meeting with mine executives. Landowner sources said they had stopped all operations at the mine's process plant for 24 hours. Nimamar LLG president Rudolf Tongop, who sent the invitation on behalf of the people, said the Government ministers had been invited to go to Lihir to address the people's concerns through round table discussions. He called on the ministers and officials to make time available to attend and stressed that the gorgors would remain until an agreement was reached between all parties. Mr Tongop however assured the national and provincial governments, Lihir Gold Limited and the

Lihir Mining Area Landowners Association that his people would not damage company property but would use verbal discussions to resolve the issues.

BICKERING PNG LANDOWNERS RISK LOSING GAS PROJECT

Hides landowners stand to reap more than \$223 million

By Eric Tapakau

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 23, 2010) - Leadership struggles must be put aside if the Hides landowners want to participate meaningfully in spin off businesses from the Papua New Guinea Liquefied Natural Gas (PNG LNG) project. This is from interim chairman of the Hides 4 Parepare Holdings Limited Eric Hawaii after learning that people had gone behind the landowners, claiming to be executives of an umbrella company from the gas project area. Flanked by chiefs, women and youth leaders and president of Komo Local Level Government Peter Potape, Mr. Hawaii said he was appointed interim chairman of the Hides 4 Parepare Holdings Limited and John Karo was appointed interim deputy chairman. He said Gigira Parepare Resources Limited was not a recognized umbrella company as was reported on Friday.

[PIR editor's note: On May 23, 2009, the Papua New Guinea government, project area landowners, and four provincial and ten local level governments executed the PNG liquid natural gas *Umbrella Benefits Sharing Agreement* (UBSA). The UBSA is an overarching agreement which outlines how a number of the State's project revenue streams (royalty, development levy and equity dividends) totaling some 15 billion kina to 20 billion kina [US\$167.4 million to US\$223.2 million] over the 30-year project life will be shared. See related *story*.]

Mr. Hawaii said what was formerly petroleum retention licence (PRL) – 12 was now petroleum development licence (PDL) – 7 and this came about because of the tireless efforts of leaders from the project area. "We do not want other people to disrupt the good work done by many of the leaders," Mr. Hawaii. "I am going to call up leaders in the other faction and sit down with them and discuss this thing as continued power struggle is not good for the landowners as well as the develop and the project. "The PNG LNG Project is big and money that will go into the villages in the project areas will be big." He said as chairman of the umbrella company, this was his last time to go to the media to clarify things and he would not tolerate any comments in the media that would be made by other leaders regarding the umbrella company for Hides 4.

It was reported last Friday that certain leaders from Hides had started an umbrella company with its own executives and Mr. Hawaii said these men did not have the mandate of all the landowners to start the company. But he said it would only be good to have all the different groups get together and sort out any issues so that the PNG LNG project was not under unnecessary threat from landowner factions. Mr. Potape also appealed to everyone to resolve any issues they might have in a proper manner so that all the landowners benefited from any benefits from the project.

PNG MINE POSTS \$1.5 BILLION REVENUES IN 2009

Ok Tedi copper, gold mine yields riches

By Eric Tapakau

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 23, 2010) – In Papua New Guinea (PNG), high copper and gold prices helped Ok Tedi Mining Limited (OTML) to record a sales revenue of 4 billion kina [US\$1.5 billion] for the year ended December 31, 2009.

[PIR editor's note: The Ok Tedi mine started operations in 1984, and has become the single largest business contributor to the economies of both the Western Province and PNG. The Ok Tedi Mine is located near the headwaters of the Ok Tedi River, in the Star Mountains Rural LLG of the North Fly District of the Western Province of Papua New Guinea. It is operated by Ok Tedi Mining Limited which is majority owned by the PNG Sustainable Development Program Limited (PNGSDPL).]

This is 5 percent higher than the 2008 revenue and it reflected improvements in copper price (after the global financial crises of 2008) in the second quarter despite 3 per cent lower volume of concentrate shipments. Gold price increased by 18 percent compared to the corresponding period of the previous year. From this revenue, up to 933 million kina [US\$339 million] was paid in dividends with a massive 765 million kina [US\$278 million] for the benefit of PNG interests. The dividend paid is the same as what was paid (US\$350 million) in 2008.

There was one fatality recorded last month when an employee died due to severe head injuries sustained as a result of an explosion dislodging the wall plate of a haul truck while he was performing welding repairs to the equipment. Total gold production of 16 tonnes (515,685 ounces) was slightly higher against 2008 production, keeping OTML within the top three PNG gold producers. The company realized an average copper price for the period of US\$2.94 per pound, compared to US\$2.64 per pound for 2008. Net cash generated before dividends, was down by 15 percent compared to the previous year, mainly due to the collapse of copper price in the third quarter of 2008 resulting in refund of money to customers on settlement of shipments.

Mining royalties were more than 28 percent higher than 2008, with the Fly River Provincial Government and mine area landowners each receiving 33.6 million kina [US\$12.2 million]. Total taxes for the year were 245 million kina [US\$89.1 million]. Other compensation and benefits paid during the year, including land lease payments, trusts and Community Mine Continuation Agreements totaled 70 million kina [US\$25.5].

Villagers refuse arms offering

Post-Courier 23.2.2010

By Pearson Kolo

AN unmarked car drove slowly under the cover of darkness into a village which was very tense after five of its young men were killed by neighbouring villagers during a clash in the Central Province recently. Inside the car were five men of highlands origin including the driver and they had three 9 millimetre pistols and a pump action shot gun. Their intention was to sell the guns to the villages who were deep in talks to avenge the deaths of their tribesmen or to destroy the other village. The car parked outside the village and signalled with its headlights. In a couple of minutes several men scrambled up to where the car was parked.

The driver of the car, who did not know that there were firearms in the vehicle, was surprised when his passengers removed the guns and negotiated with the villagers to sell them. The driver who wanted to remain anonymous for security reasons, said the villagers said they were not keen on fighting but wanted the law to deal with those involved in the killing. The driver said his passengers made a deal with some of the villagers but their leaders talked them down. The car slowly drove out of the village and went in while the villagers stood in the dark, watching the car disappearing in the darkness.

Ramu mine waste disposal gets Government okay

National 22.2.2010

Source: By JEFFREY ELAPA



THE National Government has approved the design and construction of deep-sea tailing pipe (DSTP) for Madang's Ramu nickel and cobalt project, Ramu NiCo (MCC) has announced. The Environment and Conservation Department (DEC) and Mineral Resources Authority (MRA) gave the approval, the miner said in a statement. MCC issued the statement in response to comments on DSTP and the blasting of corals along the route of its planned waste disposal pipeline using high explosives. Fisheries Minister Ben Semri and Governor Sir Arnold Amet, in a joint media conference, said as leaders of the province, they wanted all environmental impact and social obligations made known to the people with consistent consultation among stakeholders. They also pledged not to support activities associated with the blasting of coral life due to their harsh impact on marine life.

The blasting was planned to be operated this month and next month by a PNG licenced blaster. It would be carried out within an area of 50m long and 5m wide, with two blasts each operating day. Meanwhile, Ramu NiCo said all environmental impacts were "never" done in isolation and DEC and MRA were aware of the progress including the implementation plans. Ramu NiCo said Brass-Resan-Candive, an American-Canadian Joint Venture contractor with vast experience in the engineering, procurement and construction of submarine tailing disposal facilities for international resources projects, had been contracted to carry out the Ramu DSTP.

The company said it would continue to work closely with all stakeholders to ensure Ramu DSTP was built according to high industry standard and best practices. They said to minimise the environmental impact of tailings disposal of Ramu refinery at Basamuk, the neutralised wastes would be secured 150m undersea through the DSTP system and will include two pipelines with diameter of 800mm that will be laid on sea floor.

LNG project on time bomb

Post-Courier 22.2.2010

Govt not fulfilling its commitments

By *MOHAMMAD BASHIR*

The PNG LNG project is sitting on a time bomb if the Government does not address landowner grievances quickly. Landowners in PDL1 area, particularly Kobalu Camp site, said they had been fooled into signing the LBBSA on the understanding that they would be given their business development and other grants by the Government after the signing. They had been realising that the Government got what it wanted from the landowners and did not care less about their commitments at LBBSA and UBSA in Kokopo. Chairman of Kobalu Camp Joint Venture (KCJV) Andrew Pulupo said yesterday that the Government was taking a risk by its actions. "There is a 20 km road from Halimba to Hides, Kobalu Camp was already established, there are 32 Porgera Joint Venture power pylons running through our land and Hapone zone has been recognized. If the Government does not honour its commitment to us, it is risking those infrastructure already on our land," Mr Pulupo said.

Mr Pulupo and fellow leader Thomas Ola had managed to contain the frustration of around 15,000 people currently in Port Moresby to collect the promised grants from the Government. "Our people provide security naturally to the infrastructure already on the ground and we would think that the Government would not be stupid to dishonour its commitment," he said. During the LBBSA in Hides, Southern Highlands Governor Anderson Agiru also promised KCJV a counterpart funding through the Provincial Government but this had not been delivered yet. Other companies in Kobalu Camp site who are yet to collect their Memorandum of Agreement and project funds include Hewai Investment Ltd, HROI Ltd and Piwolako Construction Ltd.

Mr Pulupo said during the LBBSA, Public Enterprises Minister Arthur Somare, Tari Pori MP Francis Potabe, Education Minister James Marape, Petroleum Minister William Duma and facilitators Chris Haiveta, Michael Nali and Secretary Rendell Rimua discussed the issue and issued a note to him stating that the issues were already discussed at the ministerial level and sorted out. He said whether that undertaking was real or a lie to win the people's support was anybody's guess. Mr Pulupo warned that if his people were further frustrated and take matters into their own hands, the Government would have to take full responsibility.

Gas project slows down

Post-Courier 22.2.2010

By Pearson Kolo

THE Papua New Guinea Liquefied Natural Gas (LNG) project is dragging at a snail's pace with many landowner problems. The developer, ExxonMobil and the Government with other stakeholders who signed several agreements with the landowners last year are now tight lipped on how they are dealing with these problems. In the Southern Highlands Province, 12 people were reportedly killed in the Hides project area while in the Central Province five people were killed in the villages where the gas plant will be situated. And now the construction work at Komo and the international airport have been closed when disgruntled landowners placed a chain across the road and blocked off all vehicles, thus stopping the project.

The Komo landowners said they were not happy with the way project developer ExxonMobil was dealing with them in terms of their involvement in some of the construction works. Chairman of Komo Resource Development Corporation David Harabe said the landowners stopped the early works in Komo because the landowners impacted by the project were not included in the works. "We, the real landowners of Komo township are becoming mere spectators while other landowners companies and other people are benefiting and taking part in all the projects," Mr Harabe said. "That is why we stopped all the work."

This led to the landowners and ExxonMobil business development officer Noel Wright meeting them six times in which they were asked to form a company to participate. "We have now formed the Komo Resource Development Corporation Limited," Mr Harabe, who is the chairman of the

company, said. He said they will deliver a petition to ExxonMobil, Department of Petroleum and Energy, the Government and concerned stakeholders of the project today for their company to be recognised. The projects at Komo are still halted.

Kainantu benefits from special support grant

Post-Courier 22.2.2010

By *PATRICK LEVO*

PNG's only woman local level government president Eunice Hombomia was in a joyful mood last week. Nobody knows Agarabi except her people and the folks of Goroka. Now when you read this news, you will know that Agarabi is a rural outback in Eastern Highlands and its LLG president is the first and only woman president throughout our land. In Agarabi, the people are waiting anxiously because the Eastern Highlands Provincial Government of Governor Mal Kela Smith and Kainantu Gold Limited are coming to Agarabi and many other surrounding communities. Mrs Hombomia holds a special place in PNG politics.

She is the first and only woman leader elected by the people to lead the local level government in a country where leadership has always been entrusted in the hands of male representatives. Receiving a quarter of a million kina from the Eastern Highlands Provincial Government as partnership development funds, Mrs Hombomia said her people had missed out on development for the past 30 years. Eastern Highlands deputy provincial administrator responsible for project co-ordination Solomon Tato presented cheques totally K267500 to the Barrick Kainantu community projects office for the implementation of projects in the Kainantu mining area. Barrick's community projects manager Aaron Kasse said the payment is part of K535000 for education, water supply and other selected projects in the Kainantu district.

Standover tactics bad for business

Post-Courier 22.2.2010

By *PETER KORUGL*

THE PNG liquefied natural gas (LNG) project and spin off businesses are threatened following the standover tactics used against the legal profession, the Port Moresby Chamber of Commerce and Industry (Pom CCI) warned yesterday. "The LNG project has placed our country firmly in the spotlight worldwide as a potential source of quality energy resources, and the existing and the subsequent investors that should follow, will surely be having second thoughts if they feel the legal system can be manipulated and abused in the way we have seen," president David Conn said. In a statement, Mr Conn said "We all congratulated the Government when it worked long and hard to get their first LNG project up, yet they seem to have run out of breath, or do not care, when it comes to protecting it and condemning any threat to our once trusted legal system. "They have created an environment to attract investors, but they must also work hard to maintain that same environment. This is serious and they need to speak out now," he said.

Mr Conn was reacting to claims by Kerenga Kua, a senior partner in Posman Kua Aisi Lawyers and president of the PNG Law Society and Australia law firm in PNG, Gadens Lawyers, that they had been threatened and intimidated over their involvement in the Motor Vehicle Insurance Limited, the Bank South Pacific and Yama group of companies' court case. The Post Courier spoke to the head of the Yama group of companies, Peter Yama last week over the alleged scare tactics raised by Mr Kua and Dr John Mua, the managing director of MVIL, and the former politician strongly denied any links to the threats and intimidation. "I have nothing to do with this. I am a former policeman, if somebody is using my name to do this, I want to know. We can't operate like this," Mr Yama said when reacting to the allegations.

Mr Conn said the threats and intimidation involving the legal fraternity must be condemned in the strongest terms. “The attack on the Ombudsman is a direct attack on the fabric of our society. “These are absolute threats to business and investment in the country and are not going un-noticed in the foreign press. “Our Chamber stands firmly behind former Chief Justice, Sir Arnold Amet’s comment when he says, ‘a vigilant civil society must stand up and protect all professionals from these kinds of thuggery’. “The Chamber encourages civil society to join the business community to raise its voice in strident protest against this attack on our legal system. “Surely there are enough forces of right left in PNG to counter the forces of evil when they threaten our businesses, our society and our livelihoods,” Mr Conn said. He said the Prime Minister should be leading the charge to defend the lawyers and the legal system.

Lihir Gold posts high 2009 profits

Post-Courier 19.2.2010

Global gold producer Lihir Gold Limited (LGL) delivered record underlying profit of \$US290 million (K835 million) for 2009, up by 57 per cent on the prior year. The strong result was due to the group achieving the major milestone of producing and selling more than 1 million ounces of gold in a year, combined with reduced unit costs and strong gold prices. Revenues rose 45 per cent to \$US1.09 billion, driven by a 30 percent increase in gold sales volume to 1.11 million ounces of gold and a 12 per cent rise in realised gold price to \$US956 an ounce. Cash flow from operations more than doubled to \$US451 million, up from \$US208 million in the prior year.

Total cash costs declined from \$US400/oz in 2008 to \$US397/oz in 2009, as a result of tight cost control and increased output, which enabled expenses to be spread across a higher production base. The statutory result was a loss of \$US234 million after tax, following the impairment charge and operational losses totalling \$US413 million associated with the write down the Ballarat assets, as previously announced in the first half of 2009. A final dividend of US1.5 cents per share was declared, following the interim dividend of US1.5 cents per share paid in November.

LGL CEO Phil Baker said a record performance from the Lihir Island operation in Papua New Guinea and a full year’s contribution from the Bonikro and Mt Rawdon assets acquired in mid-2008 had enabled the solid underlying profit result. “The excellent production outcome of 1.12 million ounces for the year, together with rising gold prices, translated into record revenues for the company. For the first time in LGL’s history, total revenues surpassed US\$1 billion,” he said. “The record performance at Lihir Island has confirmed the significant progress we’ve made in our drive for operational excellence and cost competitiveness. The Million Ounce Plant Upgrade expansion at Lihir Island and the feasibility study to expand Bonikro proceed on schedule, LGL is on track to increase production by 30 per cent to 1.3 million ounces by the end of next year” he said. Meanwhile, the company declared a final dividend of \$US0.015 (1.5 US cents) per ordinary share to be paid to its shareholders.

Scientist to study river systems for pollution

Post-Courier 18.2.2010

By *PORENI UMAU*

MOROBE Governor Luther Wenge announced yesterday that a scientist will be engaged to study the Markham and Watut river systems for any pollution by mining activities upstream. Governor Wenge said the Provincial Executive Council (PEC) met last Friday and approved K100,000 for a scientist to study the composition of the Markham and Watut rivers where all waste from the mine is discharged into the two rivers by the Morobe Mining Joint Venture (MMJV) at Hidden Valley. He said the scientist will collect samples from the two rivers to identify any substance of danger that poses threat to life for people living along there and those who come into contact with the two

rivers. He said this has come about after he made a commitment to villagers at Markham bridge and also villagers at Mumeng to bring a scientist to study the amount of substance concentration in the two rivers.

Mr Wenge did not verify if the specialist will be a national or an expatriate, citing that it was up to the provincial administrator who was the Provincial Supply and Tenders Board (PSTB) chairman. He said the applicants will have to bid through the PSTB when tenders are put out and will undergo a screening process before they could be engaged in investigating the amount of pollution in the two rivers. Meanwhile, he also urged women at the markets throughout Lae city and the province to prepare food and water sold at the markets through safe and healthy food preparation practices.

He said with cholera still around, mothers should be mindful of their food preparation habits and make sure the food sold to their customers were prepared using clean water sources. He also appealed to the customers to make sure they follow simple rules in washing their hands before they eat their food. Mr Wenge said he understood the economic burdens brought on by the start of the academic year and did not want to stop women, who were trying to make ends meet to feed their families and pay their children's school fees. He said he did not want to take these opportunities away from the women and urged them to be responsible for the products they sold.

CORRUPTION ALL PERVASIVE IN PNG GOVERNMENT

Investigation finds just 5 out of 1,000 agencies transparent

By Pearson Kolo

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 18, 2010) - Only five government agencies out of nearly 1,000 have been accountable and transparent in their use of public monies. The Public Accounts Committee said yesterday this was very sad as it highlighted how corrupt government institutions were in Papua New Guinea and how they were not performing their duties as government agencies under laws and regulations. Bulolo MP Sam Basil, who is a member of the Public Accounts Committee (PAC), said it was a sign of a failed state. The committee has undertaken a detailed examination of the standard of accounting and handling of public monies, properties and stores in every agency of Government at all levels.

The PAC has examined 33 departments, 25 subsidiary agencies including 19 provincial treasuries, 19 provincial governments, over 400 districts, 19 urban authorities, 19 hospital boards, 116 statutory corporations, commercial entities and all trust accounts including royalty trust accounts. Chairman of PAC and Nawae MP Timothy Bonga said it was very surprising to discover that all of them were incompetent and were not following Government regulations and by-laws. "In total we have made inquiry into nearly 1,000 agencies each examined from year 2003 to 2008," Mr. Bonga said. "And the findings have shown that management and accountability by our public servants and the Government has collapsed miserably."

Out of these nearly 1,000 government institutions with all these problems, the Public Accounts Committee had given credit to five of them who have managed themselves well. They were the Bank of Papua New Guinea, PNG Institute of Public Administration, Post PNG, Goroka Base Hospital and Alotau General Hospital. "The heads and managers of these five agencies were asked to attend appear before the committee yesterday and were acknowledged and given credit for their competency in their operations," he said.

Australia: Union for China trade

Post-Courier 18.2.2010

CANBERRA: Trade union boss Paul Howes has voiced support for greater investment in Australia by Chinese state-owned companies but says safeguards need to be put in place to protect the national interest. In a speech to the National Press Club yesterday, the Australian Workers Union (AWU) national secretary said Australia needed to develop a clear foreign investment strategy. Australian firms were in a prime position to benefit from more than \$2 trillion in Chinese reserves available for foreign investment as the global economy continued to improve, he said. "Australia is better placed than most countries to benefit from renewed consumer confidence and China's need for what we can dig out and sell them." But such investments should be scrutinised, he said.

The Foreign Investment Review Board (FIRB) must ensure that Australia's national interest is taken fully into account when considering applications for the investment of sovereign funds in Australia's key strategic assets, in particular commodity assets. Mr Howes' comments follow calls from opposition finance spokesman Barnaby Joyce for the investment regulator to be tougher on Chinese state-owned enterprises. Senator Joyce was heavily opposed to Chinese aluminium firm Chinalco's bid to increase its stake in mining giant Rio Tinto. However, instead of opposing such investments outright, Mr Howes said, they could be managed through the establishment of a sovereign capital trading scheme and an endowment fund.

Under the plan, bilateral negotiations as part of FIRB deliberations would settle the scale of participation in the trading scheme and related investment in the endowment fund. "For example, investment in raw and bulk commodities such as iron ore, coal, bauxite and natural gas resource projects with little local processing would command a higher value under the scheme than, say, investing in an established manufacturing business," Mr Howes said. The endowment fund would allow the Australian government to recognise and benefit from the investment under the trading scheme and build infrastructure, skills and industry policy around these investments, he said. Demand from sovereign wealth funds aiming to invest in Australia's strategic assets needed to be addressed, he said.

Editorial

Our own Members of Parliament use term 'failed state'

Post-Courier 18.2.2010

FAILED State! It's a term that has been rejected often by leaders of our government when "outsiders" have worried about the state of our nation. Well, the chickens of many years of neglect are coming home to roost and we look like a bunch of feathers! The Public Accounts Committee, which has had to battle to get enough money from the Government to conduct its sittings, has given its verdict on the accountability of government departments and agencies. The verdict is guilty on all counts for almost all "defendants". PAC chairman Timothy Bonga said only five agencies out of nearly a thousand had been doing the right thing in looking after the taxpayers money and accounting for it in a transparent way.

This covers the period 2003-2008. Five agencies: two provincial hospitals, the Bank of Papua New Guinea, the Institute of Public Administration and Post PNG. Committee member Sam Basil, a first-termer who is impressing many with his active ways, reckons it is a sign of a "failed state", that dreaded term which is always rejected by our critics from overseas and within. The PAC's gaze has been cast over national government departments, provincial governments, urban councils, hospital boards, statutory companies and corporations. It also, alarmingly, includes provincial treasuries. We wonder how the district treasuries, the recent pet project of the Government, will fare in future reckonings of the PAC. Mr Bonga says examination has shown that all of the government owned bodies were incompetent and not following the government regulations and by-laws. So de-

spite the pay increases, the training courses by the score and all the praises lavished on public officers, their financial books are a mess and not telling us the true story!

Can somebody like Chief Secretary Manasupe Zurecnuoc get mean with the public servants responsible and tell them that the taxpayers want a whole lot better than this? The taxpayers are companies with big payrolls, their employees and the rural people of the nation, through taxes on produce exports and the like. In some countries there are active lobby groups made of ordinary citizens who are tired of losing chunks of their fortnightly pay to taxation and campaign on lower taxes. The same could happen here if a broad swell of people gets tired of paying their taxes and see the money being wasted by those entrusted to look after it.

Five outstanding State agencies win PAC's praise

National 18.2.2010

ONLY five out of 900 State agencies scrutinised by the permanent Parliamentary Public Accounts Committee performed well in the last four years. "Of the hundreds of agencies we have examined, we can find only five agencies that maintained proper, lawful, auditable and reliable financial records," PAC chairman and Nawaeb MP Timothy Bonga said. When making the grim revelation yesterday at its first hearing for 2010, Mr Bonga, supported by PAC members Sam Basil (Bulolo MP), Fr John Garia (Simbu Governor), Malcolm Kela-Smith (Eastern Highlands Governor) and Philip Kikala (Lagaip-Porgera), said fiscal management and accountability in Government agencies had collapsed. "The evidence we have shows that fiscal management and accountability have collapsed," Mr Bonga stressed.

They collectively urged that something urgent needed to be undertaken to purge the Government systems and rekindle best practices to ensure service delivery and development were effectively pursued and achieved. "Frankly, we are sick of hearing about failure, theft, incompetence, impunity and rampant financial mischief," Mr Bonga said. He said PAC had over the last 18 months undertaken a detailed examination of the standard of accounting and handling of public monies, property and stores in every agency of Government at all levels. "We have inquired into nearly 1,000 agencies each examined the years 2003 to 2008, a huge and unique undertaking ... and for the first time we can now give the Government an accurate picture of the nation's financial management," Mr Bonga said.

PAC records show that it examined 33 departments, 25 subsidiary agencies including 19 provincial treasuries, 19 provincial governments, 303 local level governments, more than 400 districts, 19 urban authorities, 19 hospital boards and 116 statutory corporations' commercial entities and all trust accounts including royalty accounts. The five "best performing" are:

- * Bank of Papua New Guinea;
- * Institute of Public Administration;
- * Alotau General Hospital Board;
- * Goroka Base Hospital Board; and
- * Post PNG.

Mr Bonga and his committee heaped praise on the five agencies and commended their management for a job well done. "The committee congratulates you all on your performance and we only hope your achievement is contagious so other agencies can catch it and improve. "The five agencies are examples of accountability and transparency in the use of public finances. Our purpose is to give credit where it is due and also to encourage others to improve," he said. Representatives from these agencies who were present accepted the honour of being bestowed "best performing agencies" and vowed to maintain the record.

Editorial

ROCKET LAUNCHERS RULE IN LAWLESS PNG HIGHLANDS

PORT MORESBY, Papua New Guinea (The National Feb. 17, 2010) – In Papua New Guinea (PNG), police report seeing villagers in the Samberigi area walking around with rocket launchers and rockets similar to the ones they have seen carried by soldiers in Iraq on CNN. These and other powerful assault rifles are displayed so openly in absolute defiance of authority in many of the oil and gas rich communities of the Southern Highlands. The authority is indeed powerless. When Mendi police recently dispatched six mobile squad members to the Samberigi area to contain a raging tribal conflict there, they came across such open display of powerful weapons by the tribesmen.

Outnumbered and outgunned, the police merely resorted to broker peace which by their own admittance is fragile. They could not arrest anybody out of fear of their own lives. The recommendation coming to police high command from Samberigi is cautious. To remove these weapons by force will result in high casualties on both sides. Any such operation would have to be big, sustained and done only after police are adequately resourced. There is the option to broker peace and appeal for arms surrender but as experienced in the past, the people will only turn over home-made weapons. The expensive and powerful weapons will never be surrendered. This, the police understand.

What to do?

The National proposes the call out of the PNG Defence Force (PNGDF) for a long and sustained operation throughout PNG, beginning in the Highlands region to go after gun-totting communities and individuals. Police on their own do not have the capacity presently to sustain such an operation while also maintaining their traditional civic policing duties. They will need assistance from the PNG Defence Force. The PNGDF, now some 3,000 strong, is basically holed up in the various barracks and we only get to hear about the force when there is an exercise on. PNG's must be one of the few forces on the earth which is over trained and underutilized. It is time they were utilized in this emergency.

For it is an emergency out there. The gun culture alone stands to stop even the Liquefied Natural Gas (LNG) project itself. Indeed, guns in Poroma and again on the outskirts of Port Moresby at the Konebada Petroleum Park have halted very important early works on the LNG project. The Constitution, at section 204, provides for a callout of the force in aid of a civil power, in this instance the Royal Papua New Guinea Constabulary. The Police Commissioner has to make such a request for a call out to the PNGDF specifying the task and the number of personnel required. Soldiers on callout are under the command of the Police Commissioner.

Specific task allowed by the law for call out duties include, but is not specific to:

(a) Cordon and search operations; (b) Traffic control; (c) Control of entry into an area; (d) Protection of specified installations and Government property; (e) Patrolling to support the civil authority; (f) Specialist assistance in respect of ships, vehicles, aircraft, radio equipment, arms and ammunition; (g) Protection of property and staff of missions of overseas countries within the meaning of the Diplomatic and Consular Privileges and Immunities Act 1975; (h) Provision of escorts for any person; (i) Enforcement of a curfew proclaimed under the Curfew Act 1987; (j) Overpower or neutralize any armed resistance made by any person; and (k) Using force, disarm any person, carrying an offensive weapon.

Quite clearly, there exists a situation in PNG that warrants the callout of the Defence Force. Guns are now controlling the lives of communities. The police, as the Samberigi incident reveals, are quite powerless and their members do fear for their lives when faced with civilians who have far superior fire power. It is not a comforting thought when police fear criminals and when the police are relegated to negotiating peace and appealing for criminals to turn from their bad ways. Before the callout, Parliament ought to pass laws and amend existing ones pertaining to gun possession and ownership with a view to increasing the penalties. Authority must be given to use all necessary force to remove guns from whoever is illegally in possession of one. There is no other way out of this but to bite the bullet and go for the hard option. There are no other options which will bring to an end this single biggest threat to our way of life and a decent and prosperous future.

The National: www.thenational.com.pg/

Murder raises security concerns for Hides projects

National 17.2.2010

Source: Report and picture by ANDREW ALPHONSE in TARI



OIL Search Ltd (OSL), operator of the Hides gas project in Tari, Southern Highlands province, and ExxonMobil, operator of the multi-billion PNG LNG gas project, yesterday raised serious security concerns about their operations at Hides following the cold-blooded murder of an OSL employee at the gates of the Hides gas plant on Monday evening. The deceased was identified as Iripalu Matiabe of Egele village in South Koroba who is also a former councillor and works as community liaison officer with OSL at Hides. Matiabe, 49, was from the Iriwaga clan of the JP Karai group, principal landowners of the Hides gas field. Police said Matiabe was returning back from work when he was shot at point blank range at about 6.30pm at Kulu village, a few meters away from the Hides gas plant site.

Police said the assailants were believed to be his tribal enemies and used a home-made pistol. The killing shocked and angered his tribesmen who immediately demanded that the police apprehend the assailants and put them behind bars or else they would take the law into their own hands and retaliate. Tension is mounting and there are fears of an all out tribal fight near the Hides gas plant following the killing, and OSL management at Hides have requested the urgent deployment of a section of the Tari-based police mobile squad unit 09 to protect its gas processing plant at Hides.

The gas plant currently supplies power to the nearby Porgera gold mine in Enga province. Police said Matiabe was a leader and promoter of peace in the area, and were investigating his killing. Matiabe's body was transported by OSL vehicles under police escort yesterday afternoon to Tari General Hospital for an autopsy. Provincial police commander Supt Jimmy Onopia confirmed receiving reports of the killing at Hides when contacted yesterday and said Hides and the LNG project were priority areas for security and if need be, he would deploy additional manpower to protect these projects. Supt Onopia said currently, MS09 and MS11 from Wabag would monitor the situation and provide security.

Meanwhile, ExxonMobil, through its subsidiary Esso Highlands Ltd, also suspended all its operations at Hides and Komo areas following increased lawlessness in the area. Among the operations affected include early works preparations for the construction phase of the LNG project, the Komo international airport development, Yuni LNG technical college, and the construction of forward base at Kobalu near Hides. A senior Esso Highlands employee, who refused to be named, told The National at Hides yesterday that ExxonMobil had suspended all their operations. The source said recently, an ExxonMobil vehicle was stolen from their camp at Hides while last Saturday an expatriate contractor who was surveying the land at Komo for the international airport was attacked. The source said tribal fights near the projects sites at Kobalu, Idawi, Pureni, Tani, Waralo and other lawless acts like armed road blocks has forced ExxonMobil to suspend its operations until the Government addresses these problems.

Displaced villagers suffering

Post-Courier 18.2.2010

By Harlyne Joku

About 4000 people from Boera village in the Central Province are facing tough times being homeless and fending off relatives in Port Moresby and surrounding Motuan villages. This is due to the brutal clash three weeks ago between the Boera and the Porebada villages over the land where the proposed LNG project plant development will take place, portion 152. The clash has left four people dead and several seriously injured. At a meeting outside a Port Moresby home yesterday, the villagers asked Member for Kairuku Hiri Paru Aihi to attend and hear their grievances. They said all they desired was to return to their homes and live their normal lives.

Their spokesman and village elder Rei Homoka said the entire population of Boera of about 4000 had been displaced due to the vicious actions of a few of them. He said the majority were innocent villagers who were not involved in the clash and were now suffering. "Mothers have to care for their children and families in foreign surroundings where food is scarce. Their children who have been attending school in their villages have fled and are finding it difficult to transfer to other schools," he said. Mr Homoka urged those responsible for the killings to surrender to police. Mr Aihi assured the people that Central Governor Alphonse Moroi and himself were negotiating with the people of Porebada to allow the innocent Boera people to return.

Landowners issue warning to Govt

Post-Courier 18.2.2010

By MOHAMMAD BASHIR

THE PNG LNG project is sitting on a time bomb if the Government does not address landowner grievances quickly. Landowners in PDL1 area, particularly Kobalu camp site, said they had been fooled into signing the LBBSA on the understanding that they would be given their business development and other grants by the Government after the signing. They say they have now realised that the Government got what they wanted from the landowners and did not care about their commitments at both the LBBSA and UBSA in Kokopo and Hides. Chairman of Kobalu Camp Joint Ven-

ture (KCJV) Andrew Pulupo said on Wednesday that the Government was taking a serious risk by their actions. "There is a 20km road from Halimba to Hides, Kobalu Camp is already established, there are 32 Porgera Joint Venture power pylons running through our land and Hapone zone has been recognised.

If the Government does not honour its commitment to us, it is risking those infrastructure already on our land," Mr Pulupo said. He and fellow leader Thomas Ola have managed to contain the frustration of their people which number around 15,000 and are in Port Moresby to collect the promised grants from the Government. "Our people provide security naturally to the infrastructure already on the ground and we would think that the Government would not be stupid to dishonour its commitment," he said. During the LBBSA in Hides, Southern Highlands Governor Anderson Agiru also promised KCJV a counterpart funding through the provincial government but has not delivered as yet either. Other companies in Kobalu Camp site who are yet to collect their memorandum of agreement (MOA) and project funds include Hewai Investment Ltd, HROI Ltd and Piwolako Construction Ltd. Mr Pulupo warned that if his people were further frustrated they would take matters into their own hands, the Government would have to take full responsibility.

MRDC praises Ramu Ni-Co mine

Post-Courier 18.2.2010

MINERAL Resources Development Company LTD (MRDC), the PNG shareholder in Ramu nickel project at Madang Province, is impressed with the progress at the Ramu Project and gives credit to project manager, Ramu NiCo Management Limited (MCC). Imbi Tagune, manager external affairs and Joe Taymen, technical manager with MRDC, expressed their satisfaction after visiting Kurumbukari mine site last Friday. "As a Papua New Guinean, I am proud to see a project of this magnitude in our country. MCC has made significant commitments to develop a resource that was left untouched for many years since exploration to have MCC develop these resources is an opportunity to PNG," Mr Tagune said.

He said PNG's perception relating to resource project development had always been with the western companies from Australia, USA, Canada, and Europeans. "This engagement with a Chinese firm is a complete shift from the norm," Mr Tagune said. "Ramu NiCo MCC is clearly an organisation prepared to take on and overcome the toughest of challenges." Mr Tagune said. "Compared with gold and copper, nickel is known to be much more difficult to develop. The terrain and geography also present logistic, construction and operational issues." Mr Tagune and Mr Taymen were surprised by the infrastructure construction that has happened within a short time. Mr Taymen said that MRDC on behalf of the landowners and PNG Government would manage their interests in Ramu project. "At present MRDC has equity of 6.44 per cent in the project as the nominees of both the PNG State and project landowners. After the repayment of the bank loan the current interest will increase to 8.7 per cent" Mr Tagune said. "We also have an option to further increase the equity to 14.45 per cent. The other stakeholder in the project, Highlands Pacific, have an 8.56 per cent that increased to 11.3 per cent after loan repayment." MRDC said Ramu NiCo was working closely with authorities to ensure the project benefits all stakeholders.

MINING CONSULTANT CALLS PNG POOR PLACE TO INVEST

Social neglect, permit delays, corruption cited

MELBOURNE, Australia (Radio Australia, Feb. 17, 2010) – Papua New Guinea has ranked poorly as a place to invest in mining by the New York-based mining consultancy company Beare Dolbear. Beare Dolbear's "2010 Where NOT to Invest" report ranked PNG in 21st place out of 25 major mining countries. It ranks PNG in the bottom group of countries according to the way it handles

social issues such as poverty, in the second bottom group on mine permitting delays, and near the bottom on corruption. Beare Dolbear Chief Executive Officer Reinis Sipols says the insecurity of land tenure is also a problem.

"If your tenure, or your licences, or your land positions can't be secured and can't be defended in court, it puts in doubt the entire concept of why would you invest there, why would you go there," he said. Mr Sipols says there have been improvements in PNG but these have not been enough to change investors perceptions. Despite that, he says PNG can expect strong investor interest this year due to its proximity to China and the quality of its resources.

Radio Australia: www.abc.net.au/ra

Newcrest report profits

Post-Courier 17.2.2010

NEWCREST mining reported that it had recorded increased profit margins for six months. The two key factors for this were a higher gold price for the six months and lower cost of sales. The Melbourne-based miner which operates mines in Australia, Indonesia and Papua New Guinea, said that gold production was down marginally on the corresponding 2008 half for a total 819,417 ounces. It was boosted by a better performance by the Telfer gold-copper mine in Western Australia to help offset the planned lower production at Cadia Valley in New South Wales and Gosowong in the Halmahera Islands of Indonesia. Group copper production increased 6 per cent to 45,148 tonnes driven mainly by increased output from Telfer. Cost of sales for the company were down 16 per cent with one of the improvements a \$A34 million (\$US30.2 million) cut in gas energy costs at the Telfer mine.

Newcrest said with the forward development work at Cadia Hill mining had now reached higher grade zones and higher production was expected in the second half of fiscal 2010/11. At the high-grade epithermal gold operations at Gosowong access to higher-grade zones has been established and process gold plant recovery was improved to 95.4 per cent for the half year. At Hidden Valley in the Wau region of Papua New Guinea - a 50/50 joint venture with Harmony Gold of South Africa - a full production rate was expected to be achieved in the June quarter. "Debottlenecking" has begun and that should increase Hidden Valley's nameplate capacity from 4.2 million tonnes year to 4.6 million tonnes.

Xstrata to spend K194m on Frieda

National 16.2.2010

Source: By YEHIURA HRIEHWAZI

XSTRATA will spend more than K194 million (A\$77.5 million) on the Frieda River gold and copper project this year, according to its partner, Highlands Gold Ltd (HGL). A statement released to the Australian Stock Exchange (ASX) by HGL said the expenditure programme at Frieda included completion of a pre-feasibility study which was expected in the third quarter of the year and the proposed start of feasibility study shortly after. ASX-listed gold and base metals explorer Highlands Pacific reported that Xstrata, which owned a 76.3% stake in the project dependent on the completion of a bankable feasibility study, had spent A\$38 million (K95.7 million) on the project in 2008. "The significant resource upgrade announced recently combined with the major activities planned in 2010 is testament to the quality of this project. "This level of expenditure by Xstrata will bring the total investment by the end of this year to more than A\$150 million (K737 million)," HGL managing director John Gooding said. He noted that on-site activity would include 50,000m of drilling split between resource, geotechnical and waste rock characterisation. He added, however, that most of the drilling would focus on lifting the proportion of the mineral resource inventory from inferred category to the measured and indicated category.

The programme would also include project-permitting activities, including landownership investigations and a broad range of environmental and social studies to support an environmental-impact assessment. Highlands Pacific noted that the Frieda copper project is one of the world's largest undeveloped copper and gold resources. An extended scoping study released early last year indicated a 40 million tonne on a year plant with a 27-year mine life, averaging 200,000t/y of copper and 240 000oz/y of gold. The pre-feasibility study is currently considering larger throughput and production options. Subject to the project continuing to meet its project hurdles, a 12-month feasibility study would start in the third quarter of this year, with possible construction in 2012 and production in 2017. The project owners are Xstrata, with a 76.30% interest, Highlands Pacific, with a 16.95% interest, and miner OMRD Frieda, which owns the remaining 6.75%.

Ramu mine has failed in its obligations to Papua New Guineans, says Sir Arnold

National 16.2.2010

MADANG Governor Sir Arnold Amet says he is unimpressed with how the Chinese Metallic Company (MCC) is handling its obligations to the people. MCC is the operator of the Ramu nickel mine. "MCC has some social obligations towards the people which need to be addressed but they have failed. "The people should be allowed to participate in the development as well as looking into their social concerns that will adversely impact their lives. "MCC and the National Government should also ensure better consultation with the people who must be well informed of issues that are likely to affect them," he said. Sir Arnold said the mine should make it its business to organise a road show to inform the people of the environmental impact the mine is creating.

Sir Arnold was angry at how isolated the company was in its operations in the province and lack of concern for the livelihood of the people. "The people must be of paramount importance to the developer and the State," he said. Sir Arnold said he was unaware of the proposed coral reef blasting and the stakeholders like the Mineral Resource Authority, and the Department of Environment and Conservation should inform the people and the provincial government of their activities. "If any new development is taking place, besides what has already been approved, the people need to be informed," he said.

The management of Ramu NiCo said they invited Sir Arnold, Fisheries Minister Ben Semri, Madang provincial administrator Joseph Dopar and other members of Madang provincial executive council to Ramu NiCo Madang office for a consultation meeting last Friday to maintain close consultation and dialogue. They said they exchanged ideas on matters and concerns including the implementation of MoA duties, relocation exercises, and land title disputes. They said Ramu NiCo would continue to work closely with all stakeholders to ensure Ramu DSTP will be built in accordance with high industry standard and employ the best available practices. The implementation plans have been continuously updated to the Department of Environment and Conservation, which recently granted the confirmation following document review and site inspection.

Madam Luo Shu, president of Ramu NiCo and Sir Arnold agreed to facilitate regular consultation meetings leading up to the project commissioning stage. A formal consultation meeting involving more local stakeholders including landowners has been tentatively scheduled for late March or earlier April, while regular exchange of information between the management and the provincial government agencies will continue. Ramu NiCo said they will be conducting awareness programmes with project area landowners.

LNG hub is massive: West Australia

National 15.2.2010

PERTH: An agreement by Woodside Petroleum's joint venture partners to the proposed site for an LNG hub has opened the way for a A\$30 billion (K71 billion) project, the West Australian government said. Premier Colin Barnett describes the agreement as "a significant step" in the development of the Browse Basin liquefied natural gas field off the northwest Australian coast. Woodside Petroleum announced on Monday that its joint venture partners, BHP Billiton, BP, Chevron, Shell and Japan Australia, had agreed to develop the hub at James Price Point, 60km north of Broome. Barnett has championed the selection of James Price Point as the site for a plant to process the gas from the Woodside-led joint venture and other parties operating in the area. After lengthy negotiations, the state government, Woodside and a group representing the traditional owners of the Kimberley region, the Kimberley Land Council (KLC), agreed on the site in April last year. – AAP

Ramu mine: Social issues plague mining village

National 15.2.2010

THE developers of the nickel and cobalt project in Ramu, Madang province, have expressed concern about outstanding issues within the project area. The Ramu NiCo Co (MCC) said the project had brought a lot of tangible developments to the landowners and impacted areas since its inception. However, the inflow of outsiders to Basamuk region along with the long-pending land title disputes at the mine site had also led to social problems. In a statement yesterday, the developers said up to the end of last year, spin-off businesses worth K80 million had been contracted to landowner companies and over K5.1 million as environment and land compensation had been paid.

Six community assistance projects under project memorandum of agreement (MoA) agreement had been completed. Goods worth more than K120,000 were donated to various social events. "While tangible benefits are being generated along with the development, we are equally concerned about outstanding issues within the project area. "We would again appeal Government agencies to give top priority to these matters and minimise the impact to local people and to project development," the developers said.

Negative activities at Ramu mine site

National 15.2.2010

Source: By ALMANZO MATBOB DWU journalism student

GAMBLING, prostitution and alcohol consumption are unhealthy social activities that are on the rise in the Ramu nickel mine region, according to a report presented to Madang provincial administrator Joseph Dorpar. The report blamed the influx of people into the Kumbukari special mining lease areas for the increase in unhealthy social activities. The report was tabled after a recent census survey conducted by the provincial mines office under provincial director John Bivi. "There is an increase in social activities at the mine site such as gambling, prostitution and drinking," Mr Bivi said in the report. The brief also contained a planned eviction of illegal settlers in the area to be carried out in a few weeks time by the department with the help of the police.

The report also stated that original landowners were facing a lot of problems with settlers, particularly those from the Highlands region, resulting in confrontations. The report contained interviews with individuals who were dissatisfied and shared their grievances about the operations of the Ramu nickel company in the area. According to the report, a concerned villager from Gatzai said the Gagaiyo River, which villagers used for cooking and washing, was being polluted. The villager claimed that the natural beauty and the river sources had been damaged by pollution. He appealed for a water purity test to be conducted quickly to confirm the concerns of the people. Meanwhile, the Ramu nickel management denied knowledge of gambling, prostitution, drinking and other illicit

activities in the area as mentioned in the report. They said as a note under the census conducted at Dengekevi village, it was briefly mentioned that “gambling” was a daily occurrence but it did not mention whether it was a social problem.

LNG a challenge

Post-Courier 15.2.2010

THE LNG project in the Southern Highlands Province is bound to test the capacity of Papua New Guineans to change according to the Minister for Community Development. The leader of Papua New Guinea’s delegation to a high-level United Nations conference entering its second day in Vanuatu last week said the event’s regional focus on social protection made her country’s attendance extremely relevant. The Pacific Conference on the Human Face of the Global Economic Crisis has drawn more than 200 delegates including ministers and NGOs to Port Vila to look at ways of shielding the region’s most vulnerable groups from the recession.

Dame Carol Kidu, PNG’s Minister for Community Development, says her department’s been working solidly for the past seven years on a range of social policy and legislative reforms to prepare Papua New Guineans to be resilient in new ways. She says the multi-billion dollar LNG project underway in Southern Highlands Province will test her people’s ability to deal with a changing environment. “I mean some of our people are going to be facing literally with millions of kina suddenly that they never had before. “The corridor of the pipeline has about 60,000 people. Now our capacity, our institutional capacity, to prepare those people for the social implications is of great concern to me as a minister.”

Southern Highlands Province leaders condemn lawlessness

Post-Courier 15.2.2010

THREE prominent Southern Highlands landowner leaders have condemned tribal and village conflicts that are affecting early works in the PNG LNG Project areas in their province and Central Province. The landowner leaders – Larry Andagali of Hides, Mark Sakai of Kutubu and Edward Alina of Moran – said yesterday that they were gravely concerned that the troubles had forced project operator Esso Highlands Limited to shut down operations in Southern Highlands and at the LNG plant site near Port Moresby. “We are also very concerned that the troubles are causing anxiety and nervousness among the project stakeholders and financiers. “We understand that the full financing package for the project has not yet been finalised and the current situation may cause unnecessary delays to the process,” the landowner leaders said.

The leaders stressed the importance of the project to the country’s economy and future well-being and called for peace and commonsense to prevail in the affected areas. Mr Andagali said, “The National Government, which is a major stakeholder in this project, cannot sit by and allow tribal fights and village conflicts to jeopardise the most significant economic development in our nation’s history.” He said “PNG’s future depends on this project and we cannot allow a few villages in the project areas to hold the nation to ransom.” The leaders called on government authorities to work overtime to resolve the various conflicts and disputes so that the project can resume operations and meet its timelines. Mr Andagali said, “It is of utmost importance that the early works program is allowed to resume and be completed on schedule so that the project financiers are confident about reaching a financial close on this multi-billion-dollar deal.”

“We, the landowner leaders of the resource areas in Southern Highlands, are as anxious as the project developer and financiers and we urge our people in the troubled impact areas to resolve their differences in a peaceful and amicable way,” he said. “Let us not jeopardise our lives and future well-being by allowing senseless conflicts to delay and even destroy this important project”. The

three leaders re-emphasised their support for the PNG LNG project and commended ExxonMobil, co-venturers and financiers for their patience and confidence in developing the project.

China charges Aussie mine workers

Post-Courier 12.2.2010

China has charged four employees of mining giant Rio Tinto, including an Australian national, with violating bribery and trade secret laws, the state news agency Xinhua reports. The group of four, which includes Australian passport holder Stern Hu, allegedly “used their positions to obtain benefits for others and on many occasions solicited or accepted bribes,” the report said. This morning Financial Services Minister Chris Bowen told ABC radio that the Australian government hoped the matter was resolved as quickly as possible. The report said the employees of the Anglo-Australian firm had also “on many occasions obtained the trade secrets of Chinese steel companies, leading to serious consequences for the relevant steel companies”.

The case has been passed to a Shanghai court for prosecution, it added. It was not immediately clear what sort of penalty the charges could incur. Calls to Shanghai’s First Intermediate People’s Court, which Xinhua said would handle the case, went unanswered. Mr Hu and his three colleagues, all Chinese nationals, were detained last July and initially accused of stealing state secrets in a case that badly strained Beijing’s ties with Canberra. The accusations were later watered down. A spokeswoman with the Australian embassy in Beijing said she was aware of the report but referred requests for comment to the government in Canberra.

In Australia, a Rio Tinto spokesman declined immediate comment as did a spokeswoman for Foreign Affairs Minister Stephen Smith. The Australian national’s arrest raised questions about business deals with rapidly industrialising China, the world’s biggest iron ore consumer. It came just weeks after Rio Tinto snubbed a massive cash injection from a Chinese state firm, and coincided with annual iron ore contract talks. The tense negotiations later collapsed. The three Chinese nationals were identified as Wang Yong, Ge Minqiang, Liu Caikui. Zhang Peihong, a lawyer for Wang, said he had not been informed of the indictment and planned to contact the local Shanghai court handling the case today. Mr Zhang also said he expected an initial hearing to be held sometime after the Chinese Lunar New Year Holiday.

Deal with Allied Gold and officials

Letter to the editor Post-Courier 12.2.2010

Arrogance of foreign companies operating and doing business in PNG must not be condoned. Allied Gold Limited (AGL) has seen fit to undermine the authority of the State and the judiciary of this country. The actions of the management and officials of AGL have been arrogant. Non-action on the part of the Government against the company will mean compromising its regulatory powers and authority and set a precedent. The company must be held to account. The Foreign Minister must follow up on his words. This country is not a “banana republic.”

The following actions must be taken:

- * lay charges against the company officials and those who facilitated the transportation of the 14 Fijians to Simberi in defiance of the court orders.
- * investigate and deport every expatriate working with the company who was involved with the recruitment of the Fijians. Paul Harricknen, Boroko

LNG projects spur Gulf development

Post-Courier 12.2.2010

By PETER SEA

THE Gulf Province is gearing up for major infrastructure development to support oil and gas projects in the country. It plans to build a deep sea port and industrial park in Orokolo Bay and also open the road linking the neighbouring Highlands provinces. Gulf Province Administrator Simon Peter, Gulf Investment Trust Fund managing director Soroi Marepo Eoe and Mark Baiai, the executive director of the Gulf Provincial Economic Development Authority revealed the plan on Wednesday in Port Moresby. According to Mr Peter the deep sea port and industrial park are major development packages that will ensure the whole of the Gulf Province benefit from the oil and gas projects. The provincial government is embarking on these projects to cash in on the oil and gas projects that are set to start and those that are still in the pipeline, especially off-shore explorations.

Through Gulf Oil and Gas company, the provincial government has 20 per cent equity in the deep sea port development, Mr Baiai said. He said the deep sea port and industrial park, when they are in place, will open the way for another sea port for the seven neighbouring Highlands provinces. "It is closer from the Gulf Province into the Highlands," Mr Baiai said. "We will open the road from there into the Highlands." There are discussions going on between the provincial government and InterOil and Petromin to look at the area and help with the projects, Mr Baiai said. An investor from overseas is being courted to finance the projects with the provincial government as a joint venture on a build, operate and transfer (BOT) arrangement. On the industrial park, the government plans to build an oil and gas discharge facility, a major power plant and a cement plant.

FIJI NOTES AUSTRALIA NEED FOR SKILLED MINERS

Skilled labor shortage creates thousands of jobs

SUVA, Fiji (Fijilive, Feb. 11, 2010) - Fiji's miners and construction workers could be in big demand as the mining industry in Western Australia and Queensland face skills shortages. The mining boom has created a shortage of skilled labour in Western Australia already while a Queensland business announced last week a US\$60 billion 20-year deal to supply coal to China. Queensland alone needs close to 20,000 skilled workers, with the natural gas industry needing up to 6000 tradesmen and professionals in the next 10 years for eight LNG projects plus thousands more construction workers. And the coal industry in the State needs over 12,000 production and construction workers.

The demand for resource sector workers are taken care of in the latest immigration scheme reform announced this week. Australian Immigration Minister Chris Evans outlined a new direction for the skilled migration program yesterday, complementing the economic strategies of the States and targeting skilled labour. Australian High Commission spokesman in Suva, Dennis Rounds confirmed there is a demand for labour in the related field. "Those who wish to work in the Australian mining industry would need either a skill on the current Critical Skill List (CSL) or sponsorship from their Australian employer or Australian state/territory government."

He added that however, the CSL will be revoked when the new Skilled Occupation List (SOL) comes into effect in mid-2010. "The SOL will have a more targeted list of occupations designed to meet the medium to long-term needs of the Australian economy," Rounds said. When the new targeted list of professions gets introduced, the "points" system will be re-evaluated with the potential for more weight to be placed on English as a first language. *Fijilive:*

<http://www.fijilive.com>

PNG CAPITAL RANKED AMONG WORLD'S WORST

Economist low on crime-ridden Port Moresby

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 11.2010) – Papua New Guinea's capital Port Moresby has been ranked among the world's five worst cities to live in by The Economist business magazine. In 2004, the same survey ranked Port Moresby the worst in the world. Despite massive amounts of foreign aid, relative political stability and sustained growth from a resources boom, Port Moresby is still considered one of the world's worst addresses.

The magazine rates Port Moresby ranked 137 out of 140 cities, putting it one step below Nigeria's capital, Lagos, but one above the Algerian capital Algiers and Bangladesh's Dhaka. Zimbabwe's capital Harare as the world's worst city, while this year's Winter Olympic host Vancouver is ranked the most liveable city on the planet. The ranking scores each city on 30 factors spread across five areas: stability, healthcare, culture and environment, education, and infrastructure.

PNG not a 'banana republic' – Foreign Minister

Post-Courier 11.2.2010

By *JONATHAN TANNOS*

FOREIGN companies involved in mineral extraction projects were strongly warned yesterday not to treat Papua New Guinea as a "banana republic." This stern warning was issued by Foreign Minister Sam Abal when signing the deportation order for the 14 Fijian guards engaged by Allied Gold Limited (AGL) on their Simberi Island mine in New Ireland Province. He signed the orders at 10am and expected the Foreign Affairs and Immigrations to detain the Fijians for expulsion. The orders said they had to move out of the country by tomorrow. The Minister has also directed a high level inquiry into how immigration and visa requirements were breached and defied in the engagement of the 14 by the company and relevant agencies. An infuriated Mr Abal told reporters he was not impressed with the way AGL had engaged the Fijians.

Mr Abal said he had a lot of questions about the management of the company "and what these people are up to." He said since the initial detaining of the Fijians in Port Moresby he was surprised at the way they were quickly whisked back to Simberi, causing more disturbance. Mr Abal said the initial intention was to make them leave quietly, but this had not materialised since the company decided to act otherwise. He said if companies were not prepared to follow the rules and laws of the nation, they should just "pack up and leave." "I don't like people who treat PNG as a banana republic," Mr Abal said. The orders create history for both countries as this was the first time for any person of Fijian nationality to be blacklisted from its fellow-Melanesian country and in such a large number.

PNG LANDOWNERS AIR GRIEVANCES TO EXXONMOBIL

Call for special office to deal with landowner concerns

By Mal Taime

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 11, 2010) - LANDOWNERS of the Liquefied Natural Gas (LNG) project in the resource-rich Southern Highlands Province in Papua New Guinea (PNG) have called on ExxonMobil to have business development to liaise with landowner companies. Representatives of each clan led by chairman of PDL (1) Philip Ako, Thomas Tarimbu (Miau clan), Robert Dai (Hinimani clan), Peter Ketalu (Harika clan) and Yandu Hayako of Tabu clan went to the Post-Courier office in Mt Hagen and raised their grievances. "We the landowners of PNG-LNG project in the Southern Highlands Province have disagreed with ExxonMobil's latest company structure and are not satisfied with it," they said.

The landowners claimed that ExxonMobil did not have a business development office to liaise with landowner group companies, adding it had changed the structure. PDL (1) Chairman Philip Ako said they would hold a meeting with ExxonMobil to raise their concern with the company next Wednesday. Mr. Ako said the meeting was scheduled to be held at Komo and they were expecting representative of ExxonMobil to attend the meeting which they described as "crucial and very important".

He said the meeting was for them to tell ExxonMobil not to award contracts to its joint venture companies, but instead it must lease back to the landowner companies. "During our Benefit Signing Agreement (BSA) in Kokopo, East New Britain Province ExxonMobil told us to form our own registered companies. "Each clan formed their own companies and registered with the Investment Promotion Authority (IPA) and have certificates with them and we do not want ExxonMobil to sub-contract other companies," they said. "Give priority to landowners and landowners' interests must be entertained first," they said.

PNG VILLAGE DEMANDS PIGS, CASH FROM GAS DEVELOPERS

Compensation for killings by project supporters

By Harlyne Joku

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 11, 2010) - Porebada villagers yesterday demanded 50 pigs and 700,000 kina [US\$257,000] immediately to them by the developers of the Papua New Guinea Liquefied Natural Gas (PNG LNG) project, the State, and Boera villagers before peace talks start on the deaths of four of its villagers two weeks ago. "Failure to meet these two specific demands within the next 14 days will jeopardize the peace process," the villagers warned in a six-page petition which was presented to Central Governor Alphonse Moroi and Kairuku Hiri MP Paru Aihi yesterday at Porebada village. The petition titled the "Porebada Community Log of Demands" is related to the murders on January 30 after a bloody clash. The clash has also resulted in innocent villagers from Boera fleeing from the village and seeking refuge in the neighboring Papa and Lealea villages.

Lohia Koani, who read the petition on behalf of the Porebada villagers, described the following day as "Black Sunday", the most tragic day of Porebada's history which had created a crisis that would need to be resolved by all parties thoroughly. The clash resulted from an incident earlier the same day where some supporters of the LNG project from Boera village alleged to have been under the influence of liquor, belted up and harassed Porebada villagers who continued to work in their gardens where the proposed LNG road is to be constructed. According to the villagers the argument related to the issue of the traditional land boundaries belonging to Porebada people and benefit sharing agreement of the LNG project.

An identified vehicle, a fifth element driven by a Boera man and allegedly with a son of former Kairuku Hiri MP, Sir Moi Avei inside, brought boys from Boera village in several truckloads. It is alleged they harassed and belted up ordinary people working in their gardens and others who went to cut posts for a house. The boys from Boera were reportedly intoxicated with alcohol and possibly drugs. "The attack took place along the Dabure and Kerere sections of the corridor where an argument over land erupted," Mr. Koani said. Sir Moi's house in Boera was burnt down and four Porebada men were killed as a result. Sir Moi lost his seat at the last election after having been a government minister.

FIJI VILLAGERS CHALLENGE MINERAL RIGHTS LAW

All minerals now belong to crown

SUVA, Fiji (Fiji Times, Feb. 10, 2010) - Villagers in the upper reaches of Wainibuka have called on government to review the existing Mining Act which forbids landowners from holding full authority over the minerals found on native land. The call was made in a meeting attended by landowners and government officials in Nabulini Village on Friday. Village elder Viliame Suvei told officials it was disappointing to see that government continued to have the last word on mineral ownership. "We need to have a say in what we own. The existing law forbids us to do that and it should be reviewed," he said.

According to the Mining Act: "All minerals of every description, including crude oil as defined in the Petroleum (Exploration and Exploitation) Act, in or under all lands of whatsoever ownership or tenure and in whosesoever possession or enjoyment they may be, and shall be deemed always to have been, the property of the Crown and shall be deemed not to have been parted with under any alienation, dedication, lease, license or permit of such lands save in so far as such rights may in any case have been limited by any express grant made before the commencement of this Act."

Government representative and military officer Major Laifone told the villagers that he would like to see the landowners enjoy the full benefits for the use of their land. He said he would seek an audience with Commodore Voreqe Bainimarama to relay villagers' concerns. Permanent secretary for Lands Maria Matavewa said government was committed to reviewing the Mineral Act. She said the revised Mineral Bills would be referred back to the landowners and all the stakeholders for further consultation before it became law. *Fiji Times Online*: <http://www.fijitimes.com>.

PNG MINING DEAL WITH CHINA CALLED INTO QUESTION

Madang nickel mine said to have been greatly undervalued

By Mohammad Bashir

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 10, 2010) – In Papua New Guinea (PNG), former member for Usino Bundi Theo Tuya yesterday called on the national government to appoint a commission of inquiry into the awarding of the multi-billion kina Ramu nickel and cobalt project to China Metallurgical Construction Company (MCC). Mr. Tuya said he was shocked to learn from Papua New Guinean experts that the value of the project was 92 billion kina [US\$34 billion] and not 1.7 billion kina [US\$626 million] as announced by the State and MCC. He said it was unbelievable that someone got away with such a deal and all those involved should be brought to light. "If what we are hearing is true, the Ramu project is worth more than the Papua New Guinea Liquefied Natural Gas (PNG LNG) project for the same 30 year period," Mr. Tuya said.

[PIR editor's note: The Usino people live in Madang Province with three major villages and seven hamlets, all of which are centered in the Ramu River Valley near Usino Patrol Post, just east of the Ramu River. Madang is a province on the northern coast of mainland Papua New Guinea.]

Mr. Tuya was reacting to statements made by high flying geologist Jerry Gerry in Afghanistan and PHD student geologist Paul Kia in Akita University, Japan. The Government must be fair and pay more attention to the Usino Bundi area as one of Papua New Guinea's leading commercial zones in the future," Mr. Tuya said. The recent media reports alleging that the developer robbed the mineral deposits because our Government did not have the necessary negotiating capacity in signing the Mine Development Agreement was disturbing, he said. The resource and landowners of Kurumbukari as well as the Bundi and Usino Local Level Government are stakeholders in the mining project.

The Government had a duty to explain to the locals, Madang Province and the public the true value of the precious mineral deposits Mr. Tuya said. "We are being told by field and academic people in the mining profession that the Ramu nickel development contract was no less than legalized robbery on the part of the Chinese state owned company and if that is true it is in the interest of all stakeholders to review the original mining agreement between the state and China in a commission of inquiry," Mr. Tuya said. Mr. Tuya said the Bundi people should stand united and consider sharing benefits rather than promoting infighting and breaking up their own communities. The Bundi population of under 20,000 stands to benefit from two big mines, the Ramu nickel and cobalt mine and the gold, copper and molybdenum Yandera mine.

EXXONMOBIL HALTS PNG GAS PROJECT OVER SECURITY

Safety of workers cited following Highlands attacks

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 9, 2010) – The Exxonmobil-led Liquefied Natural Gas Project in Papua New Guinea has confirmed is has temporarily suspended construction activity in several areas in Southern Highlands Province. In a statement, Exxonmobil says the decision has been taken to allow adjustments to be made to project security plans in response to a continuing series of violent incidents in the area. This comes after police clashed with hundreds of heavily armed villagers near a proposed site for the multi-billion dollar project, and just days after a key road to ExxonMobil's proposed Kobalu base was held up by local villagers.

[PIR editor's note: RNZI reports separately: Heavily armed police in Papua New Guinea have clashed with hundreds of villagers near a proposed site for the multi-billion dollar LNG project. Preparations for the project in the Southern Highlands Province were once again disrupted by a tribal fight over the weekend. On Saturday, police were called to the Nogoli area, 100 metres from ExxonMobil's proposed Kobalu forward base camp, as villagers had been holding up vehicles on a road in the area. The newspaper, The National, reports 300 heavily armed warriors fought with police in an hour-long gun battle. No-one was injured in the shootout and more police are being deployed to the area..]

Last week, ExxonMobil also stopped construction of a road for the LNG project near Port Moresby after five clansmen were shot dead in tribal fighting. The company says the Project is committed to ensuring a safe work environment for employees, contractors and local communities. Work in the affected areas will re-commence when it is deemed safe to do so.

Radio New Zealand International: www.rnzi.com

FIJI'S VATUKOULA GOLD MINE INCREASES OUTPUT

30,000 ounces a 39 percent jump last year

SUVA, Fiji (Fiji Times, Feb. 5, 2010) – In Fiji, MINING activity at the Vatukoula Gold Mine increased in the months to November last year producing a total of 29,703 ounces of gold. This indicated a 38.7 percent increase in production over the corresponding period in 2008. Recent data obtained by the Reserve Bank of Fiji from Vatukoula Gold Mines Limited (VGML) revealed that the upgrading of plant, machinery and equipment by VGML, as well as the new venture into surface mining, contributed to the sector's positive performance. In September last year, the company announced it had begun the surface mining and treatment of near surface oxidized gold mineralization, and had begun a 10 hole diamond drilling exploration program near the Korowere hill.

In its report released last month, all 10 holes had been drilled and it reported that initial drilling intersected multiple mineralized structures around old surface operations. The report said that success in these investigations would lead to a review of all Vatukoula's leases in the wider region for potential oxidized mineralization and its possible inclusion for the mine's long-term plan. Vatukoula Gold Mine chief executive David Paxton said in that report: "We are pleased with the results of the oxide ore exploration to date." *Fiji Times Online*: <http://www.fijitimes.com>.

FIJIAN SECURITY WORKERS FLEE PNG AUTHORITIES

14 mercenaries hired to guard New Ireland mine

By Julia Bore

PORT MORESBY, Papua New Guinea (The National, Feb. 8, 2010) – The 14 Fijians accused of illegally working in the country have fled back to the Simberi gold mine in New Ireland province, Papua New Guinea.

[PIR editor's note: According to crimeandcorruptionpng.wordpress.com/, the Simberi gold mine has been illegally employing 14 Fijian mercenaries to guard its mining operations in New Ireland province. The mercenaries were working without valid visa's and their employment by the mine company provoked an angry response from local landowners. The local police commander in New Ireland described the mercenaries as a 'private army' brought in to control protests by local landowners over the mines' environmental damage. Landowners in New Ireland allege the mercenaries were flown in with their own firearms. The Simberi gold mine, located in the Tabar Islands, is operated by *Allied Gold Limited*, an Australian-based company.]

They were supposed to be in Immigration Department custody at Boroko's Noko Guesthouse, while their case is heard in court. They went into hiding soon after the court hearing last Thursday with the Immigration authorities combing the National Capital District to determine their whereabouts. The 14 Fijians got on an Airlines PNG charter last Friday morning and flew to Simberi, government authorities working on their case said. This was confirmed by O'Brien Lawyers, the lawyers representing the Fijians. Their employers had also arranged for the 14 to fly out of PNG via Honiara to Fiji yesterday morning. However, Immigration authorities, knowing that the National Court had got their undertaking not to deport them, took out an order and issued it to all airlines stopping them from airlifting the 14 from the country until the hearing, currently in progress, is completed.

National Court judge Justice Ambeng Kandakasi, in a hearing last Thursday, said he would not entertain any further hearing until the Fijians prove that they were legally in the country. The Fijians are claiming in court that they were illegally detained by Papua New Guinea authorities. But their fleeing to Simberi could land them with a lot of bother in court. An official said their leaving Port Moresby was in itself a breach of the Immigration Act and also contempt of the National Court. Yesterday, Immigration authorities said the 14 Fijians and their employer "took us to court, they must remain in the country until the court process they instituted is completed".

The National: www.thenational.com.pg/

GOLD MINING COMPANY DEFENDS PNG OPERATIONS

Denies collusion with police in evictions at Porgera

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 7, 2010) – Papua New Guinea gold miner Porgera Joint Venture, or PJV, has criticised an Amnesty International report calling on the Government to investigate police atrocities near Enga province's Porgera mine.

Amnesty's report condemns police for illegally evicting and burning down the homes of permanent residents in the gold-rich area in an operation last year. The report criticised the miner for supporting the current police deployment in the area which is a hub of illegal mining and criminal activity.

In a joint statement with its parent company Barrick Gold Corporation, PJV says it's committed to protecting human rights. PJV and Barrick say they were not informed in advance of the police operation. But they don't agree with Amnesty's recommendation that PJV withdraw its support for the current police deployment. Meanwhile, Amnesty has questioned the impartiality of a proposed police investigation into the evictions after PNG's Police Commissioner dismissed allegations of police misconduct. Radio New Zealand International: www.rnzi.com

Editorial

Money is truly the root of evil

Post-Courier 5.2.2010

IT has to be said: The trouble that ended in five deaths near Port Moresby last weekend was a shock to most. After all, the people of Central Province have always been regarded as among the most peaceful, law-abiding and religious people of our nation. However the fact is that five people died after conflict over the land on which parts of the LNG project are to be involved. The rights and wrongs of the fighting and the deaths will be argued out in the courts if and when people are charged with the killings. However, it has jolted the complacency of many about the likely path of development for the project, at least that part involving the people of Boera, Porebada and nearby villages.

Surely all the discussions and troubleshooting to do with the liquefied natural gas project had resulted in preparations for dealing with violence in the Southern Highlands part of the project. Both folklore and experience has proven that people in the mountains tend to flare up more visibly and physically when things do not go their way. All the "form" and past experiences with the people of Central, especially those areas now involved, have pointed to peaceful and productive negotiations. Sadly, money is the root of all evil and this has been exemplified once more in the history of humanity. The very thought that one group's rights to income from the venture could be taken by another has sparked ill-feelings and these emotions have led to the disastrous results last weekend. The big test now is whether the normal tendencies of those people, to seek peace and understanding in rational discussion, can be relied upon in this case.

Many village societies in Papua New Guinea are reporting of a collapse in the system of elders leadership. It can be put down to the onslaught of western-style education and the inculcation of concepts of freedoms of various types which do not allow for blind obedience because of age. Or it can be attributed to the weakening of discipline with the introduced evils of alcohol and drugs. There is very little evidence of any of our village societies finding solutions to these trends. And it is certain that education will not change, including the failure to include anything about traditional leadership. These are, collectively, huge headaches for our society.

2009 a memorable year for PNG LNG project

Post-Courier 5.2.2010

By PEARSON KOLO

LAST year will be a memorable year for the country's single biggest venture, the PNG LNG project. That was the year when three very important agreements between the project developer ExxonMobil, the Papua New Guinea Government and the landowners of the project areas were signed with common understandings, promises and commitments made by all the parties involved. However,

the landowners who are one party to these agreements have raised worries that they are still waiting for a very important part of the agreement to be actioned by the developer, ExxonMobil. That aspect in the agreement is for the ExxonMobil to release the national content plan from which the landowners will clearly know what kind of businesses they will be involved in with the project with their landowner umbrella companies.

Landowner leader of Hides 4 Petroleum Development Licence (PDL) 7 Eric Ayule said the progress of the project should not be jeopardised by such delay. Mr Ayule said the landowners needed to know what kind of businesses they were eligible to take part in with the project so that they could be prepared. “We the landowners want LNG project developer ExxonMobil to release the national content plan so that we can prepare ourselves for the kind of spin-off businesses we want to be involved in,” Mr Ayule said. “We the landowners have done our part in the project without disputing. “We have signed all the required agreements and now we want to prepare ourselves in some of the many business opportunities created by the project.”

‘Increase police for LNG’

Source: By JAMES APA GUMUNO

National 4.2.2010

ACTING Highlands police divisional commander Supt Thomas Eluh said he fears those who have acquired firearms in the Southern Highlands, and are not benefiting from the multi-billion kina LNG project, will be mobilised. “It is a ticking time-bomb that will explode if the Government does not act now,” he said. “Police manpower in the province is 118. “Given the nature of the LNG project and influx of people into the province, we need about 1,000 police personnel. “We need to reopen nine rural police stations and deploy more policemen in every district to maintain law and order,” he said. Supt Eluh said people complaining about being excluded in the benefit sharing agreement have blocked roads and cut down power posts.

“It seems the Government is not fully prepared for the multi-billion kina project. Before the project is in full swing, the Government must equip police, customs, immigration offices and other agencies that will be involved in the project,” he said. Supt Eluh said a team has been set up to review police logistics, manpower, infrastructure and other needs in order to compile a report for the police commissioner. The report will cover how to maintain law and order with the LNG project implementation, Supt Eluh said. The team will talk to ExxonMobil and others for assistance, he said.

Confusion over Napa Napa leadership

Source: By TRAVERTZ MABONE

National 4.2.2010

THE Napa Napa Landowner Association’s (NNLA) leadership is in a crisis as questions have arisen over who are its leaders to make vital decisions on the LNG project. This came about after an advertisement sidelined the chairman and other members on the board. NNLA chairman Pr Hanua Gadiki was frustrated over the advertisement in the two daily papers last Tuesday, which sidelined him and two other members of the board after an alleged association meeting on Jan 21. “The people behind this had neither right nor authority to make such decisions in ousting me and the other members and we will sort out the issue soon,” he said. Pr Gadiki said the titles over the portion of 237- DA5 which was reverted from the State title to NNLA had caused confusion among association leaders, which led them to act in such a manner.

“The advertisement is the work of opportunists and outside influences seeking a way into the current LNG benefits,” he said. Pr Gadiki also said the current board was intact and that there never was an approval for the meeting and discharge of the members. “The advertisement is also a crimi-

nal act with the police already carrying out an investigation on the individuals. “According to the provisions in the Company Registration Act, there are 12 members of the board and five of those dissolved directors acted recklessly in an unworthy manner. “I will ensure that they are terminated and will never take part in the association’s future dealings.” The National was unable to reach the party that put up the advertisement as all their contact details had been disabled.

Amnesty slams evictions near Porgera mine

National 4.2.2010

Source: By ILYA GRIDNEFF of AAP

POLICE burnt down homes and threatened people with guns while illegally evicting them from land next to one of the biggest gold mines in Papua New Guinea, an Amnesty International report says. It also cited concerns with the ongoing support companies in the Porgera gold mine, gave to police after they became aware of their activity in the area. “Incidents took place in the special mining lease (SML) area within which the Porgera Joint Venture (PJV) operates one of the largest mines in the country,” the report released yesterday said. The damning allegations prompted the largest gold mining company in the world, the Canadian-based Barrick Gold, to accuse the report’s authors of failing to acknowledge the region’s “complex social and law and order challenges”. The mine is 95 %-owned and operated by subsidiaries of Barrick Gold.

“These omissions raise serious questions about the adequacy and objectivity of Amnesty’s investigation and analysis,” the company said in a statement. “Amnesty’s report does not address the complex social and law and order challenges in the central highlands of PNG, nor does it acknowledge the role of local landowners, clans, in-migrants and other interests.” Amnesty’s report accused police of burning down about 130 buildings, forcing out families including children, pregnant women and the elderly from Wuangima villages between last April and July. During this time, PJV was supplying accommodation, food and fuel to the police, it said. “Amnesty International does not allege that either company is responsible for the police violence or the forced evictions, however it believes Barrick and PJV failed to respond adequately when company personnel became aware of the police activity in the area,” the report said. Shanta Martin, Amnesty’s mining and human rights specialist, said the villagers were the victims of human rights violations, and urged the mining giant to stop giving food, accommodation and fuel to police stationed in the area. “As soon as (Barrick) became aware that the police were burning down people’s homes right next door to the mine’s facilities, they should have recorded and reported the activity to the PNG authorities and conduct an investigation,” Martin said.

Amnesty is also calling on the PNG Government to investigate the conduct of police. Barrick has said it will co-operate with any investigation the PNG Government deemed necessary but has rejected Amnesty’s recommendation that it withdraws its support for police in the area. Last April, the PNG Government and police cracked down on Porgera settlers, forcibly removing some in a hardline swoop that Barrick subsequently praised for reducing tribal fighting, crime and dangerous illegal mining. The original population surrounding Porgera gold mine was about 5,000 but now estimates put the population closer to 50,000. So bad was the lawlessness stemming from the lure of gold that some PNG politicians wanted a state of emergency declared.

Porgera mine hits back at critics

Post-Courier 4.2.2010

By *ERIC TAPAKAU*

GOLD miner Porgera Joint Venture (PJV) and its parent company Barrick Gold Corporation have hit back at Amnesty International (AI) for the latter’s report calling on the Government to investigate police atrocities near the mine. Both companies said yesterday that they were committed to

protecting human rights and operating in alignment with Voluntary Principles on Security and Human Rights. “Barrick and the PJV are each committed to protecting human rights and operating in alignment with the Voluntary Principles on Security and Human Rights. Throughout the police deployment, each has operated in a manner expected of companies and consistent with the Voluntary Principles.” PJV and Barrick said in a joint statement. “The companies have advanced international human rights standards through formal agreements with and training involving PNG police authorities.

They said the severe deterioration in law and order that led to the police deployment had been a source of serious concern among government officials, community and religious leaders, local landowners, non-governmental organisations, area businesses including the PJV, and residents. Amnesty International in its report titled “Undermining Rights: Forced evictions and police brutality around the Porgera gold mine, Papua New Guinea, documents police violence and the forced eviction by police of families living alongside the Porgera gold mine. The report makes specific mention of Wangima village. “Instead of being able to rely on the police to protect them, people who were living next to the mine’s facilities have been the victims of human rights violations by police who illegally burnt down their houses and destroyed their belongings and gardens,” said Shanta Martin, Amnesty International’s mining and human rights specialist.

Barrick and PJV hit back saying that Amnesty International’s report “does not address the complex social and law and order challenges in the central highlands of PNG, nor does it acknowledge the role of local landowners, clans, in-migrants and other interests”. “AI’s unequivocal assertion that police were solely responsible for the destruction of all structures totally ignores an array of local interests and appears to discount the involvement of individuals or groups that may be motivated by political or financial reasons,” said PJV and Barrick.

Local Assembly leader blames Government for the deaths

Post-Courier 4.2.2010

By SIMON ERORO

THE Chairman of the Motu Koita Assembly Miria Ikupu yesterday blasted the Government for mishandling the LNG project and creating divisions among the people. Mr Ikupu said the deaths in the two big Motuan villages were a direct result of the Government’s ignorance and failure to use the existing Oil and Gas Act, rather than trying to rush decisions and pushing them down people’s throats. He said many of the Government’s decisions relating to the project has already created divisions among the people and the blame for the dreadful killings that occurred last week must be shouldered by the Government. “If you push people to the limit...everyone will take up arms. “Whichever way we can try...we will always find resistance and it can be direct or indirectly like how it has happened in the Portion 152 area in the Central Province,” Mr Ikupu said.

He said the Government must listen, rather than forcing the people. “These people are our people and we need to also realise that these people’s ancestors were warriors as well...we can not learn our mistakes from Bougainville.” He said the developers would not care how many people were dying but would continue to push for the project because they wanted to deliver within their time frame. “We have allowed the developers to dictate to us what they want rather than us telling them how we want it since it is our land, our resources and it is the lives of our people that will be affected the most,” Mr Ikupu said. He is calling on the Government to co-operate and put the people’s interest first.

More troops sent into Tari ‘war zone’

National 3.2.2010

Source: By JAMES APA GUMUNO

POLICE yesterday deployed more manpower to Tari, Southern Highlands province, to contain the ongoing tribal war which has affected economic activities and operations since last weekend.

“Enga’s mobile squad 11 was rushed to Tari on Monday. Yesterday, more men were deployed to beef up security to bring back normalcy,” provincial police commander Supt Jimmy Onopia said. He said the operations of ExoonMobil, the developer of the PNG LNG project, Oil Search Limited and Curtain Brothers were badly affected by the fights which started last weekend. “All construction work has stopped and it is still not known how many people were killed or injured,” he said. Supt Onopia said apart from tribal fights in Nongoli, there were also other tribal fights in Tari. “We are not even sure how many tribes are fighting there.”

Despite a shortage of manpower, logistical supplies and the communication breakdown, Supt Onopia said: “We are doing all we can to contain the problem.” “If we need to call for more men from other provinces, then we will do so. But at the moment, we can manage,” he said. He added that he was yet to receive a full report from his men on the situation. Supt Onopia said Mendi’s mobile squad 8 was deployed to Semberigi last Friday to contain tribal fighting in the area over a land ownership dispute which resulted in one death and not 11 as reported by the Post-Courier last week. “Some suspects involved in the killing are expected to be arrested soon,” he said. “We are doing our best to contain lawlessness in the province.”

14 Fijians ‘illegally employed’

Post-Courier 3.2.2010

By JONATHAN TANNOS

THE 14 controversial Fijians facing deportation have admitted being illegally employed as “security consultants” by Simberi Gold Company Limited (SGCL). The admissions are contained in records of interviews conducted by Immigrations, Labor, Police and Mining officials last week. And a high powered investigation into the matter is being undertaken into actions of the company with the possibility of prosecution for alleged breaches of immigration and labour laws, and national security. SGCL is owned by Australian junior miner Allied Gold Limited (AGL). The admissions appear to contradict AGL executive chairman Mark Caruso’s claims in a public advertisement upholding the propriety of the Fijians’ engagement. “All Fijian employees applied for and were granted by the department for Immigration the applicable visa that advised as appropriate given they were not employed or paid by a PNG company,” Mr Caruso said.

“Their mandate was to consult and provide training assistance under a designated training plan.” Mr Caruso’s claims, however, differ from the account of most of the Fijians who said they had no work permits and were only in the country on business visas. They named a Kelly Iowane Manasau as the person allegedly responsible for their recruitment from Fiji but without signing any contracts and unsure of their employment conditions. They also admitted to not possessing any official work permits for PNG. Asked about how they got to PNG one of them said; “This guy from Gold Ridge (Solomon Islands) arranged for everything – he gave us our tickets and we came to PNG.” Another said; “We were not working, we were just helping” when asked about the requirements of business visas. “We were just told to come to Simberi and sign the documents here,” another said.

PNG VILLAGERS EVICTED, HOMES BURNED NEAR MINE

Watchdog reports police action at Porgera gold mine

MELBOURNE, Australia (Radio Australia, Feb. 3, 2009) – Amnesty International says police in Papua New Guinea illegally evicted people living near a mine owned by the world's biggest gold miner. As PNG correspondent Liam Fox reports, last year police conducted an operation to restore law and order around the Porgera gold mine in Enga province. Amnesty International says they forcibly evicted families from homes near the mine site and torched 130 buildings.

Spokeswoman Shanta Martin says people had no time to collect their belongings and their food gardens were destroyed. "There is a need for the Papua New Guinea government to carry out a full investigation, to prosecute those responsible and provide remedies for those affected," says Martin. Porgera is majority owned by a subsidiary of the world's biggest gold miner Barrick Gold.

[PIR editor's note: Pacific Islands Report in an *exclusive 2006 story* reported a string of alleged killings at the Porgera gold mine, said to involve local police hired as security workers for the mine. Police subsequently opened at least one murder investigation in connection with the killings but no followup has since been reported.] Amnesty International says the mine should stop providing food, accommodation and fuel to the local police.

Editorial

GAS PROJECT BRINGS TROUBLE TO QUIET PNG VILLAGE

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 3, 2010) - THE vaunted LNG (liquefied natural gas) project in Papua New Guinea (PNG) has barely started and already the country is being caught by surprise by developments. The clash between two large Motuan communities over the rights and wrongs of land use has stunned most spectators. Five men are reported dead from one community and another large village is deserted, the normal occupants having fled in fear of retaliation. It sounds like the battle report from some other parts of the country, where such group clashes are part of the culture and fully expected when there is a row over valuables. However for it to come from the traditional villages near to Port Moresby, it is entirely out of character. These people are renowned for their love and respect for a peaceful life and are generally law abiding citizens.

Many are devoted Christians and sweat away at community activities devoted to their church thanksgiving ceremonies. The offices of the capital city are commonly staffed by people from these areas. Ever since Captain John Moresby dropped anchor in the waters of Fairfax Harbour back in the 19th century, the traditional inhabitants of the dry brown hills nearby have lived amicably with all the "blow-ins" from other parts of the country and from overseas. Now however there is a ferment in the communities that has rarely if ever been there, even when the capital city was taken over by the military in World War 11 and occupying troops had drills in those same hills.

Dame Carol Kidu, Community Development Minister and a member of that community, is worried about the social disruptions that will come to these people because of the LNG economic boom. From all the signs, including wordy bickering among landowner groups, allegations about the involvement of politicians and now the bloody clash of the last few days, it is apparent that Central Province will never be the same again. The developer, ExxonMobil, is doing the right thing by keeping calm. It is the Government's role to step in and sort out the trouble, using a mixture of crime detection and prevention, plus negotiating skills to resolve the dispute and soothe over the repercussions. Everybody had expected the fireworks from the other end of the project. This

alarming episode must alert all concerned to the reality of the situation: that is, big money can create big problems!

Mine cash machine ‘open’

Letter to the editor, 5.2.2010

To us simple citizens talk of billions of kina can overwhelm us. But if you care to sit down and consider the revenue generated by Ok Tedi during the past 26 years then they come down to cash amounts that we can easily grasp. In this instance, the K13 billion becomes a more recognisable K2,166 per PNG citizen over the 26 years. Alternatively, that works out at just K83 a year per person, or even more relevant, to a tiny 23t a per day for the past 26 years. That is not even a roll of tobacco or a bread bun. PS: The figures you printed do not add up: (millions of kina) $14+301+5165+580+2000+3400+160 = 11,820$ (K11,820 million not accounted for), or if you add the PNG purchases of K3,000 million then the total would be K14,820 million, or nearly K15 billion. – Grassroots numbers, Cardiff, UK

Ok Tedi Mining Ltd: The cash machine

The National 2.2.2010

Source: By YEHIURA HRIEHWAZI

OK TEDI Mining Ltd (OTML) has paid K13 billion to the National Government, Fly River provincial government and impacted communities since the first gold pour in 1984. If the mine extends beyond 2013 to 2020, OTML will pay more than half the benefits of the PNG liquefied natural gas (LNG) project, according to OTML managing director Alan Breen. During last year’s mining and petroleum conference hosted by PNG Chamber of Mines and Petroleum, Mr Breen lamented at the lack of development in the local communities and the Western province despite payment of large amounts of money annually.

According to OTML the break-down of benefits to date were: mine area village royalties, K214 million; Fly River provincial government royalties, K301 million; Government taxes K5.165 billion; tax on salaries and wages, K580 million; dividends to the State, K2 billion; PNG Sustainable Development Program, K3.388 billion; in-country purchasing, K3 billion; and health services K160 million. The funds are paid in line with the 2001 9th supplemental agreement and other commitments which were also part of an Act of Parliament. On this, Mr Breen says the question on lack of development should be best asked to the recipients of the substantial benefits. “A lot of the money is tied up in trusts and banks rather than being used to develop the services and infrastructure the province and the nation so desperately needs. “It concerns me that we are not seeing the benefits on the ground where it matters most.” “Despite this massive accumulated benefits, the deterioration of health, education and infrastructure services in Western province has continued. “It is not that funding is not available but, as I mentioned, that substantial funds are sitting unused in trust accounts and banks,” he said.

For that reason, Mr Breen is among those who oppose the Kondra Bill – the proposed amendments to the Mining Act to make landowners own resource projects. The proposed change is “unfair and inequitable” and would not deliver national benefit, only to a relative few people. “Something is not working,” he said. Records show that various disagreements led to its local leaders threatening a “bows and arrows war” against the giant mine at the start of mining, class-case against the mine over environmental damages, withdrawal of BHP from the mine and replacing its 52% equity with PNG Sustainable Development Program and now questions relating to lack of development in Western-Province and impact communities.

Ramu mine worth billions

Letter to the editor, Post-Courier 2.2.2010

The value of Ramu Ni-Co project quoted in The National newspaper is misleading. It also holds the largest Sino-Australian nickel and cobalt project worth \$US1.7 billion (K4.6 billion)" from the article entitled "PNG on a verge of a Boom". For brevity, Ramu laterite deposit contains 1.44 million tons of nickel and 0.143 million tons of cobalt within a reserve of 143mt at 1.01 per cent Ni and 0.1 per cent Co. At today's buoyant prices of \$US9/lb for nickel and \$US20/lb for cobalt, the in-situ value of contained nickel and cobalt in the Ramu project stands at about \$US28 billion and \$US6 billion. So the actual value of Ramu nickel cobalt project is \$US34 billion or K92 billion at today's prices. This excludes exploration dollars already spent on the project. This mine will produce in excess of 31,000 tonnes of Ni and 3300 tons Co annually for a period of 20 years (with the potential for up to 30 years). The worth of metals produced annually may exceed \$US750 million subject to fluctuating metal prices and production capacity. This is somewhat equivalent to well over K2 billion per annum at today's exchange rate and metal price.

Sadly, 85 per cent of the ownership of the Ramu mineral resource was sold to MCC, the Chinese state owned enterprise for a mere 5 per cent (\$US1.7 billion) of the total value of this mega resource. So the \$US1.7 billion is the construction and initial operating costs. So how much is left for PNG or Papua New Guineans? Barely 10 per cent (because HPL is a public listed company) in the bones as usual through the following entities: -

- * 8.56 per cent Highlands Pacific Limited
- * 3.94 per cent MRDC
- * 2.5per cent landowners

To set the record straight, the present value of Ramu mine is worth about \$US34 billion (K92 billion) and not \$US1.7 billion (K4.6 billion) at today's price but unfortunately very little if not none will be reflected in long-term tangible development of Papua New Guinea. Indeed it is another example of broad daylight rape and exploitation of Papua New Guinea. PNG government and its entities must act radically and swiftly in changing the current trends in order to maximise realisation of the natural resources for Papua New Guinea. Sadly, PNG government is continuously selling multi-billion-dollar resources cheaply, for next to peanuts because it seems to lack comprehension and in-depth analytical skills compounded by greed and ignorance.

Kaul Gena, Ph.D, Senior lecturer, Western Australian School of Mines

No wastes into river: Xstrata

Source: By YEHIURA HRIEHWAZI National 1.2.2010

SWISS mining giant Xstrata Plc says it will not dump mine waste into the Sepik River system from its Frieda River gold and copper mine when it begins production in 2017. This announcement is a big shift away from the traditional riverine tailings and waste disposal systems by mining companies in PNG. Ok Tedi, Porgera and Tolukuma dump treated tailings into river systems much to the dislike of impacted communities and environmental groups. However, such dumping has been supported by the PNG Government that monitors and ensures WHO standards of toxicity, or otherwise, are maintained in river systems where the wastes are neutralised before disposal. Being a Swiss company where its government and people are totally opposed to environmental degradation, Xstrata will not go down that path.

The Swiss and the Scandinavian countries like Finland, Norway and Sweden are so stringent on adhering to such principles and ethics that only last year, Norway expelled Barrick Gold from one of its large financial institutions because it operates the Porgera gold mine which dumps treated tail-

ings into the Strickland River system. Xstrata and junior partner Highlands Gold Ltd last week announced a big increase in their gold and copper deposits at Frieda River licence in Sandaun province. They said a pre-feasibility study is expected to be completed by the third quarter of this year with construction to begin in 2012 and production in 2017.

This is good news for the 3,500 Ok Tedi employees who could be easily absorbed into Frieda when the Mt Fubilan operation just south of Frieda closes in 2013, if it's not extended to 2020. Frieda's general manager Dugie Wilson told a Radio Australia (ABC) programme that Frieda's expected mine life is 20 years and will almost double the amount of ore intake in the processing mills. Ok Tedi crushes 23 million tonnes of ore annually while Frieda will process 40 million tonnes. Mr Wilson said that makes Frieda River project one of the top 10 greenfield mines in the world. "We have done a lot of additional drilling which has then not only lifted the size of the resource, but I have confidence in how the copper mineralisation is actually distributed," he said.

FOUR DEAD IN PNG SKIRMISH OVER GAS FIELD LAND

Dispute over who owns land at major project site

PORT MORESBY, Papua New Guinea (The National, Feb. 1, 2010) – A FIGHT allegedly over ownership of land where the PNG Liquefied Natural Gas facility is proposed to be built outside Port Moresby has left four people dead and two critically injured. Police said late last night that the fight was between Boera and Porebada villagers. A row has been brewing for some time over ownership of the land, and which landowner company legitimately represents the interest of landowners and villagers associated with the block of land known as Portion 152 given away for the development of the PNG LNG Project. NCD police operations commander, Supt Andy Bawa, said last night that four people were killed and two others were critically injured and rushed to hospital. He said the fight appears to be over ownership of land, and started around 2pm yesterday when Porebada villagers launched an attack on Boera village.

Supt Bawa said Boera villagers retaliated, killing four people and burning down three houses. "Two other people are critically injured and are in hospital. Their condition is very serious. A police mobile unit has been sent to the area. The situation there is very tense and volatile. I'm dispatching a support unit again to the area tonight (last night)," Supt Bawa said. "The killings occurred today (yesterday). The fight started around 2 o'clock," he said. Developers of the PNG LNG Project plan to build an LNG liquefaction plant, storage and loading facilities at Portion 152. The ownership of this land, and its lease to the State, to be made available for the project, is a subject of dispute between clans from the area. The plant, storage and loading facilities will cost US\$7 billion to build and the contract was recently awarded to Japanese company Chiyoda.

Boera clan leader Raho Kevau, when contacted yesterday, said he was stranded in Port Moresby and was not able to contact people in the village about the situation. "Something has gone wrong and this has happened. I don't know what it is and what was the cause. Whether it is land or some youths getting drunk and throwing stones, but I will get more details tomorrow (today)," Mr Kevau said.

Australian gold firm's output increases

Post-Courier 29.1.2010

MELBOURNE: Newcrest Mining Ltd says output rose sharply in the December quarter, thanks to a strong performance of its mines in Western Australia and NSW and a ramp-up of operations in PNG. Newcrest, Australia's biggest gold company, maintained its guidance for full year gold production of between 1.81 million and 1.91 million ounces but increased its guidance for copper out-

put to between 85 kilotonnes and 90 kilotonnes. The company said the strong overall production result was due mainly to record quarterly production at its Telfer operation in Western Australia, higher production at Cadia Valley in the NSW central west, and ramp up at Hidden Valley. In its December quarter production report, issued on yesterday, Newcrest said it produced 442,333 ounces of gold in the quarter, up 17 per cent on September quarter. Gross cash costs fell 31 per cent to \$A310 per ounce, and net cash costs fell 29 per cent, also to \$A310 per ounce, the miner said. "Lower site operating costs, increased production and higher by-product credits combined to deliver the lower-cost profile," the company said.

Newcrest said its copper production in the second quarter was 23,860 tonnes, 12 per cent higher than the first quarter. "In a number of areas operating costs surprised on the downside, so that was a positive," RBS Morgans resources analyst Warren Edney said. "In all operations except for Gosowong and Hidden Valley production was better than I had forecast," Mr Edney said. He said results from the Hidden Valley mine in Papua New Guinea, which Newcrest has a 50 per cent stake in, continued to disappoint. "They had some issues last quarter and they had some this quarter, and it has been delayed, but overall does it hurt the company? No," Mr Edney said. "As a positive out of that, at least they are gaining valuable experience in developing new projects in PNG," he said. Newcrest shares closed down 17 cents to \$A32.13 on Thursday.

Morobe mining increase production Post-Courier 29.1.2010

Papua New Guinea's newest major mining venture continues to fulfill its promise to the people of Morobe Province and PNG. The Hidden Valley mine located in the mountains behind Bulolo reported production of 43,028 ounces of gold for the December 2009 quarter. The joint venture participants, Harmony Gold Mining Company Limited and Newcrest Mining Limited, said production increased significantly from the previous quarter as the project continues to ramp up towards full production. Construction of the 5km overland conveyor linking the Hidden Valley pit with the processing plant was completed during the quarter, and process plant throughput reached 85 percent of design capacity during December 2009.

The processing plant is expected to reach full production during the March 2010 quarter following commissioning of the flotation circuit. The Joint Venture participants expect the original design capacity for the Hidden Valley mine and processing plant (an annualised rate of 250,000oz of gold) to be achieved during the June 2010 quarter, while construction continues on non-production related infrastructure. Hidden Valley and other MMJV activities employ almost 1000 Papua New Guinean men and women, half of whom are local people from the area of operations, Landowners in the host communities are receiving royalties on every ounce of gold poured.

Ramu mine 'worth K92b'

Post-Courier 29.1.2010

By MOHAMMAD BASHIR

A leading Papua New Guinea geologist says Ramu nickel cobalt mine is worth \$US34 billion and not \$US1.7 billion. He was critical of the Government and its entities which he said were continuously selling multi-billion-dollar resources cheaply, because it seemed to lack the comprehension and in-depth analytical skills compounded by greed and ignorance. Geologist Jerry Garry reacting to media reports said the value of Ramu Ni-Co project quoted in yesterday's The National newspaper was misleading. The report said the mine holds the largest Sino-Australian nickel and cobalt project worth \$US1.7 billion (K4.6 billion)" from the article entitled "PNG on a verge of a Boom". "For brevity, Ramu laterite deposit contains 1.44 million tons of nickel and 0.143 million tons of cobalt within a reserve of 143mt @ 1.01 per cent Ni and 0.1 per cent Co. At today's buoyant prices

of 9US\$/lb for nickel and 20US\$/lb for cobalt, the in-situ value of contained nickel and cobalt in the Ramu project stands at about \$US28 billion and \$US6 billion, respectively.

So the actual value of Ramu nickel cobalt project is \$US34 billion or K92 billion at today's prices. This excludes exploration dollars already spent on the project," Mr Garry who has worked with many international exploration companies said. He said the mine will produce in excess of 31,000 tons of nickel and 3300 tons cobalt annually for a period of 20 years (with the potential for up to 30 years). "The worth of this metals produced annually may exceed \$US750 million subject to fluctuating metal prices and production capacity. This is somewhat equivalent to well over K2 billion every year at today's exchange rate and metal price," he said. Mr Garry said sadly, 85 per cent of the ownership of the Ramu mineral resource was sold to MCC, the Chinese state owned enterprise for a mere 5 per cent (\$US1.7 billion) of the total value of this mega resource. In other words, the \$US1.7 billion was the construction and initial operating costs.

"So how much is left for PNG or Papua New Guineans? Barely 10 per cent (because Highlands Pacific Ltd was a publicly listed company) in the bones as usual through the following entities:

- * 8.56 per cent Highlands Pacific Limited
- * 3.94 per cent MRDC
- * 2.50 per cent Landowners

"To set the record straight, the present value of Ramu mine is worth about \$US34 billion (K92 billion) and not \$US1.7 billion (K4.6 billion) at today's price but unfortunately very little if not none will be reflected in long-term tangible development in PNG" Mr Garry added. He described the case as another example of a "broad daylight rape" and exploitation of Papua New Guinea's resources. "The PNG government and its entities must act radically and swiftly in changing the current trends in order to maximise realisation of the natural resources for PNG. "Sadly, the Government is continuously selling multi-billion-dollar resources because it lacks analytical skills," Mr Garry said.

Frieda to start production in 2017

Source: By YEHIURA HRIEHWAZI

National 28.1.2010

FRIEDA River Copper and gold project in Sandaun province is expected to start production in 2017, according to its developer, Xstrata Plc. A pre-feasibility study is expected to be completed in the third quarter of this year, with construction to begin in 2012 and first production in 2017. This is great news for PNG as it comes at the time when one major open pit mine – Ok Tedi - plans to cease operations by 2014. Ok Tedi copper/gold/silver mine is seeking Government approval to extend its operations for another three years to work a deposit next to its current operations on Mt Fubilan. Government stands to earn up to a K1 billion in revenue if extended. Frieda is located in the headwaters of the mighty Sepik River, north of Ok Tedi mine in Western province and 170km northwest of the giant Porgera gold mine in Enga province. "Our current focus is to conduct various technical studies to support a pre-feasibility study which is scheduled for completion in the third quarter of 2010," Xstrata Copper executive general manager project evaluation Peter Forrestal said in a statement.

Xstrata holds a 76.3% stake in Frieda River, while Highland Pacific Ltd holds 16.95% with the remaining 6.75% held by OMRD, the project's host communities and district, provincial and national governments. The Frieda River project, located 170km northwest of the giant Porgera gold mine, is shaping up as one of the largest open-pit greenfield copper projects in the world, Highlands Pacific managing director John Gooding said in a separate statement. The pre-feasibility study is considering mining and processing 50 million tonnes of ore a year. Last week, Xstrata upgraded its mineral

resource estimate for the Horse-Ivaal-Trukai, or HIT, deposit at its Frieda River copper-gold project. The latest resource estimate includes much increased inventory and improved confidence levels, including a 26% increase in resource tonnage. Measured resources have been reported for the first time and measured and tonnes now total 40% of the increased resource inventory, it reported.

Cops escort Fijians to Port Moresby

Source: By SHEILA LASIBORI

The National 28.1.2010

THE Fiji High Commission says it was not aware of the 14 Fijians coming into the country because “their employer” Allied Gold did not inform the commission. Although this was not mandatory, the High Commission said it had always encouraged its citizens travelling to PNG to register with the office. Allied Gold owns and operates the Simberi gold mine. Yesterday morning, the 14 men were flown to Port Moresby from Simberi gold mine area, located among the Tabar Group of Islands in New Ireland. A High Commission staff, speaking on condition of anonymity, denied public claims and allegations that the men were “mercenaries”. The staff said Allied Gold had advised the High Commission (after it enquired) that the men were hired to undertake a security assessment and design a training programme for local security personnel. “They are former soldiers (Fiji military) and police officers,” the staff said.

Police Commissioner Gari Baki yesterday confirmed brief police involvement in the investigations carried out by Government authorities including Immigration. “There was a Government team that went to Simberi to investigate the presence of the Fijians. We (police) helped and sent a team from Tomaringa to Simberi with instructions to go and support (the investigations),” he said, adding issues surrounding the Fijians presence in the country were immigration in nature and not criminal for police to deal with. Some police officers from Tomaringa’s mobile squad escorted the men to Port Moresby where immigration officers were on hand at the airport to pick them up. The Office of Security Coordination and Assessment (Osca) was in charge of coordinating dealings with the Fijians. Osca, when contacted yesterday, said it was not able to comment on the Fijians until such time Immigration officials had completed processing travel documents for the men.

The 14 men arrived in the country in groups of seven – first on Jan 4 and later on Jan 7. The presence of the Fijians in New Ireland was first raised by New Ireland provincial police commander Supt Ephraim Tomonmon in a brief to Islands regional police command and Police Headquarters in NCD. New Ireland Governor Sir Julius Chan had also raised concerns about the Fijians and called on authorities to investigate their presence at Simberi. Foreign Affairs and Immigration Minister Sam Abal had earlier said the Fijians entered the country on business visas, adding the men did not have work visas although they were engaged to work at the mine. He also expressed concerns at the conduct of the company and the manner in which it brought in the Fijians.

Newly-sworn in commissioners show ‘enthusiasm’ despite massive task ahead

The National 28.1.2010

THE new land title commissioners for the Ramu nickel project, who were sworn in at Government House yesterday, were told of the massive task ahead of them. Commissioner Michael Gene said more than 300 hearings were to be heard and “we want to undertake our task as soon as possible”. He was backed by current Chief Lands Commissioner and former chief magistrate Micah Pitpit. There will be three commissioners but the third will be sworn in later as Justice Don Sawong has been sworn in as a judge in the National and Supreme Courts. Mr Gene said they would sort out administrative and logistical arrangements and were hopeful of getting the ball rolling in due course. Funding will also have to be sourced and Mr Gene said they would take it up with cabinet

for support.

Mr Gene said the commissioners' task was to identify legitimate landowners because, at the moment, there were agreements but some genuine landowners had been left out. Apart from identifying real landowners, the commissioners needed to resolve the issues as soon as possible to ensure the project proceeded smoothly. Mr Gene said massive projects such as the Ramu nickel project contributed significantly to economic and social development. "As such, it is important to ensure the project's smooth operation and security. For now, the immediate task will be to sort some ground rules for the hearings," he said. They will be travelling to Madang today to sort things out and also meet with stakeholders, including landowners.

PNG LANDOWNER COMPANY FORMED TO WORK WITH EXXON

Energy corporation defines 'rules of engagement' with local businesses

By Isaac Nicholas

PORT MORESBY, Papua New Guinea (The National, Jan. 27, 2010) - Energy giant ExxonMobil has laid out the rules of engagement for successful business and sustainability of landowner companies involved in the multi billion LNG project. ExxonMobil business development manager, Frank Pani, said landowner companies must be properly registered and launched to be recognized by ExxonMobil and Oil Search. Mr. Pani said this at the launch of a new landowner company, Moran Ina Naga Ltd, in a colorful ceremony featuring Huli wigmen at Holiday Inn in Port Moresby yesterday.

He also called on the people to throw away guns, bush knives, bows and arrows and drugs and cooperate and work together with the project developers for better living conditions.

Pani said ExxonMobil's business development plan was aimed at helping landowner companies to grow successfully. "Landowner companies must have strong boardrooms and directors. They must also have strong constitution, with two to three-year terms for directors because once directors' terms go 10-15 years, things are bound to go wrong," he said. Pani said the board must also consist of one or two independent directors for checks and balances and regular election of board of directors.

"Landowner companies need to invest money on non-project related areas for sustainability.

"They can also invest in areas like agriculture, buying into cocoa plantations, oil palm and coconut which will sustain them once the non-renewable resource is depleted," he said. Pani said ExxonMobil was already helping landowner companies by paying for their school fees to attend business management school for company directors in Port Moresby. Moran Ina Naga Ltd interim chairman, Tony Kila, said the company was established to represent all the Moran area people in business development activities. He also called on the Government to fast-track the K6 million seed capital promised for start-up.

Frieda project to be largest open pit mine in the world

By Harlyne Joku

Post-Courier 26.1.2010

The Frieda copper gold project in the Sandaun Province is shaping up as one of the largest open-pit greenfield copper projects in the world, according to Highlands Pacific managing director John Gooding. "As last year's kilometre long deep intersection showed, Frieda has the district and depth potential for many decades of production," he announced last Friday. Frieda River copper gold project is 170 kilometres North West of Porgera gold mine. The partners are Highlands Pacific (16.95 per cent), Xstrata (76.30 per cent) and ONRD (6.75 per cent). Highlands Pacific reported a signifi-

cant resource upgrade for the Frieda project increasing the global resource base to more than 8.1 million tonnes of contained copper and 13.3 million ounces of contained gold.

A scoping study released in 2009 indicated a 40 million tonne plant with a 27-year mine life averaging 200,000 tonnes per annum of copper and 240,000 ounce per annum of gold. Xstrata Copper executive general manager project evaluation Peter Forrestal said the latest results confirmed Frieda River as potentially a very significant copper-gold producer in the Asia-Pacific region. He said since assuming management control the project in January 2001, Xstrata Copper conducted an aggressive evaluation program, completing 65,000 metres of drilling as part of pre-feasibility studies.

He said Xstrata's current focus was to conduct various technical studies to support a pre-feasibility study which is scheduled for completion in the third quarter of 2010 and stakeholder engagement and environmental studies are also underway, Mr Forrestal said. "We are committed to moving forward with the Frieda River project in genuine partnership with our joint venture partners Highlands Pacific Limited and OMRD, the project's host communities and district, provincial and national governments," he said.

FIJIAN MERCENARIES TOLD TO LEAVE PNG

Security workers do not have proper visas

PORT MORESBY, Papua New Guinea (The National, Jan. 26, 2010) – The four Fijian mercenaries who were flown to the Simberi mine in New Ireland province have been told to leave. Immigration officials investigating their presence in the country have found that the Fijians did not have work visas, and cannot remain and work at the mine. Foreign Affairs and Immigration Minister Sam Abal told The National last night that the Fijians had entered the country on business visas. He said they have been engaged and carrying out work at the mine, but do not have work visas. "They have flouted their visa. They have been told to leave. They will fly in (to Port Moresby) tomorrow (today) and leave for Fiji via Honiara," Mr. Abal said. Abal expressed concern about the conduct of the mining company, and the manner in which it brought in the Fijians.

"Companies must respect and honour the laws of this country. They must learn to live and deal with our people within the laws and accept our customs. Legitimate concerns raised by the people about the way they do business must be addressed through the proper process, not using heavy handed and intimidating tactics," he said. Abal described the visa breach as a serious matter that is being handled well by officials in his and other relevant Government departments. The presence of the Fijians was first raised by New Ireland provincial police commander Superintendent Ephraim Tomonmon in a brief to the Islands Regional Command and police headquarters in Port Moresby. According to the report, Tomonmon warned the police hierarchy of threats of "a private army" being brought in by the miner to challenge landowners. The Simberi mine was closed last year by the Mineral Resource Authority (MRA) over health, environmental and safety concerns raised by villagers.

The arrival of the Fijians on January 7 surprised the provincial government and villagers who were working with MRA and the mine to resolve the issues raised. Allied Gold Limited yesterday rejected the allegations relating to the "hiring of Fijian mercenaries" as totally misinformed, defamatory, and without any factual basis. In a statement last night, executive chairman Mark Caruso said the media speculation was designed to incite and cause the company maximum disruption to its operations and reputational damage. "All Simberi employees and consultants are engaged under official Government issued legal visas," he said.

PALAU SENATORS SAY OIL AGREEMENT UNCONSTITUTIONAL

Congress, not the President, must authorize exploration deal

By Bernadette H. Carreon

KOROR (Palau Horizon, Jan. 25, 2010) - Sens. Raynold Oilouch and Surangel Whipps Jr. said the oil and gas exploration agreement is unconstitutional citing that it is supposed to be Congress duties to regulate ownership of such exploration not the president. "The oil agreement is unconstitutional," Oilouch said in an interview. The lawmakers questioned the agreement recently executed by President Johnson Toribiong. Whipps said that it is the Olbiil Era Kelulau's (OEK) responsibilities as provided in the Constitution to levy and collect taxes and duties and excises. He added that in turn the OEK is tasked to create laws to set what taxes or excises to be collected. Whipps also noted that it is the OEK's duties to regulate ownership, exploration and exploitation of natural resources. He said that Toribiong overstepped his authority by approving the agreement. "I believe he (Toribiong) has done something unconstitutional and we need to go over the agreement thoroughly as I see too many errors or the aspect of it is not right," Whipps said. Whipps added with the president signing the agreement has rendered the Oil and Task Force Commission's work as useless.

The Commission is tasked to investigate and make recommendations to regulate oil exploration in Palau through a framework. "I am perplexed as to how this came about and suddenly its passage is under urgency," Whipps said. He said that it is not the president who should be formulating the rental amount. Toribiong who is in Manila, Philippines enroute to Taiwan, in a telephone interview told Horizon that he does not see anything unconstitutional in the agreement. He said that he just renewed an old agreement executed before between former president Kuniwo Nakamura and the oil company. "There is nothing new in the agreement," the president said. Oilouch and Whipps also questioned the president haste in signing the agreement where there is no legislation in place yet. "The reason why I am too concerned is that the OEK is waiting for the legislation and the Palau president has gone ahead to do the agreement before the legislation is ready," Whipps said. However, Toribiong said he believes that the legislation will be put in place before any drilling proceeds. He said that he has discussed the agreement with eight other senators prior to its signing.

During that meeting he said, the senators present did not object to the agreement. He also said that the work of the Task Force and the Commission is to come up with legal framework on how to divide the profits if commercial quantities of oil are discovered. "That is a different matter," the president said. He said that Palau would have lost its opportunity to gain from the drilling if he does not sign the agreement. "The question is timing, we would have lost the opportunity under the Kayangel agreement," Toribiong said. The two senators also noted that Toribiong used to be the lawyer of the company which secured the concession. "The president of Palau today was the lawyer for this company and now he is the president of Palau and he enters into agreement with them. Is this not a major conflict," Whipps asked.

The president response to this was, "I believe in the project, I like it. I am no longer their lawyer, I have no personal involvement, investment or interest in this project." He said that it is in the OEK's hands now whether they will approve the project or not. The Senate Committee on Resources, Commerce, Trade and Development is reviewing the agreement and will come up with their assessment on it next week. The president said he thinks the project is in the best interest of Palau. Palau Pacific Energy Exploration was earlier granted license to explore for oil and gas a 1-million-acre concession in the country's territorial waters. A license agreement between Palau and PPX has been executed last week to allow exploration at Palau North Block which is under the jurisdiction of Kayangel State. The agreement was signed between Robert Jordan, PPE President and President Toribiong .

The license is issued for 10 years and that drilling of an exploratory well should commence by no later than May 15, 2011. The agreement stated that if no oil or gas of commercial quantities is discovered by May 15, 2012, the agreement will continue in effect on a year-to-year basis with licensee paying a rental of ten cents (US\$0.10) per acre times the number of acres in the Palau North Block. The agreement further added that if commercial hydrocarbons are discovered then rental ceases. Palau's Kayangel state is located on the northern edge of the 300-mile long archipelago. PPE officials say the area is likely home to one of the world's largest oil fields.

Marianas Variety: www.mvariety.com

PNG SHOOTINGS NOT RELATED TO GAS PROJECT: POLICE

Southern Highlands commander denies link

WELLINGTON, New Zealand (RNZI, Jan. 25, 2010) - Eleven people have reportedly been shot dead in Papua New Guinea, amid a dispute over profits from the massive LNG project. The 16 billion US dollar project, will see a pipeline carrying liquid natural gas from an ExxonMobil site in PNG's Southern Highlands to Port Moresby from 2014. The Post Courier reports a gang of villagers from Erave district, in the Southern Highlands, attacked their neighboring clan with high-powered guns in an early morning raid over the weekend.

The raid is believed to be retaliation for a previous killing that happened in the lead-up to LNG benefit-sharing negotiations last December. However, the, The Southern Highlands Provincial Police Commander, Jimmy Onopia, says details are unclear so far, as police have been unable to get to the remote area. "There is no road access; the only access is by air. We don't have the funds to charter a chopper or helicopter to fly in the troops," said Onopia. "As for the 11 people killed, I can not confirm because we are yet to visit the area. It definitely doesn't have anything to do with the LNG project." Jimmy Onopia says police hope to be into the area in the next two days to find out what happened.

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

11 KILLED IN SHOOTING RELATED TO PNG GAS PROJECT

Raid said to be caused by tension from benefits agreement

By Mohammad Bashir

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 25, 2010) – Eleven people were gunned down in an early morning raid on Pawale village in the PDL4 area of the PNG LNG project in Southern Highlands. As a result, the government and developers have been given 48 hours to step in and restore order. In a gang style attack, four groups of young men from the neighbouring Imawe Bogasi clan armed with high powered guns reportedly staged the raid, killing 11 young men and injuring many villagers. Hundreds of women and children who fled are unaccounted for after 270 houses and other properties were destroyed. Southern Highlands provincial police commander, Superintendent Jimmy Onopia last night confirmed the fighting but he could not provide details of the deaths and destruction to properties. Pawale village in Simberigi, Erave district in the Southern Highlands Province was a home to the Toroko, Haukerake and Ase Tipupurupeke clans.

The raid was believed to be in retaliation for the killing of an Imawe Bogasi clansman before the December Licensed Based Benefit Sharing Agreement (LBBSA) forum. Spokesman for the Tipurupeke clan, Steven Paglipari, confirmed the killings yesterday, saying the situation on the ground was tense. During the LBBSA, Pawale villagers of PDL4, who were the principle

landowners, did not take part in the forum because of threats and intimidation. Pawale council president Max Apua said the Bogasis refused K5000 and 14 pigs given two weeks ago as "bel kol" at a mediation ceremony chaired by Erave's first judge Justice Nemo Yalo. Justice Yalo appealed to the warring clans to put their differences aside. Moloko Tiburua Peke, ILG chairman Apiko Pelipe and Mr Apua called on the Government and the developers to step in immediately and address the situation. Speaking on behalf of the six clans of Pawale, Mr Apua said they would not hesitate to take the law into their own hands if the Government and the oil and LNG developers failed.

PNG'S GOLD MINE PRODUCTION TOPS 1 MILLION OUNCES

Lihir mine ups output by 27 percent in 2009

By Eric Tapakau

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 25, 2010) - LIHIR Gold Limited (LGL) has joined the exclusive million ounces producers club as it records a massive 1.12 million ounces of gold produced last year, the company announced on Friday. The production was the first such milestone in the company's history. Production for the year totaled 1.12 million ounces, up 27 per cent on the previous 12 months and in line with market guidance. Output rose to 278,000 ounces in the final quarter, an increase of 19 per cent over the preceding three month period. The LGL group maintained its track record as one of the world's low cost producers with total cash costs for the year of US\$397 per ounce. Fourth quarter total cash costs were US\$454 per ounce, down from US\$487 per ounce in the September quarter.

In 2010, output from LGL's three producing operations was expected to be in the range of 960,000 to 1.06 million ounces. Group production was forecasted to rise to 1.3 million ounces in 2012 as expansion projects lift output at Lihir Island, [Papua New Guinea] and Bonikro, [in the West African nation of Côte d'Ivoire.] Chief executive officer Phil Baker said the full year production result had advanced LGL decisively into the elite ranks of gold miners producing more than one million ounces of gold per year. "Operationally the company performed very strongly in 2009, enabling us to meet market guidance for both gold production and unit cash costs," Mr. Baker said. "In going forward, we aim to achieve consistent and reliable performance at all our operations, delivering on our guidance and keeping expansion projects on track." LGL's production growth in 2009 was due to a combination of record output at the cornerstone Lihir Island operation, together with a full 12-month production contribution from the Bonikro and Mt Rawdon mines acquired in the middle of 2008.

Full year production at Lihir Island totaled a record 853,000 ounces in 2009, up from 771,000 ounces in 2008 and well in excess of the 770,000 to 840,000 ounces forecast for the year. The million ounce plant upgrade progressed into construction last year, with the project on track to lift gold production at Lihir to an average of one million ounces from 2012. "The strong result from Lihir Island confirms the enhanced reliability of the operation, following the various improvements we've implemented over the recent years," Mr. Baker said. In Côte d'Ivoire, the Bonikro mine produced 150,000 ounces in its first full year of production, within the guidance range of 130,000 to 160,000 ounces. Strong progress was made in the feasibility study examining the potential to develop new deposits at Hiré, about 10km from Bonikro, and regional exploration activities continued to generate encouraging results. At Mt Rawdon, in Queensland, gold production reached 108,000 ounces, above the 90,000 — 100,000 ounces forecast for the year. In 2010 LGL has forecast production at Lihir Island of between 770,000 — 840,000 ounces, about 110,000 — 130,000 ounces from Bonikro and 80,000 — 90,000 ounces from Mt. Rawdon. The company will release its 2009 full year financial results on February 18.

‘Sort out law and order before LNG’

National 22.1.2010

By PETER WARI DWU journalism student

ESCALATING law and order problems in the Western Highlands province needs to be addressed immediately if Highlanders want to benefit from the spin-off of the multi-billion kina LNG gas project in the Southern Highlands province. Before the LNG gas project begins, security should be tightened to make Mt Hagen city more conducive for business activities. Las Laden Daul, a member of Melanesian Solidarity (MELSOL), an NGO in the province, said Mt Hagen had hotels and lodges, entertainment centres and was rich in agricultural products. Mr Daul, who is MELSOL deputy provincial coordinator, said the people from Southern Highlands would come to Mt Hagen city to buy fresh vegetables in bulk, sleep in hotels or for recreational purposes. “Many people, including business house operators, farmers or those engaged in the tourism industry would benefit. “This would greatly boost the internal revenue of the province only if the elected Members of Parliament and law enforcing agencies addressed the current escalating law and order problems. “This will come about only if the problems in the province are resolved and did not pose any threat to people,” he said.

Mr Daul said failure to resolve the problems would only scare people away to do business elsewhere. “I was saddened to see a Hela man weeping in front of the Tininga Best Buy yesterday because he was robbed off K3,000. “This must stop because the good image of the city is at stake,” he said, appealing to the seven MPs and Governor Tom Olga to hold a forum to discuss the issue. He said police manpower must be increased and the highway patrol must be increased to patrol the Nebilyer area all the way to Mendi. Mr Daul said the Gulf Highway was near completion and feared people would go to the capital city directly, bypassing Mt Hagen city. “This issue needs to be addressed quickly so that people from the resource-rich province feel safe to come here,” he said.

Three land titles commissioners for Ramu

Post-Courier 22.1.2010

The National Executive Council (NEC) has appointed three National Land Titles commissioners to deal with disputes in the Ramu Nickel mine area. Prime Minister Sir Michael Somare said Cabinet had appointed Justice Don Sawong, Michael Gene (former Secretary and Attorney General) and Micah Pitpit (current Chief Lands Commissioner and former Chief Magistrate). The appointments were gazetted on Thursday last week. “Acting Chief Secretary, Manasupe Zurenuoc in conjunction with the Government agencies and members of the Central Agencies Co-ordinating Committee, are working on the administrative and logistical arrangements for the commissioners to commence hearing immediately,” he said. The change was made following former Lands Commissioner, Patrick Nasa’s death before hearing and determination as required by law.

Miner told to get out of Simberi

Post-Courier 21.1.2010

By Pearson Kolo

THE New Ireland Provincial Government has thrown its support behind the people of Simberi Island, demanding Allied Gold Limited operating a gold mine become sensitive to cultural, customary and traditional values of the people. New Ireland Governor Sir Julius Chan said this at Parliament House on Tuesday and told the owner of the Allied Gold Limited, Marc Caruso to, “get out of Simberi and New Ireland if you are not willing to listen and negotiate with the landowners”. Sir Julius told the company to move out if it did not want to comply with the conditions of its engagement with the local people. “We will not allow people who use bullying tactics to instill fear among the people to water down environmental, cultural and socio-economic issues affecting the local communities,” he said.

Sir Julius slams Lihir Gold Ltd. over acquisitions

Source: By SHEILA LASIBORI

National 21.1.2010



LIHIR Gold Ltd's (LGL) series of mine acquisitions overseas did not sit well with the people of New Ireland province, home to one of the world's leading gold producers. And the province's governor, Sir Julius Chan, did not mince word in expressing his dismay over the miner's failure to bring noteworthy investment to his province. Sir Julius has claimed his people have been denied tax credit-associated projects. He called on the company to refrain from using its earnings from Lihir mines to fund overseas investments, particularly acquisitions of new gold mines overseas. Among LGL's overseas acquisitions are the Ballarat mine in Australia and the Cote d'Ivoire mine in West Africa. "I am sad to say that Lihir has not made a profit for 15 years, and therefore, has not contributed any company tax at all to the nation ... because of this, New Ireland has missed out on projects based on tax credits. "What is important to us is that we have to make sure they do not invest in projects that are likely to deplete its profits from Lihir gold mines," Sir Julius said.

On the other hand, Sir Julius also acknowledged LGL's chief executive officer Arthur Hood for his management of the mine during his term. "The newspapers painted the successful stories of the last four years during his watch ... yes, certainly, we are very lucky to have Lihir continuing to contribute substantial money to the national purse ... so in a way, we should thank Arthur Hood for managing us through that period," he said. Sir Julius was particularly concerned that although gold price per ounce has been steadily rising over the years, LGL is yet to make a profit and thus, pay income tax to the Internal Revenue Commission (IRC). Sir Julius also called for LGL to start thinking about establishing its head office in New Ireland province since Lihir mine is one of the biggest gold producers in the world. "Whether they like it or not, I am looking at Kavieng as the headquarters ... the board under Professor Ross Garnaut also needs to change its thinking. "They need to pump in a lot of projects based on long-term sustainability so that we can readjust our people when the mine is gone," Sir Julius said.

Nautilus finds high-grade copper, zinc at Solwara

National 21.1.2010



CANADA's Nautilus Minerals Inc has discovered high-grade copper and zinc during its deep-sea exploration at Salwara in Western Bismarck Sea last year. Copper grades up to 32.4% and zinc grades up to 52.6% were reported from grab samples collected from these discoveries using a hand held x-ray fluorescence (XRF) metre. Final assays on samples collected from Solwara 12 and 13, had also been received, and indicated gold up to 39.7 gram per tonne (g/t) and silver up to 682 g/t. Additionally, the company has made a further high-grade discovery at Solwara 11 (11i) in the Western Bismarck Sea.

Nautilus, the first company to commercially explore the ocean floor for polymetallic seafloor massive sulphide deposits and developing its first project – Solwara 1, said in a statement the discovered areas were identified using enhanced target generation techniques and technology developed by Nautilus' exploration team over the last two years. Stephen Rogers, Nautilus' chief executive officer, said: "Further success in the Bismarck Sea, PNG, combined with good assay results clearly highlights this region as a significant SMS domain. "Our work is now focused on the evaluation and ranking of the new systems in preparation for an intensive drilling campaign in 2010." The exploration vessel mv Fugro Solstice was successfully demobilised in Singapore last Tuesday after completing a 132-day programme of water geochemistry studies, geophysics, remotely-operated vehicle (ROV) mapping and ROV sampling.

Ramu Nico brings 'hope'

Post-Courier 21.1.2010

ELEMENTARY school children in three villages in the Raicoast District will have new classrooms this year. This was thanks to the developers of the Ramu nickel project, Ramu Nico (MCC) Limited. The villages to benefit from the new classrooms are Naru, Koye and Ganglau.

The double classrooms were built at a total cost of K210,000. It took three months for the developers to complete all the classrooms. They were built as part of the social and economic development plan under the memorandum of agreement signed between the developer, the landowners and the Government. All the resources including manpower were provided by the company. The school was termed "Hope Elementary School" because it was part of the company's obligation to give "hope" to the youths in the area. Ganglau Hope Elementary School consists of a double classroom and will be staffed by teachers to be designated by the Department of Education. Naru and Kouye Hope Elementary Schools were existing schools with new additional classrooms. Since its inception, Ramu Nico has built other infrastructures including the Ramu bridge, renovating clinics and upgrading of roads.

OIL AND GAS EXPLORATION IN PALAU NEARS

Company plans to begin drilling this year

By Bernadette H. Carreon

KOROR (Palau Horizon, Jan. 20, 2010) - Palau Pacific Energy Exploration (PPE) said it will start exploration of oil and gas by the end of the year. Robert Jordan, PPE President said that it is most likely that there is the presence of natural gas and 10 percent chance that they will be finding oil. PPE was granted license to explore for oil and gas a 1-million-acre concession in the country's territorial waters. A license agreement between Palau and PPE has been executed to allow exploration at Palau North Block which is under the jurisdiction of Kayangel State. PPE also obtained concession to drill and explore Ngarchelong State waters.

Under the agreement with the Ngarchelong State it also stated that that if no oil or gas of commercial quantities is discovered by May 15, 2012, the agreement will continue in effect on a year-to-year basis with licensee paying a rental of ten cents (US\$0.10) per acre times the number of acres in the Palau North Block. The agreement further added that is commercial hydrocarbons are discovered then rental ceases. Jordan said that all the company need to secure is the Environmental Quality Protection Board (EQPB) permit to start exploration and drilling.

Marianas Variety: www.mvariety.com

LANDOWNERS SHUT DOWN PNG NICKEL MINE

Ramu mine accused of not honoring agreement

By Jeffrey Elapa

PORT MORESBY, Papua New Guinea (The National, Jan. 20, 2010) - The Kurumbukari landowners of the Ramu nickel and cobalt mine in Madang province have stopped all operations at the mine. This followed a meeting of landowners at the mine site over outstanding issues in the Memorandum of Agreement. As all construction work nears completion, the landowners' representatives from the road and water easement and the special mining lease area decided in the meeting to stop all work and demand that the company honor its MOA commitments.

This week, the company's community affairs officers have been issuing notices to the people to stop all activities on the SML areas as the project was in its final stages before the commissioning expected around March. Representatives of the seven clans also demanded that the relocation exercise be speeded up if they want the people to stop all activities like gardening, building new houses or burying their dead. Mauru clan village leader Kaso Memetua said the company (MCC) should relocate them properly before any work can proceed at the mine. Bruno Karima from the Mauri clan said the company should have already moved the first and second lot of people. He said it was slow in doing so.

MCC has tested the water supply and will be launching it this Friday, but the landowners said that they would not allow any activity until their grievances were settled. All construction work at the mine is about to be completed, with several of the facilities installed at the different sites tested. Among the facilities already installed are the six huge generators brought in from Finland which are expected to supply 22MW of power to the mine and the water resource area. The huge dam at the Gagayowo River has already been completed. The huge underground demarcation facility at Vianivi is in its final stages before full operation. An MCC insider said that the company was doing all it could for the landowners but other parties like the provincial government and the National Government should also do their part under the MOA.

The National: www.thenational.com.pg/

Department yet to give ok to Ramu mine for blasting

Post-Courier 20.1.2010

By ROSALYN EVARA

THE Department of Environment and Conservation is yet to give the developers of the Ramu nickel project the nod to carry out underwater blasting it is proposing at Basamuk. The developers Ramu NiCo (MCC) Limited had in a page-long press release, after the question was put to them by the Post-Courier regarding the operations, stated the blasting just off the coast of the refinery site was being planned "intermittent in February and March 2010." However, DEC's manager marine ecosystem branch Vagi Rei said such an operation would only happen when and if given the nod. Mr Rei said MCC officials had met with DEC late last year during which the department would have advised them to submit a letter regarding this matter. He said normal process would then include that a panel sit and address this request, a team be sent into the area to conduct an inventory and that DEC officials also be present when the actual blasting takes place. He said as yet the department had not responded to the company. "If the letter has already been sent by the developer, we (officers) have not yet seen it.

"It may still be in the Secretary's office but normally a panel will address it after which a team will be sent to guarantee the locals the impact will be minimal. "We will not be able to send a team into the area until the start of our financial year which is likely to be the end of February or early March," he said. When this reporter highlighted that this was also the time the company was proposing to blast Mr Rei said any blasting done before approval would be in direct breach of the contract signed with the department. "If the blasting goes ahead before approval is given it will be in breach of the contract and can be terminated. This is where the department has the upper-hand to ensure things are done properly," he said. Mr Rei said he understood the passage the company was planning to blast would be no more than the width of the pipe which he said would be 10 metres. He said the area the company was requesting for clearance would be where an excavator cannot cut through.

PLANS FOR GOLD EXPLORATION IN VANUATU CRITICIZED

Community members says they were not consulted

PORT VILA, Vanuatu (Vanuatu Daily Post, Jan. 19, 2010) - A South Pentecost man has reveal alarming facts in the wake of a recent signing of a lease agreement in Pentecost that would allow a drilling exercise to determine whether there is Gold on a particular part of that island. Anderson Tor said he was speaking not just for his family but other families around the area to confirm that there has never been a consultation as claimed by the Commissioner of Mines Toney Tevi in a letter to the editor last week. "I am sorry to say but these are not all true. We, the people who are going to be directly affected by this exercise have never been consulted and Mr. Tevi himself has come to admit that consultation will only be done now that the agreement has been signed," Mr. Tor told Daily Post. He said they are not happy over how this was being handled.

Tor claimed that the so-called signing agreement was just a "show" to locals. He claimed the real agreement was already agreed by a meeting that he claimed surprisingly was held in Central Pentecost instead of South Pentecost. Mr Tor said the Chief who signed the agreement did not consult other parties who are also landowners of the land where the exercise is going to take place. As of this week Tor said he hand-delivered to Tevi's office and the Minister of Lands Paul Telukluk a letter to inform them of a stay order now being sought in Court by members of the communities who are concerned with the development in their backyard. "If the exercise, according to Tevi, was unsuccessful in Santo and Malekula, why bring it to South Pentecost?" he said.

He said more than 3,000 people living around the areas of Pangi, Palitor, Panas, Wali, Walap, Palimsi, Reslaus, Salap, Bay Omo and Ranputor will be affected by this exercise. He said the communities are not against such development projects but must be informed of the effects of such an exercise before any agreements are reached. "Our families live on the land cited by the Commissioner of Mines. We need assurance that this will not affect our daily lives," Tor said. *Vanuatu Daily Post*. <http://www.dailypost.vu/>

Australian LNG Plants May Face Delays, Lower Profits

By James Paton

Jan. 18 (Bloomberg) -- Half the liquefied natural gas plants proposed in the Australia-Pacific region may be delayed as increased competition and a skills shortage threaten profitability, Bank of America Corp.'s Merrill Lynch said. A growing number of supply options for Asian LNG customers could hurt the prices producers receive and give buyers the advantage in contract negotiations, Mark Hume, a Merrill Lynch analyst based in Sydney, wrote in a report to clients. "Project attrition, delay and even outright cancellation are inevitable," Hume said. Woodside Petroleum Ltd., Chevron Corp. and Royal Dutch Shell Plc are among energy companies in Australia competing for LNG customers and seeking to tap demand for cleaner-burning fuels.

About half of the 30 proposed LNG processing units in Australia and Papua New Guinea may stay on schedule, Hume said. "We think it's time to get selective," he wrote in the report dated Jan. 15. BG Group Plc, Inpex Corp., Oil Search Ltd., a partner in Exxon Mobil Corp.'s Papua New Guinea venture, and Origin Energy Ltd. are Bank of America Merrill Lynch's "preferred global LNG supply-side picks," Hume said. Most of the companies in the state of Queensland planning to convert gas extracted from coal seams into LNG, a grouping that includes Origin and BG, use the same technology to liquefy the gas and could collaborate to boost profits, he said. Hume didn't specify how the rivals could work together.

'Cost Advantages'

A shortage of engineers and other specialists could push labour costs higher, and the emergence of floating LNG plants with "clear cost advantages" over land-based facilities could add to the pressure facing ventures using conventional technology, he said. While annual LNG demand is forecast to grow to 384 million metric tons by 2020, exceeding supply, "it is a far cry from the heady days of 2007 when expectations were for demand to grow to circa 500 million tons a year," Hume wrote. The anticipated demand for the fuel in 10 years would support about 14 Australian projects that combined have the potential to add 60 million tons of supply a year, the analyst estimated. The companies may be able to justify more plants if demand from China exceeds expectations, Hume and his colleagues wrote. Even so, rising domestic gas production in China may reduce demand for imports, Adrian Wood, a Sydney-based analyst at Macquarie Group Ltd. wrote in a Jan. 12 report. Supplies from Qatar and increased use of nuclear power generation in Asia are among other risks for Australian LNG ventures, he said.

Lower Returns

LNG processing units proposed now may generate lower returns than similar developments approved in recent years, Wood said. About half of the growing list of proposed LNG projects may be approved, the Macquarie analyst said in the report. "While we continue to see huge value in the large portfolio of undeveloped LNG projects held by Australian companies, we nevertheless believe investors should brace themselves for project delays, higher construction costs and the potential for a more competitive pricing environment going forward," Wood said.

FIJI MERCENARIES PURPORTEDLY PRESENT AT PNG GOLD MINE

Simberi landowners protest foreign security force

By Grace Tiden

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 19, 2010) – In Papua New Guinea, landowners of the Simberi gold mine in New Ireland Province were recently in Kavieng to express their dissatisfaction at the presence of 14 Fijian mercenaries who are currently at the mine site. The landowners met with provincial authorities last Thursday to protest against the presence of the highly paid trained fighters who were engaged by Allied Gold. It is not known if the mercenaries were engaged to provide security at the mine site but an officer at Simberi said the men were only there to train their personnel security staff. However, sources said the mercenaries were flown in straight from Fiji and were there to provide security at the mine site due to the recent shut down of the mine by landowners.

The landowners had planted a "gorgor" at the mine site to stop the operations of the company but consultations between the two parties saw the reopening of the mine. Soon after the Fijians were brought in by the company. Several calls were made to the company's office at Simberi to talk to the executive manager but a woman who answered the phone said he was busy and then said they were not aware of the Fijians. Another call was made and the same woman then said the Fijians were there to train their security personnel and they were not there to provide security for the company. However, the landowners want them out of Simberi as they have seen them holding on to guns. It is believed police have also sent in a mobile squad to investigate.

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

Nautilus: Gold found undersea

Post-Courier 18.1.2010

THE world's first under sea miner Nautilus Minerals Inc. has struck five high grade seafloor massive sulphide systems on its Solwara project in the Bismarck Sea. The company announced that systems were discovered last year in Solwara 12, 13, 14, 16, and 18, during its 2009 exploration campaign. Copper grades up to 32.4 per cent and zinc grades up to 52.6 per cent were reported from grab samples collected from these discoveries using a hand held x-ray fluorescence ("XRF") meter. The company also announced that final assays on samples collected from Solwara 12 and 13, have also been received, and indicate gold up to 39.7 grams per tonne and silver up to 682 grams per tonne. Additionally, the company has made a further high grade discovery at Solwara 11 (11i) in the Western Bismarck Sea. Nautilus chief executive officer Stephen Rogers said "Further success in the Bismarck Sea, PNG, combined with good assay results clearly highlights this region as a significant SMS domain. "Our work is now focussed on the evaluation and ranking of the new systems in preparation for an intensive drilling campaign in 2010."

The exploration vessel MV Fugro Solstice was successfully demobilised in Singapore last week after completing a 132 day program of water geochemistry studies, geophysics, remotely operated vehicle ("ROV") mapping and ROV sampling. A further two lower grade systems (Solwara 17 and 19) were also discovered in the Bismarck Sea and one new system (Solwara 15) where samples were not taken due to an ROV breakdown. All three systems will require further investigation. Nautilus considers the presence of hydrothermal mineralisation and alteration at these sites encouraging, especially given that the two lower grade systems occur in the older part of the Bismarck Sea. Additional exploration work is planned to test this potential.

Ramu Mine's plan irks leaders

Post-Courier 18.1.2010

By ROSALYN EVARA

CLAN leaders at Basamuk in Madang Province are worried about the underwater blasting operation that the developers of the Ramu nickel mine are proposing. Spokesman of the Tong and Ongeg clans of Basamuk, Lois Medaing Gorongo said the sea is the peoples' source or livelihood and he feared this would be affected if the operation was allowed to continue. Mr Gorongo said for years, the people had been living off the reefs in the area and refuted claims by the company that the reefs they proposed to blast were dead. "...There are no dead reefs in the area, our reefs are alive and healthy and have been dwelling places for fish and other sea creatures, which we have and continue to depend on it for our livelihood," he said.

He Gorongo said the exercise should not be allowed to go ahead as it was against the proposed mine tailings management plan and urged that other options be pursued. "We maintain that the Government should not allow the mine waste to be dumped into our sea. We made this clear during the International Deep Sea Tailing Placement Conference, which was hosted in Madang in 2008. We would like the option of a land tailings dam to be pursued and are prepared to make land available," he said. Mr Gorongo said the exercise should be stopped temporarily as there were land-disputes that were yet to be settled. He said work had been stalled for some time and claimed that it was improper for the company to continue its operations.

Meanwhile attempts to contact the various sources from MCC to verify the claims have been unsuccessful. The provincial mines officer, John Bivi said his office did not have any data to assist. An officer from the World Wide Fund for Nature said the information would be contained in an impact assessment report and referred the paper to the Department of Environment and Conservation (DEC). An officer there said she was not aware of the plans. However she said the "person to talk to was not around." Mineral Resources Authority's acting managing director Phillip Samar said all environmental issues were being handled by DEC but the office would be releasing a statement on their position on the matter.

Ramu mine deep-sea waste disposal system approved

National 14.1.2010

Source: By JEFFREY ELAPA



RAMU NiCo Management (MCC) Ltd's deep-sea mine tailings disposal design and the eventual laying of waste pipelines have been approved by the Government, the miner has announced.

In a statement, the company said earlier it updated the Department of Environment and Conservation (DEC) and the Mineral Resource Authority (MRA) on the progress of its environmental plans and how they would be carried out. Ramu disclosed that it has contracted the American-Canadian contractor Brass-Resan-Candive to supply the needed materials and equipment and to build the company's submarine tailing disposal facilities.

The company said the treated mine tailings would be buried 150m undersea through the disposal system to lessen ecological impact. It said the system that includes two pipelines with 800mm diameter would be laid on sea floor. The company claimed during earlier investigations, it was found that some dead coral reefs in the shallow sea were in the pipeline route. They would be removed to ensure the safe operation of the pipelines, the company said. Ramu NiCo said blasting operation would be used as it is technically impossible to remove dead reefs at sea bottom using mechanical equipment. The blasting is planned to be carried out next month and in March by a PNG licensed blaster and will cover an area of 50m long and 5m wide, with two blasts each operating day. Ramu NiCo said the blasting would be minimal as each blast would use explosive less than 10kg, adding that the environmental impact of the blast would also be minimal. The coral reefs in the area are dead and in the stone form, it said.

Also, findings from three underwater investigations showed that local fish population in 50m radius is very small. Meanwhile, Ramu NiCo said it would continue to work closely with all stakeholders to ensure its deep-sea tailings disposal facilities would be built according to "high industry standard and best available practice". The company said it would conduct safety and environmental awareness at Basamuk community before blasting operations.

Talisman eyes Papuan basin development drilling soon

National 14.1.2010

Source: By YEHIURA HRIEHWAZI

THERE is more good news from the petroleum sector: Talisman Energy Inc is expected to go into production soon in Papua New Guinea. The company announced yesterday it will start development drilling in one of its fields and also drill four on-shore exploration wells in the Papuan basin. Development drilling is done to recover oil, gas or condensate that has been discovered and ascertained through exploration and appraisal wells. "The company expects to start development drilling in PNG, with early condensate recovery scheme in one of the blocks acquired last year," Talisman president and chief executive John A Manzoni said in a statement released to the stock markets yesterday. The PNG activities form part of Talisman's global capital expenditure plan of C\$5.2 billion (K13.5 billion) for this year announced by Mr Manzoni.

Apart from PNG, Talisman also step up its exploration and production work in Indonesia, Malaysia, Vietnam, Australia, Europe and North America and sell off some non-core assets to assist with financing of its programmes. It is already cashed up with C\$4 billion (K10.4 billion). He said the company's main priority for this year is to ramp up its shale plays. "We will also be examining for sale additional non-core conventional assets in North America and continue to enhance our international exploration portfolio and capabilities as we build on last year's success. "The second priority will be to continue the focus on returns and profitability. He said they expect the returns to increase as they successfully cycle capital into higher value investments, which should also lead to continued improvement in our finding and development costs. "We have put processes in place to manage our capital programmes more efficiently ... we are reviewing costs across the organisation, and implementing performance management tools throughout the business."

Mr Manzoni said they will continue to build their organisational capability, adding the company's executive team was strengthened last year with the addition of Paul Smith, Richard Herbert and

Nick Walker at the executive level, and significant new talent across the organisation, including new country managers for Malaysia and PNG. He also said the company will continue to upgrade its capabilities and processes, and develop its talent across the organisation this year. “We will maintain balance sheet strength and flexibility. The C\$4.9 billion (K5.81 billion) in cash spending will be funded from operating cash flow, non-core asset sales and balance sheet strength. He said they have designed the programme to be robust at US\$60/bbl oil prices and S\$3.50/mmbtu natural gas prices, with considerable flexibility to adjust the capital programme up or down in light of conditions throughout the year. “We will also remain vigilant for strategic acquisition opportunities,” he said.

Dying marine life scare Islanders of Lihir

National 14.1.2010

Source: By DORISH KAMBA

PEOPLE on the outer islands of Lihir have drastically cut down their consumption of marine products after discovering dead fish and octopuses on their reef according to reports from the Nimamar Local Level Government, New Ireland province. Apart from having dead marine lives, some of the islanders got itchy skin and skin rashes after bathing in the sea. Community leaders from Malie Island, the smallest of the three outer islands of Lihir, who were the first to discover the upheaval, reported that their folks on the nearby Masahet and Mahur Islands have reported similar concerns, describing it as a community concern.

The Islanders were concerned that what they were facing now might be caused by the disposal of tailings by the Lihir Gold Limited (LGL) through its marine tailings which extends 250m to the seabed, thus, leaders from Malie Island met with Lihir Mining Area Landowners Association (LMALA) and LGL officials on Jan 5 seeking answers as to what might have been the cause of dying marine products and people developing itchy skin from the waters. The Malie Island delegation, however, was concerned that LMALA and LGL might not be giving straight answers to the cause of the problem and claimed that they (LMALA and LGL) had failed to provide answers to peoples’ concerns in the past. Meanwhile, a member of the delegation which included their local ward member, women, youth and church leaders said they were planning to take up their concerns with the Department of Environment and Conservation, Mining, and the New Ireland provincial and national governments to ensure peoples’ lives were not put at risk by these problems.

US\$ 700 million upgrade at Lihir

National 13.1.2010

Source: By SHEILA LASIBORI

THE Lihir Gold Ltd will invest at least US\$700 million (K2.7 billion) to carry out the million-ounce plant upgrade at its gold mine on Lihir Island, New Ireland province. This was disclosed by LGL communications manager Josie Brophy, saying that the miner will also have to invest an additional US\$160 million (K432 million) on a power plant. Ms Brophy said the upgrade exercise made good progress last year and remained on schedule and on budget. She said construction at the mine site has started and would be the main focus until the expansion is commissioned at the end of this year. “LGL’s upgrade investment is providing a significant boost to the PNG economy, and particularly the New Ireland region. “Community benefits include higher royalty payments, improved infrastructure, and significant job and business opportunities,” Ms Brophy said, adding the results of the feasibility study were released in February 2008.

Mines Minister and Deputy Prime Minister Sir Puka Temu, who personally gave the approval for LGL to carry out the upgrade, said: “I had given approval ... I personally encouraged them (LGL) to do that (upgrade) and that brings money up.” LGL’s flagship Lihir mine produced 771,000

ounces of gold in 2008 and production guidance for last year was between 770,000oz and 840,000oz (production to the end of the third quarter last year was 635,000 ounces). LGL will be officially announcing next Friday in its fourth quarter production report last year's final production result, including output from the final quarter. Ms Brophy said the upgrade project involves the installation of a range of equipment at the site, increasing ore processing capacity from around 6.5 to seven metric tonnes per annum (mta) to about 10.5mta to 12mta. She added that an additional autoclave will be installed, along with additional crushing, grinding, thickening, oxygen and leach plant facilities.

"The increased processing capacity will enable the operation to process much more of the ore that it mines each year thus, reducing stockpiling and land pressures," she said. Ms Brophy said in late October last year, LGL announced a significant 36% upgrade to the reserves on Lihir Island to 28.8 million ounces. She said the increase captured the positive cost benefits of the upgrading project and included a rise in the long term gold price assumption from US\$675/oz (K1,824) to \$800/oz (K2,162). "The upgraded reserves will enable the operation to continue producing well beyond the next two decades, generating significant wealth for the PNG economy and the Lihirian community, and providing increasing returns to shareholders. "It is worth noting that gold reserves are regularly reviewed by the company and typically updated annually.

Ramu Mine to blast for dump site

Post-Courier 13.1.2010

By ROSALYN EVARA

THE developers of the Ramu nickel project in Madang are planning an underwater blasting operation at Basamuk to clear the pipeline route for the dumping of mine waste. This was revealed by Ramu NiCo (MCC) Limited after questions were put by the Post-Courier to them about reports that they were planning to blast two coral reefs off the coast at the refinery site. Concerns had been raised with the Post-Courier about the nature and impact of the operations especially to the marine life in this once pristine sea area. MCC in a one page statement admitted such an operation would be carried out "intermittent in February and March 2010 by a PNG licensed blaster". The company said the blasting would be done in an area spanning 50m in length and 5m width, twice each operating day and that the blasting would be small scale as each blast would consume less than 10 kilograms of explosives. It also stated that the impact of the operation would be minimal and that coral the area that would be blasted was dead.

Further that investigations had revealed the fish population in the 50 metre radius to be very small. "In order to minimise the environmental impact of tailings disposal of the Ramu refinery at Basamuk, the neutralised tailings will be placed 150m undersea through the deep sea tailing placement system. "The system includes two pipelines with diameter of 800mm which will be laid on sea floor. However during earlier investigations it was found that some dead coral reefs in the shallow sea are in the pipeline route. "To ensure the safe operation of the pipelines those dead coral reefs must be removed. Blasting operation will be used as it is technically impossible to remove the dead reefs in the sea waters by mechanical equipment," the statement read. The statement from the company also read that the design and construction of the DSTP facilities from Ramu had been approved by the DEC and MRA and that the company had been updating DEC and MRA on the progress including the implementation plans.

It also read that an American-Canadian joint venture contractor with vast experience in the engineering, procurement and construction of submarine tailing disposal facilities for international resources projects, had been contracted to implement the Ramu DSTP. Nonetheless as the project manager, Ramu NiCo will continue to work closely with all stakeholders to ensure Ramu DSTP will be built in accordance with high industrial standards and best available practice. The Provincial

Mines Director John Bivi, when contacted regarding the planned operations, said he was not aware such an operation would be carried out and said it was the first time he was hearing about it. Mr Bivi said his office was not in a position to make any comments as he not only lacked the scientific know-how but also did not have the copy of the company's environmental plan.

Ramu people awaiting Lands decision National 13.1.2010

THE Kumbukari landowners of the Ramu nickel mining area in Ramu, Madang province, are calling on the Government to allocate fund to the Land Title Commission (LTC) so that it will recognise the legitimate landowners of the area who will be representing their people as soon as the project begins. The landowners said it had been five years and the LTC had not responded on who were the legitimate landowners. They said about nine landowner groups were claiming to be genuine landowners and the multi-billion kina project could be affected if the legitimate landowners were not recognised by the LTC. Chairman of the Tigina clan Peter Bagme and his secretary Simon Tiamura said this last Saturday in Mt Hagen, Western Highlands province.

Mr Bagme told The National at Hotel Kimininga that currently there were no landowner groups representing the people of Kuruma Kare because LTC had not appointed any through the normal process. He said the landowners would miss out on royalties and spin-off businesses because LTC was not putting any effort to appoint any legitimate landowner group. Mr Bagme said the LTC would only speed up the process if the Government made funds available. "It has been five years and we are still waiting on the Government to name the legitimate landowners of the multi-billion kina project area," Mr Bagme said.

No relocation plan for people in Ramu SML National 12.1.2010

Source: By JEFFREY ELAPA



THE management of Ramu nickel mine (MCC) is yet to submit its relocation development plan for the people of the special mining lease (SML) area. Provincial government mining coordinator, John Bivi, said MCC had been delaying the relocation although construction of the mine had been completed and operations expected to start early this year. "The landowners and the government have not been informed when the relocation exercise will take place. "The relocation exercise should have taken place during the mine construction phase. "Now, the mine is going to start operating

soon, as published by the developer. “What is happening to the landowners’ interest and well-being?” Mr Bivi said.

But MCC says: “It is to be pointed out that we are working closely with the Madang provincial government, updating them on the relocation progress from time to time. “Since the early part of 2008, we have a relocation committee which consists of the representatives from the developer, Madang provincial government and affected landowners, and we are meeting regularly. “Despite the halt in the relocation work at the Danagari site due to bad weather conditions, 10 houses had been completed at Enequwai in the latter half of last year and another 25 houses have been ordered with local landowner companies and are currently on their way to the relocation site at Krumbukari to be erected. “The contract for an additional 35 houses at both Enekuai and Danagari has been signed with Krumbukari Ltd, the local landowner umbrella company, as part of their spin-off benefits. “As per the contract, the Krumbukari Ltd is required to complete the houses before April,” the company said.

“Meanwhile, we have already temporarily relocated affected villagers at Butua and Vianivi to Palai and Bati, both of which are far from the disturbance of industrial activities. “Allowances and building materials were provided for the temporary relocation. “Those temporary relocatees will be moved to the new houses after the relocation houses are completed.” Mr Bivi said: “The people have been issued notices to stop all activities like gardening, building new or expanding villages, refrain from using existing cemeteries and settlements on areas covered by the SML. “The basic rights of about 700 people are being denied while they are being forced to move. MCC must start addressing the issue,” he added. The provincial authorities wanted MCC to work together with all stakeholders and have regular consultations and dialogues for the benefit of the project. The provincial government appealed to the developer and the National Government to publicly reveal the progress of the relocation and when it will take place. MCC, acknowledging the minor delay in the construction of houses by landowner contractors, intends to minimise the delay and the full relocation exercise would occur simultaneously with the operation of the mine.

Ramu landowners demand review

Post-Courier 12.1.2010

By DAVID MURI

FRUSTRATED landowners have urged the Lands Title Commission (LTC) to immediately identify and declare the legitimate landowners to the Ramu nickel project area if that was not done warned that the Chinese conglomerate will be forced to close its operations. Travelling with frustrations to Mt Hagen from outback Kurumbukari in Madang Province, two landowner spokesmen have also asked the developers, the State and the general public to refrain from dealing with any factions or individuals claiming to be genuine landowners while the landowner issue is still pending. Chairman of the Tigina clan Peter Bagme and his secretary Simon Tiamura alleged that a leader from a certain clan is spearheading to review the Memorandum of Agreement (MoA) with CMCC and the State. The two men claimed that any signing would be illegal and in breach of the Mining Act as a legitimate landowner had not yet been declared by the LTC. “This could create instability and riot among the company and landowners. It has happened and it could be worse and jeopardise the whole process,”

Mr Bagme said, nine clans were claiming ownership over the ore-rich range. They said landowners had already missed out on spin-offs and other benefits and could not tolerate any further delays on the LTC decision. Mr Bagme and Mr Tiamura have appealed to all the MPs from Madang, including ousted governor Sir Arnold Amet, to assist them by pressing for the swift completion of the LTC hearing. “We appeal to our MPs and the governor to intervene and push for this tentative issue to be resolved quickly so that the project can get off the ground smoothly. “The type of economic

benefit it will bring to Madang will be enormous,” Mr Tiamura added. He said political leaders from the province had been silent for so long, adding it was about time they opened their mouths for the sake of their people. The two leaders have also criticised the national government for not prioritising the huge projects. They said the Government should concentrate on completing one project at a time.

Southern Highlands not ready for LNG, law and order still an issue: Joseph

Source: By JAMES APA GUMUNO, The National 8.1.2010

DEPUTY Governor and Member for Mendi Open Ps Isaac Joseph said Southern Highlanders are not ready for the liquefied natural gas (LNG) project in their province. “Law and order problems in the province are escalating. “Instead of moving forward, they are going backwards. “It is an attitude problem that needs to be changed. “They must appreciate developments and big multi-billion kina projects taking off in their province,” he said. Ps Isaac was speaking at the presentation of a new Toyota Landcruiser 10-seater vehicle to the Mobile Squad 10 in Mendi by Mineral Resource Development Company (MRDC) and Petroleum Resource Gobe (PRG) in Ialibu district on Wednesday. He said: “I wish to thank MRDC managing director Augustine Manu and PRG chairman Philip Kende for the donation to support and help police maintain law and order.”

“The provincial government bought nine vehicles and presented to the police last year but because of carelessness and lack of maintenance, the vehicles have been written off,” he added. Ps Isaac urged police to look after the new vehicle and “use it for the purpose it is intended for, that is providing security to companies and for maintaining law and order”. Highlands mobile group commander Insp Samson Kua thanked MRDC and PRG on behalf of his men. Insp Kua said the vehicle would not only help to provide security to construction companies working on the road, but also other daily needs. He also urged his men to look after the vehicle and make good use of it for maintaining law and order.

Binatrari landowners shut down Ramu nickel, cobalt mine water supply

Source: By JEFFREY ELAPA, The National 8.1.2010

THE source that supplies water to the huge Ramu nickel and cobalt mine at Kurumbukari in the Madang province was shut down by disgruntled landowners over the New Year period. Provincial government’s mining coordinator, John Bivi, told The National that the Binatrari landowners of the water easement areas of the Kurumbukari nickel and cobalt mine had forcefully shut the taps to the mine over several outstanding issues. They are demanding a share of royalties and wanted a separate MoA to be signed between the developer, the State and the water easement areas. They said at present, they were totally out of the special mine lease area.

It is believed that the Mineral Resource Authority and the Environment and Conservation Department met with the landowners to discuss and address the issues, but failed to honour the outstanding issues forcing the landowners to stop water supply to the mine. Mr Bivi said the landowners, without understanding that the water is owned by the State, had gone ahead to shut down water supply disrupting progress at the mine. A letter written by the provincial administrator had asked the landowners to immediately allow the usage of the water to the mine and not to jeopardise the progress and development of the construction phase of the mine before the commissioning early this year.

Re-location lagging in Ramu mine

Post-Courier 8.1.2010

By ROSALYN ALBANIEL

WITH the commissioning of the Ramu nickel project imminent government officials have expressed concerns over the manner in which the developer is handling the relocation of the affected villagers. However, officials from Ramu nico (MCC) Limited in acknowledging there are to be some delays saying it has been brought about by various factors including bad weather and are doing everything possible to minimise the delay. They said they are working closely with the contractors to ensure any further delay is minimised and that the full relocation takes place simultaneously as the mine construction goes into commissioning. From correspondence given to the reporters in Madang earlier, concerns had been raised by the Provincial Administrator Joseph Dorpar mid last year regarding the relocation exercises at Danagari and Enekuai. Mr Dorpar in his letter to the general manager of Ramu nico (MCC) Limited said that while there was an understanding that construction would be carried out simultaneously with the relocation exercise this had not been happening. He said construction was progressing much faster than the relocation exercise and this was not good.

At the time the letter was written by Mr Dorpar his office had received information that the people had been moved away from their homes and gardens and not been resettled properly. He also raised concerns that the developer was working in isolation concerning matters relating to the relocation plan and had urged this trend to change. Similar concerns were raised this week by the Provincial Mines Director John Bivi. He said with the construction nearing completion and project set for commissioning, the relocation exercise was progressing very slowly and this was not good. Mr Bivi said while the administrator had in the same letter asked for an update on these plans the company had yet to furnish to the Provincial Government this document. "This exercise will involve government services and government must be involved in the process but this has not been the case. This practice must change," he said. MCC in responding to these concerns said work at Danagari had been halted due to bad weather but that 10 houses had been completed at Enekuwai in the latter half of last year. They said another 25 houses had been ordered with local landowner companies and where work was underway in moving the material to the relocation site at Kurumbukari to be erected.

They also said the contract for additional 35 more houses at both Enekuai and Danagari has been signed with Krumbukari Limited, the local landowner umbrella company, as part of their spin-off benefits. They said as per the contract the KBK Limited is required to complete the houses before April this year. "In the meantime we have already temporarily relocated affected villagers at Butua and Vianivi to Palai and Bati, both of which are far from the disturbance of industrial activities. "Allowances and building materials were provided for the temporary relocation. Those temporary relocatees will be moved to the new houses after the relocation houses are completed. While acknowledging the minor delay in the construction of relocation houses by landowner contractors, we are working closely with the contractors to ensure any delays are minimised and that the full relocation takes place simultaneously as the mine construction goes into commissioning," the statement read.

PNG PLANNING DEPARTMENT TO MONITOR PROJECTS CLOSER

Minister defends against fraud allegations

By Isaac Nicholas

PORT MORESBY, Papua New Guinea (The National, Jan. 7, 2010) - The Department of National Planning will start monitoring Memorandum of Agreement (MoA) projects in both Southern Highlands and Gulf provinces. National Planning and District Development Minister Paul Tiensten

has directed secretary Joseph Lelang to institute a monitoring and evaluation team to conduct an independent inspection of all MoA projects for both Gulf and Southern Highlands. "This will verify the compliance aspect of the projects and identify whether or not projects are being implemented per the original project documentation," Mr. Tiensten said. He said this monitoring and evaluation process was yet to begin as most of the projects have recently been funded and it would take time for the implementation to take place.

Tiensten made this remark when clarifying allegations of fraud by Minister for Labour and Industrial Relations Mark Maipakai involving MoA funds for the Kikori district. Mr. Maipakai alleged that PGK220 million [US\$82 million] for 10 major projects in Kikori approved by NEC Decision No.199/2008 had been illegally paid to four landowner associations. Tiensten said the NEC meeting in Wabag in NEC Decision No. 20/2009 Cabinet rescinded the previous Expenditure Implementation Committee (EIC) guidelines and established new guidelines providing processes of which MoA projects are to be approved and funded. "It clearly states that, "project proposals for MoA funding shall only be made by an umbrella association, umbrella company or special purpose authority (SPA) in a project area." *The National*: www.thenational.com.pg/

Nautilus receives Solwara project ecology permit

National 8.1.2010

NAUTILUS Minerals Inc. has announced that the final environmental permit for the development of the Solwara 1 project in New Ireland province was received on Dec 29. This was from the Department of Environment and Conservation (DEC) for a term of 25 years, expiring in 2035. The environmental permit in principle was issued in September last year. Nautilus chief executive officer Steve Rogers said in a statement: "The environmental permit is the culmination of many years of work by Nautilus and the DEC and paves the way for processing of the company's mining lease application. "The project team is working with the Government of PNG to complete the final stages of this process". In the regional joint venture, he said Nautilus was continuing advanced discussions with several parties in connection with a regional joint venture covering some of Nautilus' tenements in the territorial waters of PNG. Nautilus is the first company to commercially explore the ocean floor for gold and copper seafloor massive sulphide deposits and is currently developing its first project. The company's main focus is the Solwara 1 project, which is located in the territorial waters of PNG in the western Pacific Ocean.

PNG OKS SEABED MINING

Nautilus Minerals gets 25-year permit

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, Jan. 6, 2010) - The Papua New Guinea government has issued an environmental permit, allowing for the world's first commercial seafloor mining project to begin. The PNG government has granted a 25-year environmental permit to Nautilus Minerals to mine gold and copper at its Solwara One site, 1.7 kilometers below the Bismark Sea. Nautilus CEO Steve Rogers says the decision is a significant milestone. He says it took three years of research in conjunction with 14 of the worlds leading marine institutions to put together the environmental impact statement. "All of the scientific bodies have been independent from the company. These bodies have been free to publish the findings from their scientific research with no control or monitoring from ourselves," he said. Mr Rogers says Nautilus hopes to begin mining in 2012. Radio Australia: www.abc.net.au/ra

PNG mines to benefit from high copper price

Post-Courier 6.1.2010

By ERIC TAPAKAU

PAPUA New Guinea's copper producing mines are in for a big time as the price of the precious metal rises to over K19,000 (\$US7500) per tonne mark. With the country being one of the major exporters of copper, this will also have a positive impact on the national revenue. While most mining companies in the country are gold focused, the world class Ok Tedi mine in the Western Province is the major producer of copper concentrate in the country. With reports of prices of copper skyrocketing, the company will be in for another bonanza in 2010. In 2008, OTML continued to be the foremost contributor to the economy of Papua New Guinea, paying \$US350 million in dividends to shareholders (K927 million), 82 per cent of which ultimately benefited the people of PNG through shareholders PNG Sustainable Development Program Limited (52 per cent) and the National Government (30 per cent). Net revenue from the sale of concentrates accounted for more than 20 per cent of PNG's export earnings and 17 per cent of gross domestic product.

In 2008, total taxes and dividends of K950 million was received by the National Government with a further K350 million distributed to the Western Province Government, communities and employees. Goods and services procured in PNG amounted to more than K850 million. According to news agency AAP, copper soared past \$US7500 per tonne on Monday, hitting its highest level for 17 months on the back of industrial action in key producer, Chile. In trading on the London Metal Exchange, copper for delivery in three months time soared to \$US7 536 a tonne, reaching the highest point since August 2008. At the close of trade last week, copper for delivery in three months had jumped to \$US7408 a tonne from \$US7070 the previous week. Workers at two mines owned by Chile's Codelco company, the world's biggest copper mining company, went on strike on Monday demanding higher pay and better benefits. Miners at the Chuquicamata and Mina Sur mines, which together account for 4 per cent of the world's copper production, are calling for a 7.5 per cent pay rise as copper prices soar. Both mines belong to the state-owned Chilean group Codelco, which produces around 1.6 million tonnes of copper per year and employs 5600 workers.

LNG project lures public servants

National 6.1.2010

Source: By ZACHERY PER

AN exodus of highly-skilled public servants to the LNG project is being experienced as workers are quitting their jobs in search of greener pastures. Several public servants in Simbu province have attended interviews with developers of the project, according to president of the Public Employees Association Simbu branch Peter Nulai. He told The National in Kundiawa yesterday that there would be an acute shortage in public service workforce after an exit of several highly-skilled and experienced public servants. "The onus is on the Government to re-negotiate their remuneration packages to keep them serving the people at their current respective levels," Mr Nulai said.

He said public servants not only in Simbu province but also other provinces and in the National Government were opting to join the LNG work force. "Most of those who expressed interests to work in the project are likely to leave public service as so much money is involved. "The Government will make millions of kina because of the LNG projects, so they should increase the salaries and improve working and living conditions of its workers to keep them in the public service," Mr Nulai said. It has been revealed that PNG lacked the manpower capacity for the LNG project to start and developers were looking at recruiting skilled manpower overseas to meet the requirement of the project.

Authority allows Simberi mine to reopen

Post-Courier 5.1.2010

MINING operations on Simberi Mine in New Ireland province resumed on the weekend after an agreement was signed last week between the mine operator and the landowners. The Simberi Gold Company Limited and Simberi Landowners through the Simberi Mine Area Association signed a memorandum of understanding (MOU) last week before the Mineral Resource Authority (MRA) to allow the mine to resume normal operations. The mine was closed towards the end of last month after landowners reported environmental damages and risky work conditions of workers at the mine site. Deputy Chief Inspector Lave Michael carried out an investigation and closed the mine for an indefinite period.

However MRA lifted the mines suspension orders on Christmas Day after the mining company made undertakings to take remedial actions on issues identified by Mr Michael. This did not affect the processing function which frustrated landowners forcing them to plant “gorgor” - the traditional plant used to stop activities - to stop the mine from accessing stockpiles processing. MRA acting managing director Philip Samar confirmed that the mine had resumed full production. Mr Samar commended both the landowners and the Simberi Gold Mine for reaching an understanding to discuss their issues and continue to build a working relationship.

The company would try to correct the situation or any outstanding matter at the forthcoming MOA review meeting at the end of this month. Mr Samar said he wanted to see that the landowners and company stick to the relationship fostered in respect to the MOU till the MOA review at the end of this month. He said there is a need for parties to come up with a set of protocols under the dispute resolution clause dealing with the invocation of traditional practices. “The National Government is committed to ensuring t that investor confidence is maintained by providing every assistance to possible to mitigate actions that might disrupt the legitimate conduct business” Mr Samar said.

‘Increase police in Tari’

National 5.1.2010

A FORMER provincial member of Western Highlands province is calling on the National Government to increase police man-power in Tari and parts of Hela region. Paul Watai said Tari was becoming like a “cowboy country” where there was no control and respect for other people and as a result criminal activities was going from bad to worse. He said with the big multi-billion kina liquefied natural gas (LNG) project coming up, the province was likely to experience more criminal activities unless there was enough manpower on the ground to contain it. Assistant police commissioner and Highlands divisional police commander, Simon Kauba, urged Petroleum and Energy Minister William Duma to fully equip the policemen in the region with logistic support before the LNG project starts next year.

Where are we heading with LNG project? Letter to the editor Post-Courier 5.1.2010

The PNG Government and the developers of the LNG project signed the Final Investment Decision (FID) on December 8 as initially planned. With this, the project is set to go ahead. The \$US16 billion project is set to transform the economic landscape of the country. I am however sceptical about the project’s impact on the people of PNG, in particular the landowners from Southern Highlands through Western and Gulf provinces to the processing plant in the Central Province. Millions of kina will be paid out to these landowners in royalties over the next 30 years.

My fear is that the people are not prepared to handle this money, so the money will actually become a curse rather than a blessing. We recently read that the landowners in Southern Highlands went on

a drinking and shopping spree after the Licensed Based Benefits Sharing Agreements (LBBSAs) were completed. It was reported that all the liquor outlets were emptied of stock, and many road accidents happened. I believe this is a sign of things to come.

I fear that the following will happen in the project areas:

- * Drunkenness and associated social problems will increase;
- * marriage break ups;
- * HIV/AIDS will increase;
- * Many children will refuse to go to school;
- * Disputes, quarrels and even all-out wars within landowning groups will erupt.

When the project expires in 30 years' time, it will be as if a tsunami had swept through the project areas. It will leave a lot of social problems. The LNG project will not do much good for the land-owners but money problems. Only time will tell. Concerned PNG

InterOil signs deal with Japanese partners

Post-Courier 5.1.2010

By *ERIC TAPAKAU*

LAID back Gulf Province is set to become an industrial hub as InterOil partners with Japanese Mitsui Group to build a stripping plant in the province. The province will soon host a massive K1.32 billion (\$US450 million) gas condensate stripping plant that will be used to process gas from the world class Elk and Antelope gas fields also located in the province. Key terms of agreement (KTA) were signed last week between the State through Petromin Holdings PNG Limited, InterOil and Mitsui of Japan showing full commitment by Japan to assist in developing Papua New Guinea's vast gas resources and at the same time purchasing the products such as liquefied natural gas. Prime Minister Sir Michael Somare as trustee shareholder of Petromin PNG Ltd performed his last official duties of 2009 by witnessing the KTA between the two companies for a \$US450 million lending facility anticipated to cover 100 per cent of the remaining costs of the processing and sale of condensate from the Elk and Antelope fields.

The KTA outlines the relationship between InterOil Corporation, Petromin Ltd and the Mitsui Group. The non binding KTA demonstrates Japanese support for Petromin, the natural resources holding company of Papua New Guinea and InterOil's upstream development. "This KTA signing follows a memorandum of understanding that was completed several months ago," Sir Michael said. "And it sets the stage for a binding agreement to be signed upon further negotiations." Mitsui Group representatives were present for the world record breaking flow test at the Antelope -2 well early last month and the recent signing of InterOil's LNG project agreement. The group is one of the largest corporate conglomerates in Japan and one of the largest publicly traded companies in the world. Mitsui Group has interests in LNG and petrochemicals among other industries and is recognised as one of the largest traders in naphtha and high quality petrochemical products. "We are pleased to have support from Japan in furthering the development of our natural resources" Sir Michael said.

Murder mars mining township

The National 4.1.2010

By *PATRICK LEVO*

A violent New Year's murder has rocked the small mining township of Wau and tension is mounting as Watut landowners flock into town seeking revenge. Police named the victim as Amos Kupa, 38 of Ekopa village in the Watut sub district of Bulolo. Police say Mr Kupa was stabbed to death by two East Sepik youths after an argument over job opportunities with mining company MMJV.

The incident occurred at 5.10pm on New Year's Day. Police have arrested one suspect named as Bill Wasanga while a second suspect is still on the run. Both youths are from Sangriwa village in Angoram district of East Sepik but live in Wau. On Saturday, Bulolo MP Sam Basil called for calm and for the Watut people to respect and let police handle the matter. He said one suspect is already in custody and police should be allowed to round up the other suspect and bring him to face justice. Mr Basil said: "First and the foremost thing that we all want in the electorate is peace, especially in this new year period. "I am particularly asking the relatives to respect the law and allow the police to do their job as the first arrest has been made which shows that the matter is well attended to by the police.

"I am also appealing to the other suspect to turn himself in for the sake of peace and in respect of the settlers and relatives that he left behind. "He must turn himself in as soon as he can." Mr Basil said the Bulolo District Joint District Planning and Budget Priority Committee had fought hard for the liquor ban which is in force after the law and order situation deteriorated last year. He said: "I am appealing to the settlers in Bulolo to respect the indigenous people of Bulolo and the public servants." Mr Basil said the incident last year involving youths in Bulolo who stoned the Grace Memorial Secondary School teacher is still unsolved and for them to start another problem and in this case involving murder was uncalled for. "I am now calling for the settlers in Bulolo to respect the law and the lives of the general public in Bulolo District which is made up of the majority of the rural dwellers from Garaina, Waria, Biangais, Watuts, Mumeng and the Buangs and these people must be respected by the settlers," he said. "My JDP&BPC will also discuss the eviction of illegal settlers in our first meeting this year and look at ways to send people back to their home provinces," Mr Basil said. He said it is in the best interests of all the people in the district to maintain peace and to respect the law while the police carry out their work.

Mining is destroying Markham River: Wampar Local-Level Government councillor

Source: DOREEN POLOH WAIM

The National 4.1.2010

A WARD councillor from the Wampar LLG in Huon Gulf, says continuous pollution from Hidden Valley mine in Bulolo has affected the communities living along the Markham River. Douglas Gedisa said since the mine started four years ago, chemical had polluted the river system and had made the water unsafe to use and drink. He said the lives of more than 1,000 people were affected because they depended on the river for domestic use and fishing. Most gardens by the river side had also been affected, Mr Gedisa said. He said there were instances where dead fish were found floating on the river or lying near the river banks. "People were also getting sores on their skin after bathing in the river." Mr Gedisa said his people were facing health risks and environmental damages. He urged the Morobe provincial government and the Morobe Mining Joint Venture to seriously look into the issue. Mr Gedisa said in order to avoid using the river the communities needed water supply or water storage facilities. He said that the mining company had to make consideration for compensation for the affected communities since the start of the pollution.

Concerns over impact of Hidden Valley gold mine

The National 4.1.2010

THE people of Labu-Buttu village near Lae have called on the Government to order an environmental impact study into the effects of the Hidden Valley gold mine on their lives. At a New Year's Day meeting, they expressed concern that their lives were seriously threatened by the mine and nothing was done by the national and Morobe provincial governments. The villagers reported at the meeting that prawns, eels and cat fish, which used to be caught in abundance from the lower part of the Markham River, had completely disappeared during the past two years. The fishermen, who

normally fish at the mouth of the Markham River, had also reported that the fish they normally caught were no longer there. Villagers making their gardens along the banks of the river had reported a rise in sediment at the bottom of the Markham River had forced the river to spill into their gardens. They also reported finding dead fish floating in the water near the mouth of the Markham River and near the beaches at Labu-Buttu village.

Labu-Buttu fishermen told the meeting they were no longer catching the same numbers of fish as they used to in the past and that the seas now seemed empty of fish stocks. Councillor Jeffery Tipi said the people wanted a comprehensive environmental impact study to determine the level of mine pollution in the Markham River and sea around the Huon Gulf. They also wanted a proper study on the fish and other water resources which the people depended on. At the meeting, they also stressed that they were not being properly informed about the effects of the Hidden Valley gold mine on their livelihood, especially the negative impacts. They called on the provincial government, its administration and the Morobe Mining Joint Venture to go to the village and explain if any compensation would be paid for the loss of income and food sources as a result of the effects of the mine on the river and marine life.

At the meeting, the people also expressed concern that they were not included in the memorandum of agreement signed between the mining company and the provincial government on compensation for communities affected by the operations of the mine. "The Markham Bridge, which is the lifeline to the Hidden Valley gold mine, passes through our land to Wau yet we are not included in the agreement as an affected community," Mr Tipi said. "There is something really wrong with this agreement and we call for amendments to include us," he said. The villagers formed a committee to take their concerns up with the mining company and the provincial government.

Workers return to Simberi mine

National 4.1.2010

WORKERS were flown into the Simberi gold mine in New Ireland province over the weekend after Mineral Resources Authority (MRA) lifted the stop work order last week. MRA lifted the order after miner Allied Gold Ltd, operating as Simberi Gold Co Ltd, said it had a plan to address issues raised by deputy Mines inspector Lave Michael. It is understood MRA will be issuing a statement on this. Mining and exploration work at Simberi should resume in the next few days after the Simberi Mine Area Association (SMAA) signed an agreement with MRA and Simberi Gold Co on certain issues which they wanted the company to observe during the review of the memorandum of agreement (MoA). Reliable sources said on anonymity the agreement was signed last Friday after the customary gorgor was removed from certain facilities at the mine site. The agreement covered several claims which included SMAA trust's claim that Simberi management had not welcomed the review into the MoA.

SMAA community development facilitator Bernard Maris claimed the company had not made clear to MRA its development plans. "SMAA has clearly conveyed to the company it will not entertain any pre-MoA discussion in areas where the company does not have any plans for commitment," he said. "The agreement was to acknowledge the issues that the landowners were raising and for the company to provide its position on the negotiations (MoA) and for the company to be committed," a source from Simberi source. MRA's mine inspection branch had temporarily closed the mine on health, safety, and welfare issues and issued the stop work order last month covering all Simberi Gold's tenements on Simberi Island. The order followed an inspection of the mine carried out by Mr Michael on Dec 17 during which serious threats to public safety, health and livelihood were identified. The mine's management was notified later.

The National previously reported Simberi Gold sought legal opinion on the legality of the closure order. The sources said negotiations between MRA, Simberi Gold management and SMAA during the last two weeks at some stages reached heated arguments due to many issues SMAA alleged were not carried out by the company. The mines inspectorate enforces and oversees compliance of health and safety standards in all mining operations in PNG under the Mining (Safety) Act and Regulation 1977.

INTEROIL WANTS SECOND GAS PROCESSING PLANT IN PNG

Last minute proposal made on eve of agreement signing

By Sheila Lasibori

PORT MORESBY, Papua New Guinea (The National, Jan. 4, 2010) - INTEROIL Corp, developer of the Elk/Antelope liquefied natural gas (LNG) project, has proposed an offshore processing plant in Gulf province on eve of project agreement signing of the oil company's first LNG project in Papua New Guinea (PNG). [PIR editor's note: Gulf Province is a province of Papua New Guinea located on the southern coast with a total area of 34,500 square kilometers. The provincial capital is Kerema. The province has the second-smallest population of all the provinces of Papua New Guinea with approximately 107,000 inhabitants.]

But Government lawyers did not have enough time to look into this proposal, owing to the signing of the project agreement the very next day. Likewise, this proposal was not in the initial project agreement discussed between InterOil and the Government. State Solicitor George Minjihau confirmed this "last-minute" negotiation. "We had some last minute issues ... there were some big issues that InterOil was concerned about but we had to reach an agreement. "One of the issues was that the company wanted to look at the possibility of building an offshore plant but it was not in the initial proposal. "We said you (InterOil) cannot bring this thing late to us ... and eventually we reached an agreement," Mr. Minjihau said, adding the front end engineering and design (FEED) would determine the location of the plant.

InterOil chief executive officer and Chairman Phil Mulacek said they were looking to have the project agreement "flexible". This, he said, was because InterOil, has enough gas reserves from its Elk/Antelope oil wells in Gulf to support two plants at the same time. "We have found additional gas so we wanted to make sure there was flexibility and the Gulf province wanted to see if there was additional development there," Mr. Mulacek said. Petroleum and Energy Minister William Duma was satisfied that InterOil has sufficient gas reserves for the US\$6.0 billion (17 billion kina) two-train LNG facility. "We said (and promised landowners) we would look at alternatives as well ... we have enough gas for Napa Napa (oil refinery) and we now have surplus, so we are now looking at a location in the Gulf as well, and we will run them both in parallel. "We made that commitment to see if we can foster economic development more diverse for the nation. "And we are the first ones to do that ... and when we say we are not afraid to do that, it's a tougher job," Mr. Mulacek said recently when asked why negotiations pertaining to the project agreement ended on the eve of the signing ceremony at the Government House.

"We are designing a plant with proven technology that will last for decades, so that means we are going to have a lot of cost efficiencies versus other applications," he said. Mr. Mulacek said they (project partners) had to be more innovative and if they worked with Gulf governor Havila Kavo and the landowners, there would be important social services delivered. He said they would also look at land-based facilities – a mix of offshore marine facilities making sure that all in line with the timeline and cost efficiencies. "While we were negotiating, Australia has already taken 70 percent of the Japan's market. Look at the lost opportunity for this country ... while people have been negotiating with the rest of the world, Australia grabbed market share. "So when Prime Minister

(Sir Michael Somare) said we expect to be innovative, and go forward, we are going to have it done ... we will get it done," he said. Meanwhile, preliminary FEED work started three months ago, almost two years behind schedule. The US\$450 million (1.22 billion kina) pre-FEED had started and the US\$50 million (136 million kina) FEED for the LNG itself will start later during the course of the project. The National: www.thenational.com.pg/

Former governor Yawari to fight LNG

Post-Courier 4.1.2010

THE courtrooms will be filled again this year with disgruntled landowners trying to do what they have been doing in the past year- challenging any agreement reached on the PNG LNG project. Former Southern Highlands Governor Hami Yawari has already indicated that he will take out a fresh court challenge to nullify the licence based benefit sharing agreement signed in November last year. The signing paved the way forward for the project partners including operator Esso Highlands Limited to make the final investment decision. Mr Yawari, who did not sign the Kutubu LBBSA, said the landowners were the main losers in the whole PNG LNG project. He said while the landowners with the PNG LNG project got to own 19.4 per cent of the project, their counterparts from the Gulf Province with the InterOil led liquefied natural gas project would own 22.5 per cent of the project as stated under the Oil and Gas Act.

But industry insiders said that Mr Yawari did not understand the benefit streams of the PNG LNG Project. He said the benefits to the landowners over the lifespan of the project would be massive and the benefits would start flowing to the landowners regardless of when gas flowed out of each field. Gas from Juha and Angore will start flowing from 2020 onwards but benefits to the landowners will start as early as this year. "We will get the best for all our landowners regardless of where the landowners are from. "They will all benefit over the lifespan of the LNG projects," the insiders said. Mr Yawari said other provinces of PNG would miss out on benefits because the National Gas Corporation was not a signatory to the projects. The insiders said that Mr Yawari was misinformed and that this was not true. The insiders said the deal struck with the ExxonMobil PNG LNG Project appeared to be the best deal for the landowners and the rest of PNG.