

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

**Vol. 14, No. 3, May – June 2022, 47 pages**

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**Abbreviations in common use:**

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

**Websites:**

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

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

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

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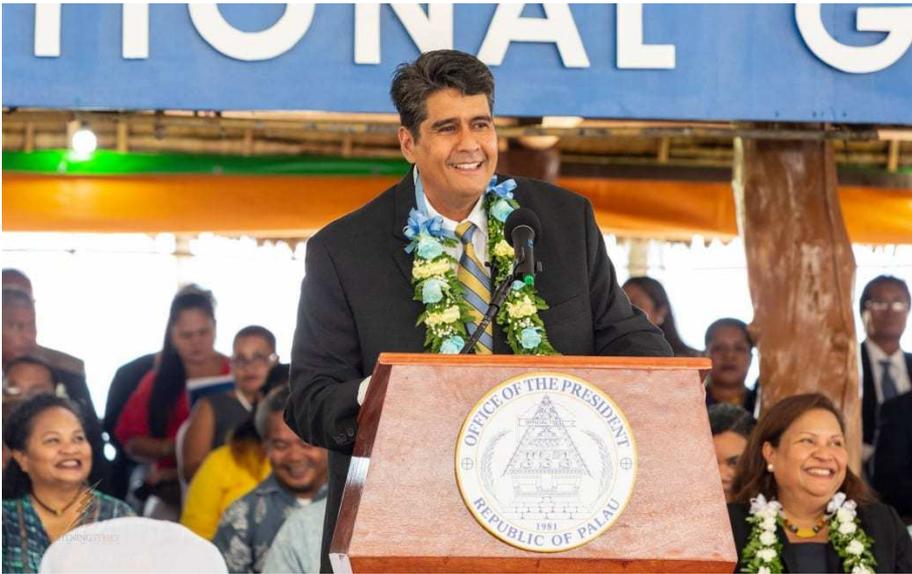
**Fiji, Palau and Samoa call for a moratorium on deep-sea mining at UN conference**

Radio New Zealand, 29 June 2022

Palau, Fiji, and Samoa have announced their opposition to deep-sea mining, calling for a moratorium on the emerging industry amidst growing fears it will destroy the seafloor and damage biodiversity. The alliance has been announced just as a United Nations Oceans Conference begins in Portugal. The moratorium comes amid a wave of global interest in deep-sea mining despite environmental groups and governments urging to ban it or ensure it only goes ahead if regulations are in place.

The alliance between Palau, Fiji, and Samoa was made by Palau's President Surangel Whipps Jr at an event co-hosted by the Deep Sea Conservation Coalition and the World Wildlife Fund as part of a side event at the United Nations Ocean Conference in Lisbon. It comes after Vanuatu declared its opposition to deep-sea mining with Chile announcing support for a 15-year moratorium earlier this month, joining the Federated States of Micronesia, Fiji, and Papua New Guinea who have already

taken steps against deep-sea mining. The Pacific Liason for the Deep Sea Conservation Coalition Aotearoa, Phil McCabe said a moratorium will prevent or slow the process of mining activity.



Palau's President Surangel Whipps Jr Photo: Richard Brooks



Phil McCabe Photo: VNP / Phil Smith

"It's a pause on no more exploration licenses being issued, no exploitation meaning no actual mining licenses being granted and not yet adopting or agreeing to the rules around how this activity might go ahead." The Pacific leaders were given a standing ovation for their stance against deep-sea mining. McCabe said the issue of mining was the most engaging topic at the event. Surangel Whipps asked: "How can we in our right minds say 'let's go mining' without knowing what the risks are?"

McCabe said Pacific leaders discussed the important role the ocean has in the region. "The deep-sea mining issue, it seems like it's the hottest topic here at the Ocean conference, there was a real heart space discussion around in the Pacific our relationship with the ocean and this activity just really attacking the base of that relationship - just inappropriate. And the leaders were acknowledged and there was a standing ovation," he said. Greenpeace Aotearoa campaigner James Hita is calling the new alliance "absolutely monumental" and said now is the time for the New Zealand Government to take a strong stand on the issue.

## **‘Not worth the risk’: Palau, Fiji call for deep-sea mining moratorium**

Reuters via Mining.com, June 27, 2022



Tavarua Island, Fiji. Credit: Wikimedia Commons

Concerned about the potential impacts of deep-sea mining on ocean biodiversity, the Pacific islands of Palau and Fiji on Monday launched an “alliance” to call for a moratorium of the nascent industry. The backing of a moratorium comes amid a wave of global interest in deep-sea mining but also growing pressure from some environmental groups and governments to either ban it or ensure it only goes ahead if appropriate regulations are in place. Deep-sea mining uses heavy machinery to suck up off the ocean floor potato-sized rocks or nodules that contain cobalt, manganese, and other rare metals mostly used in batteries. Speaking to a packed room at the United Nations Ocean Conference in Lisbon, Palau President Surangel Whipps asked: “How can we in our right minds say ‘let’s go mining’ without knowing what the risks are?”

“We believe it is not worth the risk,” he said. “We ask all of you to support that... deep-sea mining increases the vulnerability of the seabed floor and marine life.” The International Seabed Authority (ISA), a U.N. body, is drawing up regulations governing seabed mining in the high seas – areas outside any national jurisdiction. Until global rules are in place, seabed mining is not allowed. The Deep Sea Conservation Coalition, which also supports a moratorium, said the ISA would meet in July and August to try to push through draft regulations that, if adopted, would see mining licensed to begin in the deep ocean as soon as July 2023. Earlier this month, Chile also called for a 15-year moratorium on adopting regulations, citing environmental concerns and a lack of sufficient scientific data.

G7 countries last month agreed stringent environmental controls should govern deep-sea mining and that they would consent to such mining projects only if they did not seriously harm the marine environment. But not all nations are against it. China is a major proponent and even smaller nations like the tiny Pacific island of Naru, for instance, asked the ISA last year to fast-track the adoption of seabed mining regulations. Companies such as Google, BMW and Samsung were the first globally to sign up to a World Wildlife Fund call for a moratorium on deep-sea mining. “The costs outweigh the short-term benefits,” said renowned oceanographer Sylvia Earle. “We need to hit the stop button.” (By Catarina Demy, Sergio Goncalves and Helen Reid; Editing by Sandra Maler)

## **EITI: ‘Recovery possible if govt acts fast’**

June 27, 2022, The National Business

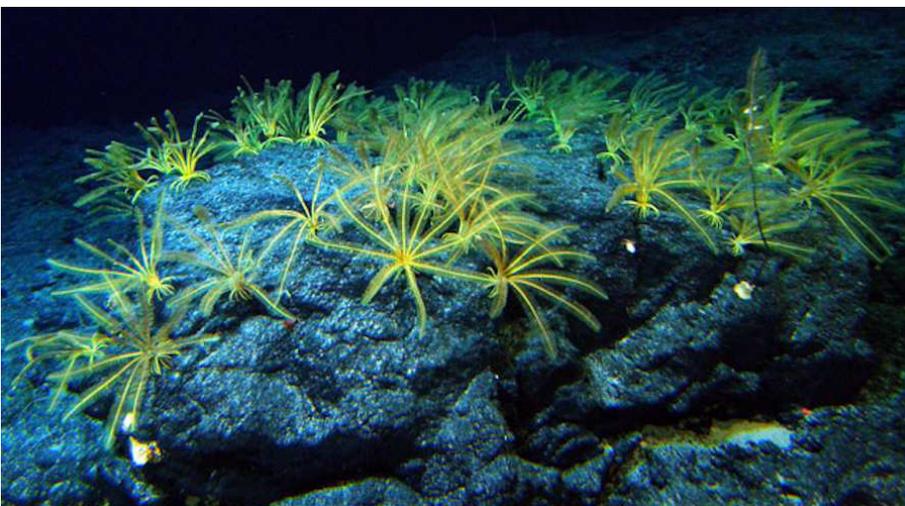
THE economy stands to make a quick recovery this year if the Government acts early to facilitate recovery in a fragile environment, says the PNG Extractive Industries Transparency Initiative (PNGEITI). Head of the PNGEITI Lucas Alkan said the country was slowly recovering from the Coronavirus (Covid-19) challenges. He was commenting on a recent World Bank Report, which projected the PNG economy to grow by around 4 per cent this year, largely driven by growth in the extractive sector. The projection was made in the bank’s Economic Update for PNG released in March. Its projection stems from its estimate of the economy returning to positive growth of 1 per cent in 2021, after contracting by 3.5 per cent in 2020. “The economy is currently in fragile state, particularly when it is emerging from the aftermath of the Covid-19 pandemic induced disruptions that had devastating impact across all sectors of the economy,” he said.

“The pandemic has created room for complacency and brought about new approaches to living and conducting business as we have been introduced to the new normal way of living and doing business in recent times.” He said the Bank’s growth forecast was dependent on a number of risk factors “at play relating to the extractive sector”. They include external risks such as the the rising fuel prices caused by the Russian-Ukraine war which “we have little or no control over”. “However, there are other risks that can be managed in the remaining months of this year,” he said. “Firstly, the Porgera mine needs to be re-opened immediately to contribute to the growth projected. “The prolonged delay in re-opening has resulted in significant revenue loss to the State and loss of employment and benefits to local communities.

“The shutdown of the mine is having a direct impact on the current foreign exchange shortage in constraining business operations domestically. Alkan said “realistically, we may be looking at around October or November for the start-up. But it would be almost end of the year”. “So for Porgera to contribute to the projected 4 per cent economic growth seems unlikely”. He also said the “inherent political risk associated with the General Election 2022 and the formation of a new government “is likely to delay any efforts to start up new resource projects currently in the pipeline”. The other projects include Wafi-Golpu, Frieda and the Papua LNG. Alkan said there was a “real risk for the Covid-19 pandemic to surge again, disrupting economic activities in this very fragile environment.”

## **EU strengthens position against deep-sea mining**

Valentina Ruiz Leotaud via Mining.com, June 26, 2022



Deep sea hard substrate. (Image by NOAA HURL Archives, from [Oregon State University's Flickr](#)).

Just a few days ahead of the 2<sup>nd</sup> UN Ocean Conference taking place in Lisbon from June 27th to July 1st, the European Commission issued a communiqué that, among other things, strengthens the block's position against [deep-sea mining](#). The idea of banning mineral extraction in the exclusive economic zones of EU countries was one of the many items on the [EU agenda on International Ocean Governance \(IOG\)](#), which is to be presented in Portugal by Josep Borrell, high representative of the European Union for foreign affairs and security policy, and Virginijus Sinkevičius, commissioner for the environment, ocean and fisheries.

The document starts by acknowledging the exacerbated impact of climate change and the dangerous decline of biodiversity affecting the global ocean and sets the EU's commitment to "protect the seabed by prohibiting deep-sea mining, which destroys the seabed, and regulating, where necessary, the use of fishing gear that are most harmful to biodiversity." The new agenda is considered an important part of the [European Green Deal](#) and it also builds on previous calls issued by the group to prohibit deep-sea mining until scientific gaps are properly filled and it is possible to ensure that the extraction of gold, copper or rare earths from the seabed has no harmful effects on marine ecosystems.

The roadmap, however, points out that similar efforts to protect marine biodiversity from a range of harmful activities, including seabed mining, should be taken by other nations so that the 30×30 initiative, which calls for governments to designate 30% of earth's land and ocean area as protected areas by 2030 and has been endorsed by the EU, the G7 and others, can become a reality. "We must take better care of our ocean. With our new proposal for a Nature Restoration Law, we want to heal our marine ecosystems in Europe but this will not be enough," Sinkevičius said in the brief. "We need to mobilise our global partners to achieve sustainable ocean management and healthy marine life all around the world. This is why the Commission commits up to €1 billion for ocean and coastal biodiversity and climate actions globally. Today, we call on all our international partners to boost the implementation of our joint commitments and focus on ambitious actions for the ocean ahead of the upcoming COP 15 for biodiversity."

### **K110mil lost after closure**

June 24, 2022, The National Business

LOCAL contractors of Porgera Joint Venture (PJV) and others benefitting from the Porgera mine lost around K110 million since the mine closed two years ago, an official says. Porgera Chamber of Commerce and Industry president Nickson Pakea said it included around 700 small-to-medium enterprises (SME) and 176 contractors. "Most of the contractors went through difficult situations (when) banks recouped (vehicles) on lease or loan," he said. Pakea urged the Government to provide "relief funding to rescue the business losses". "The K100 million Business Development Grant declared by the Government should be (provided as) relief funding to the SMEs (affected by) the mine shut-down," he said. "We want the State to set aside this funding for SMEs. "We also appeal to the Mineral Resource Enga to sign the (outstanding) shareholding agreement (to allow the reopening of the mine) as soon as possible." Pakea said the contractors, mine employees and people in the Porgera Paiela needed assistance.

### **Govt keen on taking 30pc equity**

June 23, 2022, The National Business

THE Government wants to exercise its option to take up to the full 30 per cent equity in the K18.5 billion Wafi-Golpu project in Morobe, Kumul Minerals Holdings Ltd (KMHL) managing director Dr John Kuwimb says. Kuwimb said KMHL was looking forward to participating in future

projects, especially in the gold and copper mining projects and rare earth minerals when prices are rising and likely to remain owing to global demand for these minerals caused by the climate change agenda and geopolitical conflicts and realignments happening at the moment. “If we secure 30 per cent in Wafi, then it is likely that some percentage will go to the Morobe government and the Special Mining Lease (SML) area landowners and so we will be left with the balance to keep for the rest of Papua New Guinea,” he said. “Under government policy, the National Government has the option to take up to 30 per cent equity in large mining projects, and so, in the Wafi project, the Government wants to exercise that option to take the full 30 per cent.” “The future plan is to concentrate especially on gold and copper projects, and buy into existing exploration licenses. “Our future is bright. “We want to follow a future that is sustainable and prosperous by dominating the mining industry in this country.” The developers of the mining project are Newcrest and Harmony under the Wafi-Golpu Joint Venture. (see interview below)

### **Taking a different approach**

June 23, 2022, The National Business

*Kumul Minerals Holdings Ltd (KMHL) is to participate in more projects in the future. It is a State-owned entity, operating as a commercial enterprise, principally in mineral exploration, development, production, processing and marketing activities. It is mandated as the exclusive nominee to hold and manage mining investments on behalf of the PNG Government. Managing director Dr John Kuwimb explains to Business reporter Peter Esila what KMHL plans to do.*



Kumul Minerals Holdings Limited managing director Dr John Kuwimb at his office in Port Moresby. Kuwimb says their aim is to participate in Wafi-Golpu as a state-owned entity – Nationalpic by Peter Esila

### **Sustainable future**

**Dr Kuwimb:** Our future is bright, we want to follow a future that is sustainable, in that we anticipate to get into various mining as many as possible, especially in gold and copper. We we want to focus on gold and copper. The plan is that we want to participate in Wafi-Golpu and look around for some other prospective. We concentrate on Ok Tedi and build that up, then look at others, especially gold and copper projects where we can buy into existing exploration licences. In accordance with existing policy, the Government wants to exercise its option to take up the full 30 per cent equity in the K18.5 billion Wafi-Golpu project in Morobe. If we secure 30 per cent in Wafi, then it is likely that some percentage will go to the Morobe government and the Special Mining Lease (SML) area landowners. So we will be left with the balance to keep for the rest of PNG.

We are not going to participate in Solwara 1 anymore because that was before my time. I found that they spent a lot of money but nothing is done. The amount was around K300 million or K400 million that the KMHL borrowed to pay for it. So we are not keen on taking that up. Kumul Minerals will not be operating without Ok Tedi Mining Ltd because that is the only company that gives us the money to operate. Without it, we cannot. It died but Ok Tedi gave life to it. So we are now resurrected. It gives us dividend every year which we divide among the shareholders made up of

KMHL which holds 67 per cent. The landowners and the provincial government hold 33 per cent, Kumul Minerals was dead. We are resurrecting it. This is the second year of operation. We only had one staff working, keeping the company alive. So we put together a team of workers, office equipment – internet systems, computers, office tools, company structure, plan, policies, board and governance. While that was going on, we were also negotiating on Porgera.

### **Downstream processing**

Downstream processing of gold in the country will increase the value of the Kina. From KMHL's point of view, a gold based-economy must be encouraged. Eventually, we want to go into downstream processing and refine gold and establish gold bullion here. When they say, we have to create an export-based economy, all they are saying is that you sell a lot of things from here to get the American dollar so that with the American dollar, the Government can pay off its loans. Importing companies and citizens too can buy things made overseas to bring here. An export-based economy means you export to get the American dollar. So using the American dollar, we can buy things made overseas. This is to make us become customers of overseas products, and customers of foreign financial lending institutions.

**“From KMHL's point of view, a gold based economy must be encouraged... we are saying, let us have a gold-based economy to strengthen the Kina since gold is international currency, more precious than American dollar.” – Dr John Kuwimb**



For KMHL, we are saying, let us have a gold-based economy to strengthen the Kina since gold is international currency, more precious than American dollar. Why are we exporting gold? We should be keeping all the gold in the country. Gold will then back up the Kina and take back the country from the dollar. With a gold-based economy, the purchasing power of the Kina will be very strong. The government will pay off its debt quickly when a Kina is paying for a dollar. Right now, the Kina has become a slave of the dollar through the floating exchange rate regime. Gold is the saviour of the Kina. Therefore, all the gold produced in this country must be refined and kept here to rescue our economy.

### **Challenges**

The biggest challenge I find is that we have lack of knowledge. I believe the Bible verse that says: “My people are destroyed from lack of knowledge.” That is the biggest problem that we are facing. Section 5 of the Mining Act says that the State is the owner of all the minerals. Yet we transfer that ownership to companies who apply for exploration license. Once they find minerals, we give them development tenements, or special mining leases and mining leases. Through that, they get the

minerals and they own it and take it away and sell it, without paying the original owner State anything – or apart from the little the tax and all others. So if the Government wants to take up 30 per cent equity as in Wafi, then we pay for it. So why are we paying for what we own by law?

Can you buy what you already have? In the oil and gas industry, section 6 of the Oil and Gas Act says that the State owns the oil and gas in the ground. When you give a petroleum exploration license, then they find that there is enough oil or gas to be developed and give a petroleum development license, then the license holder becomes the owner. That is why we go and borrow money to pay for any equity we take up. Equity means share. If we want to buy shares. That was why the UBS enquiry comes from us seeking to borrow money to pay for what is already ours by law. What we should have done was to say: I am the owner of the resources. I give you a contract to look for my minerals. If you find it, I will give you a contract to take it out.

The amount I will pay you is specified in the contract. Just like you are a holder of a land. You hold a title. You give a contract under which a carpenter builds a house. Just because a carpenter builds a house doesn't mean that he owns your land. He just gets paid for building your house. So any company can come and look for my minerals. That doesn't mean that you own my minerals. I pay you for looking for it, and for discovering it and for taking it out. It's mine. In service contracts, you give contracts to companies to go and look for minerals for you. That is the kind of arrangement that Kumul wants to pursue in the future. The current system is not good. Lack of knowledge is our number one problem. You got to know, you just can't be ignorant.

### **Porgera: Plans for new company**

June 23, 2022, The National Business

A NEW company will be incorporated as soon as the shareholders' agreement on the new Porgera mine is signed by the Mineral Resources Enga (MRE), an official says. Kumul Mineral Holdings Ltd (KMHL) managing director Dr John Kuwimb said: "The moment they sign it, we will move to the next stage (which is) the incorporation of the new Porgera company. "The company will have eight directors – four from Barrick Niugini Ltd and four from PNG. "The next agreement is the Mining Development Contract, after which we can have the development forum. "The operatorship agreement is a private commercial arrangement between Barrick as the operator of the mine, and the new Porgera project company as the owner of the mining lease. "The mining lease-holder is like the owner of a land title."

Kuwimb gave the example of an agreement between a landowner and a carpenter told to build a house on the land. He said in that case, the carpenter does not own the land. He only builds the house on it. "We call it operatorship, because Barrick will operate the mine," he said. "The project company holds the special mining licence, and Barrick has the knowledge and skills to operate the mine. "The landowners want the mine to re-open as soon as possible. "They have been telling us (that) for a long time. "What we are concerned about now is the care and maintenance cost that Barrick is paying at the moment to keep the mine in a maintainable form."

### **Extractive sector to drive growth by 4pc: Report**

June 22, 2022, The National

THE World Bank says the country's economy is projected to grow by 4 per cent this year, driven largely by growth in the extractive sector. But World Bank country economist Ruslan Piontkiysky warned: "The biggest challenge for the PNG economy this year will be navigating a fragile recovery. "This is particularly challenging while uncertainty remains high. "A sound fiscal consolidation

strategy – one focused on mobilising domestic revenue to decrease the medium-term fiscal deficit – is vital for PNG. “This will be important to navigate while prioritising improvements to the delivery of services.” The state of the economy has been a hot topic for debate during the General Election 2022 campaign among leaders. According to the World Bank report released in March, “Papua New Guinea Economic Update: Navigating a Fragile Recovery”, the extractive sector was projected to be the main driver of gross domestic product (GDP) growth – an estimated 4 per cent – driven by the planned reopening of the Porgera gold mine in Enga.

However, the report estimated that the overall medium-term growth was likely to be impacted by higher global uncertainty. It said that while local agricultural production continued unabated through the pandemic, PNG’s overall GDP growth had lagged behind global and regional averages, with performance further constrained by falling gold and liquefied natural gas production. The report recommends that PNG improves the credibility of its annual budget processes and ensure companies in resource sector contribute revenue to PNG’s budget to safeguard fiscal sustainability. It emphasises “further improvements to the tax policy and tax administration to help reduce the country’s debt burden”.

### **Petroleum firm commits to safeguarding environment**

June 22, 2022, The National Business

TotalEnergies, operator of the Papua LNG project in Gulf, has pledged its support towards caring for the environment it is operating in. This was highlighted yesterday during a visit to Port Moresby Nature Park by the staff, including the company’s senior vice-president Julien Pouget, who is in the country for a visit. TotalEnergies’ commitment to care for the environment was sealed in a memorandum of understanding (MoU) signed between the company and Nature Park. Its purpose is to:

- COOPERATE with the Nature Park in developing scientific research and related programmes in relation to native amphibians in PNG (frog husbandry and frog genome collection);
- PARTICIPATE in enhancing local capacity development and best practices in biodiversity conservation generally;
- SHARE scientific results from TotalEnergies facilities biodiversity survey, consultation meetings, seminar; and,
- SUPPORT sponsorship for Nature Park’s work in PNG.

Pouget said: “At the same time when our project is restarting very fast, it was also very important that we confirm this cooperation. “We are celebrating World Environment Day. Last year it was about carbon. “This year it is about biodiversity. For the project, biodiversity is key for the communities to participate, especially in PNG which is one of the richest in terms of biodiversity.” Nature Park’s interim chief executive officer Kelsey Engle acknowledged the partnership, highlighting the value it would add to the work they were doing. “It is absolutely fabulous to have that commitment and intent for conservation for biodiversity,” Engle said. “We are so grateful for having partners like (TotalEnergies). “Nature Park would not exist and fulfil its mission of being guardians of PNG’s flora and fauna without such partnerships.”

### **Women landowners from mine want to expand business**

June 22, 2022, The National Business

WOMEN landowners from the coastal pipeline areas of the Ramu Nickle project in Madang plan to open up and expand business activities for themselves. Coastal Pipeline Women’s Landowner

Association chairperson Ruth Kamai said they wanted to follow women groups in other mining and petroleum areas who now operated their own businesses. “We have bought a truck from the K262,000 royalty paid in 2019 by Ramu NiCo,” she said. “The truck is currently engaged in business operations and is generating income. “We have sufficient money in the bank account from the royalty paid and are looking at expanding our business operations, both within the Ramu NiCo project impact area and outside.”

Kamai said the priority business areas they were looking into were transport, poultry, cocoa and small to medium enterprises. “We are very thankful to the National Development Bank for the continuous support and assistance,” she said. “We are looking for joint venture partners now, to share resources and ideas so together we can benefit.” Bugati women’s representative Sarah Silandu stressed the need for financial literacy training for the women group so that they could open bank accounts, learn to save and budget money. The association represented more than 5,000 women from Siroi, Marika and Bugati in the Astrolabe Bay local level government. According to project operator Ramu Nico Management (MCC) Ltd, the women held their annual general meeting on Saturday at Lalok village in Raicost. Financial reports on royalties received from MCC were tabled also. MCC’s community affairs deputy general manager Albert Tobe urged the women executives to be transparent and prudent managers.

### **Govt pledges K700mil grant for Porgera**

June 21, 2022, The National



Women at Porgera Valley in Enga yesterday. Prime Minister James Marape was there yesterday and made a commitment of K700 million for the resettlement of the people within Porgera mine project impact area. – Nationalpic by REBECCA KUKU

PRIME Minister James Marape says the Government has made a commitment of K700 million to resettle the people in the Porgera mine project impact area. He told people in Porgera, Enga, yesterday that it would be broken down to K100 million a year for the next seven years. “The K700 million was under the infrastructure development grant for Porgera,” he said. “I would like to see a proper resettlement exercise. “There is a way to draw down this funding early to enable the planning of a proper mining township so you can settle people properly.” A commitment was made to do away with the Mineral Resources Enga (MRE), as a decision needed to be made for the split in benefit between the landowners and the Enga government.

“Some decisions have been made,” he said. Marape said while the mine has not been opened yet, the Government had put aside K100 million for the MRE to set the new Porgera mine on a new path. “If the landowners would like to come up with a company, then that’s up to them,” he said. Marape said K40 million had been given while the balance of K60 million would be given once the

development forum finalised the reopening of the mine. He said the K100 million was allocated under the business development grant to cater for businesses which had to shut down because of the mine's closure.

### **Collaboration to provide real time data: PNGEITI**

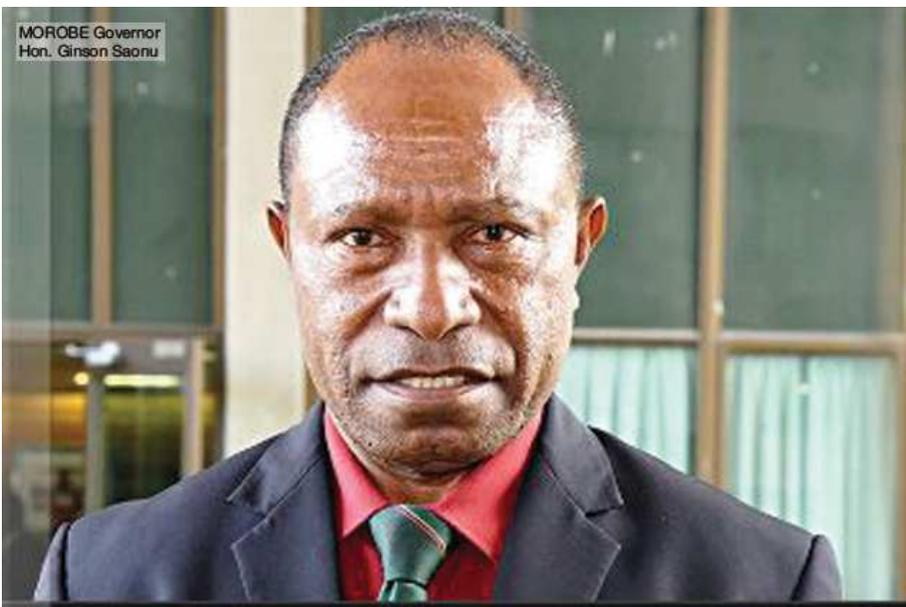
June 21, 2022, The National Business

The PNG Extractive Industries Transparency Initiative (PNGEITI) says the collaboration between the Mineral Resources Authority (MRA) and mine operators in the country to collect data will create investor and public trust. PNGEITI Head of National Secretariat Lucas Alkan applauded the collaboration to enable the creation of a digital platform to provide real time mineral data from all major mines in the country. Live data would include numbers showing production value, export value, and related information basically livestreamed from a data source of mine operators.

The Ok Tedi mine in Western will be the first to streamline live data to the MRA website for public access when engineers finalise their work. Other will follow soon after. "The cooperation between the mine regulator and the extractive companies to make live data available for public viewing is an excellent undertaking to garner investor-public trust and confidence in the way the mining industry is regulated and progressing. PNGEITI highly commends these efforts," Alkan said. "We commend the MRA leadership under managing director Jerry Garry as this undertaking will complement and enhance EITI reporting in the country. "This is a boost for transparency, boost for investor and public confidence," he said.

### **Saonu silent on project**

June 21, 2022, The National Business



MOROBE Governor Ginson Saonu has refrained from commenting on the proposed coal-powered electricity plant in Lae, saying it will only complicate talks on other major projects. "We still have Wafi-Golpu discussions ongoing and I don't want to complicate the issues as it's all within the same impact area," he said. The proposed K400 million Environmental Energy Park to be developed by Australian company Mayur Resources Ltd is expected to supply the Ramu grid's energy needs, powered by 80 per cent coal and 20 per cent biomass. While the Conservation and Environmental Protection Authority (Cepa) has approved the project, student environmental activist groups

and independent bodies such as Nogat Coal are strongly against the idea.

A few individuals, with the support of the Morobe Evangelical Lutheran Church of PNG met last Wednesday in Lae, to discuss a recent report by Centre for Research on Energy and Clean Air on the health and economic impacts of the coal power plant. The report highlighted air pollution as the second leading cause of death and disability in PNG. CREA analyst Isabella Suarez stressed the estimated impact, should the 52MegaWatt station commence, would expose thousands in Morobe and nearby Highlands provinces to elevated pollution levels of toxic depositions. Samantha Kuman, advocacy officer with Centre for Environmental Lae and Community Rights who established the Nogat Coal campaign, said there was need for more campaign against coal. Mayur Resources is awaiting a Power Purchase Agreement from PNG Power before the project starts.

### **PM to be in Enga for mine talks**

June 20, 2022, The National Business

PRIME Minister James Marape says he will be in Enga today to discuss the reopening of the Porgera gold mine with landowners and provincial government. Responding to *The National* on the delay in reopening the mine, Marape said concerned landowners and the provincial government had yet to agree on the beneficiary split between themselves. “Next week, I am supposed to go up to meet all the landowners and the provincial government on the benefit sharing,” he said in Alotau last week. “Barrick and Kumul (Minerals Holdings Ltd) are ready to move to the next level but the shareholder agreement is being held back by landowners represented under the trust company MRE (Mineral Resources Enga). “They want some amendments to be made, especially in terms of the 15 per cent benefit sharing.

“Barrick and Kumul are of the view that we go to an equity or benefit sharing forum and the rest of the landowners must give their consent.” Marape said he had assured the developers that all parties had agreed that the landowners and provincial government would get 15 per cent and Kumul on behalf of the state would get 36 per cent. “I’m visiting Enga on the June 20,” he said. “I hope to get the consent from concerned parties on the ground in Enga that if you do not agree on the 15 per cent benefit split, don’t hold back the mine’s progress. “Allow Kumul and Barrick to progress. “Everything is set. “It is just the landowners and the provincial government that are yet to agree among themselves on how to split the benefit, and some other legacy issues of the old Porgera,” he said.

### **High fuel prices to affect mines**

June 16, 2022, The National Business

Mining operations in the country will be affected by the fuel price hikes as a result of the increase in global crude oil prices, according to the Mineral Resources Authority (MRA). Managing director Jerry Garry said operating mines relied heavily on diesel for machineries and heavy fuel oil for power generation. Garry said the cost of running mines increased with the hike in fuel prices. *The National’s* business reporter DALE LUMA conducted a Q&A with MRA managing director JERRY GARRY on the impacts of the hike in fuel prices on mining companies as well as general updates on the mining industry in the country.

**Q: Global crude oil prices have increased dramatically, resulting in the increase in domestic retail fuel prices. Will that have any impact on miners and mining operations in the country?**

**Garry:** They (mines) are not immune. Every business across the globe suffer from the same global hike in the prices. All our operating mines rely heavily on diesel fuel and heavy fuel oil. Mines that do not get power from the main grid use heavy fuel oil for power generation. A lot of the

machineries, especially the trucks and front end loaders and mining equipment, do consume a lot of diesel fuel and lubricants. So if there's a hike in global fuel prices, it does also affect the mining operation, the cost of running the mine also increases. Even gold price is high, the price of getting an ounce of gold is equally high. So yes it will affect the mining operations in the country, particularly the construction of new mines where the capital cost will really go up.



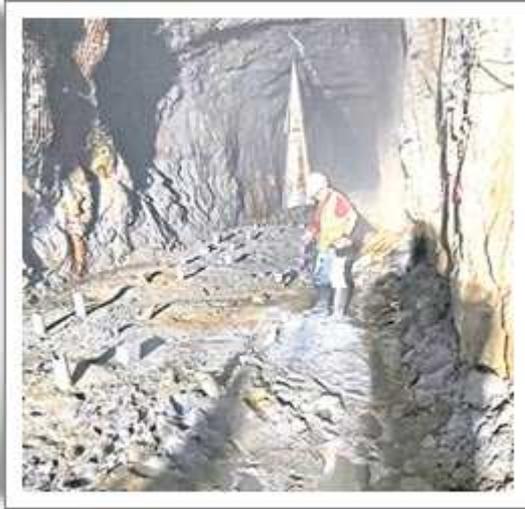
The Milum Mining & Energy Services Ltd convey truck returning from Ok Tedi Mine site in Western.

**Q: Any specific updates for Porgera, Wafi and other mining operations?**

**GARRY:** Woodlark – For Woodlark, they have elected not to proceed because of the high cost of constructing that mine. We are yet to be informed officially by the management and the board but it is highly likely that they will not be able to get the mine developed under the value circumstances. The previous figures show that the cost has gone up around 30 per cent.

Porgera – There will be a meeting this month in Wabag between the State and stakeholders such as Mineral Resources Enga (MRE), Enga provincial government, SML (Special Mining Lease) agents and the mining easement representatives. It will be on the 20th and on the 21st the Prime Minister will go to Porgera Valley to address the landowners in Paiam. The main intent of this meeting is really to give a status update to all the stakeholders as to how much benefit or current negotiations have achieved for landowners, provincial government and the local level government as well as the National Government. The whole idea is to reach some consensus because there has been some challenges with getting the shareholders agreement over the line and commencement agreement and etc. It's also an opportunity to gauge the view of those important stakeholders to explore some avenues as to how these challenges can be overcome so that we get the operators or the new project company to start mining operations. The whole idea is to highlight to them, put to them that these are the benefits that will be secured under the current arrangements.

Wafi – The State Negotiation Team is in the final stages of ironing out some of the outstanding matters. There are two fiscal instruments that are still yet to be ironed out. Other things have been good and it's a matter of settling on the numbers. So we are in the final stages of negotiations. The development forum will take place after the conclusion of the mining development contract and preferably after the General Election 2022.



The K92's underground stope. Mines such as K92 are not immune to the rising costs of fuel, according to the Mineral Resources Authority.

**Q: Any additional comments you would like to make?**

**GARRY:** As we've discussed, the cost of doing business has really gone up. There will be some restructuring and readjustment to business done to ensure that costs of producing metals are made with some degree of risks within reasonable ranges so that they (miners) are not driven out of business. But it is really a very challenging time for every business across the globe and the mining business is no exception with the hike in fuel prices and other commodities. That's an onslaught from the Coronavirus (Covid-19) pandemic and the war between Ukraine and Russia, started in February, has also added extra burden on global business.

**Wafi-Golpu project on final leg of negotiation**

BY LORRAINE WOHI, Post-Courier, June 15, 2022

The State Negotiating Team with shareholding companies of the Wafi-Golpu project is believed to be in their final leg of negotiations. However, a lot of work on the ground have been put on hold due to the National General Election. Mineral Resources Authority managing director Jerry Garry said any development forum process that comes up after successful completion of the mining development contract negotiations will be effective after the elections. "Right now the State Negotiating Team and the shareholding companies including Newcrest and Harmony Gold are very much in the final leg of negotiations. "The details of the negotiations are confidential at this stage and we will have to wait until SNT and the development concludes this phase of work," he said.

Meanwhile, the Frieda River mine is mostly likely to come into effect in the fourth quarter of this year. Mr Garry said nothing has moved for Frieda River in terms of the assessment process and they are aiming to get the work started once they get Porgera and Wafi-Golpu are off the ground. "We are involved in what we called the state negotiation or the state related negotiations. It does not only require the MRA officers, but requires full complement of state related department and agencies," Mr Garry said. "In this case we would require the participation of the State Solicitors office, National Planning, Department of Finance and key officials from the Department of Treasury, Internal Revenue Commission, Bank of PNG, Department of Labour and Employment and the Department

of Commerce. “It requires all the state departments to be involved when it comes to assessing a mining project, particularly a major project such as the Freda River and Wafi-Golpu.”

### **3 dead in Porgera tribal fight**

By REBECCA KUKU, June 15, 2022, The National

WOMEN are being abducted, raped and murdered in the ongoing Aiyala-Normali tribal war amid reports of a firearms build-up in Pogera-Paiela. Enga police commander George Kakas told *The National* yesterday that law and order issues had increased in the past week in the new Progera Paiela district. “Two women were murdered, one was abducted and raped during a car theft in Palipaka. “The tribal fight between Aiyala and Normali is continuing, with another man murdered in Paiam town on Monday night. “We are also receiving reports of a firearms build-up in the electorate. Our intelligence officers are still working on establishing if the arms build-up is 2022 General Election-related or due to the ongoing tribal fight in the province.

“We are working closely with the Porgera police station commander to address the firearm issue. “But there has been a build-up of firearms, not just in Porgera-Paiela, but in the whole province. Since taking office last week, I have been working closely with police station commanders and community leaders to address the issue. “We will not be negotiating with anyone. If you are in possession of illegal firearms and ammunition, you will be arrested and charged,” he added. Meanwhile, Porgera Chamber of Commerce and Industry President Nick Pakea has urged the Government to intervene and address the ongoing law and order issues in Porgera. “All key stakeholders responsible must work together to address the issue,” he added.

### **MRE yet to sign Porgera commencement agreement**

BY LORRAINE WOHI, Post-Courier, June 15, 2022

The reopening of the Porgera mine is still pending, given the slow progress on getting the stakeholders to sign off in the Porgera Project Commencement Agreement and progress shareholders agreement. Mineral Resource Authority managing director, Jerry Garry said the State Negotiating Team (SNT) is still in discussions with Mineral Resources Enga and the traditional landowners to sign on the two critical agreements. He said as soon as the two agreements are signed, they will then submit the transfer of interest in the special mining lease SML11 to MRA and the various interest in this agreement will then be reflected on the special mining lease (SML 11). He said at the moment there are some minor issues they are trying to iron out.

“Kumul Minerals Holding Limited apply for the license and the license was granted on the basis of what was submitted by Kumul. But now that they have engaged MRA and other parties to become shareholders, there will be new directors on board,” Mr Garry said. “If they feel that they need to amend some of the documents or the work they want to develop the mine forward, they will then apply for variation which under the Mining Act is allowable and those variation will be processed by MRA and to give them the clearance to go ahead and reopen the mine.” Mr Garry said this is the last final stages and once that has completed it will trigger a proper development forum. He said whereby the benefits that are already agreed to sign off in various agreements so far can now be translated to the provincial government and the landowners and other beneficiaries below the National Government level. Development forum will occur as soon as this documentation and the transfer of interest is sorted out by MRA. The Development Forum is set to take place on the 20th and 21th of this month.

## Cepa agrees in principle to Simberi's sulphide project

June 15, 2022, The National Business



ST BARBARA'S Simberi gold mine in New Ireland has been granted approval-in-principle (AIP) for the project's sulphide expansion project. The AIP was granted by Environment, Conservation and Climate Change Minister Pogio Ghate on Friday. The AIP granted by the minister now makes way for the director of environment to deal with the environmental permit and eventually grant the environment permit in accordance with the Environment Act 2000 for the sulphide expansion project. Ghate acknowledged and thanked the traditional landowners of Simberi Island and the province as well. He commended the company for its efforts in working with Conservation and Environment Protection Authority (Cepa) and the environment council to get the project through the statutory regulatory process under the Environment Act. Ghate said the level three process was lengthy, but thanked the company for providing the necessary data and information to Cepa to complete assessment and peer review of the social and environment impact statement. "The Simberi mine is not a new project, it is a brown field operation," he said. "The application by the company for the expansion into the sulphide ore body has been categorised by Cepa as a major amendment to the previously approved environment impact statement (EIS) for the current oxide ore project." The minister noted that the proposed project would:

- BE contained in the current mining lease area;
- ENABLE continued operations and extend the life of mine to approximately 2032;
- ALLOW the mining and processing of an additional 20.2 metric tonnes of sulphide ore;
- CONTINUE the disposal of waste rock that will encapsulate the current erodible valley dumps; and,
- CONTINUE disposal of tailings (both oxide and sulphide) by deep sea tailings placement

## MRA hails St Barbara's efforts in making their waste disposal safe

June 14, 2022, The National Business

THE Mineral Resources Authority (MRA) has commended St Barbara for the application of modern technology in the safe operation of its deep-sea tailings placement (DSTP) pipeline and in its fleet of heavy equipment at its Simberi mine. MRA managing director Jerry Garry, who visited the mine in New Ireland for the first time last week, was impressed with the use of geotagging in the monitoring of the DSTP line and the in-vehicle monitoring system (IVMS) which records operator

activity in the equipment. Garry said improvements were indicative of the mine moving beyond compliance requirements to values-based commitments as it transitions from oxide mining to sulphides. The installation of the geo-tagging system on Simberi's 540-km DSTP pipeline means exact coordinates of underwater images recorded by the remotely operated vehicle (ROV) can be transmitted in real time to the environment team via the global positioning system (GPS).

The IVMS – which included a camera unit, vibrating seat cushion and warning lights – is monitoring operator/driver activities and identifying unsafe behaviours. Garry, who was accompanied by his executive manager development coordination Andrew Gunua, took a tour of Simberi's pit where he was fascinated by the use of the three-kilometre rope conveyor in ore delivery to the process plant. They later visited a range of community projects built under St Barbara 'Stronger Communities' commitment. Garry and Gunua also toured the Simberi cocoa nursery – the source of the current Tabar dark chocolate that is being trialled in New Ireland. The duo also visited the Simberi Primary School, community markets, and Maragon Clinic – facilities that came from partnerships between St Barbara, Simberi Mining Area Landowner Association, and the New Ireland government.

### **Pacific civil society groups urge NZ to support a moratorium on deep sea mining**

Radio New Zealand on 7 June 2022, Koroi Hawkins, RNZ Pacific Journalist

Representatives of Pacific civil society and conservation groups are calling on the New Zealand government to show regional leadership and support a moratorium on deep sea mining.



The desire to explore the deep ocean for minerals, such as copper, cobalt, and manganese is not new, but only now are companies pushing for commercial-scale mining. Photo: 360info

They were speaking in an online forum on deep sea mining hosted last week by the Deep Sea Conservation Coalition in Aotearoa New Zealand. Fiji-based deputy coordinator for the Pacific Network on Globalisation and the Pacific Blue Line initiative, Joey Tau, said protecting the Pacific Ocean is both a moral and ethical responsibility. "We really need to call out deep sea mining as an industry or an experiment that is heavily speculative in nature. It is one that is a fundraiser and one that we really need to call out as it is," Tau said. "Secondly there is this notion to review or reform the ISA and it is a challenge and an appeal to our Pacific leaders." The 'ISA' which Tau refers to is the International Seabed Authority. With 167 member states, as well as the European Union, it is the authority mandated by the UN Convention on the Law of the Sea to organise, regulate and control all mineral-related activities on the international seabed. Critics of the body say its council is ill-equipped and poorly designed for such an important role and needs to be reformed. They also say

there is a conflict of interest in it being both the regulator and facilitator of proposed deep sea mining activities.



Greenpeace International activists paint the word 'RISK!' on the starboard side of Normand Energy, a vessel chartered by the Belgian company Global Sea Mineral Resources (GSR). Photo: © Marten van Dijl / Greenpeace

In June 2021 Nauru triggered a legal loophole in the international seabed legislation effectively fast-tracking the pathway to mining the seafloor. During the online forum, which was hosted by the Deep Sea Conservation Coalition in Aotearoa New Zealand, its international legal advisor, Duncan Currie, explained the provision. Currie said that if a request is made by a state, in this case Nauru, on behalf of the contracting party Nauru Ocean Resources Inc (NORI) a subsidiary of The Metals Company, and the council has not completed the elaboration of the rules and regulations for exploitation, it shall nonetheless have to consider and provisionally approve this plan of work. "Now this has opened a whole Pandora's box," Duncan Currie said. "Nauru claims and others claim that this means that the council shall complete the adoption of regulations within two years which is July 2023," he said. Currie said a number of other states also observed that the two-year rule also says if the ISA council hasn't adopted regulations by then, then something else must be done. "So there is a lot of legal questions around that and the second part of it about the application for a plan of work is likely to come up in the second half of 2023 to the first half of 2024 and there is a discussion in the seabed authority at the end of November over what that would mean," he said.

As well as Nauru another Pacific country looking at sponsoring deep sea mining activities is Tonga. Pelenatita Kara, manager of the national campaign against deepsea mining, said her country does not have the technical capacity or resources to effectively regulate and monitor the large corporations that are seeking to mine the Kingdom's seafloor. She said the New Zealand government needs to show regional leadership and help to protect Pacific Island nations from extractive activities that will harm the moana and their coastal resources. "The whole angst that we have against deep sea mining is that Tonga as a sponsoring state is not ready, nor will it be for a long time because we don't know the science. "But I think our [concerns] stem from the fact that we care about the livelihood of our people. We know that Tonga does not have the expertise, nor the cash, nor the technical know-how to actually manage any case of deep sea mining." Also speaking during the online forum was Teanau Tuiono, New Zealand Green MP, and member of the Pacific Parliamentarians' Alliance on Deep Sea Mining.

He said New Zealand and Pacific Island countries alike need to learn from the mistakes of the past. He said there was a long history of exploiting the Pacific for resources and labour and enabling deep sea mining would be just allowing history to repeat itself. Tuiono said he was disappointed

that it is Nauru, which has a lived experience of the negative impacts of resource exploitation, who are the ones leading the charge to mine the Pacific ocean floor. "I look at it in terms of the context of the times that we are living in. We are in the middle of a climate crisis; we are in the middle of a bio-diversity crisis.



Green MP Teanau Tuiono: "All I Want for Christmas is Urban Density Done Well." Photo: VNP / Phil Smith

"A moratorium should be the first step that we go to and not the last step. No one, especially corporations, should have the right to go and make a mess of the ocean floor, given the context of the times that we are living in." Phil McCabe, the Pacific regional lead on deep sea mining for the Deep Sea Conservation Coalition, summed up the three key areas of concern being expressed across wide ranging groups that are calling for a moratorium, being a lack of scientific knowledge, unavoidable environmental harm and the urgent need for reform of the regulating body, the International Seabed Authority. "There is a clear call coming from civil society across the region. Those who spoke, who have shared, they are representative of communities across the region and it is a clear call from them for action from New Zealand and leadership from New Zealand. "This is an ethical issue, it's an issue of moral action, taking the right path here for future generations."



The Pacific Liason for the Deep Sea Conservation Coalition, Phil McCabe (Right) and international legal advisor Duncan Currie. Photo: VNP / Phil Smith

McCabe said it was encouraging though to see the discussion around deep sea mining evolve internationally as it was getting closer to the point where the ISA would be enabling the activity by issuing licences. "We are starting to see a sort of shift in perception around how to engage, by states by communities, by stake-holders generally. "And I think there is a high-level political discussion emerging around the need for political intervention at the ISA and the need to step in and call for wise, responsible action and from a higher viewpoint than within the technical bounds of the ISA processes." RNZ Pacific has reached out to The Metals Company and both the governments of Nauru and Tonga for comment. Responding to a request for comment on the issues raised in this article a spokesperson for New Zealand's Ministry of Foreign Affairs and Trade issued the following statements;

- The International Seabed Authority (ISA) is currently negotiating the legal rules which govern deep sea mining in accordance with its mandate under the United Nations Convention on the Law of the Sea.
- Aotearoa New Zealand is actively engaged in those negotiations to ensure deep sea mining does not cause harm to the ocean or its biodiversity and is part of a coalition of members arguing for the highest standards of environmental protection.
- No member of the ISA is actively promoting a moratorium on deep sea mining beyond national jurisdiction. However, we have been vocal in our calls for no deep sea mining to proceed without robust environmental protections. This also requires significantly increasing our knowledge of the deep sea and how mining may affect these ecosystems.
- Aotearoa New Zealand's full engagement in the ISA process provides us with the best chance to influence an effective outcome for the environment that is respected by all states.
- In line with the sovereign rights of Pacific Island governments and respect for their mana to manage their own kaitiakitanga responsibilities, Aotearoa New Zealand does not take a position for or against mining on the seabed within the jurisdiction of Pacific Island countries.

## **Star Mountain launches museum**

June 6, 2022, The National

Ok Tedi Mining Limited (OTML) in conjunction with Mineral Resources Star Mountain Limited (MRSM) and the Landowners Royalty Trust Limited have launched a Star Mountain museum project with a groundbreaking ceremony on May 25. The project, estimated to cost between K6 million to K7 million, was expected to start in Jan 2023. OTML managing director and chief executive officer Musje Werror said: "This project once completed will capture Ok Tedi's rich history from discovery to production and will showcase prominent people including government and community leaders who have been behind the success of the company. "The museum will be shaped like a star which is synonymous to the Star Mountains where the Ok Tedi mine is situated," he said.

MRSM chairman David Kaiankim applauded the initiative saying it was timely that the landowners were working in unison with OTML and other stakeholders to implement the project. "When we unite, we achieve greater things and I must commend everyone for this and pledge our utmost support to this project," Kaiankim said. Kumul Minerals Ok Tedi Limited chairman Bonnie Ninai said: "Ok Tedi is synonymous with the growth of PNG so the future generations need to know the path the company took and its colourful history that contributed to building the nation." OTML manager, infrastructure support services, Akolo Kotange said they were excited to start the project and encouraged stakeholders to contribute where needed to ensure this project was completed successfully.

## Ok Tedi to transition to high-grade ore production

June 6, 2022, The National Business



THE next 12 months will see Ok Tedi Mining Ltd (OTLM) complete the transition from current lower grade ore to high grade ore sources, according to the company. Commenting on OTML's annual review 2021 report, managing director and chief executive officer Musje Werror and board chairman Roger Higgins said they had hoped the transition would start to be evident by the final quarter of 2022 but the impact of the Coronavirus (Covid-19) on material movement in the mine over the last 15 months had pushed this into 2023. According to OTML, copper production was 21 per cent lower than the previous year primarily due to a 26 per cent fall in the copper grade of ore processed. Gold production was similarly lower than the previous year with a 25 per cent fall attributable to a 32 per cent reduction in gold grade and impacts associated with the process plant fire and the Covid-19. However, according to the report, despite the lower production, revenue was within six per cent of the previous year. "This was primarily due to the copper price strengthening in 2021," Werror said.

"The gold price was largely unchanged. "Total operating costs in 2021 were K190 million or seven per cent higher than the previous year. "As a result, the 2021 profit after tax was K376 million, generating K331 million of free cash flow. "This enabled the company to pay a K450 million dividend, retain K251 million of cash reserves and have no debt at year end. "In addition, OTML contributed US\$675 million (about K2.3 billion) in foreign reserves to the domestic market." Meanwhile, as part of local and regional suppliers programme to maximise value for PNG, OTML made progress following the establishment of umbrella companies representing the interests of mine villages, impacted communities, and the province. "The intent is to develop companies with an operational capability and financial resilience that will exist beyond Ok Tedi," Werror said. "We are also looking to support initiatives that broaden the industry base beyond mining."

## Ok Tedi paid out K450mil in dividend for 2021

June 3, 2022, The National Business

OK Tedi Mining Ltd (OTML) experienced a challenging year in 2021 with the Coronavirus (Covid-19) pandemic causing production losses and adding substantial cost, according to the company. OTML in its annual review 2021 report said despite this, the company remained profitable, debt free, and made an annual dividend payment of K450 million. Managing director and chief executive

officer Musje Werror and board chairman Roger Higgins commenting on the review said the most significant challenge in 2021 was the impact of Covid-19 pandemic. “From the start of the pandemic our key priority has been to protect the health and wellbeing of our workforce, town residents and communities while minimising disruption to operations,” Werror said. “Production was impacted by ongoing labour shortages due to isolation and our strict quarantine control requirements. “The suspension had a direct impact on 2021 revenue, as well as additional labour costs associated with funding wages for people in isolation or quarantine.

“This resulted in a direct costs associated with Covid-19 management protocols at K155 million.” Last August, the OTML board approved an updated strategic business plan that included an extension of mine life from 2029 to 2032. “This extension was the culmination of several years of detailed strategic planning work and will see the company generate an additional K10 billion of revenue to the benefit of stakeholders,” Higgins said. “The extension of mine life, and delivery of value, is premised on the timely implementation of several strategic imperative projects costing approximately K1.779 billion over the next two years. “These include the removal of 20 million tonnes (Mt) of debris from the centre pit to access high grade ore from 2023, the construction of a 400Mt engineered waste rock dump to enable a larger pit shell and potential option of in-pit waste rock disposal, and the major refurbishment and upgrade of aging processing facilities.”

### **Santos expects first gas from Angore in 2024**

June 2, 2022, The National Business

THE first gas from the Angore development project is expected in 2024, according to Santos Ltd. Upstream Oil and Gas president Brett Darley said at the end of last year, the company announced the next tranche of backfill gas to maintain PNG LNG production with the final investment decision on the Angore development project. “First gas is expected in 2024 and the project will see Santos’ share of capital expenditure be approximately US\$135 million (about K467.78million). “These drilling activities will be a great boost for the industry and economy here on the back of a global pandemic as we endeavour to add more to our resource portfolio.” Darley was speaking at a recent Australia-PNG Business Forum and Trade expo in Brisbane, Australia.

He added that Santos had also seen strong performance from the Agogo and Moran fields. “A coiled tubing campaign commenced in the fourth quarter of last year in those fields, which will deliver incremental production in 2022,” Darley said. “Papua LNG, a project that has the potential to be nation-shaping for decades to come, continues to progress technical and commercial, regulatory, social and environmental activities. “These pre-FEED (front end engineering and design) activities remain on track in support of a FEED-entry decision that is targeted to be made by the end of this year. “With the current supply crunch that we are seeing in the global LNG market, projects like Papua LNG are becoming increasingly critical for global energy security.”

### **Mine presents houses to local communities**

May 27, 2022, The National

FIVE families from the Ok Tedi mine areas in Western received keys to their homes recently. Ok Tedi Mining Limited (OTML) chief executive officer and managing director Musje Werror said he wanted to see mine villages become model communities for Papua New Guinea. “I would like to see improvements in the living standard that will continue after the mine’s closure and these five houses are a perfect example of making this happen,” he said. The five houses built at a cost of K1.4 million at Finalbin, was a joint project by Ok Tedi Development Foundation (OTDF), Finalbin community, local building contractors and OTML.

The houses have three bedrooms, are fully kitted with brown and white goods, supplied with both hot and cold water and electricity. Mine villages chairman Maino Lucas said the project was a sign of change in support at the mine's executive management level. Team leader OTDF infrastructure department Richard Jendeng said: "We were involved in all stages of the project, particularly supporting the contractors to ensure compliance to standards and specifications." OTDF continues infrastructure development for the mine villages with the next five houses to be built for Kavorabip village this year, which will be followed by two houses each for both Atemkit and Wangbin villages.

## **PNG faces K105m penalty for black oil shipments**

BY MELISHA YAFOI, Post-Courier, May 25, 2022

The Government can expect to be fined a hefty US\$5 million (K17.6 million) each for six illegal shipments (K105 million in total) of waste oil being transited to Singapore through Indonesian waters. A formal notice was issued by Indonesia's Ministry of Environment and Forestry last Friday to PNG's Conservation and Environment Protection Authority. This is after six shipments of waste oil from two large gold mines and a State utility company in PNG were seized in Singapore and Indonesia. These shipments were fuel oil delivered as vessel slops, refined oil and fuel oil claimed to be illegally shipped and labelled as fuel oil or refined oil to avoid the costly permit process. The issue is that these materials require different clean-ups in the event of a spill and could potentially cause significant delays in cleaning up. A letter from Indonesia's chief compliance officer Basel Protocol Department Siti Muhammad, the Basel Protocol Department of the Ministry of Environment and Forestry (Indonesia) to CEPA, obtained by this paper, read that Indonesia is highly disturbed that this practice is continuing with no hindrance from the relevant authority (CEPA) in PNG.

Ms Muhammad said next week their Consular General would deliver initial paperwork for the penalty of US\$5 million per shipment to the Prime Minister, James Marape's office for payment as they had been tolerant long enough. She claimed several of the shipments were sent with a clearance from CEPA, yet with no document flow as required under the Basel Convention. "This is highly irresponsible as not even basic analysis samples were provided," she said. "Given that we have been absorbing the illegal materials from Papua New Guinea while this process was followed, we are no longer able to do so seeing as there is no actual program in place from PNG to manage their own hazardous materials." PNG, as a signatory to the Basel/Waigani Conventions (International agreements) that outline the conduct business in the area of waste management, should be held liable or comply with strict guidelines regarding the trans-boundary shipments of waste oils in place.

A Hachiko Efficiency Services spokesperson confirmed with the paper that there were regular shipments of waste oils from PNG transiting to Indonesia and Singapore, including others to international destinations. The spokesperson claimed that while they had been given the export permit by CEPA in 2019, they had not exported since, as their program was put on hold pending approval from the PNG government. The Singapore-based company, Hachiko, has been working closely with the Singapore National Environmental Agency (NEA) and the Indonesian Department of Environment and Forestry under a blanket agreement that the refineries in Singapore can take in waste oil from PNG to be recycled using its export permit. "Until PNG has a formal waste oil management program in place, she holds the risk of any illegal shipments causing spills and will be liable for any demurrage and cleanup costs (in the case of Singapore this would be US\$40 million per day or K140 million)," the spokesperson said. "This is similar to the Simberi oil spill in Honiara a few years ago." Last year a shipment allegedly carrying Ok Tedi fuel oil shipped from Tabubil to a contractor in November and then left PNG destination Malaysia in December. The containers were trans-shipping through Singapore and were inspected by the (NEA) as one of them was leaking.

The Post-Courier was informed the NEA conducted an investigation as the product was shipped in flex bags, which is illegal for fuel oil.

The containers upon testing were found to contain contaminated waste oil (Contaminated with Glycol, cyanide, water and metal content) and were seized by Pollution Control Department (PCD) Singapore. CEPA acting managing director Gunther Joku said his office had not been informed of this issue and had not signed on any shipments as per the Basel Convention or given export permit to anyone. He said this was a commercial and not a regulatory issue as the only company CEPA was aware of was Total Waste Management. Ok Tedi Mining Limited (OTML) in response to these reports said it does not export waste oil directly outside of PNG, maintaining the process was satisfactorily completed from its end before the waste oil was disposed. "OTML does not export waste oil directly from PNG," the company said. "We have a certified contractor that provides this service for us, just as it does for other clients in PNG, which are then all combined and shipped to India, and not Indonesia and Singapore as claimed. "We have a robust industrial waste management system managed by a dedicated waste management team that ensures any industrial waste material is managed onsite following stringent environmental and health management guidelines before they are disposed." According to industry, any given year around 15 million litres of waste oil is produced in the country in various industries using high volumes.

### **Gulf LNG landowners call on leaders to explain forum**

BY FRANK RAI, Post-Courier, May 25, 2022

GULF Liquefied Natural Gas (LNG) Pipeline landowners have cried foul over a purported unsanctioned development forum conducted by the Gulf Provincial Government early this month. Eight clans along the LNG Pipeline corridor are Evara, Hepere, Arehava, Pavevera, Avavu, Huruta, Ere and Kilari claimed that the forum had also compiled an unofficial percentage breakup of their royalties for the upcoming Papua LNG project. Spokesman Dominic Evere with leaders from the eight tribes in an interview last week said that the mini development forum conducted by the provincial administration was not in consultation with landowners, the developer and the Department of Petroleum. "Clan vetting, social mapping, boundary demarcation and landowner identification has already been completed. We (landowners) are waiting for a Ministerial Determination to confirm landowners.

The Gulf provincial administration has come up with a forum and compiled a position paper with a list of landowners and beneficiaries without the knowledge of all stakeholders," he said. The purported mini development forum was hosted by the provincial government at Avara village in Baimuru early this month. Mr Evere said the eight tribes have sighted the purported list compiled by the administration which allegedly had ghost clan names, a local level government (LLG) that never exists in the province and names of clans who are not impacted by the project. The eight clans called on Gulf Governor Chris Haiveta and Kikori MP Soroi Eoe to explain to the people how the forum was conducted and why landowner benefits were illegally hijacked from genuine landowners. Other leaders Carlo Lahui, Alois Koivi, Puana Kelly, Max Mera and John Harry shared similar sentiments saying people are still in the dark as to how the development forum was conducted and an explanation should be given forthwith.

### **K120mil set for petroleum deals**

May 24, 2022, The National Business

A TOTAL of K120 million has been approved to settle capped petroleum memorandum of understanding agreements (MOAs) dating back to 2009, an official says. Department of Petroleum

secretary David Manau said this dated back to when licences and projects were discussed during oil production prior to the PNG LNG project where the umbrella benefit sharing agreement (UBSA) and license based sharing agreements (LBSA) came into existence. Manau highlighted this in a paid advertisement yesterday. “There were various project grants under the PNG LNG project regime, granted under UBSA of 2009 and the various LBSA of 2009,” he said. “These project grants are defined under those arrangements. “During that time, the majority of the landowners pointed the State to its ‘unkept promises’ under the current oil projects.

“Hence, the State valued the outstanding commitments at K235 million as a final payment in lieu of the outstanding infrastructure commitments for existing oil projects and Hides PDL (petroleum development licence) 1 GTE. “Within a span of 12 years since 2009, to date, a total of K115 million was already paid out for infrastructure projects sporadically. “It took about two years since 2019 for the department to establish correct records with relevant state agencies and receive project submissions from stakeholders. Last June, Petroleum Minister Kerenga Kua sponsored an NEC (National Executive Council) submission for the K120 million outstanding capped MOA. “And with the support of the prime minister, NEC approved it through NEC decision 119/2021.”

Manau said the expenditure implementation committee (EIC) was also established pursuant to the Oil & Gas Act (1998), to complete this task through a legally mandated process. “Amidst very limited cash flow situation given the Covid-19 pandemic, NEC approved in full K120 million to extinguish the burden that was on the State for 13 years,” he said. “The EIC formally met on Feb 2-4, 2022 and a quorum was achieved and therefore project proposals recommendations elevated from the EICS (expenditure implementation committee secretariat) technical screening, were deliberated upon. “The warrants for funding in February going forward will be issued from Finance and Treasury departments for the payments of the capped MOAs.”

### **Payment of LNG funds stopped**

BY FRANK RAI, Post-Courier, May 20, 2022

The K40 million payment of the Liquefied Natural Gas (LNG) capped MOA funds by the Department of Petroleum has been stopped by an injunction order issued by Deputy Chief Justice Ambeng Kandakasi at the Waigani National Court this week. Eight aggrieved landowner beneficiaries from the Hides PNG LNG project area filed the proceedings on the payment claiming that real landowner beneficiaries have missed out on the funds. He issued the injunction order on David Manau as Secretary of Department of Petroleum and Kerenga Kua as Minister for Petroleum retraining them and their agents from making payment of K27 million out of the recently issued capped MOA funding of K40 million of which K27 million earmarked for brown field project areas in Hides project area.

Justice Kandakasi in the court order also directed Mr Manau and Mr Kua pursuant to Order 4 of the National Court rules to disclose or publish by the public media outlets the list of payees entitled to the K40 million capped MOA funding, including those of Hides PDL 1 gas project within 72 hours. He also ordered that all payments designated to be processed for Hides 1 and 2 project areas in the sum of K27 million for capped MOA earmarked for brown field areas be paid into the National Court Trust Fund pending proper project identification and determination by the plaintiffs or by orders of the court.

Plaintiffs Tatape Akilo of Hunimani clan, Tayali Ola of Ware clan, Ekawi Tayanda of Wita clan Urulu Wandiago of Topani clan, Tolai Awe of Pate clan, Ekape Andira of Pina clan, James Diwi of Tabu clan and James Bari of Yugu clan successfully obtained the order. The plaintiffs said that landowner beneficiaries of Hides project area and Hides PDL 1 have missed out on the capped MOA funds and sought redress from the Court on the K27 million earmarked for brown field areas.

The matter will return to court for the substantive hearing on May 30.

### **Govt should focus on resource projects: Fiocco**

May 20, 2022 The National Business

GETTING major resource projects off the ground must be a main priority for government after the general election, an official says. Port Moresby Chamber of Commerce and Industry president Rio Fiocco said these projects would bring in foreign exchange and contribute to the overall economy of the country. He said the spinoffs from these projects would not only benefit big businesses but also small micro enterprises (SME) and medium to small micro enterprises (MSME). “The business community is waiting to see some of these major projects get moving, in particular the Pasca project and off course the Porgera project restarting and the Wafi-Golpu project to get underway,” Fiocco said. “We would hope that those projects get moving quickly so that more jobs are created and the economy can grow. “It will give a boost to all businesses, not just big businesses but small and micro enterprises. “You look at for example the case of Porgera, all road contractors have missed out, all workers of the mine have lost jobs, even farmers supplying fruits and vegetables to the mine have no customers. “So yes, the spinoff benefits of getting any of these major projects underway is very strong. It also boosts the foreign exchange with the export of gold which will bring dollars into the country.”

### **Border commander warns landowners not to disturb mining operations**

By GEORGINA KOREI, May 19, 2022, The National

ASSISTANT Commissioner of Police for Border Command Peter Philip is warning landowners of OK Tedi Mining Ltd in Western to stop disturbing its operations. Ok Tedi Mining Limited is a 100 per cent state-owned entity with 67 per cent direct shareholding by the Government and Western people entitled to 33 per cent interest. Philip said the landowners should address their issues with relevant government agencies rather than interfering with the management and operation of the mine. “Landowners from Ok Tedi mine were all warned to stop the attitude of issuing threats, extortion, intimidation and continuous writing of letters to OK Tedi (management) asking for belkol (peace offering),” he said. He said with the election approaching, the landowners should not interfere with the mine. “There should be no more threats issued to the mine, I will have no mercy for the landowners this time if they ignore my warning and go and cause trouble in the mine.”

Philip said most of the landowners were not following court procedures and were involved in illegal activities in bribing police personnel to help them to serve court orders without proper protocols. “Most of the junior policemen were already implicated with the local landowners and they have been doing illegal activities,” he said. He said the landowners should follow due process in addressing the issue with the appropriate government officials apart from the authorities of the mine. “If they (landowners) do not follow the instructions this time, they will be arrested by police,” Philip said. He added that some landowners were not real landowners as they had claimed. “Some landowners became landowners to Ok Tedi through convenience marriage so they feel that they were entitled to all the benefits from the mine,” he said.

### **Porgera community eager to sign mine deal**

May 18, 2022, The National Business

BUSINESSES and residents of Porgera in Enga are looking forward to the signing of the Porgera shareholders agreement expected soon, an official says. Porgera Chamber of Commerce and

Industry president Nickson Pakea said businesses were operating with uncertainty and the signing of the agreement would assure them of a positive outlook. The multi-billion kina Porgera gold mine closed in April 2020 when the government refused to renew the special mining lease held by developer Barrick Niugini Ltd (BNL). “We the businesses and residents of Porgera are looking forward the shareholders agreement signing,” Pakea said. Pakea added that the district had also been affected by recent clashes between landowning clans and other opportunists were taking advantage of the law and order issues in the district. “People with guns are taking advantage of the mine remaining idle especially the sage mill and open pit gold deposit areas. Guns are coming into the valley,” he said.

“The withholding of the signing of shareholders agreement by Mineral Resources Enga (MRE) will mean more deaths and stress on lives here. “Thus the signing off on the shareholder agreement will not just assure businesses and Barrick but also to the people of Porgera.” The Porgera Shareholders Agreement is expected soon with the state working closely with MRE and other stakeholders to finalise details, according to the Mineral Resources Authority (MRA). MRA managing director Jerry Garry said MRE had refused to sign off on the agreement earlier due to various issues which had halted progress towards the restart of the multi-billion mine in Enga. This is a key agreement that must to be signed in-order for a new project company for Porgera and the registration of interest for the exploration license, special mining lease and other supporting tenements.

### **Govt received K14bil from LNG**

May 18, 2022, The National Business

THE PNG LNG Project has paid more than K14 billion to the Government since the start of production in 2014, ExxonMobil PNG managing director Peter Larden says. In 2021, the State earned record revenues from the project, with more than K2.2 billion delivered to the Government. Revenues delivered included K7.1 billion flowing to Kumul Petroleum Holdings Limited and an estimated K4.5 billion in various taxes paid to the Internal Revenue Commission. “The revenues and associated benefits from the project provide the Papua New Guinea (PNG) Government the opportunity to promote sustainable, long-term economic development. He said revenues from the project were delivered through different mechanisms, including corporate and payroll taxes, equity (through State participation), development levy and royalties.

As a founding member of the PNG Extractives Industry Transparency Initiative (PNG EITI), revenues and benefits from the project as well as the broader petroleum and mining industry are reported and made publicly available. Further details on the types of direct and indirect benefits to PNG as well as the process through which revenues are delivered to the State, provincial government and landowners can be found on the PNG EITI website. ExxonMobil PNG Ltd (33.2 per cent), a subsidiary of Exxon Mobil Corporation, operates the PNG LNG project on behalf of joint venturers: Santos Ltd (42.5 per cent), Kumul Petroleum Holdings Ltd (16.8 per cent), JX Nippon Oil & Gas Exploration Corporation (4.7 per cent), Mineral Resources Development Company Ltd (2.8 per cent). Petromin 0.2 per cent was incorporated into Kumul Petroleum Holdings Ltd (KPHL) in 2016.

### **Work on containing Kimbe oil spill in progress: Disaster office**

May 17, 2022, The National Business

WORK on containing an oil spill along the coastline in Kimbe, West New Britain, is continuing, according to the West New Britain disaster and emergency office. Director Augustine Wilfred said yesterday that the oil spill occurred on Sunday morning. “This is a result of a leaking pipe from the

palm oil storage tanks, however, the root cause is yet to be identified by the NBPOL (New Britain Palm Oil Ltd) technical team.” The NBPOL palm oil storage tanks are located right on the coastline of Kimbe town. “As of yesterday (Sunday), provincial disaster and emergency officers have been conducting environmental impact assessments and at the same time, assisting NBPOL officers to contain the oil spillage,” Wilfred said. “A detail report will be published by end of this week. More details will be provided as soon as environmental impact assessments report is done.” Attempts to get comments from NBPOL country manager Robert Nilkare to confirm this yesterday were unsuccessful.

### **MRA expecting shareholders agreement for Porgera**

May 17, 2022. The National Business

A PORGERA shareholders agreement is expected soon with the state working closely with Mineral Resources Enga (MRE) and other stakeholders to finalise details, according to the Mineral Resources Authority (MRA). Managing director Jerry Garry said MRE had refused to sign off the agreement earlier due to various issues which had halted progress towards the restart of the multi-billion Kina mine in Enga. This is a key agreement that must be signed in-order for a new project company for Porgera and the registration of interest for the exploration licence, special mining lease and other supporting tenements.

“The prime minister and the State team are working in close collaborations with MRE board, SNT (State negotiation team, KMHL (Kumul Mineral Holdings Ltd) and the Enga government to finalise and to sign off on the shareholders agreement,” Garry said. “This will pave the way for the formal registration of interests in the Porgera assets, that is exploration licences, SML and supporting tenements by shareholding in the new Porgera Project Company with MRA. “This will now pave the way for development forum and allow the new project as the legitimate operator of Porgera gold mine.” Prime Minister James Marape had asked landowners of the Porgera gold mine to bring their concerns to be discussed during a forum in the province this week. This may be pushed forward to mid next month as arrangements are not finalised pending the signing of the shareholders agreement.

### **Enga lost K70mil: Ipatas**

By ELIAS LARI, May 17, 2022, The National Business

ENGA Governor  
Sir Peter Ipatas



THE Enga government has made a loss of almost K70 million since the closing of the Porgera gold mine two years ago, Governor Sir Peter Ipatas says. Sir Peter said since the mine's closure, all stakeholders had made losses but people had to be patient so that the final agreement could be signed for the reopening. He said landowners and even businesses had been affected but they would recover once everything was finalised. Sir Peter said that the reopening was taking a longer process because they had to sign a deal that would benefit the country as well as the landowners and the people of Enga. Sir Peter said for the last 30 years the developer received 95 per cent of the benefits while only five per cent remained in the country. "We have changed this around and now we will be receiving 51 per cent and the developer is to get 49 per cent. From that 51 per cent Enga will be receiving 15 per cent of the benefits," he said.

Sir Peter said the signing of such deals would need more time and patience so every issue concerning the mine could be properly addressed. "Business houses have a reason to complain because of a loss of business but we have to access the process properly before taking further steps in allowing the mine to operate," he said. "Currently, all of us are making a loss, including the provincial government." Sir Peter said the mine's previous two per cent royalty paid to the provincial government was used in paying for school fees over the last 15 years. He said even though the provincial government had missed out on earning K70 million while the mine remained closed he urged the landowners, the people of Enga and the nation to be patient while they were coming to the final stage of the re-opening process. He thanked the Government for negotiating the deal which would give more benefits to the country. "This Government has been working hard for our good," he said.

### **Porgera: PM invites landowners to talks**

By ELIAS LARI, May 16, 2022, The National Business

PRIME Minister James Marape has asked landowners of the Porgera gold mine in Enga to bring their concerns to be discussed during a forum in the province this week. He said all mine-related issues have to be discussed with the landowners in Porgera before the mine could be reopened. According to the Mineral Resources Authority (MRA), the multi-billion-kina gold mine is yet to resume because Mineral Resources Enga (MRE) is yet to sign off on the shareholder's agreement. Managing director Jerry Garry said the shareholder's agreement was the key agreement that needed to be signed off for the creation of new project company for Porgera. "The project company will then have the interest of the underlying exploration licence as well as the special mining lease which will effectively run the new Porgera mine," Garry told The National.

"MRE owns five per cent of the residual shares in the project and that is why it is invited to be a shareholder in the new company." Garry also explained that the official negotiations were not within MRA's ambit. "We cover the regulatory side of business and so currently the state is in negotiations with Barrick, Mineral Resources Enga and the landowners," he said. "These are purely commercial negotiations in regards to the commercial interest in the project." Marape said if the ethnic clash in Porgera continued the development forum would be moved to Wabag. "From the deal, Enga will be getting the much needed benefits compared to the previous 30 years deal when the mine was in operation," the PM said. "We have to open the mine soon and I need cooperation and discussions which will make us all agree."

### **Call for New Zealand to act over sea bed mining**

Radio New Zealand on 13 May 2022

Oceans advocates from across Aotearoa have called on the New Zealand Government to urgently ban seabed mining. During a webinar held yesterday, experts from across Oceania voiced concerns

over the threat of seabed mining in New Zealand. The Pacific liaison officer with the Deep Sea Conservation Coalition, Phil McCabe, says the practice must be banned considering the push for mass scale mining in the deep Pacific. He says the New Zealand government is well placed to be a global leader in calling for a moratorium in international waters to protect the ocean.

## **Amnesty calls for halt to planned Wabu Block gold mine in Papua**

Asia Pacific Report, May 11, 2022



Site of the planned Wabu Block gold mine in Intan Jaya, Papua. Image: Indoleft/CNBC. By Yance Agapa in Paniai

Amnesty International Indonesia executive director Usman Hamid is asking the government to halt the planned gold mine at [Wabu Block in Intan Jaya regency](#) until there is agreement from the Papua indigenous people in the area. “We have asked that the planned mine be halted until the state obtains agreement from the Papuan indigenous people,” said Hamid in a press release received by *Suara Papua*. From the results of its research, Amnesty said that one of the largest gold reserves identified in Indonesia was located in an area considered to be a hot spot for a series of violent acts by Indonesian security forces against local civilians.

Hamid explained that Papuan indigenous people reported that violence was often committed by security forces along with restrictions on personal and public life such as restrictions of movement and even the use of electronic devices. “Amnesty International Indonesia is quite relieved by the attitude of the Papua governor who has officially asked the central government, in particular the ESDM [Energy and Mineral Resources] Ministry to temporarily hold the planned mining bearing in mind the security situation in Intan Jaya which is not favourable,” he said. Most of the area, which is inhabited by the Moni (Migani) tribe, is still covered with forest. According to official estimates, the Wabu Block contains 8.1 million tonnes of gold, making it the fifth largest gold reserve known to exist in Indonesia.

### **Relieved after meeting**

Hamid also said he was relieved after meeting with Coordinating Minister for Security, Politics and Legal Affairs (Menkopolhukam) Mahfud MD in Jakarta. “We also feel relieved after meeting with the Menkopolhukam who explained that the plan was still being discussed between ministries and would not be implemented for some time”, said Hamid. Amnesty is concerned over the potential

impact of mining in the Wabu Block on human rights, added to by the risk of conflict in the Intan Jaya regency. “So this special concern is obstacles to holding adequate and meaningful consultation with the Papuan indigenous people who will be impacted upon in order to obtain agreement on initial basic information without coercion in relation to mining in the Wabu Block”, said Hamid.

Amnesty added, “We very much hope that the central government and the Papua provincial government will work together to ensure that the planned mine really does provide sufficient information, consultation and agreement obtained from the Papuan indigenous communities”. Based on existing data, the Indonesian government has increased the number of security forces in Intan Jaya significantly. Currently there are around 17 security posts in Sugapa district (the Intan Jaya regional capital) when in October 2019 there were only two posts. This increase has also been accompanied by extrajudicial killings, raids and assaults by military and police, which have created a general climate of violence, intimidation and fear.



A Papuan protest over the

Wabu Block plans. Image: AI

### Restrictions on lives

Based on reports received by Amnesty, said Hamid, indigenous Papuans in Intan Jaya faced restrictions on their daily activities and many had had to leave their communities in order to find safety in other cities or the forests. Hamid hopes that the government will pay attention to reports released by human rights organisations in Papua. “The government must pay attention to human rights reports which are conducted by human rights organisations such as ELSHAM [the Institute for Human Rights Studies and Advocacy] Papua,” he said, bearing in mind the recent situation in which there had been an escalation in conflict. Earlier, the central government was urged to halt the prolonged conflict in Intan Jaya by the Intan Jaya Papua Traditional Community Rights Advocacy Team (Tivamaipa) in Jakarta. During an audience with the House of Representatives (DPR), Tivamaipa revealed that the armed conflict in Intan Jaya over the last three years began with the deployment of TNI (Indonesian military) troops which were allegedly tasked with providing security for planned investments in the Wabu Block by Mining and Industry Indonesia (Mind Id) through the company PT Aneka Tambang (Antam). According to Tivamaipa, on October 5, 2020 Intan Jaya traditional communities declared their opposition to planned exploration in the Wabu Block.

### Four demands

In order to avoid a prolonged conflict, the Tivamaipa made four demands:

1. That the DPR leadership and the leaders of the DPR’s Commission I conduct an evaluation of government policies on handling conflicts in Papua and West Papua provinces involving the Coordinating Minister for Security, Politics and Legal Affairs, the Defense Minister, the

- Minister for Energy and Mineral Resources (ESDM), the Minister for State Owned Enterprises (BUMN), the TNI commander and the Indonesian police chief.
2. That the Commission I leadership invite the Papua and West Papua provisional governments, the Papua Regional House of Representatives (DPRP), the Papua People's Council (MRP), the Papua and West Papua regional police chiefs, the Cenderawasih XVII and Kasuari XVIII regional military commanders, the regional governments of Intan Jaya, the Bintang Highlands, Puncak, Nduga, Yahukimo and Maybrat along with community representatives to attend a joint meeting.
  3. It urged the central government to withdraw all non-organic TNI and police security forces which have been sent to Intan Jaya regency.
  4. That the central and regional government must repatriate internally displaced people from Intan Jaya and return them to their home villages and prioritise security and peace in Intan Jaya by providing social services which are properly organised and sustainable.

*Translated by James Balowski for IndoLeft News. The original title of the article was [“Usmad Hamid Minta Rencana Tambang Blok Wabu Dihentikan”](#).*

### **Mano clarifies MRDC's release of 2018 audit**

BY MELISHA YAFOI, Post-Courier, May 12, 2022

The recent announcement of the 2018 audited financial results for Mineral Resources Development Company has sparked debate by the general public on why now after so many years. MRDC managing director Augustine Mano in an interview explained that the publishing and release of the audited financial results for MRDC was because 2018 audit option was clean and unqualified. He said MRDC as the manager and trustee for 16 subsidiaries or landowner companies has been working since 2008 to clear those legacy issues from the Origen days, old Porgera, Misima Mines, IPBC holdings in Oil Search Limited shares and endless list of other state transactions. “I remember When I came in 2008 I had 25 pages of disclaimers so to clear all of those was not easy. “We’ve been able to resolve all those in 2018 and for the first time in the history of the company we have cleared all of those and now it’s a very clean audit,” Mr Mano said.

Now it’s easier to fast tract and flow the other audited financial results for 2019, 2020, 2021 all to be completed in September this year because of 2018 audit option. “That’s the reason why we wanted to make the announcement so our subsidiaries beneficiaries and the public can have confidence. It’s nothing to do with just trying to avoid the Amendment in the MRDC Act. “We are always open for scrutiny and the unqualified opinion from auditor general was encouraging. “That’s significant milestone and we are all proud of that achievement,” Mr Mano said. He said the improved governance framework around all our subsidiaries will ensure that by the end of the year all of them will also have unqualified audit option as now we have 90 per cent.

“It will be a record having clean audits for all our subsidiaries and that’s some that is long coming and it is not easy when we deal with landowner subsidiaries and making them comply with governance and industry best prescribe. “MRDC itself though is state owned entity we don’t get any funding from the state unlike other SOE. “We survive through manangement fees and investment income and surely at the mercy of the subsidiaries, they pay us management fees so based on these management fees we do all our operations unlike other SOEs they get revenues from the state or from the budget or from an asset that is owned by the state so that is a fundamental difference,” he said.

## New Caledonia's green nickel plan to stand out in global market

Radio New Zealand on 11 May 2022

New Caledonia is looking to turn to more environmentally-friendly nickel production as countries such as Indonesia and the Philippines are able to manufacture the metal at much lower costs. Indonesia is the world's top producer of Nickel followed by the Philippines, while New Caledonia is the fifth biggest. This week Christopher Gyges from New Caledonia's energy transition project will present a plan to power New Caledonia's nickel factories using 50 percent renewable energy by the year 2030.



Nickel mine in New Caledonia Photo: AFP

Gyges said the territory needed to make greener and cleaner nickel in order to stand out in the global market. "We will never be cheaper than our Indonesian and Filipino competitors, we want to place ourselves as the champion of green nickel among the global market," he said. The territory's three nickel factories are powered by charcoal or fuel, making New Caledonia one of the highest CO<sub>2</sub> transmitters per population and per year in the world with 29.6 tonnes, according to the Direction of the Mines and New Caledonienne Energy. The New Caledonian company Prony Resources, has Tesla as its primary client producing 42,000 tonnes of nickel per year for electric car battery productions.

In December last year the industry concluded a partnership with TotalEnergies for the construction of a massive solar-powered plant which brings a total of 160 megawatts of energy. The factory, which will cost a total of \$US180 million, is due to be in service by 2025 and will cover two thirds of the electrical needs of the site. Our emissions will be cut in half, 230,000 tonnes per year, with the first part of the factory finished by 2023 accommodating 40 megawatts said marketing and sales spokesperson of Prony Resources, Gabriel Bensimon. Prony Resources with the help of the New Caledonian government has also invested \$US315 million to contain its mining residues dried, not humid, which is dangerous for the environment.

## Cause of tribal fighting yet to be established, official says

By DALE LUMA, May 10, 2022, The National

MINERAL Resource Authority (MRA) managing director Jerry Garry says the cause of tribal fighting in Porgera is yet to be established. Responding to queries from *The National* if the tribal

fights would impact the process of reopening the Porgera Gold Mine in Enga, Garry said it was premature to comment. *The National* had reported yesterday that the main dispute between the two warring tribes – Nomali and Aiyel – was over landowner leadership of the Porgera mine. “At this stage, my officers are yet to establish the cause,” Garry said. “But from the preliminary information that we are getting is that it’s related to their own issues outside the mine area. “It’s premature to comment. “We are re-strategising. “Prime Minister James Marape was to visit Porgera Valley and speak to everyone up on the latest development with the efforts in reopening the mine on Wednesday.

“Unfortunately, with the security situation, we are reassessing and this visit may be highly unlikely with the PM yet to confirm.” Fierce tribal fights have broken out in Porgera with business houses and Government offices closed down indefinitely, more than 100 houses burnt, making thousands homeless. Porgera Chamber of Commerce and Industry president Nickson Pakea said: “Thugs are trying to break into the PJV (Porgera Joint Venture) saw mill. “There is strong resistance by security personnel, including MS 9 mobile squad 11 policemen from Wabag. “General election 2022 is around the corner and this ongoing war is a threat to public safety and a fair electoral process. “The responsible authorities, including the Enga administration, must look into the problem seriously until the polls are over and the Porgera mine reopens.”

### **Fierce fighting continues with death toll reaching 17**

BY MIRIAM ZARRIGA, Post-Courier, May 9, 2022

Seventeen people have been killed, hundreds of families were made homeless, dozens of houses razed and government services ground to a halt in Enga Province’s Porgera district as warring clans took up arms against each other and calls for government help went unanswered on the weekend. Police in Porgera said the number of deaths have shot up to 17 in the last 72 hours as fighting continues. The sounds of gunfire could be heard as all government assets including the Porgera mine staff remain locked behind their homes and gates. An employee of the mine said the sounds of gunfire could be heard on Sunday evening with war cries echoing throughout the town centre of Paiam. The fresh violence, which got worse following the withdrawal of security personnel to provincial capital Wabag to prepare for election duties, ended a fragile, two-month peace truce between the warring Nomali and Aiyala clans of Paiam in Porgera. The sitting MP of Lagaip-Porgera, Tomait Kapili, said the ongoing feud between two clans also means the planned reopening of the world class Porgera mine is “slim” and “may not happen within the timeframe wanted by the government”.

Enga Governor Sir Peter Ipatas was disappointed with the inaction by the PNG Defence Force and police hierarchy. “I have been asking for security forces for the last three weeks,” a frustrated Sir Peter said. He confirmed with the Post-Courier that Prime Minister James Marape had been informed of the situation in Porgera. Police Commissioner David Manning said that the violence erupted after a man from the Nomali clan was chopped on his hand by a man from Aiyala. On Tuesday last week a security guard was attacked and slashed, dying of his injuries in front of the shop he was protecting. The killing of the guard saw a confrontation flare up, which led to police firing several shots to deter the two clans. In retaliation, the Nomali clan chopped the hand of a man from Aiyala on Friday morning. “A fight broke out, with Mobile Squad 11 who were on mine operation in Porgera taking command of the township but were outnumbered by tribal fighters who were in possession of high powered firearms,” Mr Manning said. “The two clans have destroyed properties.” On Saturday, battle lines were drawn as the two warring clans faced off in the streets of the Paiam. Continuous gunshots could be heard as both clans continue a feud that escalated to the burning of several homes belonging to settlers around the mining town.

The confrontation continued with the withdrawal of police units back to Wabag to await further orders to be deployed into other provinces of the Highlands region. The withdrawal led to a fierce confrontation between the two clans that saw more than 50 people injured, homes destroyed and the Paiam town centre coming to a standstill as local police could only standby and watch the removal of properties from homes as the two clans ruled the streets of the township. Police Mobile Squad 5 was supposed to be in Enga, however, it is understood they have yet to receive their deployment orders. According to a source, new PNGDF soldiers have been tasked to go into Enga, but their insertion has been delayed given that the National Government did not settle outstanding debts for service providers and troops.

Porgera remains without any security support, with reports that local police, who are grossly outnumbered and without support, were exhausted and could not do much. Sources in Paiam also indicated that the Paiam district hospital was still operating but staff are scared because of the lack of security, and were only taking in emergency cases. A medical officer said casualties from the tribal conflict were not taken to the hospital due to security fears. He said the hospital has not been targeted by the clans but buildings around the hospital grounds have been razed to the ground. In developments late yesterday afternoon at around 5pm, more than 15 ten-seater vehicles with PNGDF personnel arrived for deployment to Porgera.

### **Panguna reopening on track**

BY GORETHY KENNETH, Post-Courier, May 9, 2022

The Panguna Mine reopening is inevitable and set to be revived to support the Bougainville's plans for nationhood. Bougainville President Ishmael Toroama said the reopening of the Panguna Mine has become inevitable following an agreement between the landowners and the Autonomous Bougainville Government (ABG) to reopen the multibillion kina defunct mine. The ABG and the Panguna landowners have also agreed that the government with the landowners will jointly establish a new Bougainville entity to develop the mine, and not an existing entity that has had history with the Panguna Mine. The new entity once established, will be jointly owned by the Panguna Mine landowners and ABG on behalf of the people of Bougainville.

The five major clans, Mantaá, Basikang, Barapang, Bakoringku and Kurabang and their 22 sub clans, have unanimously agreed to the undertaking in partnership with the ABG. Following the meeting of the ABG and the landowner clan chiefs held at Tunuru Catholic Mission, Kieta and the signing of the post summit resolution between the ABG and the landowners, both parties have agreed to reopen the mine. Mr Toroama, who signed on behalf of the ABG, congratulated the landowners on their courage to put aside their differences and work with the government. "The Panguna Mine was the economic guarantee for Papua New Guinea's independence in 1975, in the same manner the Panguna will be the economic guarantor for Bougainville's Independence," he said.

"In 1988, when the Bougainville Revolutionary Army High Command decided to shut down the Panguna Mine, the late Francis Ona incentivized the mine as the key to Bougainville's independence. "Today, as we stand on the threshold of creating a new future for Bougainville where we are on the path to independence, I stand here to thank the landowners of Panguna in making a strong decision on the fate of the mine." He assured the landowners that the ABG will work in partnership with the landowners in creating the locally owned entity to redevelop the mine. He said the government will not compromise the rights of the landowners but will work towards ensuring a benefit sharing agreement that benefits all of Bougainville.

## 8 dead

By REBECCA KUKU and DALE LUMA, May 9, 2022, The National Main Stories

Mayhem in Porgera tribal fighting; business, govt services shut down, thousands homeless



FIERCE tribal fights have broken out in Porgera with the death toll reported at eight since they started on Wednesday. Business houses and government office have closed down indefinitely with more than 100 houses burnt down, making thousands homeless. Those affected have been seen fleeing from burning houses and from the “battlefields”. The main dispute of the two tribes – Nomali and Aiyel clans – is over the landowner leadership of the Porgera Mine in Enga. Assistant Police Commissioner Operation Samson Kua said the fighting in Porgera was an old tribal fight between two clans. “It’s an ongoing tribal fighting that was recently addressed with the signing of a ceasefire agreement between the two tribes but flared up again at the end of last week,” he said. “We have deployed mobile squad 11 from Wabag and mobile squad 5 units from Mt Hagen to Pogera to assist local police to address the issue.”



People displaced by the tribal fight in Porgera. The Porgera Chamber of Commerce and Industry is calling for Government intervention. – Picture supplied

Porgera administrator Jerry Maku also confirmed that PNG Defence Force soldiers arrived yesterday to support police. Paiam Hospital Medical Superintendent Jerry Hoga said the Paiam District

Hospital would only be providing emergency services due to the tribal fighting. Hoga said there were two doctors, 30 nurses and three health extension officers on the ground with him and they would be on standby to treat any emergency cases. Hoga said he could not comment on the death toll but said that so far, there had been four bodies brought to the hospital morgue from the tribal fighting. Porgera Chamber of Commerce and Industry president Nickson Pakea said Porgera was on the verge of “collapse” and ruled by thugs to a point of no return if security was not beefed up fast. “Tribal fighting between Nomali and Aiyel clans broke out again last week,” he said. “Sporadic fighting have been ongoing the past year. “An employee of Ipili Porgera Investment was axed to death on his head at about 8am by Aiyel clan members when he got off a bus at Paiam road junction near the police station. “On the same day at Porgera station, an elderly man from Paiela was shot by his son-in-law from Tari over a family dispute earlier in the night. “On the fourth day of fighting yesterday, all semi-permanent houses, including the club of our lord mayor were razed.

“There are unconfirmed deaths more than six and properties worth millions damaged. “The fight is ongoing in the vicinity of police barracks, hospitals and schools and the lives of public servants and the public are at risk. “Last week, all schools in Porgera were closed as result of the warlord thugs invading Porgera town and Porgera station by Tari and Paielans in a fresh fight over family disputes. “The thugs are also trying to break into the PJV (Porgera Joint Venture) sage mill. “There is strong resistance by security personnel, including the MS 9 mobile squad’s 11 policemen from Wabag. “General election 2022 is around the corner and this ongoing war is a threat to public safety and a fair electoral process. “The responsible authorities, including the Enga administration, must look into the problem seriously until the polls are over and the Porgera Mine reopens. “Porgera needs Government intervention now, not tomorrow.” Pakea said earlier this year, a mediation was conducted by peace officers, provincial law and order committees and churches. However, the peace memorandum was breached again on Wednesday when the warring clans clashed in Porgera town. “Due to non-availability of foreign troops, the fight erupted in Paiam Town, forcing schools and business houses to close,” Pakea said.

### **Gold refinery in Bougainville a step closer**

Radio New Zealand on 9 May 2022

Bougainville's plans to establish a gold refinery are a step closer with Bougainville Refineries Ltd now being vetted by the Bougainville Inward Investment Board. The refinery plan, first mooted by the John Momis government, aims to refine the alluvial gold mining on Bougainville, rather than shipping the ore out of the region. The expectation is that other provinces would send their gold to Bougainville to be refined because there is no refinery anywhere in Papua New Guinea. *New Dawn FM* said the next step is for the autonomous Bougainville Government to officially endorse the project and for the company to seek a gold export licence from the Bougainville Mining Board and the Central Bank of PNG.

### **Firm loaded 800th LNG cargo**

May 5, 2022, The National Business

THE Papua New Guinea (PNG) Liquefied Natural Gas (LNG) Project loaded its 800th cargo in December, ExxonMobil PNG Ltd (ExxonMobil) announced yesterday. The company, in its 2021 Environment and Sustainability Report, said about 100 LNG cargo were loaded last year. “Numerous production records were achieved during the year, including record levels of production for LNG, feed gas and naphtha. By the end of the year, 8.4 million tonnes of LNG was produced and 110 cargo loaded. “Since the start of production in 2014, more than 60 million tonnes of LNG and 808 LNG cargo have been loaded for Asia,” it added. As part of its commitment to building national

content and enabling the full contribution of the Papua New Guinean workforce, ExxonMobil updated reporting processes to include national content data from an additional 11 third-party contractor organisations.

“The categorisation of data was also improved to gain better insight into workforce trends and contractor opportunities. These enhancements will help ExxonMobil and contractors optimise the tracking and stewardship of national content performance metrics and initiatives that are intended to support economic development in PNG. “At the end of 2021, the PNG LNG workforce was 3,339 workers, of which 2,978 were Papua New Guineans. “This included ExxonMobil employees and personnel from 25 third-party contractor organisations working on production-related activities. Women comprised 19 per cent of the Papua New Guinean workforce.

“Some 45 per cent of Papua New Guinean workers are locals living close to PNG LNG facilities, while 25 per cent are from other regions and provinces where PNG LNG operates, and 30 per cent from other areas of PNG. “In 2021, two operations and maintenance technicians became the first Papua New Guineans to be appointed as well operations technicians. They support Hides well diagnostics and preparations for Angore drilling activities. Eight ExxonMobil supervisory roles were nationalised during the year,” the report added. ExxonMobil manages the operation of PNG LNG facilities on behalf of co-venture partners: Santos Limited, Kumul Petroleum Holdings Limited, JX Nippon Oil and Gas Exploration Corporation, Mineral Resources Development Company Limited and affiliates.

### **Landowners upset over delay of funds**

Post-Courier, May 4, 2022

THE delay by the government to release the MoA funds for landowners in Hides PDL 1, Kutubu PDL 2, Gobe PDL 3 and 4, and Moran PDL 5 and 6 is frustrating and landowners are now calling on the government to come out clear on the funds. The MoA funds was signed during the PNG LNG project LBSA and UBSA meeting in 2009 when the government promised K120 million to the existing project areas in Hela and Southern Highlands provinces for various projects. The NEC Decision N0 119/2021 dated June 6, approved K120 million as the final MoA outstanding to be released to the landowners for various projects in their respective areas. In March, the Department of Treasury released the warrant of K40 million MoA funds to the Department of Petroleum with the balance to be settled this year. To date, the payments have not been made even though submissions have been given and the Expenditure Implementation Committee (EIC) have completed their assessment. Chairman of the petitioner for the MoA claim, Ben Kandipi from Hides PDL 1, said the delay is frustrating.

He said this is a commitment made by the government in 2009, and it should be paid out as warrants have been released. Mr Kandipi said when Prime Minister James Marape first took office, he said: “What belongs to the church must be given back to the church, and what belongs to the government must be given back to the government and what belongs to the people must be given back to the people. “Mr Marape stressed on this, adding that he (Mr Marape) will ensure outstanding landowner issues are addressed and settled and yet he has not done any of this to help us the landowners who are fighting for what is rightfully ours. “They told us that cheques have been printed and ready for issue but why they are delaying and giving us all sorts of excuses is just beyond us. All requirements on our part have been done and yet the cheques are printed and held back for reasons unknown to us.

“We want the Prime Minister and the responsible government secretaries to come out clear and tell us exactly what is going on or what the cause of the delay is. The capped MoA fund has been

allocated already and is a promised fund from 2009. So why are we still waiting till 2022 when we should be home carrying out the projects?” According to a paid advertisement by the Department of Petroleum and Energy in the Post-Courier dated February 9, 2022, the EIC has completed its task in approving individual submission from landowner entities seeking MoA funding for various projects on Friday, February 4, 2020. It also stated that all capped MoA project submissions from Hides PDL 1 GTE, Kutubu PDL 2, Gobe PDL 3 and 4 and Moran PDL 5 and 6 were deliberated and decided upon by the EIC per NEC Decision 119/2021. As per the advertisement by the Department of Petroleum and Energy: “Subject to timely release of warrants, we are keen to have all approved project funding released to the approved project proponents by end of March 2022.” However, landowners are still waiting after March and asking when the payments will be released.

### **Mineral Resources Enga yet to sign off on agreement: MRA**

May 4, 2022, The National Business

THE multi-billion Kina Porgera gold mine in Enga is yet to resume because Mineral Resources Enga (MRE) is yet to sign off on the shareholders agreement, according to the Mineral Resource Authority (MRA). Managing director Jerry Garry said the shareholders agreement was the key agreement which needed to be signed off for the creation of the new project company for Porgera. “The project company will then have the interest of the underlying exploration licence as well as the special mining lease which will effectively run the new Porgera mine,” he told The National. “MRE owns five per cent of the residual shares in the project and that is why it is invited to be a shareholder in the new company.” Garry added that the official negotiations were not within the ambit of MRA.

“We cover the regulatory side of business and so currently the state is in negotiations with Barrick, Mineral Resources Enga and the landowners,” he said. “These are purely commercial negotiations in regards to the commercial interest in the project. “Once they transfer the interest and the underlying exploration licence and special mining lease (SML), the new project company will apply to MRA who will officially register the interest were the new project company will reflect the commercial interest or equity held by various parties. “After that the green light will be given to go ahead and operate. “That’s where we are. “If there is a need to seek any variations to the SML then that can be done at that time but for now the only holdup is the signature from MRE directors.”

### **‘Wafi-Golpu equity, royalty shares being discussed’**

May 4, 2022, The National Business

THE Government and project developers for the K18.5 billion Wafi-Golpu project in Morobe are yet to agree on equity and royalty shares, Mineral Resource Authority (MRA) managing director Jerry Garry says. Garry told *The National* yesterday that negotiations would resume this week but details of negotiations would not be disclosed until agreements were reached. “We are still waiting on a few fiscal agreements or settlements,” he said. “Sometime this week, negotiations will recommence and hopefully we can agree on the equity and royalty shares issues. “While negotiations are in progress, we have to protect the details so I cannot disclose anything but it will come to light when the parties reach an agreement.”

Prime Minister James Marape had said there was no rush in getting the project off the ground, highlighting the major issue of mine waste disposal system. Morobe prefers the terrestrial waste dam while the Government favours the deep sea tailings placement (DSTP). Marape had told the people of Morobe that “we understand your concerns on DSTP and benefit requirement for locals”. “We are not in a rush,” he said. “We will go through that until every party at the table is satisfied and

their concerns have been heard. “It is a serious matter and needs a lot of time for us to secure a deal (that) is good for everyone.”

### **Feed study for Simberi sulphide project nearly complete**

May 4, 2022, The National Business



THE front end engineering and design (Feed) study for the Simberi sulphide project in New Ireland is nearing completion. According to St Barbara Simberi’s March quarter report, significant increases in equipment and construction costs were being experienced across the industry and these trends were also evident in various components of the Feed study. “St Barbara has been notified of the replacement of the PNG environment minister which has seen delays in the issuance of permits that were expected for the project,” it said. “As a consequence, the final investment decision will be delayed until Conservation and Environmental Protection Authority (Cepa) has confirmed the grant of the conditional environmental permit for commencement of the sulphide project.

“In the interim, St Barbara will continue to work on optimising various aspects of the near-complete Feed study, such as working on opportunities to reduce capital cost escalation.” Meanwhile, group gold production for the March quarter was six per cent lower than the prior quarter. “The ramp up of production at Simberi, following the successful installation of the deep sea tailings placement pipeline early in the quarter, was impacted by the escalation of Coronavirus (Covid-19) cases at the site,” the report said. “With the outbreak under control in the latter part of the quarter, St Barbara reinstated updated production guidance for the 2022 financial year, which had been withdrawn earlier. The surge in Covid-19 cases “impacted maintenance personnel in particular, the net result of which is a backlog of mobile fleet maintenance activity that is likely to impact production in the near term”, the report said.

### **Mining exports dip in '20**

By DALE LUMA, May 4, 2022, The National Business

MINING exports fell from K15.6 billion in 2019 to K13 billion in 2020 due to the Coronavirus (Covid-19)-induced closure of Porgera gold mine in Enga. Mineral Resources Authority (MRA) managing director Jerry Garry told *The National* exploration remained a challenge and with the 2022 General Election, “investors are going to hold back and wait for certainty.” “The average

annual exports are about K11 billion,” he said. “However, the mining industry remains adaptive to current industry shocks and open to options. “All the mining operations in the country are continuing as normal.

“The industry has ways of sustaining the business while at the same time get through the ‘bad weather. “So many mining operations in the country are considering options and they will weather the ‘bad storm’ in a nutshell. “Going into the elections, just like anywhere in the globe and any country, that’s a time of uncertainty and investors will be applying the brakes on new projects until the election period is over because they always want to deal with certainty. “Some disruptions, some delay in decision making are likely to happen in terms of new project investments. “But immediately after the elections, investor confidence level always returns and that we expect.”

### **PM says fabrication and training facility to build local capacity**

May 3, 2022, The National Business

PRIME Minister James Marape says Papua New Guineans should build the next resource projects like the Papua LNG and P’nyang. “We have 30,000 Papua New Guineans graduating Grade 12 every year. I cannot live to see 5,000 imported workers, blue collar workers coming on in the next four to five years for the construction phase. “Kumul Petroleum Holdings Limited (KPHL) must ramp up, especially construction for this site, but also the training facility aspect. Let us train the welders, plumbers, carpenters, mechanics, those who will work to help LNG construction as well as operating in the manufacturing plant. “We hope this becomes a multi-purpose centre that assists our economy,” he added.

Speaking at the groundbreaking of the K300 million steel, mechanical and piping (SMP) module fabrication facility near the LNG plant on the shores of Caution Bay on Friday, Marape said work on the facility and construction training academy would start this year. KPHL managing director Wapu Sonk said that in preparation for forthcoming LNG and mining developments in the country, “we are establishing heavy SMP module fabrication facilities capable of manufacturing many of the infrastructure components required by such large-scale projects.”

“We are initiating this industrial plant because it is important for us to demonstrate the real ability to maximise national content in major resource developments, through fabrication of core infrastructure components and training competent Papua New Guinean tradesmen,” he said. “KPHL will not be undertaking this huge industrial operation alone. To ensure a productive and assured operational ramp up of facility throughput, and to minimise costs, schedule and quality risk to major projects proponents, we have reached a preliminary agreement with Fabtech International. “Fabtech is a world-recognised fabrication facility operator and it will take a lead role in running the facility, in addition to other potential strategic partners to finance and own the facility.”

### **KPHL plans to build K300mil steel module fabrication facility**

May 2, 2022, The National Business

KUMUL Petroleum Holdings Limited (KPHL) will have its steel, mechanical and piping (SMP) module fabrication facility and construction training academy for the coming LNG and mining projects in the country. A groundbreaking ceremony for the K300 million facility was held on Friday outside Port Moresby, near the LNG plant on the shores of Caution Bay. Managing director Wapu Sonk said KPHL was establishing SMP facility, capable of manufacturing many of the infrastructure components required by such large-scale projects. “We are pleased to be initiating this industrial plant, since it is important that through this facility the country can demonstrate the real ability

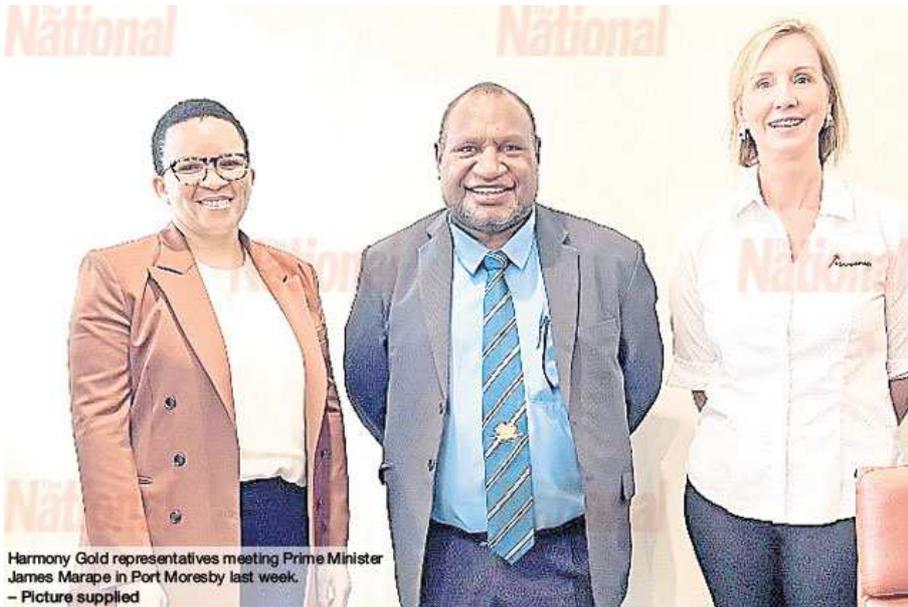
to maximise national content in major resource developments – through fabrication of core infrastructure components and training of competent Papua New Guinean tradesmen,” Sonk said.

“The facility will be constructed on more than 60ha adjacent to the current LNG plant and close to Motukea international port. The facility will have two main production lines – for structural steel fabrication and pipeline and pipe spools fabrication, with separate module assembly areas.” Sonk noted that in the spirit of promoting and maximising national content, construction of the fabrication facility would be carried out 100 per cent by national contractors and sub-contractors. “KPHL will not be undertaking this huge industrial operation alone.

To ensure a productive and assured operational ramp up of facility throughput, and to minimise costs, schedule and quality risk to major projects proponents, we have reached a preliminary agreement with Fabtech International, a world recognised fabrication facility operator that would see it take a leading role running the facility, in addition to other potential strategic partners to finance and own the facility.” “Once fully operational the fabrication facility will be able to produce up to 20,000 tonnes of SMP modules into the international, regional and domestic PNG oil, gas and mining industry projects,” he said. Sonk noted that associated with the fabrication facility would be the Kumul Construction Academy that would produce a stream of competency-based trained Job-Ready fabricators and constructors” in a range of technical trades to generate skilled employees for the oil, gas, LNG, power and mining industries.

### **Mining firm committed**

May 2, 2022, The National Business



HARMONY Gold, the developer of Hidden Valley mine in Morobe, has affirmed its commitment to invest and grow in Papua New Guinea. Senior executives from its offices in South Africa were in the country last week, touring company assets and meeting Prime Minister James Marape. Company financial director Boipelo Lekubo spoke of Harmony’s investment in PNG since 2004 and the company’s pursuit of multiple opportunities in Morobe, one of which was the proposed Wafi-Golpu project. She said Harmony through its subsidiary companies owned the Hidden Valley mine and 50 per cent of the Wafi-Golpu project, as well as extensive exploration interests in and around Morobe. Lekubo added that significant capital works associated with Hidden Valley’s life extension were underway and the company continued to assess further investment opportunities in the country.

Lekubo said the Hidden Valley mine proved to be critical to the Harmony Group when all of its South African mines were shut down due to Coronavirus restrictions. She thanked the Government for the partnership and all stakeholders who had ensured the mine remained viable through challenging times. She said Harmony had also been encouraged by the recent progress of discussions with the Government regarding Wafi-Golpu. “We look forward to concluding the permitting of the Wafi-Golpu, enabling us to continue creating shared value for all our stakeholders in PNG.”

Lekubo said by the end of last year, Hidden Valley had paid a total of K179.4 million in royalties. She said the miner recognised preferential procurement as a national imperative and during the previous financial year Harmony’s total procurements in PNG amounted to K517 million, including K152 million spent with landowner companies. She said more than 96 per cent of Hidden Valley’s 1,600 permanent workforce were Papua New Guineans, including 29 per cent of senior management and 76 per cent of superintendents; this was continuing to increase through their superintendent and leadership development programmes. “15 per cent of our Hidden Valley workforce is female, including over 24 per cent of truck operators – many of whom have been recruited from our landowner communities,” she said.

**Indonesia: Proposed gold mine is ‘recipe for disaster’ amid repression of Indigenous Papuans**  
Amnesty International, March 21, 2022

- *Unlawful killings, buildup of security forces in vicinity of a planned gold mine concession*
- *Authorities restrict daily life of Indigenous Papuans, including hairstyle*
- *Lack of consultation with communities affected by gold mine plans*

Indonesian authorities should immediately halt plans to develop a sprawling gold mine the size of the city of Jakarta in volatile Papua Province, where it risks fueling conflict and violating the land rights of Indigenous Papuans, Amnesty International said in [a new briefing](#) published today. Intan Jaya Regency, where the gold ore deposit known as Wabu Block is located, has become a hotspot of conflict between Indonesian security forces and Papuan independence groups in recent years. In the briefing, Amnesty International documents how there has been an alarming build-up of security forces in the area since 2019, with 12 suspected cases of unlawful killings carried out by security forces, and Indigenous Papuans subjected to increasing restrictions on freedom of movement as well as routine beatings and arrests.

Residents of Intan Jaya told Amnesty International that they use the proposed mining area for cultivating crops, hunting animals and collecting timber. “By disregarding the needs, desires and traditions of Indigenous Papuans, the planned development of Wabu Block risks aggravating a rapidly deteriorating human rights situation,” said Usman Hamid, Executive Director of Amnesty International Indonesia. “People in Intan Jaya are living under an increasingly harsh and violent security apparatus that exerts control over many aspects of their daily lives, and now their livelihoods are under threat from this ill-conceived project. Simply put, Wabu Block could be a recipe for disaster.”

By disregarding the needs, desires and traditions of Indigenous Papuans, the planned development of Wabu Block risks aggravating a rapidly deteriorating human rights situation.

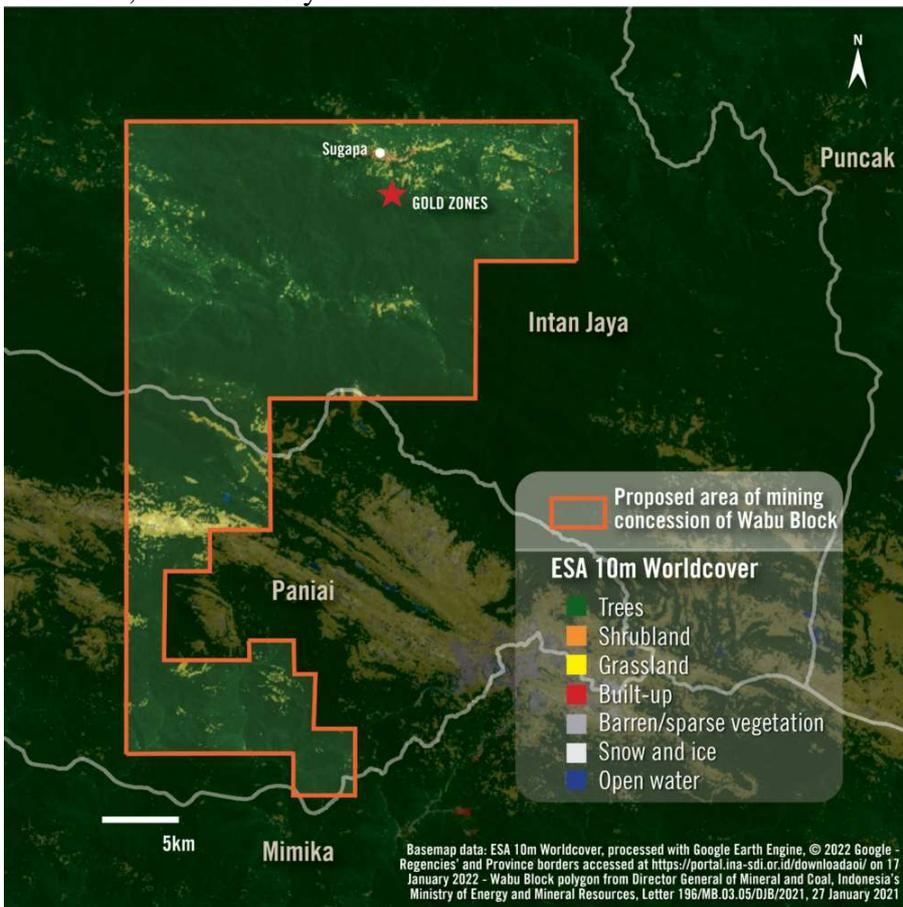
*Usman Hamid, Executive Director of Amnesty International Indonesia*

From March 2021 to January 2022, Amnesty International carried out remote interviews with 31 people about the situation in Intan Jaya Regency, including Indigenous Papuans, local authorities, human rights defenders and representatives of civil society and religious organizations. They

described how armed clashes and human rights violations have risen dramatically over the last two years.

### Threats to way of life

Since at least February 2020, there have been official plans to develop mining activities in Wabu Block. Located south of Sugapa district, the capital of Intan Jaya Regency, Wabu Block holds approximately 8.1 million ounces of gold, making it one of Indonesia's five largest known gold reserves. Wabu Block is currently under the licensing process of the Indonesian Ministry of Energy and Mineral Resources. According to official documents obtained by Amnesty International, the proposed mining area covers 69,118 hectares – about the size of Indonesia's capital city Jakarta. Indigenous Papuans said they fear loss of lands and livelihood as well as environmental pollution. "If there is mining, we will have no land for gardening; livestock will not get fresh fruit directly from the forest, and even our grandchildren will lose customary land," Lian, a local Indigenous man, told Amnesty International.



In September 2020, a senior Indonesian official expressed his intention to let state-owned mining company PT Aneka Tambang Tbk, also known as ANTAM, develop mining activities in Wabu Block. In letters sent to ANTAM and to the Indonesian Ministry of Energy and Natural Resources in February 2022, Amnesty International laid out human rights concerns about the project and posed several questions. At the time of publication, neither the government nor the company has responded. While Amnesty International has not found any evidence that either ANTAM or the Ministry of Energy and Mineral Resources are directly involved in the conflict in Intan Jaya, it is concerned about the potential human rights and environmental impacts of mining in Wabu Block in the context of the existing conflict. "The government has an obligation to obtain the free, prior and informed consent of Indigenous Papuans likely to be affected by the mine. But in a climate of violence and intimidation, it is hard to imagine how such a consultation process could meet international standards," said Usman Hamid. "The first step is to ascertain whether a full and

effective consultation is even feasible under the existing circumstances. In the meantime, Indonesia should press pause on Wabu Block.”

### **Burned bodies**

Conflict between Papuan pro-independence groups and Indonesian security forces has existed for decades. But Intan Jaya Regency emerged as a new hotspot in Papua after October 2019, when members of an armed pro-independence group killed three motorcycle taxi drivers, whom they accused of being spies. As part of the new research, Amnesty International has identified 17 posts occupied by security forces in Sugapa district, capital of Intan Jaya. According to interviews, only two out of the 17 posts existed before October 2019. The growth of the security force presence has been accompanied by an increase in unlawful killings, raids and beatings. The briefing documents 12 suspected unlawful killings carried out by members of Indonesian security forces in Intan Jaya in 2020 and 2021. These account for over a quarter of the total number of suspected unlawful killings carried out by security officers across 42 regencies and cities in Papua and West Papua provinces documented by Amnesty International in the same period.

The cases include two brothers, Apianus and Luter Zanambani, whose bodies were burned by security forces after they were detained during an April 2020 raid in Sugapa district. Cases of unlawful killings by security forces are common in Papua but accountability is rare, as documented by Amnesty International in the 2018 report [‘Don’t bother, just let him die’](#). Indigenous Papuans also described to Amnesty International incidents in which members of security forces had beaten residents of Intan Jaya. “Indonesian authorities have long failed to adequately investigate suspected cases of unlawful killings and other reports of human rights violations committed by security forces in Papua,” said Joanne Mariner, Director of Amnesty International’s Crisis Response Programme. “Investigating such cases and holding perpetrators accountable are key to upholding human rights and achieving peace in Papua.”

### **Restrictions on movement, appearances**

Amnesty International’s research has revealed that severe restrictions on the freedom of movement of local residents have accompanied the security build up and escalating conflict. Residents said they had to ask permission from Indonesian security forces to carry out mundane activities such as gardening, shopping, or visiting another village. Lian said: “When we go to town for shopping, we are asked where we go, which village we are coming from, where we live. Then after shopping, while we are going home, our stuff is checked. Even our bags have to be checked every day by the security apparatus.” Security forces also restrict the use of electronic devices such as mobile phones and cameras, according to interviewees who also alleged that, on occasion, Indonesian security forces have detained them for their hairstyles, which authorities sweepingly associate with pro-independence fighters. “Our people like to have long hair; it is part of our culture, not only in Papua, but in Melanesia. I have been asked more than 10 times about my hair and moustache. They arrest many people for having long hair and moustache. They get asked, hit,” Gema, a local resident, said.

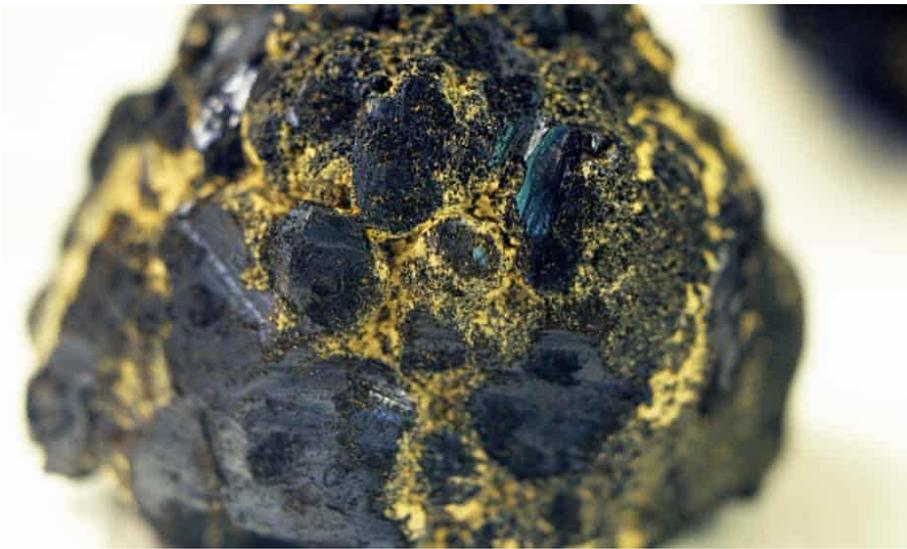
### **Background**

Amnesty International takes no position on the political status of any province of Indonesia, including with respect to calls for independence. The organization documents human rights violations whatever the political context in which they are committed.

**Note to Editors:** \*Names have been changed for security reasons.

## **‘Deep-sea gold rush’ for rare metals could cause irreversible harm**

*Mining companies are planning to profit from the new industry, but environmental campaigners warn of disastrous consequences, The Guardian, Fri 29 Apr 2022, by Rupert Neate, Last modified on 2 May 2022*



Manganese nodule from deep sea. Photograph: blickwinkel/Alamy

In a windowless conference room in Canary Wharf, dozens of mining executives, bankers and government officials are being promised unique insights into how to profit from “the deep-sea gold rush”. The hoped-for gold rush lies thousands of miles away on the bed of the Pacific Ocean, where trillions of potato-sized nodules of rare earth elements vital to power the next generation of electric cars have been discovered 4,000m below the surface. Mining companies are hoping that global rules to allow industrial scale deep-sea mining to collect the haul could be set in place as early as July 2023. However, environmental campaigners warned that [mining for the metals would be “dangerous”, “reckless” and cause “irreversible harm”](#) to little-known ecosystems. One estimate suggests that [90% of the deep-sea species that researchers encounter are new to science](#). Louisa Casson, a Greenpeace campaigner, criticised the industry for running the conference and banks for considering investing in the “dangerous and unnecessary” projects to “make a quick profit”.

“This destructive new industry wants to rip up an ecosystem we are only just starting to understand,” she said. “[They are] aiming to make a quick profit while our oceans and the billions of people relying on them bear the costs.” The nodules in the Clarion-Clipperton Zone between Hawaii and Mexico were [first discovered by the crew of HMS Challenger in 1875](#), but only recent developments in underwater robotics have made large-scale mining of the metals possible. The UN-affiliated organisation that oversees the controversial new industry has granted licenses for companies to explore the area, but full-scale mining has yet to start. That could soon change, however, as the tiny Pacific island nation of Nauru [has triggered a “two-year rule”](#), giving the International Seabed Authority (ISA) two years to implement regulations governing the industry. That set a deadline for a roadmap to be adopted by 9 July 2023.

“Deep-sea gold rush is a gamechanger,” read adverts for the Deep Sea Mining Summit 2022 at the Hilton London hotel in the capital’s Canary Wharf district, for which delegates paid £1,195 for the two-day event this week. “After years of negotiations and false starts, deep-sea mining is close to a breakthrough. “As we move into an era of mining the deep-ocean floor, the world’s most remote environment, mining companies are working on overcoming the perceived challenges and developing island nations are watching with interest. As the demand for base metals and minerals surges ever beyond what our land is able to provide, new technological and technical developments are helping to drive forward this new industry.” Daniel Wilde, economic adviser on oceans for the

Commonwealth Secretariat, which represents Nauru and many of the other small island states keen to start seabed mining, told the conference that he expected the ISA to agree a payment regime that would hand mining companies a post-tax profit of 17.5%. However, he warned the audience that “the two-year deadline does seem quite tight, [and] if it’s not agreed there are questions about what happens next”.

Ebbe Hartz, a geologist at Aker BP, a Norwegian oil exploration company part-owned by BP, said mining for seabed metals could eventually overtake drilling for oil. “But the problem is going to be finding [the metals], and we don’t have a lot of data.” Hartz said machine-learning data collection would be key to the success of seabed mining, and would ensure “we don’t need to make all the errors we made with hydrocarbons”. Eleanor Martin, a partner at law firm Norton Rose Fulbright who advises banks on financing offshore projects, said global banks were “very eager” to invest in deep-sea mining projects as they project the cost of lithium and cobalt needed for electric car batteries will continue to spiral upwards. “To build the number of [electric] cars we will need, we will need much more of these metals.” “Banks are sitting on pots of green money,” she said in reference to money designated for projects aimed at tackling the climate crisis. “But they need to know that mining projects are green and sustainable.”

Katherine Reece Thomas, an associate law professor and director of public international law at City, University of London, warned the industry that it needed to do more to win over public opinion before planning to start mining the oceans. “There is an impossible conflict between those who say we can’t possibly do this, to others who say we need to take this stuff in order to tackle climate change on earth,” she said. Jessica Battle, who runs the WWF’s No Deep Seabed Mining campaign, said: “Deep-seabed mining is highly risky and will cause irreversible harm to the ocean, to its life and its ability to help mitigate climate change. Investing in such a highly unsustainable industry at a time when we need to reduce our footprint on the natural world is irresponsible. “Any short-term incentives offered are far outweighed by the long-term benefits of a healthy ocean and so WWF and others are calling for a global moratorium on deep seabed mining. Alternative solutions already exist – innovation, recycling and repair can satisfy industries’ need for raw materials without opening the seafloor to mining.”

Casson, from Greenpeace, said: “There is absolutely no need to mine the deep oceans and cause further harm to our planet. We’ve been pleased to see the biggest players in the electric car and technology sectors, including Microsoft, Google, Volvo, BMW and Samsung, all call out the greenwash of the deep-sea mining companies and commit not to use deep-sea mined minerals in their products. “This nascent industry should stop before it even begins. We need to transition towards a more circular economy, in which we waste less and reuse more, instead of trying to destroy one of our planet’s last great wildernesses at the bottom of our oceans in the name of profit.”