

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

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Compilation:

Dr. Roland Seib, Hobrechtstr. 28, 64285 Darmstadt, Germany

<http://www.roland-seib.de/mining>

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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:

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

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

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

PNG LEADER SAYS CABINET RESHUFFLING TO CONTINUE

Despite changes, O'Neill denies lack of confidence in ministers

By Gorethy Kenneth

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 29, 2012) – There will be more ministerial reshuffles soon, Prime Minister Peter O'Neill announced yesterday. He said this in light of his decision to remove financial powers from Treasurer Don Pomb Polye on Monday. Before flying to Vanimo yesterday, Mr. O'Neill explained his decision to strip the Finance portfolio from Mr. Polye, leaving him with the Treasury and Border powers instead. "The ministerial reshuffle will happen soon... there is no lack of confidence in any of my Ministers but I just want to make some changes," he said. Mr. O'Neill reiterated that the removal of the Finance portfolio from Mr. Polye was confirmed by a Government Gazette dated February 27, 2012 and that the decision was in light of complaints in relation to various landowner funds as per the State's responsibilities and commitments under the Oil and Gas Act and Umbrella Benefit Sharing Agreement, as well as the License-based Benefit Sharing Agreement.

[PIR editor's note: Meanwhile, supporters of Don Polye have called on O'Neill to return the Finance portfolio to the minister, calling the removal of Polye from the ministry "uncalled [for], untimely, unbrotherly, and destructive." T.H.E. Party member John Moksy, of Western Highlands Province, claims "hidden motives" right before the 2012 election played a part in Polye's removal.]

Pressure has been mounting on Mr. O'Neill to intervene in the stand-off, which has seen hundreds of people who claim to be landowners from the resource-rich Southern Highlands province, converge on Vulupindi Haus in Port Moresby over the past week demanding that they be paid K290 million [US\$137.1 million] in LNG monies owed by the Government. However, it is understood the monies are Infrastructure Development Grants, which according to law should be used to fund the building of infrastructure in Southern Highlands and cannot be paid out as cash to recipients. Mr. O'Neill said that he wanted to sort all this out before they all go to polls and that he didn't want any flags in his Government.

Morobe Mining has community obligations

Post-Courier 29.2.12

By *PATRICK TALU*

OPERATOR of the Hidden valley mine, Morobe Mining Joint Venture (MMJV) says the company has a corporate and social responsibility and will continue to discharge its responsibilities. Commenting on the recent dead fish at the Markham River and alleged cyanide spillage, general manager for sustainability and external relationship David Wissinks said the joint venture miner is responsible in its activities and working in partnership with the mine affected communities and the government to address any socioeconomic issues that arise from the mine related activities. "We are responsible and also concern about the issues arises from the mine. We are very much committed to the project, the government and the communities that are impacted by the project, Mr Wissink told the Post-Courier last week in a brief interview. He said people and groups with ulterior motives have blown the issues out of proportion without having any credible information to verify and substantiate the real of cause of death to the fish along the Markam River as alleged by villagers. "We stand by the Department of Environment and Conservation (DEC) reports," Mr Wissink said.

He also refuted claims by villagers that a truck loaded with chemical which ran off the road was responsible for the dead fish. "These are two isolated incidents. The report on the death fish was informed on 15th of February while the incident for the truck happened a month earlier.," he said. "To be specific, there is no river or bridge close to the location where the truck capsized. It's about 162 kilometres from where the mine is located and no spillage of chemical or anything that could possibly caused any death as perceived. The quality of water sample is monitored on weekly and monthly basis and reports are sent to DEC." Mr Wassink admitted that the truck was loaded with cyanide but it was not spilled. The chemical was sealed inside the container and there was no basis to say that the death of the fish was the result of any alleged spillage as there is not link between the two incidents. The MMJV project is joint venture between South African Harmony Gold and Australian largest miner Newcrest Mining Ltd.

CHINESE NICKEL PRODUCERS EYE NEW CALEDONIA RESOURCES

Joint venture may give local mining company 51 percent share

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 28, 2012) – Plans are taking shape for a joint venture between New Caledonia's SMSP mining company and China's biggest nickel producer, Jinchuan. The planned project is similar to the one SMSP set up with South Korea's Cosco company in 2008, under which New Caledonian ore is shipped to Asia. The head of SMSP, Andre Dang, and the president of the northern province, Paul Neaoutyine, have returned from Sydney where they held talk with Jinchuan executives and signed a memorandum of understanding. Noumea's daily newspaper says a joint venture agreement could be drawn up by the end of this year. The paper says the venture is expected to give SMSP a 51-percent stake, but adds that this may not comply with Chinese rules.

PNG MINISTER POLYE STRIPPED OF FINANCE PORTFOLIO

'Runaway expenditures' in department cited by O'Neill

PORT MORESBY, Papua New Guinea (The National, Feb. 28, 2012) – Prime Minister Peter O'Neill yesterday removed all financial powers from major coalition partner Don Polye. Polye, who leads the new Triumph Heritage Empowerment Party, and who was instrumental in putting O'Neill in power, was until yesterday Finance and Treasury Minister. Today, he is vested with Treasury, Border Development, and a sprinkling of statutory institutions. In a letter, O'Neill informed Polye that his removal stemmed from recent events concerning the payout of landowner funds and also cited "runaway expenditure" in the Department of Finance. Polye only last week assured frustrated gas and oil landowners in Port Moresby that they would be paid their Infrastructure Development Grants (IDG), but only after all necessary government processes had been completed.

Last Friday, the landowners converged on Morauta Haus, which houses the offices of the Prime Minister and Cabinet, to vent their frustration again. "These project grants are to fund infrastructure projects such as public roads, bridges, schools, clinics, hospitals and so forth," Polye had said. "These funds are not cash handouts to landowners, but are specifically grants made to those provinces and local level governments affected by the PNG LNG project." Polye yesterday revealed that at least K129 million [US\$61.1 million] in IDG funds had been disbursed outside approved processes. He said this was unlawful and promised an investigation. Polye's statement did not appease the prime minister who said in his letter on the decision to relieve him of financial powers:

"This decision is in light of complaints in relation to various landowner funds as per the state's responsibilities and commitments under the Oil and Gas Act and UBSA (umbrella benefits sharing agreement) and various LBBSAs (licensed-based benefits sharing agreements) under the PNG LNG Agreement. Furthermore, the continuing lack of ability by the department and ministry of finance to contain expenditure overruns outside of the budget appropriations has not abated since I wrote to you last," O'Neill said. "This decision is taken in the best interest of the government." Polye is now the minister for Treasury and Border Development, the latter role having been removed from the ministry of Inter-Government Relation and District Development. O'Neill said last night the measure was temporary to resolve the pressing landowner issues and runaway expenditure. But he did not indicate when the Finance portfolio would be returned to Polye. He also hinted that a major reshuffle was imminent.

LNG: Landowners say Agiru is a stranger who forgot them . . . Post-Courier 28.2.2012

By *PATRICK TALU*

SOUTHERN Highlands Governor Anderson Agiru has been labelled as 'stranger' by his own landowners of the Hides and Juha PNG LNG Project area. Tuguba tribal Chief Simon Ekanda and Juha Landowners Association chairman Hengebe Haluya and Komo Local Level Government peace and good order committee chairman Wandipe Pini said Governor Agiru was the one who was not interested in his own landowners and now he was trying to buy favour by talking sympathy. "We want to call him stranger because at the first place when we needed him the most during the Kokopo umbrella benefit sharing agreement (UBSA) and the various licence based benefit sharing agreement (LBBSA) and subsequent PNG LNG Agreements, he did not sympathise with us.

He acted strange to us and became one of ExxonMobil's agents. Now that election is just around the corner, he tends to act and speak for us," the outspoken LNG critique Mr Ekanda said in response to an article in this paper where Mr Agiru called on the Government to pay his landowners. "Where was he when we needed him the most? Mr Haluya asked. He wasn't there when we fought for our benefits and rights to our resources. I think he must be different and not the Southern Highlands

Governor Anderson Agiru that we knew him at various agreement signings and forums where he bulldozed everything without giving us any chances to talk for our rights and benefits. He has betrayed his own people and now he can't claim as his people because he acted like as if he was not one of Hela's sons" the outspoken Juha leader who is also a Tuguba man from Komo said yesterday.

Mr Pini and Mr Ekanda stated that former State Enterprise Minister and suspended Angoram MP Author Somare and Petroleum and Energy Minister William Duma are part of Agiru's regime that failed the landowners. "The current standoff at Vulupindi and Morauta houses are the making of these leaders. They have failed us miserably and now they should foot all the blame and issues that arose out of all their decision in relation to the LNG matters," Mr Ekanda added. Mr Agiru, in a response to Treasurer Don Polye who promised the landowners to release their infrastructure development grant (IDG) and other outstanding ministerial commitments last week, said Mr Polye should not make promises he could not keep. Mr Polye had promised landowners two weeks ago that he would release their IDG but to date, nothing had materialised. The promised payout date was last Friday.

Hela has nothing to show for riches

Post-Courier 28.2.2012

By *ANDREW ALPHONSE*

THERE is nothing tangible and impact in infrastructure and government services in Tari and Hela to showcase for the millions of kina given over the years by the State for the lucrative oil and gas resources in Hela region. Hela professionals, church, youth and local leaders said this following recent media reports of their tribesmen and women converging at Vulupindi Haus in Waigani in the hope of syphoning more millions of kina from the national coffers in memorandum of agreement (MOA) funds, infrastructure development grants (IDGs), business development grants (BDG) and other benefits for the landowners in Hela.

One critique and Tari hospital boss Dr Hewali Hamiya said in the last 20 years and even with the current multi-billion kina PNG LNG project, millions of kina have been paid by the State to landowners and politicians from Hela but there was hardly anything positive being implemented in Tari and Hela to show that the money was used for the right purposes. Dr Hamiya gave a classic example of the appalling health facilities in Hela, including the only referral hospital that serves the populous region. He said the hospital did not have proper medical equipment while staff shortages, accommodation problems, water supply and high operational costs were crippling the delivery of medical care to the people. He said the hospital's staff strength had been reduced from 51 to 28. Dr Hamiya said about half of the health facilities like aid posts and health centres in the Hela needed maintenance and re-opening, some of which were closed due to poor infrastructure.

He said the Tari town was also without proper banking facility, telecommunications like landlines, fax, emails and postal services. He said there had been no district court magistrate while the Hawa rural lock-up had been closed down. It reopened recently after being rehabilitated by the provincial government. these 'ghost government services and projects' in Hela. Dr Hewali also called on the landowners not to cause chaos and anxiety at Vulupindi Haus as MOA and IDG funds are not their royalty, equity and BDG benefits. "MOA funds are funds for the development and benefits of entire Hela and it must be channeled through the respective government departments to deliver the results instead of paying to individuals and groups where the money would only disappear in Port Moresby," Dr Hewali warned.

Environment: Zibe claims government depts failed his people Post-Courier 28.2.2012

Most government departments including the Environment and Conservation, Mining, Fisheries and Forestry have not met the expectation and fallen well short of any effective fulfillment of its Constitutional, statutory functions and obligations. "I am saying this because I am concerned about the dead fish issues in Watut and Markham river and has called on the authorities to speed up the investigation on the cause of the disaster," Huon Gulf MP Sasa Zibe said yesterday. Mr Zibe said in such disasters, we must immediately deploy through investigation to find the source and cause of the disaster instead of unnecessary accusation and finger pointing at each others. However, the former Minister warned the people in his electorate, Morobe Province and the country that water and river pollution and environment degradation we are experiencing today will continue to haunt us if we are not careful in our resource development planning. "We have already invited the unscrupulous developer into our land. We have already sold our forest, fish, minerals, hydrocarbons and our land. Under the pretext of PNG facing pressing economic problems to meets its development needs, we sell our resources without proper planning," he said.

Mr Zibe said around the world, nations have historically met these challenges at the expense of their environment and the ignorance of their people - this model is widely recognised as unsustainable and PNG is just doing it. He said we must prepare ourselves first, come up with strategic development planning prior to inviting the investors or development partners or we will continue forever talking for compensation and hand out when disaster strikes. "So what is the way forward? We have these problems and we will continue to live with it, and as long as our government agencies are sleeping and negotiating with our development partners," Mr Zibe said. He said only through effective government regulations and actions, can foreign interest be forced to consider the internal needs of PNG for environmental protection, social advancement and economic prosperity. Meanwhile, Mr Zibe said K100,000 allocated for the District Water-Supply program is already working to support the tuffa tanks to catch rainwater in the affected village communities including Labu villages. As the Chairman of Huon District JDP and BPC our priority was water and sanitation.

WORKER ASSAULTS PROMPT CLOSURE AT FREEPORT MINE

Striking workers lash out employees who won't-strike

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 27, 2012) – The huge gold mine in Indonesia's Papua shut down operations late last week, citing a campaign of violence and intimidation by employees against workers who did not join last year's strike. In a press release a Freeport McMoRan spokesperson, Ramdani Sirait says some returning workers have engaged in acts of violence and intimidation against non-striking workers. He says the company is working with union officials and government authorities to resolve the ongoing issues. The statement did not detail the nature of the violence but three workers have been arrested and are being held in police custody. Virgo Solossa, the head of the Mimika chapter of the All-Indonesian Workers Union told the Jakarta Post that employees stopped working because the company had failed to fulfill part of an agreement signed in late December.

MITSUBISHI CORP. INVESTS IN PNG OIL AND GAS DEVELOPMENT

Company enters \$280 million partnership with Talisman Energy

MELBOURNE, Australia (Radio Australia, Feb. 27, 2012) – Japan's Mitsubishi Corporation has signed a deal to take a 20 percent stake in Talisman Energy's oil and gas licenses areas in Papua New Guinea. The US\$280 million deal is Mitsubishi's first major investment in PNG gas and comes as Talisman prepares to spend \$US800 million dollars on exploration over the next three years. The

agreement between the two companies gives Mitsubishi access to oil and gas licenses covering more than five million hectares of land in PNG's Western Province. The project has potential to create a third major gas project for Papua New Guinea.

Talisman Australasia vice president Paul Atkinson said it is a win-win situation for both Mitsubishi and the PNG Government. "Mitsubishi will get access to high potential acreage in Papua New Guinea to access leaseholds which could be developed into reserves for supply of LNG to, you know, their core market areas, typically Japan," he said. And Mr. Atkinson said the aim is to keep focusing on exploration. "We have a program for about the next three years to continue with exploration. We'll be drilling four to five wells this year. We'll be shooting about 200 kilometers of seismic this year and on average about 250-400 kilometers in the next two years. And that is the focus of the operation, to explore and prove up enough gas so that we can then go to the next stage which would be a feasibility study for LNG monetization methods."

Laywer: LNG expansion illegal

Post-Courier 27.2.2012

By *PATRICK TALU*

A SENIOR private lawyer and counsel for arrived LNG Project landowners said any plan for expansion of the PNG LNG Project by its developer ExxonMobil and its partners such as Oil Search and Santos is illegal. Justin Haiara, partner of Steel Lawyers who is the counsel for PNG LNG challenger Simon Ekanda and other parties whose PNG LNG Project cases which are before the court said, the current project is locked in with the 10.5 trillion cubic feet (tcf) for the 30 years lifespan of the project. If there is any plan for an expansion of the current LNG project, it would be illegal as the PNG LNG Project is locked into only 10.5 tcf for two trains as per the May 22 2008 PNG LNG Agreement," Mr Haiara told the Post Courier in response to an article run on this paper regarding PNG LNG Project expansion plan. Under this agreement (PNG LNG Project Agreement) which according to my client Simon Ekanda and others who is challenging in a court of law is illegal.

Initially, the government and the developer ExxonMobil and its partners have agreed to 6.5 tcf but later was purportedly changed in an special National Executive Council meeting and increased it up to 10.5 tcf. Mr Haiara said the 10.5tcf is agreed both at the PNG LNG Project agreement and the licence based benefit sharing agreement and locked in for the 30 years period for the Hides, Angore and Moran gas fields. Other than that, there is no agreement in place to for any expansion. He Haiara said ExxonMobil has informed the government and landowners at the UBSA that it had already instructed pipeline manufacturer to manufacture pipes according to the volume of gas (10.5tcf) that would be pumped from these three gas field to the two trains. However, ExxonMobil lied to the State and landowners where it had instructed the pipeline manufacture later after all the agreements were signed where it purportedly increased the capacity of the pipes so that it can pump more of our gas and steal from us ," Mr Haira said.

"This is not right. No one is even asking any question about this. There is a limit where ExxonMobil and its partners like Oil Search can extract our resources but not by deceitful means," the counsel said yesterday. Simon Ekanda, whose case against ExxonMobil and the State on all the LNG matters which Mr Haiara is representing said, "any plan to expands and any talk on the balance of the gas is illegal. We the legitimate resource owners have not signed any agreement with any developer. ExxonMobil has signed the PNG agreement with the State. ExxonMobil knew the volume of gas in our fields and wanted to steal, so instead instructed pipe manufactures to increase the volume of the pipelines after the agreement so tat it can steal," Mr Ekanda said. Oil Search ;Ltd, a partner in the PNG LNG Project said ExxonMobil should know whether to expand to other projects which are

not in the agreement by mid 2012 or 2013 depending on the availability of gas reserves. ExxonMobil could not be reached for comments at the weekend.

Abel wants PNG to export more goods

Post-Courier 27.2.2012

By *PATRICK TALU*

Papua New Guinea should have its own downstream processing facilities to refine and process its natural resources and export the final products to the offshore markets. Minister for Commerce, Trade and Industries Charles Abel, in light of the demands for PNG's natural resources especially making reference to the European markets demands for PNG tuna and palm oil, said PNG should have its own downstream processing onshore. Minister Abel when asked whether his talk on having an onshore processing facilities was just a consideration or an actual policy for the government, told this reporter last Friday during a signing of the second interim economic partnership agreement (iEPA) with the European Union that it was consistent and in line with the government's Vision 2050 plan.

Minister Abel said currently PNG tuna loins and palm oil are major commodities that have high demands in EU markets and in order to maintain and remain competitive. He said PNG in the long term should look at improving the markets by way of having onshore processing facilities. Already, PNG has several tuna facilities in Lae, Madang and Wewak and the current Pacific Marine Industrial Zone in Madang which is said to be a flagship fishery project that will underpin the country's major tuna export to EU and other markets outside of EU. Mr Abel, while signing the second iEPA with EU Director General for Trade Peter Thomason, witnessed by EU Ambassador Dr Martin Dihm and acting Foreign Secretary Ambassador Lucy Bogari and other EU trade delegates, said economic and social development opportunities that are anchored in the iEPA are important for PNG.

He said PNG is to make use of the preferential market access opportunities and development assistance enshrined in the agreement. Mr Thomason commended the PNG-EU partnership stressing the importance of one hand making the most of the iEPA and on the other hand exploring options for a way forward. "The parties noted that this could include the possible accessing of other African Caribbean Pacific states to the iEPA and expansion of the agreement to include further areas of corporation such as services, investments, fisheries and development," Mr Thomason said. The agreement is expected to see a creation of 53,000 employment opportunities that will see many of PNG women being employed. The EU comprises of 27 member countries in Europe. It is the world's largest trading entity and most lucrative consumer market.

Kavo calls for talks on LNG

Post-Courier 27.2.2012

By *GORETHY KENNETH*

THE Papua New Guinea Government and ExxonMobil have been given an ultimatum to immediately have a roundtable discussion with the Gulf Provincial Government or face consequences. This is over the issues of ExxonMobil's construction of LNG pipelines in the Gulf Province and the allegations that the multi-billion company has breached the agreement with the PNG Government and the Gulf Provincial Government as per the agreement signed. Gulf Governor Havila Kavo issued the ultimatum to the PNG Government and Exxon Mobil last Friday to immediately explain the outstanding issues surrounding the Gulf LNG Project in his province. He told the media that landowners have confiscated three big ships, eight tugboats and four pontoons all loaded with equipment to start the construction of the LNG pipeline in his province.

Mr Kavov is accusing ExxonMobil of breaching the 12-mile zone agreement signed to construct the pipeline. He claimed that ExxonMobil had been constructing the pipeline at a three-mile zone and was now asking for an explanation and the negotiations for the Benefit Sharing Agreement to be revisited. He wants the Government and the company to include the 19 tribes as landowners in the BSA which are Omati, Goaribari, Uama, Kumara, Yare, Orokolo, Pupum, Turama, Toaripi, Kaipu, Moripi and Oyapu to name a few. "The developers have breached the agreement. The agreement was for ExxonMobil to construct the pipeline 12 miles out of the fishing zone. The pipeline is right inside the three mile zone, the agreement was for 12 miles. This now disqualifies them from the project and I have encouraged my landowners to stop them from constructing the pipelines until they come up with a roundtable discussion so we could address all these," Mr Kavov said.

"I am calling on the Prime Minister, the Petroleum Minister and Exxon Mobil to immediately come to a round table for discussions because there are still some issues that have not been addressed." Mr Kavov also singled out the way developers were operating, by bypassing the Provincial Government and going direct to the landowners. But last night, ExxonMobil strongly defended its operation in the country and especially in the Gulf Province denying that they had breached any agreement. Lead Media and Communications Adviser Rebecca Arnold said that Exxon Mobil had not breached any agreements stressing that they were constructing the pipelines in the agreed route. She also advised that the vessels Kavov was referring to were support vessels and not those directly owned by Exxon Mobil.

Morobe Mining: Aerial tours irks villagers

Post-Courier 27.2.2012

By *OSEAH PHILEMON*

THE Department of Environment and Conservation has failed to protect the interests of small Papua New Guineans, three Labu leaders said in Lae yesterday. Labu councillors Douglas Gedisa and Jeffrey Tipi and community advocate Michael Gedisa said the department had let down their people in the current crisis surrounding dead fish in the Markham River. Mr Gedisa said: "We had expected the department to fully investigate the cause of the fish dying and to establish why this happened. "Instead, it sent officers to do aerial tours around the mountains and then reach conclusions which to the Labu people are unacceptable. "The Department of Environment and Conservation has failed in its duty to serve the interests of poor people. If its officers can ride on helicopters paid for by the rich and powerful mining companies like Morobe Mining Joint Venture then what hope do little people have of getting help from Government departments."

Mr Gedisa also expressed concern that the Minister for Environment and Conservation and his department were relying totally on the mining company to provide readings of the quality of water from the mine to them. "This is unacceptable. The department should be conducting its own independent tests on the water being used by the mine instead of relying on the mine to provide the information to it. It is wrong," Mr Gedisa said. Councillor Tipi said the waters of Labu remained contaminated and the people live in fear of their lives. "No Government officer has set foot on our sand to find out exactly what is happening. "It seems like the Labu people belong to another planet because what has happened to us does not mean anything to Government departments such as the Department of Environment and Conservation.

"The behaviour of this department confirms to us that it exists to serve the interests of powerful billion kina international corporations and not the little Papua New Guineans," Mr Tipi said. "I now call on the Minister for Environment and Conservation to order his department to do a thorough and proper test on our waters, the Labu Lakes and the fishes to determine whether these are safe or not. "We are living in great fear." Outspoken Councillor Gedisa said leaders like the Member for Huon

Gulf Sasa Zibe have failed their voters. “In times like this we expect our Member of Parliament to knock on the doors of departments such the Department of Environment and Conservation to demand action on behalf of their people. “Yet as we have now seen – nearly a week after the disaster Mr Zibe is still in hiding. “The German scientists he promised last year to bring to Lae to conduct independent tests on the Huon Gulf waters are still flying in the air on their way to Lae, or so it seems.”

Agiru: State must pay my landowners

Post-Courier 27.2.2012

THE Minister for Treasury and Finance should not make promises he cannot keep, Governor of Southern Highlands Anderson Agiru has said. Mr Agiru was responding to the promise by Mr Don Polye made to his landowners last week that he would release a fraction of the Infrastructure Development Grants for the LNG Project areas on Friday, February 24. He also undertook to release funds to meet some of the Ministerial Economic Committee Commitments, made by the Somare Temu and Somare Polye Governments in Kokopo, in 2009. “I am disappointed that the Treasurer has failed to deliver on his word announced to the media,” Mr Agiru said. “For the education of some of you leaders and public servants, my people put the national interest ahead of their own, at the Kokopo UBSA talks. They allowed the commercialisation of their Gigira Laitepo (gas), weighing carefully the importance the project meant to the national economy. They do not deserve lies.”

He said they did not demand ministerial commitments as a pre-condition of the UBSA. He said they did not demand the release of the K180 million MOA monies. “I had securely kept the MOA funds in a Trust Account managed by the Department of Finance, before flying to Kokopo. Sadly, our development money got paid to individuals and political cronies, then. As a result there are nothing to show on the ground today,” he said. “These decisions were taken on behalf of the State, through, their servants and agents. They were in the full knowledge of the implications. Prime Minister O’Neill, Belden Namah, Don Polye and William Duma were then part of the Ministerial Economic Committee. They have the institutional memory. “It is my considered opinion that the State has no other option but to deliver now. “Landowners, too, must be vigilant and be on the watch. Politicians and public servants in Waigani will persuade them into thinking that these funds can be collected and spent at their leisure. They may even ask for a per cent to be returned.

“I burnt the midnight oil for seven long weeks on the Gazelle Peninsula to secure those funds. These funds are for your development programs. Do not make the same mistakes you made with oil MOA funds”, Mr Agiru warned. He said PM Peter O’Neill and Minister Sam Basil’s hearts appear to be in the right place. He said they were willing to assist find the way forward. “That to me is a good start. I will assist them. “My landowners in the PNG LNG Project Sites, the Buffer Zones, Pipeline Route and the Plant Sites, we have secured in the region of K30 billion development money for ourselves, our children and our communities in the present 30 years life of PNG LNG. “These benefits will increase by 55 percent if a third train is added. That can only happen if the joint venture partners led by ExxonMobil spend additional money to conduct further exploration and reservoir appraisal work. “Look after that project because therein lies our future,” he said. Mr Agiru also called on the Hela people to “stop felling power pylons” to Porgera Gold Mine. PJV and individuals such as George Tagobe were the only beacons of hope during Hela’s darkest days, the 2002 to 2007. Do not be a people of short memory”.

PNG ANNOUNCES \$30 BILLION SOVEREIGN WEALTH FUND

O'Neill: Money comes from 'just one LNG project'

By Peter Korugl

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 25, 2012) - The Government anticipates that a staggering K100 billion [US\$47.3 billion] will be initially deposited into the Sovereign Wealth Fund (SWF). "We are talking in excess of some US\$30 billion, at current exchange rate, that works out to about K100 billion. That is a lot of money," Prime Minister Peter O'Neill explained in an exclusive interview with the Post-Courier yesterday. Mr O'Neill said that the money was from just one LNG project but when the revenue from the second LNG project as well as the other resource projects were channelled into that fund, the amount would be astronomical. "This is 10 times the size of our economy. This is going to be a very important fund and we have to manage it properly. It can only get bigger if we manage it properly.

"Off course, there are other Sovereign Wealth Funds around that world that have got trillions of dollars but ours is just starting. As we progress, this will increase and we will draw down on the fund to stabilise our economy when it slows down," Mr O'Neill said. Mr O'Neill said the decision by the Government to establish the SWF was to ensure that revenue from the resource developments were not squandered but used properly to improve the standard of lives of the people. He said PNG did not want to go down the track that was taken by many African countries. "We have the symptoms already. PNG has a high population, a high unemployed population, a high illiterate population and high youth population with very little opportunities. "These are recipes for disaster if we do not manage them properly, we can destroy the stability of the country. We can deal with these issues by educating our people and managing our SWF well," Mr O'Neill said.

Mr O'Neill explained the role of the SWF a day after Parliament passed the Bill to establish the SWF for Papua New Guinea unopposed. The first vote on the bill presented by Mr O'Neill was 80-nil while the second result was 78-nil, surpassing the absolute majority vote of 73 votes. Mr O'Neill thanked Members of Parliament for passing the bill to establish the sovereign wealth fund. "The establishment of the fund is very important for our nation's development. The fund gives us the opportunity to protect and grow surplus wealth from the export of our mineral resources, and our oil and gas," Mr O'Neill said. "So much revenue has flowed to the government from Bougainville Copper mine, Ok Tedi, Misima Mine, and Porgera in the past. But if you look around you, what is there in the country to show for this massive wealth generated from these projects? Virtually nothing."

Rare diamond found in Australia

Post-Courier 24.2.2012

Mining giant Rio Tinto said it has unearthed a "remarkable" 12.76 carat pink diamond in Australia, the largest of the rare and precious stones ever found in the resources-rich nation. Named the Argyle Pink Jubilee, the huge rough stone was found at Rio's pink diamond operations in the Kimberley region of Western Australia and would take 10 days to cut and polish, the miner said on Wednesday. "This rare diamond is generating incredible excitement. A diamond of this calibre is unprecedented - it has taken 26 years of Argyle production to unearth this stone and we may never see one like this again," said Josephine Johnson from Rio's Argyle Pink Diamonds division. "The individual who gets to wear this remarkable pink diamond will be incredibly lucky indeed."

The light pink Argyle Jubilee is a similar colour to the 24-carat Williamson Pink given to Britain's Queen Elizabeth II as a wedding gift which was later set into a Cartier brooch for her coronation. The Williamson was discovered in Tanzania in 1947 and is ranked among the finest pink diamonds in existence. Rio produces more than 90 percent of the world's pink diamonds from the Argyle

mine, and said large stones like the Jubilee typically went to museums, were gifted to royalty or end up at prestigious auction houses like Christie's. Christie's had only auctioned 18 polished pink diamonds larger than 10 carats in its 244-year history, Rio said. When the Jubilee diamond has been cut and polished it will be graded by international experts and showcased globally before being sold by invitation-only tender later this year.

Mining Act to be reviewed

Post-Courier 24.2.2012

The Mining Act will be reviewed with the view to increase landowner participation in mining projects in the country, Deputy Prime Minister Belden Namah has promised. Speaking at a meeting in Parliament on Wednesday in which Department of Mining officials made presentations to highlight impediments the industry would face if the Boka Konda Bill became a law, Mr Namah led a chorus of calls from MPs and other participants at the meeting for increased landowner participation. Mr Namah said he would support the bill and called on proponents and critics of the bill to work together so the final form that goes to Parliament is acceptable to all the players. "A review of the Mining Act is long overdue.

"Landowners should not be mere rent and royalty takers. They should be a major partner in the extraction of resources from their land. This can be achieved through the production sharing arrangement that is working well in many countries," Mr Namah said. Mr Namah said the notion that the Bill would scare away investors was nonsense. He gave Trinidad as an example, where oil giant BP protested the introduction of production sharing arrangement and left, warning no investors would go to invest there under that regime. The Chinese and French moved in, and the country is now enjoying the benefits of the production sharing arrangement. "People say the bill would scare away investors. Those who want to leave can leave. There will be others lining up at the door to replace them," Mr Namah said.

He urged MP Boka Konda to look at 49/51 production sharing arrangement, with landowners taking up 49 per cent with the support of the Government. He said the issue of exploration and sunk costs should not be considered impediments, as that would be shared by all partners. Mr Namah, who is Minister for Forest and Climate Change, said similar change to increase landowner participation would be brought to the forest industry. Mr Kondra has three bills on the Notice Paper. They are the Mining (amendment bill) Act, the Land (amendment) Bill 2012, and the Oil and Gas Amendment Bill 2012.

LNG: K100 billion for you!

Post-Courier 24.2.2012

By *PETER KORUGL*

The Government anticipates that a staggering K100 billion will be initially deposited into the Sovereign Wealth Fund (SWF). "We are talking in excess of some US\$30 billion, at current exchange rate, that works out to about K100 billion. That is a lot of money," Prime Minister Peter O'Neill explained in an exclusive interview with the Post-Courier yesterday. Mr O'Neill said that the money was from just one LNG project but when the revenue from the second LNG project as well as the other resource projects were channelled into that fund, the amount would be astronomical. "This is 10 times the size of our economy. This is going to be a very important fund and we have to manage it properly. It can only get bigger if we manage it properly.

"Off course, there are other Sovereign Wealth Funds around that world that have got trillions of dollars but ours is just starting. As we progress, this will increase and we will draw down on the fund to stabilise our economy when it slows down," Mr O'Neill said. Mr O'Neill said the decision

by the Government to establish the SWF was to ensure that revenue from the resource developments were not squandered but used properly to improve the standard of lives of the people. He said PNG did not want to go down the track that was taken by many African countries. "We have the symptoms already. PNG has a high population, a high unemployed population, a high illiterate population and high youth population with very little opportunities. "These are recipes for disaster if we do not manage them properly, we can destroy the stability of the country. We can deal with these issues by educating our people and managing our SWF well," Mr O'Neill said.

Mr O'Neill explained the role of the SWF a day after Parliament passed the Bill to establish the SWF for Papua New Guinea unopposed. The first vote on the bill presented by Mr O'Neill was 80-nil while the second result was 78-nil, surpassing the absolute majority vote of 73 votes. Mr O'Neill thanked Members of Parliament for passing the bill to establish the sovereign wealth fund. "The establishment of the fund is very important for our nation's development. The fund gives us the opportunity to protect and grow surplus wealth from the export of our mineral resources, and our oil and gas," Mr O'Neill said. "So much revenue has flowed to the government from Bougainville Copper mine, Ok Tedi, Misima Mine, and Porgera in the past. But if you look around you, what is there in the country to show for this massive wealth generated from these projects? Virtually nothing."

LNG pipes spark row

The National, 24th February 2012

By JEFFREY ELAPA and LESLIE OMARO

A MULTI-BILLION kina liquefied natural gas project faces disruptions to its development after angry landowners complained about the damage to their environment and protected sites. ExxonMobil, the developer of the PNG LNG gas project, had been accused by the people of Gulf province of breaching an agreement by laying pipelines within five miles of their traditional fishing grounds. The landowners also want ExxonMobil to explain the presence of foreign vessels in their fishing grounds. Aitari Huaupe, a public relations officer with the Ihu District Umbrella Landowners Association Inc, claimed that the ships seemed to be laying gas pipelines. In response, Rebecca Arnold, the lead media and communications adviser for the LNG project, said the ships were not laying pipelines but were supporting the laying of the pipes.

Arnold said the laying of the pipes was done 30km offshore from Caution Bay and not in the coastal waters as claimed by the landowners. She said the vessels supporting the pipe-laying were located eight nautical miles (15km) south of Apiope village. "We are still using the same route off Caution Bay all the way to Omanti as agreed in a permit with the government," she said. Gulf Governor Havela Kavov told parliament yesterday that the government and the developer should review the benefit-sharing agreement in light of the developer's action. "I have gone to the area and found that the pipeline came right into the traditional fishing zone," he claimed. "As a result, the marine life in the area has been disturbed and will continue to be affected as siltation from the 14 rivers that flow into the Gulf of Papua will be captured, building up sediments and disturbing the prawn cycle in the area."

ExxonMobil set to expand

Post-Courier 24.2.2012

THE \$US15.7 billion (K35 billion) energy venture in PNG operated by ExxonMobil Corporation may know by the end of the year if it has enough gas for an expansion that could vastly improve its profitability, project partner Oil Search Ltd (OSL) said on Tuesday. PNG LNG Project is one of the largest and most complex energy projects under construction in the world. An expansion to three LNG, production units from the two currently planned could give a major boost to OSL, for whom

the PNG LNG project is its flagship investment, the Australian based oil and gas company said while releasing its annual profit results. An expansion could also benefit the impoverished nation, whose gross domestic product is already set to more than double if the project's foundation stage is completed in 2014 as planned. Exxon, OSL and other partners including Australia's Santos Ltd already have enough gas to underpin construction of the foundation stage of PNG LNG Project, which will ship 6.6 million metric tons of liquefied natural gas from 2014 to customers in Japan, China and Taiwan. As anticipated by some analysts,

OSL said yesterday that initial exploration drilling in the Hides area to support a possible expansion of the project has been pushed back until mid-2012--from an original timetable of the end of the first quarter. "A preliminary view on whether enough gas is available to underwrite an expansion or whether additional activities are required is likely to be formed in late 2012/early 2013," OSL Chief Executive Peter Botten said in a statement. A well currently being drilled outside the Hides prospect, P'nyang, may also factor into the expansion effort, and work there will immediately be followed by exploration of a separate prospect, Trapia, OSL has said. OSL also has extensive gas prospects in the Gulf of Papua, which it hopes will support construction of another gas-export venture later down the track. It intends to drill its first well there in the last quarter of 2012. "OSL has received strong interest in participating in this programme from a number of major companies with LNG development experience," Mr Botten said, without naming any companies.

Nautilus launches exploration programme

The National, 23rd February 2012

By ELIZABETH VUVU

NAUTILUS Minerals has launched its 2012 exploration programme in the Bismarck Sea in its exploration tenement areas. Its tenements included the first commercial development and recently approved licence, the Solwara 1 and 2 projects, located at 1,600m water depth in the Bismarck Sea between New Ireland and East New Britain provinces. According to a statement from the East New Britain provincial administration, the awareness team visited the province last week from New Ireland and would move on to the other provinces sharing coastlines of the Bismarck Sea as part of their exploration cruise programme awareness. The Nautilus exploration exercise will begin tomorrow over a period of 90 days aboard mv Duke, a fully-equipped seafarer vessel specially fitted for ocean research and with latest technology on deep sea exploration. According to project geologist of Nautilus awareness team Kessy Wama, the main objective of the exploration exercise was to identify new targets, assess data on existing finds and assess the new methods of exploration.

She said the deep sea exploration methods were mainly multi-beam and seismic surveys with the latter being the first of its kind to be used by Nautilus in mapping out geological structures beneath the sea floor. Wama said these activities were low impact and not harmful to marine wildlife and Nautilus would be operating under both the PNG and Australian standards that would be closely monitored by a marine observer who would be onboard the exploration vessel. She assured that as means of controls and mitigation, all equipment on the vessel were well-tested and designed and manned by very experienced operators. Deputy provincial administrator-coordination and implementation, Clement Irasua, reiterated the need for compliance to ensure that marine resources were protected at all costs while in operation. He appealed to maritime communities of East New Britain and New Ireland to understand this awareness programme and cooperate whenever they sighted the mv Duke out on the open seas.

Ramu mining awareness starts

The National, 23rd February 2012

A STATE team led by the Department of Environment and Conservation (DEC) and the Mineral Resources Authority (MRA) last week began an awareness programme on environmental and other issues related to the Ramu mining project. The programme, which was conducted at Mindre village and the Madang provincial government headquarters, complied with the general order from the Madang national court to inform and consult with the plaintiffs of the court case relating to use of (deep sea tailings placement (DSTP) system by the Ramu mine. Upon handing down its decision middle of last year, the court ordered the state to consult with landowners of Basamuk and other areas on environmental issues including DSTP every three months until the closure of the mine. Provincial director for mines John Bivi said this exercise by the state team was an important part of the progress of the Ramu mining project. He said it was important that the national government carried out such awareness programmes so that people were not left in the dark, especially with regards to environmental matters.

Goro Arigae of the DEC updated the landowners and Madang provincial government officials on the project status with regards to environmental issues. He explained to the two parties the environmental permitting processes and also what the various types of permits were, and how they were processed and granted. He told them that the Ramu mine had been granted an environmental permit and having gone through the court case on DSTP, it was given to approval to use DSTP. The mine was now awaiting commissioning. Chairman of Basamuk Landowners Association Lima Mulung, and chairman of Inland Coastal Pipeline Charles Okori, thanked the state team for their efforts in attending to queries from landowners. Mulung said his people were happy with information on the status of the project and explanation on the government process for granting environmental permits. He wanted the state team to include others such as inland coastal pipeline people in the awareness programme.

Locals urge PM to probe cause of dead fish

Post-Courier 23.2.2012

By *OSEAH PHILEMON*

THE Department of Environment and conservation (DEC) yesterday came under more attack from leaders of the Labu people in Lae over the dead fish issue. And Labu leaders are asking that the Prime Minister Peter O'Neill orders a full investigation into the matter but more so look at the effects of this problem on the lives of the Labu people. A group of leaders representing the three Labu villages – Labu-Buttu, Labu- Mitti and Labu-Talie – held a news conference on the Lae waterfront to express their concern over what they described as a lack of concern by the department over the seriousness of the problem they now face. Their spokesman Mondo Siga Dunusu said the attitude shown by the DEC and the Minister for Environment and conservation Thompson Harokaqveh towards the dead fish problem leaves a lot to be desired.

Mr Siga Dunusu said DEC and their minister have shown their true colours by their close association with mining giant Morobe Mining Joint Venture (MMJV). "DEC receives its weekly reports from MMJV and does not conduct their own independent tests. "The department is a puppet of MMJV that dances to the tune of big companies and cannot stand on its own two feet to deal with the concerns of little people," Mr Siga Dunusu said. The Labu leaders at the news conference condemned the DEC for failing to conduct independent tests and assessment of the sea, fish and marine life around the mouth of the Markham River and the Labu coastline as well as the river itself to ascertain the actual level of any toxic or poison material that may be present.

“Our people are now helpless. We cannot fish to earn an income for their daily needs because we fear that the sea may still be full of poison,” he said. Mr Siga Dunusu said the Labu people demand an urgent, independent test of its waters to verify that all is safe for them. “Right now we cannot do anything. We cannot catch and sell fish, we cannot go to the mangroves to look for crabs, fish and shells because of the presence of toxic materials in the water....we are simply sitting in the villages hungry,” Mr Siga Dunusu said.

CANADIAN FIRM SEEKS SEA-BED MINING LICENSE IN COOKS

Endeavour offers \$46 million for right to explore

By Rachel Reeves

RAROTONGA, Cook Islands (Cook Islands News, Feb. 22, 2012) - Canadian company Endeavour has offered government NZ\$55 million [US\$46 million] for a licence to explore the Cook Islands seabed to determine its mining potential. Minister of deep-sea mining Tom Marsters confirmed in parliament yesterday that the offer is on the table, as he responded to a question from opposition leader Wilkie Rasmussen about whether rumours Endeavour had offered government NZ\$25 million [US\$21 million] were true. "There is an offer on the table, yes," Marsters said. "But the offer is for NZ\$55 million – NZ\$15 million [US\$13 million] is up-front payment to the government and the other NZ\$40 million [US\$33 million] is an investment on the part of Endeavour to do their own research. "...They have assured us that upon the signing of the agreement, within 30 days they will have NZ\$15 million in our bank account."

Marsters gave a brief history of the government's negotiations with Endeavour. He held up a coloured map of the Cook Islands' exclusive economic zone. "That is the very latest from the scientific world concerning the minerals in our EEZ. If I were to bring you an expanded map of the whole world you would find that nowhere else in the world is (manganese) so concentrated as our EEZ. A lot of work has been done since we took over from the previous government. "...By the end of the month a technical adviser, co-sponsored by the Commonwealth Secretariat and ourselves, will be in place and on the ground here in Rarotonga. "We have not changed anything that the former government has put in place because we felt when we came in that the programme they had set was a good programme." Marsters explained that from the beginning, Endeavour had expressed a keen interest in exploring the Cook Islands seabed.

He said it is too early for him to announce with confidence that Endeavour will be awarded an exploratory licence, but nevertheless he hopes the company will "find a place within the scope of the total programme of our seabed mining". "Until all aspects are in place it would not be advisable for us to jump those hurdles sooner than when it should be happening," Marsters said. Teenui-Mapumai member of parliament Norman George raised concerns about the negotiation process. "Don't be too fussy about investment from the Endeavour mineral people – that could be an opportunity we could lose. Don't waste too much time painfully going through non-existent problems. Get real, get practical but just make sure that we are not negotiating an agreement which will end up like the Toagate agreement," George said. "Don't forget – opportunities don't remain forever, when there's opportunity there, get going. Get working. Get the right people to advise you and get money in the bank. Cure the deficit so you don't also impose new baby and old age taxes that you have unwisely done in the last year."

Mining Minister Chan: MRA team will be formed to investigate the causes of dead fish Post-Courier 22.2.2012

MINING Minister Bryon Chan informed Parliament yesterday that his department through the Mineral Resources Authority (MRA) will form a taskforce to investigate the dead fish discovered in the Markham River in Morobe Province. Mr Chan said from his own observation, the mine site is located approximately 162 kilometres away from the river and it may not be the cause – some causes can be attributed to lack of oxygen in the river due to heavy rain fall or mudslide. “However, this does not stop his department from collecting samples from the river to determine the real cause of the dead fish,” Mr Chan said. Mr Chan was responding to questions raised by Markham MP Tony Iguan during Question Time relating to the recent media reports where villagers living along the Markham River discovered a large number of dead fish and eels floating to the surface of the river.

Mr Iguan asked as to what actions the Mining Department was taking into the matter which many villagers have placed the blame on the mining activities in the area for polluting their river system. He told Parliament that people’s livelihood throughout history depend on the river for drinking and for food and after the discovery of the dead fish has scared the people. The Markham MP said his people were still in the dark as to the cause and the department should quickly investigate the matter and inform the people. Mr Iguan said people are still confused. Mr Chan said he was first informed of the matter through media and as a responsible government, gave instructions to his department through MRA to investigate the matter and the allegation of mine pollution as the cause to the matter. The Minister promised to inform the Parliament when the report from the investigation is completed.

Chan directs review of Porgera agreement

The National, 22nd February 2012

By JEFFREY ELAPA

MINING Minister Byron Chan has directed the Mineral Resource Authority (MRA) to proceed with the review of the Porgera agreement. Chan made the comment when receiving a memorandum of understanding position paper from Porgera landowners yesterday. He said he was aware of the issues raised by Porgera landowners and had directed a long waited Porgera Mine agreement review to proceed immediately in a meeting with MRA and landowners. Porgera Mine has been operating for almost 20 years without an agreement review. The initial agreement entered into 1989 was for the mine to operate for only 12 years. But the mine sought variation to the mining contract and extended the mine life and expanded production without considering the landowners call for a review. The landowners said the delay was a gross abuse and violation of human rights. They said food and land shortages were a concern for many stakeholders. The landowner said their cry for a mining agreement review had been ignored for the past 22 years.

Oil Search: 8,600 locals among 14,300 workers

The National, 22nd February 2012

Oil Search Ltd announced yesterday that 14,300 people were employed by the PNG LNG project at the end of last year, including 8,600 Papua New Guineans. About 1,000 women were among those employed at the project, 94% of whom were Papua New Guineans. The US\$15.7 billion dollar project, which was due to be completed in 2014, is entering the peak period of construction with ongoing work at all sites extending from Hides in the Southern Highlands and the pipeline route through Gulf province and via Central province as well as at the LNG plant site, just outside Port

Moresby. By the end of last year, about 130km of the 400km offshore pipeline had been laid. More 100km of onshore pipeline had been welded with route clearance and pipe-laying underway. The first phase of the gas tie-in at the Kutubu central processing facility and construction of a new control room was completed with the laying of a new sub-sea pipeline underway. Oil Search managing director Peter Botten said mechanical completion of the offshore and onshore sections of the pipeline would be completed this year, with additional work at the LNG plant site and elsewhere. He said recent political developments had not hampered development activities, which had continued uninterrupted. "We look forward to working with the new government following the elections planned for June 2012," he said.

Oil Search to invest

Post-Courier 22.2.2012

By *PATRICK TALU and KONOPA KANA*

OIL Search Ltd, a partner in the ExxonMobil led PNG LNG Project is expected to be PNG's single largest investor in 2012, spending more than \$US2 billion on development, appraisal exploration and operations after recording a stronger annual profit of \$US202.5 million (K456 million). The high record profit was attributed to higher oil prices, and its \$US15.7 billion (K35 billion) PNG LNG venture with ExxonMobil Corp. "This is a significant vote of confidence in Papua New Guinea, and certainly the single largest investment by a PNG company, said OSL managing director Peter Botten yesterday while announcing the company's annual profit. "It is also a vote of confidence on the quality of assets and the company's ability to work with government, bureaucrats and the community to manage the operating and investment risks in the country. PNG has expected unprecedented political uncertainty over the last 6 months; however, this has not affected Oil Search Limited's operations in PNG; with steady progress on the company's programmes.

Oil Search expects no changes to the operating status during the election; however, ensuring the safety of its people and property is paramount," Mr Botten said. Mr Bottem said OSL's net profit for the year to Dec 31 2011 rose by 9% to \$US202.5 million (K456 million) from \$US185.6 million (K418 million). Excluding a previously announced \$US33.2 million (k74 million) impairment charge on an oil block in Kurdistan, net profit rose to \$US235.7 million (K531 million) from \$US144.1 million (k324 million), beating the \$US228.4 million (K514 million) average of eight analyst forecasts compiled by Dow Jones Newswires. Exxon, Oil Search and other partners including Australia's Santos Ltd already have enough gas to underpin construction of the foundation stage of PNG LNG, which is expected to ship its first cargoes of liquefied natural gas to Asian customers in 2014.

As anticipated by some analysts, OSL in its reports yesterday said that initial Hides exploration drilling to support a possible expansion of the project has been pushed back until mid-2012, from an original timetable of the end of the first quarter. "A preliminary view on whether enough gas is available to underwrite an expansion or whether additional activities are required is likely to be formed in late 2012/early 2013," Mr Botten said. Another well that could factor into the expansion effort, P'nyang, is currently drilling and will be immediately followed by another, Trapia. Oil Search also has extensive gas prospects in the Gulf of Papua, which it hopes could support construction of another gas-export venture. It intends to drill its first well there in the last quarter of 2012. "Oil Search has received strong interest in participating in this programme from a number of major companies with LNG development experience," Botten said, without naming any companies.

New Caledonia eyes 'nickel boom'

Expatica 21.2.2012

New Caledonia is set for a nickel boom in 2012, a government analyst said Tuesday, with the French Pacific territory eyeing a significant boost in production to meet increasing global demand. Government economic expert Olivier Sudrie said growth in nickel, an essential ingredient in producing stainless steel, had reached three percent in 2011 compared to 3.7 percent in 2010. Sudrie predicted a "major nickel boom" with exports expected to generate 1.9 billion euros (\$2.5 billion) in 2012 compared to 1.1 billion euros in 2007. New Caledonia is home to 25 percent of the world's nickel reserves and is currently the sixth largest global producer. With firms such as French company Eramet, Brazil's Vale and Switzerland's Xstrata all due to increase production in 2012 in New Caledonia, the territory is forecast to rise to second place, producing more than 200,000 tonnes a year.

Rio Tinto's automated trains set for Western Australia

Post-Courier 21.2.2012

RIO Tinto, the majority shareholder of the now defunct Panguna Copper Mine in the Autonomous Region of Bougainville will invest \$US518 million (over K1 billion) in autonomous trains for Pilbara iron ore rail network in Western Australia. According to a statement yesterday, Rio Tinto will run the world's first automated long-distance heavy-haul rail network, with a \$US518 million (over K1 billion) investment in driverless trains. The first driverless train will be launched in 2014, with the AutoHaul automated train programme scheduled for completion a year later. AutoHaul is being pioneered as part of the automation component of Rio Tinto's Mine of the Future initiative that also includes driverless trucks and autonomous drills. On its 1500-km rail network, Rio Tinto currently runs 41 trains from mines to ports, comprising 148 locomotives and 9,400 iron ore cars. Automating train operations allows Rio Tinto to expand Pilbara in (Western Australia) production capacity without needing to make a substantial investment in additional trains.

Rio Tinto said it will also drive productivity improvements, with greater flexibility in train scheduling and the removal of driver changeover times creating extra capacity in the rail network. Other benefits include more efficient fuel use, resulting in lower energy costs and a reduction of carbon dioxide emissions for each tonne of iron ore produced. Rio Tinto chief executive Australia and Iron Ore Sam Walsh said "Rio Tinto is leading the way in large-scale use of automation, with plans to deploy 150 driverless trucks and our plans for AutoHaul. "Expanding Pilbara iron ore production is a high-return and low-risk investment for Rio Tinto that will enhance shareholder value.

"Automation will help us meet our expansion targets in a safe, more efficient and cost-effective way. "Automation also helps us address the significant skills shortage facing the industry, providing a valuable opportunity to improve productivity. "However, as we expand our business we will see an overall increase in job numbers and this will provide new opportunities in the rail division and elsewhere. As always, we will engage directly with those affected as we gradually make the transition to automation over the next three years," he added. AutoHaul and the overall expansion of rail operations are subject to a number of State Government and other approvals, the company indicated.

INVESTIGATORS DECLARE PNG FISH KILL 'NATURAL'

No chemical discharge from upstream mine

By Oseah Philemon

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb 21, 2012) - A Department of Environment and Conservation team which conducted investigations into the Markham River dead fish

report says the Hidden Valley gold mine is not responsible for the death of fish species found along the Markham River and the Labu area last week. The department's technical adviser Goro Asigau who is leading the two – man team with departmental lawyer Benjamin Passingan told the Post-Courier yesterday their investigations over the weekend confirmed that there was no chemical spill or discharge from the mine into the river system that could have led to the dead fish being found along the Markham River as reported by the Labu people. Mr Asigau said the department receives weekly reports from the mine which shows that the quality of water discharged from the mine is within the required PNG standards. The DEC does not conduct its own independent assessment of the water condition from the mine and relies entirely on the mining company to provide it with information on a weekly basis.

The department has issued two different permits to the mine – the Water Discharge Permit which specifies the accepted standards of water quality being discharged from the mine and the Water Extraction Permit which specifies the amount of water the mine can get for its usage. Mr Asigau said the team – having confirmed that the source of the deaths of the fish was not the mine - then conducted an aerial survey of other areas in the Bulolo District. The hired helicopter was paid for by the mining company. The team flew over the Kumalu River where there were heavy mud flows as well as the Banir and Langimar rivers where at least 10 different landslips had been observed in the catchments of the two rivers. He said their preliminary conclusions were that the landslips may have caused dams in the area to burst and empty material into the river systems which may have been responsible for the deaths of the fish.

Labu people demand K30 million

Post-Courier 21.2.2012

By OSEAH PHILEMON

THE people of Labu who live near Lae are demanding K30 million in compensation from gold miner Morobe Mining Joint Venture (MMJV) in a petition given to their Governor Luther Wenge yesterday. And as he received the petition at Markham Bridge – the lifeline between the Hidden Valley mine and Lae – Governor Wenge promised the Morobe Provincial Government (MPG) would pay for a full scientific investigation and tests on the Markham River and the fishing grounds of the Labu people to determine the real cause of the pollution that killed hundreds of fish in the river last week. Mr Wenge said MPG had already allocated K250,000 for this purpose and he has directed acting Provincial Administrator Patilias Gamato to move quickly to get scientists to do the tests quickly.

He told Labu people he has also requested MMJV to allocate a total of K1million for water supply for their villages. MMJV's general manager sustainability and external relations David Wissink said yesterday the company already had an arrangement with the Huon District to provide matching grants for water supply. The Labu area comes under the Huon District. Governor Wenge said the Morobe administration will top up this amount. Mr Gamato told the Labu people the provincial government will provide some relief supplies in the form of food and water containers for their communities starting tomorrow. For the long term he said the administration will work with the Labu people to develop proper permanent water supply system for them.

PNG LANDSLIDE CALLED 'NATURAL' AFTER INVESTIGATION

National Disaster Centre issues preliminary report

By Andrew Alphonse

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb 21, 2012) - The deadly Tumbi quarry landslide disaster in Hides near the multi-billion kina PNG LNG project site in Tari, Hela

Province was triggered by 'natural cause and not man-made or seismic activity'. This is according to an initial assessment report of January 24, 2012 disaster where more than 25 people are still buried under heavy debris while properties and houses worth thousands of kina destroyed. The 10 page report dated Jan 26, 2012 was prepared by National Disaster Centre (NDC) technical assessment team and presented to Inter Government Relations Minister Mr Mark Maipaikai. A copy of the report was obtained yesterday by the Post-Courier. The report is likely to cause frustration and tension among the already traumatised families and relatives of the 25 people buried by the landslide. Originally, locals blamed PNG LNG project developer ExxonMobil for causing the landslide due to the heavy blasting, explosion, drilling and excavation work on the development of quarry there that may have caused the landslide.

The report stated that the geophysical observatory office in Port Moresby (PMGO) reported no seismic activity within the area in the past two weeks before the landslide. The report stated that based upon aerial and ground surveys, the initial assessment team saw clear evidence of liquefaction of rock formation within both the immediate and surrounding areas of the landslide. "Given the absence of seismic trigger, it can be concluded that the landslide was caused by continuous heavy rainfall. "The Tumbi landslide was caused by continuous heavy rain which weakened and undermined the existing topography and the limestone formation," the report said.

SOLOMONS GOLD ACQUIRES NEW PROPERTIES FOR EXPLORATION

Exploration rights for 389 square kilometers cost \$53,000

HONIARA, Solomon Islands (Solomon Times, Feb. 20, 2012) – Solomon Gold has acquired three new early stage exploration properties in the Solomon Islands. It bought Honiara Holdings Pty Ltd, which owns the properties, for A\$50,000 [US\$53,574]. According to Solomon Gold, the licenses have low minimum spending requirements. The prospecting licenses span a 389 square kilometre area. The company says that early stage exploration has already been completed and it returned encouraging results. Solomon's exploration team plans to follow up the initial work during the second quarter of this year. The company owns a portfolio of exploration assets in the Solomon Islands and in Australia, they are a mix of wholly owned projects and joint ventures. At Rannes project in Queensland, one of the more advanced project's in the portfolio, a new resource estimate is expected in the coming weeks. It will follow the last estimate, in November 2011, which took the resource to 812,000 ounces of gold equivalent. Solomon has a 2 million ounce target for the project. The group is also exploring for gold on the Solomon's Fauro and Guadalcanal islands.

POWER SUPPLY TO PORGERA MINE SABOTAGED

Production halted at PNG gold mine

PORT MORESBY, Papua New Guinea (The National, Feb. 20, 2012) – Sabotage of the power supply between the Hides power station and the Porgera Valley in Enga province has disrupted power service to Porgera town and the mine over the past two weeks. However, repairs to the line were almost complete – a welcome news for the mine and the community. Four transmission line towers were allegedly cut down two weeks ago by an armed group connected to a Southern Highlands clan. The damage halted production at the Porgera mining operation, one of the world's largest gold mines, owned by Barrick Gold Corp and Mineral Resources Enga. Barrick Porgera general manager Greg Walker said that closure of the operation meant gold production was halted until power was restored. He said they had been working hard to restore power and resume production at the mine. "We have been working hard to repair the towers over recent days, and we are looking forward to working at full production again," he said.

LOCALS BLAME PNG FISH KILL ON MINING DISCHARGE

Scientists arrive to assess Markham River problems

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 20, 2012) – Scientists have descended on Papua New Guinea's Morobe province to investigate a buildup of dead marine life in local riverways. The people of Labu last week set up a road block at the Markham bridge near the confluence of the Markham River and the Watut River where they have been protesting about losing their prime source of food and livelihood.

Johnny Blades reports:

The Labu community has blamed the Hidden Valley Gold Mine operations of the Morobe Mining Joint Venture for the dead fish. Labu people last week presented dead fish and a petition to Morobe's Governor demanding an investigation into the issue. Our correspondent Oseah Philemon, himself a Labu local, says the community feels very strongly that the build-up of dead marine life is the result of chemicals discharged into the riverways by the mine. "That was the allegation they made and led to them blocking the Markham Bridge and preventing vehicles either going up to the mine or coming down from passing the Markham Bridge. They also demanded ten million kina compensation, they demanded resettlement, they demanded fresh water, food supplies and whole lot of other things because of that." The Morobe Governor, Luther Wenge, says it is premature to blame the mine, especially as the Watut, which the mine discharges into, is one of many tributaries feeding the Markham.

He says he has made pleas to the Labu people for understanding and patience while the issue is investigated. "And as I say, we don't know exactly what's caused that. What we have done is to talk to the University of Technology to ask them if they can assist with scientists who can investigate this and tell us what the cause is, what caused the deaths of those river animals. So we've contacted scientists there and secondly, we've engaged the Department of Environment and Conservation, they've sent some scientists. We have to make sure that scientists investigate this thoroughly." In a press statement, MMJV - a joint venture between Australian company Newcrest and Harmony Gold of South Africa - claims there's nothing to indicate the mine's involvement. "The quality of the water discharged from the Hidden Valley mine operations is monitored on a daily basis and is reported to the Department of Environment and Conservation weekly and monthly.

There are no abnormalities in the Hidden valley water quality data as it is well within compliance parameters. The greatest impact on the river system in the area at the moment is the Kumalu mudslide where cubic kilometres of sediment have entered the river system due to the heavy rain." MMJV has pledged support for efforts to identify the cause, and has provided data on its discharge quality. However Oseah Philemon says the investigating team may need to rely on more independent data if they are to appease local concerns. "Just putting my other hat on as a villager from Labu, I said to them Labu people will not believe anything that comes from the mine, so you should actually do independent tests. If it means sending the tests to Australia for independent verification and independent tests, then perhaps you should do that, to reassure the people that everything is okay. Right now, as far as they're concerned, the mine is responsible."

Dead fish in Markham River

Post-Courier 17.2.2012

By FRANK RAI AND OSEAH PHILEMON

LABU people living near the Markham Bridge outside Lae are demanding K10 million compensation from mining company Morobe Mining Joint Venture (MMJV) for loss of fish and other food sources from the Markham River. They are also demanding that the company provide all affected people in area with food supplies as the pollution in the Markham River has now destroyed their on-

ly means of growing food along the banks of the river as well the fish from the river. They have drawn up a petition as the result of the people finding dead fish including eels, cat fish and prawns floating on the surface of the Markham River yesterday. The villagers are using that to support their claim for compensation from the mine. However, despite the dead fish being found and the demands of the Labu people against MMJV, no official scientific tests have yet been done to determine the actual cause of the deaths or the source from which any poisonous chemicals may have emanated resulting in the fish and prawns being killed.

The Labu people drew up a petition which their representatives will present to representatives of MMJV and the Morobe Provincial Government in Lae today. In the petition the Labu people are also demanding that the company provides water tanks and build them water supplies to give them fresh water. The petition also calls for resettlement of people living near the banks of the Markham River who are affected by pollution as well as royalty payments to the Labu people who are affected by the mine. Yesterday afternoon a group of noisy Labu people met with an environmental team from MMJV near the Markham Bridge where they demanded immediate help from the company and the Morobe Provincial Government. Speakers also accused Morobe Governor Luther Wenge of failing to act on a petition they gave him demanding help for the Labu people affected by the mine. The Markham Bridge community collected dead fish and eels among others and heaped them on drums they used to block the bridge to stop MMJV vehicles passing through.

The road block was still being manned last night. Meanwhile at Labu-Buttu village on the mouth of the Markham River, Councilor Jeffrey Tipi reported that dead fish have also been picked up at the mouth of the river and along the Labu-Buttu coastline. Councilor Tipi called a meeting of the villagers last night to discuss the problem and for a delegation of community leaders to take the matter to the Morobe Provincial Government today. Councilor Tipi expressed grave concern about the matter saying the livelihood of the Labu people was now serious jeopardy. "Our only fishing ground is around the mouth of the Markham River, the Labu lakes and the waters of the Huon Gulf not far from Lae. "If the fish are dead because of poisoning then our entire livelihood is now in grave danger," Councilor Tipi said. He added: " I urge the Morobe Provincial Government and the national government to immediately investigate this matter. It is a very serious environmental issue."

Yesterday morning reports surfaced of dead fish, prawns and eels being found by locals from the mouth of the Watut River and the Markham River down to Labu villages along the Huon Gulf coast of Morobe Province. Dead fish were found along the mouth of the Watut River and the Markham River from there to Zifasing village and down the Markham River to the mouth of the river near Labu villages not far from Lae. More than 5, 000 people live along both rivers and the coast of the Wampar Local Level Government (LLG) council area whose livelihood depends very much on fish, prawns and eels caught from the rivers. Yesterday, disgruntled locals blocked the Markham Bridge section of the Wau/Bulolo Highway to show their frustrations to both the government and Hidden Valley gold mine developer, Morobe Mining Joint Venture (MMJV). They told reporters at the site that they wanted Morobe Governor Luther Wenge and MMJV to respond to a petition that they had presented regarding the river systems three months ago or MMJV vehicles would not have access to the mine.

Spokesman Michael Poane said the issue of the Markham River was a longtime issue but it has been falling on deaf ears. Mr Poane said the livelihood of the people depended on the river for income and personal use, noting such indication of dead fish, prawns and eels were sign of environmental destruction. He said villages starting from Lower Watut, Mare, Timinini, Wampit, Gabensis Labu One, Labu Two and Labu Three depended on the river and the fish. The spokesman claimed that there were signs of pollution in the river system and had called on the Governor Wenge to send in an independent investigator to test the river. Meanwhile, MMJV General Manager Sustainability and External Relations David Wissink said the mine was alerted yesterday by locals from Chiatz

village near the confluence of the Watut and Markham Rivers of approximately 500 dead fish and prawns. Mr Wissink said the quality of the water discharged from the Hidden Valley mine operations was monitored on a daily basis.

PNG LANDSLIDE CLEAN-UP MARRED BY MISINFORMATION

Exxon Mobil, government and landowners talks 'not very clear'

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 16, 2012) – There is growing frustration over the official response to last month's Tumbi landslide last month in Papua New Guinea's Southern Highlands province. In its initial assessment report, the National Disaster Centre identifies heavy rainfall as the trigger for the landslide which is believed to have killed at least 25 people. However speculation over the role in this disaster of the Tumbi quarry, used by Exxon Mobil for its major Liquefied Natural Gas project, refuses to die away.

Johnny Blades reports:

A National Disaster Committee-led crisis management team this week began clearing the massive area of mud and debris left by the landslide. However, the local community has reportedly blocked access to the site several times, due to their demands for compensation and an independent probe into the disaster. Hela landowner Joseph Warai says there remains a lack of communication from the government about what's happening: "They announced an independent investigation but what sort of, what form of, what type of investigation they were talking about is not very clear. No minister, or no one, has delivered a media statement about the government's intention on the investigation team in terms of reference for the investigation team. So far there has not been anything raised. So there is a certain level of compromise. And Exxon Mobil seems to be very quiet on this matter." He says government and disaster officials, as well as police and military, have told locals that the 10 million kina [US\$4.7 million] in disaster response funding promised by the government was conditional on the road being cleared.

Disaster officials say there is no money allocated for compensation, clearing of the road is the priority. The PNG Coordinator for the International State Crime Initiative and Lecturer in Criminology at the University of Ulster, Kristian Lasslett says Exxon Mobil is under a lot of pressure to meet the target date for start of production in 2014. "And these sort of hiccups like the landslide, I think, are raising warning sirens for Exxon's management, for Exxon's investors and partners; and to that end, I would speculate that there would be a lot of concerns if a serious investigation is undertaken and there is found to be a degree of negligence on the operator's part with the Tumbi quarry, it could cause further delays with the project which could obviously have potentially quite significant economic effects on Exxon Mobil."

Last March, the Tumbi quarry was declared unsafe by the project's Independent Environmental and Social Consultant, D'Appolonia SPA. The Consultant found that contractors building the project's Komo airfield, for which the quarry was being used, were behind schedule. Also, the project's risk assessment practices were found to be falling after a mudslide occurred at the project's Hides Gas Conditioning Plant site in the same area in late 2010. The former superintendent of Tumbi Quarry has defended its safety record. Kevin Munday managed the quarry for MCJV, a joint venture between McConnell Dowell and Consolidated Contracting, until the quarry's closure last September. "MCJV were pretty good at looking after Tumbi quarry. We always had geologists down there looking at it. We always had environmentalists down there looking at it. In that respect, we didn't let that part of it slip. Managing the new quarry faces that we put in, we could have done it in a rushed format – we didn't. But at no time was I directed by MCJV to take risks or cut corners to get material out quicker."

Claims persist by locals that blasting at a local quarry caused the landslide. Kevin Munday says explosives were never used at the Tumbi quarry, but says another nearby quarry used for the project did use explosives. He says the part of the Tumbi quarry lost in the landslide was not the part which his team had been excavating. "At the bottom of the quarry there, at the old excavation area, there's two massive rivers that flow out of that old quarry face, and what I believe has happened is that prior to the landslide giving way, those two rivers have been blocked somehow, whether it's caused by the blast or a natural ground movement or whatever... What I believe has happened is those waterways have been blocked in some shape or form; the water's built up behind there and just finally given way, how water does. Even ground vibrations from a blast wouldn't be enough to block up those rivers, I don't believe. I believe it's an act of God or an act of nature. But the locals are very quick to ask for compensation no matter what, and I'm picking that's what it's all about, if you know what I mean."

Yet, Joseph Warai says landowners in Tumbi insist that activities at the project quarry had already changed the way water flowed down the mountain. "CCJV and MCJV have done several drillings on that mountain including use of chemicals and blasting – that's according to local sources already. And they are saying that their mountain has never collapsed before - they've been living there for six hundred years - and this is the first of its kind. And they say what has triggered the landslide is the blasting and drilling of Tumbi quarry." Kristian Lasslett says it's of deep concern that Exxon and Australian officials collaborated on the NDC report, but also that local people are not being consulted in analysis of the landslide.

Having conducted extensive research into the Bougainville conflict, Dr. Lasslett sees worrying parallels to the situation around the gas project in the Highlands. "In 1988, there was an independent inquiry conducted into the environmental and social effects of Bougainville copper mine, and the company which undertook this mainly collaborated and took data from the mining company and a lot of local knowledge about the environment was treated with a fair degree of skepticism and it was that very tone that led Francis Ona (former Bougainville secessionist leader) to leave the meeting (about the inquiry) in disgust and acquire dynamite which then was used to blow up electrical pylons which powered the mine which then of course led to the Bougainville conflict. So what we don't want to see is landowner knowledge ignored in this situation in Tumbi." He says the potential for a landowner backlash over any culpability of the project in the landslide, and in environmental and social impacts in general, is especially worrying given the build-up of high-powered weapons in the Southern Highlands.

Landowners commend O'Neill for addressing LNG issues

Post-Courier 16.2.2012

Prime Minister Peter O'Neill has been praised for digging out outstanding PNG LNG Project landowner issues that have been continuously ignored by respective governments. Petroleum Development Licence (PDL) -1 and PDL -7 landowner leaders said the issues overlooked included conducting a social mapping, land demarcation and Incorporated Land Group formation. Leaders Andy Hamaga, John Kaloma, Ega Yale and Patrick Dabugo said these processes should have been completed before the signing of the Umbrella Benefits Sharing Agreement (UBSA) and the Licence Based Benefits Sharing Agreement. They said the previous government's failure to carry out social mapping, land demarcation and ILG formation resulted in illegitimate landowners signing the UBSA and the LBSA. They added that the signatures to the two agreements was a factor to getting access to various grants, including the Infrastructure Development Grants from the Government.

"When we went through the list provided by the departments of Petroleum and Energy, National Planning and Finance and Treasury, we found out that 80 per cent of the names of IDG project proponents were not of legitimate landowners," the leaders said. "The technical team that screens

the proposals overlooked the 20 per cent who are the legitimate landowners in the project areas. "The legitimate landowners do not have connections with the bureaucracy and the politicians in Waigani and we feel that we will miss out on the infrastructure development grants." They said Business Development Grants (BDG) and Ministerial Commitments had been paid out and many landowners had missed out and the leaders said they did not want the same to be repeated. The problem, they said, had resulted in the landowners disturbing the PNG LNG project.

PNG MINISTER INSISTS LNG LANDOWNERS WILL BE COMPENSATED

500 protesting landowners reassured by Polye

By Almanzo Matbob and Poreni Utau

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 16, 2012) – Finance and Treasury Minister and Kandep MP Don Polye has assured landowners at the Liquefied Natural Gas site that they will soon be paid their monies. Mr. Polye gave the assurance to the landowners yesterday at Vulupindi Haus in Port Moresby. They had been coming to wait outside the Vulupindi Haus for their monies since last Christmas and vented their anger on the four shade trees on Tuesday by cutting off their branches. Guarded by police and awaited by more than 500 landowners, who suddenly stopped grumbling and instead smiled as Mr. Polye walked out of the building to address them. Those with mobile phones took pictures of the minister, as he explained to them that the process in releasing the money would take a while. He told the landowners that they would receive payments on the Infrastructure Development Grants (IDG), High Impact Project grants and others. But he did not give the exact date for payments to be made, stating only that there is an estimated K290 million [US\$137 million] to be paid out soon.

[PIR editor's note: Prime Minister Peter O'Neill says social mapping in PNG has not been completed properly, resulting in delays in compensation payments to landowners involved in the PNG LNG development project. US\$108.6 million awaits distribution to landowners in the government coffers. O'Neill placed the blame squarely on the shoulders of leaders 'who created these confusions,' and said that the processes for paying out compensations must be explained adequately to the public.]

Mr. Polye said that he would have to meet with the National Planning Minister Sam Basil and Petroleum and Energy Minister William Duma for further discussions before the Cabinet met to give its blessing for the processing of the payments. He said that there were still a couple of meetings to be held with the other two ministers and by end of tomorrow, a decision should be made. He said that the funds would be paid out but through legal, genuine, fair and proper Government procedures. This, he said, would take a while as Government procedures were different from businesses. He also said that it would not take a long time for the funds to be released as work for the disbursement of the monies had already started. "I hold the country's check book, and I say I will pay you. I must follow the correct procedures, and I appeal to you not to be misled by rumors spreading that you will be paid this week, or should have been paid last week," Mr. Polye said. He said that payments would be made according to the list given to the Government.

LNG: Social mapping not done – PM

Post-Courier 16.2.2012

Prime Minister Peter O'Neill confirmed in Parliament that all social mapping carried out throughout all project areas in the country in regards to the PNG LNG project were not done properly. Mr O'Neill also assured Parliament that the K230 million for landowner payments was still safe, including the K100 million with Mineral Resource Development Corporation (MRDC) was safe and any misinformation on its spending was untrue. He said his government was unlike the government and

their cronies who developed the habit of paying landowners from finance office in Port Moresby. “It was us leaders who created these confusions. The Department of National Planning and Monitoring became a 10 per cent department, a culture that was created by leaders and their cronies. “Again, the issue on social mapping must be resolved by respective departments because this is the core reason why, we are not sure of the legitimate landowners – this must be done properly because it’s Papua New Guineans through tax that they are paying these landowners Mr O’Neill said.

The Prime Minister told Parliament during these confusions you would find these landowners carrying millions fly overseas and probably meet up with these leaders and come back asking for more money. Mr O’Neill said this money given under the UBSA agreements are not free handouts to landowners. He said the past government also allowed landowner submissions to be made in Port Moresby when they are required to make their submissions at the provincial levels through their local level governments or through the provincial governments. “Another failure is that public was not addressed as to the processes on how the payouts are supposed to be paid out on project sites; payments for landowners were made in Port Moresby. “Many genuine landowners are losing faith in their leaders because we have created this idea to pay landowners in a completely unacceptable manner – forcing many to miss out,” Mr O’Neill said. He confirmed that his government will make a policy that will see landowners payments processed at the district and provincial levels or to the claimants where they originate from to avoid con or paper landowners.

OTML production drops

The National, 15th February 2012

OK Tedi Mining Ltd has reported that its copper production last year fell by 22% to 130,456 tonnes, while gold output fell 13% to 417,429 ounces. This was a result of lower ore grades and the shutting down of its mill on two occasions. The company said it was forced to have a 10-day shutdown in January last year to investigate a death incident at the mill. It was followed by a 28-day shutdown from May 29 to June 24 when the pyrite concentrate pipeline to handle high sulphur wastes was ruptured. Shipments of copper and gold were 10% lower compared to 2010 due to the production shortfall and the Japanese earthquakes which resulted in Japanese customers declaring force majeure on contracted sales.

Shipments were down 12% in the final December quarter. Ok Tedi made no comment on the planned closure of the mine next year or in 2014 although a feasibility study had been underway for some considerable time into simultaneous open cut and underground mine to keep production going at least till 2020. Industry sources indicated that the national government had failed to carry out necessary negotiations with the management on the possibility of extending Ok Tedi’s mine life thus jeopardising the opportunity to keep operations going. In recent years, taxes paid by Ok Tedi had been the main contributor to government budget surpluses.

Rio Tinto approves \$US1.4 bill investment

Post-Courier 15.2.2012

Rio Tinto, the 53.83% owner of defunct Bougainville Copper Ltd (BCL) has approved a \$US1.4 billion investment in Escondida copper projects in Chile in the South America. Rio Tinto in a statement said the funds are for two projects to support higher production at the Escondida copper mine in Chile which Rio Tinto holds a 30 per cent interest in Escondida. The news has come about just few days after the UK based diversified natural resources company expressed its interest to return to Papua New Guinea to develop some of its vast natural resources. The company also announced a recorded an underlying earnings of \$15.5 billion - net earnings reduced by impairment charge last week. In a statement yesterday, Rio Tinto said the the Organic Growth 1 Project (OGP

1) replaces the Los Colorados concentrator with a new 152,000 tonnes per day plant which then also allows access to the high grade ore located underneath the existing facilities.

“Construction of the new plant will be complete within three years. The project will cost US\$3.8 billion (Rio Tinto share US\$1.2 billion),” the statement said. Rio Tinto said the Escondida Oxide Leach Area Project (OLAP) involves the construction of a new dynamic leaching pad and a mineral handling system. The project will maintain processing capacity at current levels following the completion of the current heap leach in 2014. The company said the OLAP will cost \$US721 million (Rio Tinto share \$US216 million) with construction expected to complete in July 2014. Rio Tinto’s investment is expected to be funded through the company’s share of Escondida’s cash flows.

LNG area landowners storm Vulupindi Haus

The National, 15th February 2012

By JUNIOR UKAHA

VULUPINDI Haus came under siege yesterday as 300 angry landowners from the LNG project area stormed the building. The landowners from Juha, Angore, Gobe, Hides, Komo and Moran stood in front of the building at 1pm and demanded that National Planning Minister Sam Basil, Treasurer Don Polye and Petroleum and Energy Minister William Duma meet them and explain where their K240 million infrastructure development grants (IDG) was being held. The building, which houses the departments of National Planning and Finance, was deserted as employees left for home early or stayed indoors as police guarded the premises. Hides PDL1-PDL7 landowners’ spokesman Stanley Mamu said they would close the building and camp in the area until they received a satisfactory explanation from Basil, Polye and Duma. “They must come here and explain to us. Where are they now?” he said.

“Basil promised to relay our concerns to the NEC last Friday. We should get our answers today (yesterday).” Mamu said during the umbrella benefits-sharing agreement signing in Kokopo in 2009, landowners were promised the money so that their companies would be engaged in projects instead of outside contractors. National Planning secretary Dr Peter Gallah Kora, however, said the IDGs were not “cash handouts” but funds meant for specific projects such as roads, schools, hospitals and bridges in the LNG project area. Kora did not say who qualified for the funds and what criteria was used to select project contractors. Basil said more than 700 submissions had been received and it would cost the people of PNG K120 million annually for the next 10 years. Kevin Lai Tindipu, from Juha PDL9, said since 2009, many landowners had died while waiting in vain for their money. Others ended up in jail or faced family breakdowns after they failed to repay money borrowed from loan sharks. NCD-Central commander Francis Tokura yesterday said police presence on the ground was to “monitor the situation”. He said policemen were there to protect state property, and would remain there until everything was resolved.

Alexander Mining gets permit to explore

The National, 14th February 2012

ALEXANDER Mining Ltd, a Papua New Guinea-registered Canadian-owned company, has been issued an exploration licence to work in the Prince Alexander range in the East Sepik province. The exploration licence (ELA 1857) was approved by Mining Minister Byron Chan last month. It was presented to James Das, company managing director and Gabriel Wara, one of the landowner group chairmen of the Asurum Sagum Landowner Association of East Sepik. Chairman Martin Talisin of Imbiap village, Maprik, was unable to attend. The company was to begin exploration in the licenced area extending from Wamaina in Yangoru to Nagipaim in Maprik. The area was known for its acti-

vities in alluvial mining and holds the potential to host some high grade gold and other minerals. The area also hosted an oil seep reported in the media in 2007 with the PPL held by LNG Energy Ltd. The developer was ready to commence work once other administrative and technical errands are concluded.

The area on record had not been extensively explored but the company was confident there was potential for some surprises especially with the use of modern technology in the exploration of the ELA within the Prince Alexander range. Wara was happy that finally, they were able to obtain a licence. He thanked Port Moresby-based Yangoru citizens who assisted in cash and kind to make it a success. They also urged the chairman to take the news back to the people in both Maprik and Yangoru sides so they were fully aware of the exploration that would be taking place over the next two years. Proper awareness about the exploration was planned to be carried out in villages located within the license area so as to involve locals in the actual exploration. There will be two stages of the exploration activities. The first stage will involve technical assessment of the ELA from March to April 2012. Stage two will follow. Wara appealed to the landowners to work with the company during the exploration phase.

Felled pylons disrupt Porgera's power supply

The National, 14th February 2012

By JAMES APA GUMUNO

POWER supply to the Porgera gold mine in Enga has been disrupted by villagers who brought down four pylons two weeks ago. Enga police commander Martin Lakari yesterday said some people from Tari in the Hela region, felled the pylons in the Harida jungle bordering Porgera and Tari. Chief Supt Lakari said Barrick gold, the developer of the mine, sent its employees to put the pylons back up but bad weather prevented helicopters from flying in repair crews. He said it slowed down work at the site. One pylon was repaired last weekend. Lakari said with the bad weather, it was likely to take another two weeks before power would be fully restored to the mine. The area is only accessible by helicopter. Lakari said a section of the police mobile squad 02 was flown to the sites and was now providing security for employees working there.

He said extra police men would be sent from Mt Hagen to provide security and keep illegal miners away from the open pit mine. He said those responsible for bringing the pylons down had gone into hiding by the time police arrived. Lakari appealed to Engans and Taris living near the power pylons not to disrupt the flow of electricity supply from Hides Gas in Tari to Porgera. He said the power lines carried high voltage and they were only putting their lives at risk by bringing the power lines down. He said if the villagers had any concern, they must raise the matter with the management of the company and resolve it peacefully. Lakari said if police found those involved, they would be arrested and charged as it was a criminal offence. He appealed to the villagers to respect power lines running through their area.

NAURU FIRST IN PACIFIC WITH SEA MINING LICENSE

Sonar exploration, seafloor sampling to begin later this year

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 13, 2012) – Nauru has become the first Pacific Island country to sponsor deep-sea mining exploration. The international Seabed Authority has granted a Nauru-registered company, Nauru Ocean Resources Incorporation (NORI), a license to scope equatorial waters for nodules of copper, manganese, cobalt and nickel. The company's vice-president, Robert Heydon, says work will begin in the second half of this year.

[PIR editor's note: NORI has been granted a license to operate within Nauru's Exclusive Economic Zone at depths of 5,000 meters to look for mineral resources. NORI is owned by two Nauru foundations, the Nauru Health and Environment Foundation and the Nauru Education and Training Foundation, which were subject to strict finance and operations history screenings through the International Seabed Authority.]

"And that exploration will basically just be sort of sonar surveys that determine the bathymetry and topography of the seafloor, as well as sampling. So bringing up samples from the seafloor to determine the grade, which is the percentage of metal in the ore on the seafloor as well as the abundance, so how much of these nodules are down there." Robert Heydon says robotic devices will carry out the work, which will occur at depths of up to five kilometers.

Rio Tinto, BHP make way to return to PNG

Post-Courier 13.2.2012

By *PETER KORUGL*

Two prominent global diversified natural resource companies are heading back to Papua New Guinea. They are the London based Rio Tinto Group and Melbourne based BHP Billiton. The two global multinational exploration, development, production and processing corporations are making their bid to hunt for riches in PNG's natural resources and the approvals for their entry is only a formality. Prime Minister Peter O'Neill and his Minister for Petroleum and Energy William Duma confirmed yesterday that the big diversified natural resource corporations have lodged applications for exploration licenses in the country. "I do not see any problems in the companies getting their approvals. Papua New Guinea needs them and their interest in PNG reflects the trust and confidence they have in the country and Government," Mr O'Neill said. Mr Duma added: "The re-entry of BHP Billiton and Rio Tinto is a demonstration of the trust and confidence multi-nationals around the globe have for PNG and the Government and the leaders in the mining, petroleum and hydro-carbon sectors. "We, as a country, stand to gain more and we can't go wrong."

Rio Tinto Group is based in London, United Kingdom. The company was founded in 1873, and has since grown through a long series of mergers and acquisitions to place itself among the world leaders in the production of many commodities, including aluminium, iron ore, copper, uranium, coal, and diamonds. As of March 2009, Rio Tinto is the fourth largest publicly listed mining company in the world and was listed in Fortune magazine's 2008 Global 500 ranking of largest worldwide companies by revenue at number 263. In 2007, the company was valued at \$US147 billion. Rio Tinto owns 53.83 percent share in the now defunct Panguna Copper mine, which commenced operation in 1972 and ended in 1989 due to the crisis. BHP Billiton is headquartered in Melbourne, Australia, and with a major management office in London, United Kingdom. It is the world's largest mining company measured by revenue and as of February 2011 was the world's third-largest company measured by market capitalisation.

BHP Billiton was created in 2001 through the merger of the Australian Broken Hill Proprietary Company Limited (BHP) and the Anglo-Dutch Billiton plc. It had a market capitalisation of about £39.6 billion as of December 23 2011, making it the 9th largest company on the London Stock Exchange. BHP Billiton owned 52 percent shares in the Ok Tedi copper mine and after 20 years of operating the mine, the company pulled out in 2002 due to heightened concerns on the destruction to the environment from the mine. Mr O'Neill said the interest by BHP Billiton and Rio Tinto showed that PNG remained an attraction for many global players. Few days ago, Royal Dutch Shell, the world's number one energy company reopened its office in PNG. "Our tax regimes are conducive. This is why we are getting this renewed interest from these global players. This government does not only see the value of inviting internationally recognised exploration and development companies into PNG but also recognises the importance of proactive measures in ensuring that our pet-

roleum, gas and mineral regimes are conducive to facilitating and strengthening the commercial interests of the players in the industries,” Mr Duma said.

LNG: NEC to decide on K230m today

Post-Courier 13.2.2012

By *GORETHY KENNETH*

THE Government will meet today to make a decision on the outstanding K230 million owed to the Southern Highlands Province landowners. This is the issue that put Vulupindi Haus under siege last Thursday by aggrieved landowners agitated about their outstanding Infrastructure Development Grant (IDG) claims which amount to K120 million for the year 2011 and another K110m for 2012, which is owed by the Government. Planning Minister Sam Basil announced last Friday that Cabinet will meet again today (Monday) to determine whether to pay or come up with a complete new strategy to solve this problem once and for all. The Southern Highlands landowners are claiming their outstanding IDGs and MOAs have not been paid and now want their dues settled. There are currently 700 submissions for the IDG projects and MOA funds worth K4 billion sitting at Vulupindi house awaiting approval for payout. The Government is now at the crossroads with this issue but stressed they are serious about critically verifying these claims and will specifically look for a way out, including a payout for those legitimate claimants with registered and legal applications.

Mr Basil strongly appealed to the landowners to stay calm and not to come again to Vulupindi Haus, the heartbeat of PNG which houses Finance, Treasury and Planning and Monitoring offices for the country. He warned that as of today (Monday) armed policemen will barricade all entrances to Vulupindi Haus to allow for free access by the workers and so that they are not intimidated by the landowners. Basil told reporters that the issue is so sensitive that they have to meet again and indicated some past payments have gone to the wrong hands and this will be determined once a decision is reached by NEC today. “We appeal for the landowners to stay calm. By this week the Cabinet will meet again and we will advise the Government’s decision and we will give you an answer so you watch the media,” Mr Basil said.

“But I must send a warning that on Monday (today) police will block off all entries into Vulupindi Haus to safeguard the building and so that public servants are not intimidated by the aggrieved landowners.” Mr Basil was flanked by his National Planning Secretary Dr Peter Kora who explained that the Infrastructure Development Grant (IDG) - under the Oil and Gas Act, there is a provision for an EIG consisting Secretaries of the Petroleum and Energy, Treasury, Works, Local Level Government and Planning and Monitoring. This is the provision that allows for identified projects, which the law governs and protects but specifically for the landowners. These projects should go through the process and upon completion a payout is made.

LNG: Agiru urges Government to pay landowners

Post-Courier 13.2.2012

By *GORETHY KENNETH*

SOUTHERN Highlands Governor Anderson Agiru has warned the Government not to apply force to block or remove landowners from Vulupindi Haus. This landowners issue is a timebomb according to the leader. This is because the agitated landowners may retaliate and the situation can get out of hand. This must be avoided at all costs. Mr Agiru, who is the appointed Deputy Prime Minister in the Somare regime, also wants the Government to pay his constituent landowners their multi-million kina outstanding claims. Mr Agiru warned that the landowners, if mishandled can be a major problem and “they are a time bomb”. He said that it is the public servants’ duty to make sure that the landowners or they must insist that the recipients meet the tests and comply with the procedures and processes and laws are complied with on such matters. “What transpired at Waigani was

public servants and Government's making, Mr Agiru said. The key to settle this is honouring your commitments.

Landowners come as clans so the Government and the public servants are responsible for making sure the commitments are delivered according to agreements with the landowners. In a nutshell, you make commitments so you deliver." Mr Agiru said the time it took for the Umbrella Benefit Sharing Agreement (UBSA) to reach an amicable solution and to come to an understanding in Kokopo in 2009. He said the agreement spelled out clearly the percentage in MOAs and IDGs the landowners would get and it was now up to the Government and its public servants to honour. He said that it was agreed IDGs would be paid to the provincial landowners clans for impact projects identified and with due process followed and the MOA was commitments for the existing oil and gas business. Mr Agiru said Central, Gulf and Western provinces were entitled to 28 per cent and the 72 per cent was for the Hela and Southern Highlands.

Porgera guards injured in attack

Post-Courier 13.2.2012

By Johnny Poiya

Illegal miners chopped two security guards and escaped with their firearms at the Barrick operated Porgera gold mine in the Enga Province on Friday morning. Several vehicles and heavy equipment working at the mine's stockpile, leading towards the underground mind tunnel were damaged and drivers and operations assaulted as illegal miners armed with bush knives went on the rampage. The attack was triggered by a security vacuum after Wabag based police mobile squad 11, who were providing security in the mine site relocated uphill towards the plateau between Porgera and Tari, after disgruntled vandals felled power pylons supplying electricity to the mine from Hides power plant in the Hela Province. The two mine guards were safeguarding heavy machinery working in the stockpile area when they were set upon and attacked. Both were flown to Cairns after the attack on an emergency flight for medical treatment. Forty policemen from Mt Hagen and Wabag were deployed to the area on Saturday. Illegal mining has always been a major problem faced by the mine. Couple of years back, 'Operation Ipili' was conducted with shacks, tents and houses neighbouring the mine burnt down by police personnel after illegal mining heightened to a magnitude where it become a serious issue. The attack has not affected the operations of the mine.

PNG LANDOWNERS BEGIN LANDSLIDE INVESTIGATION

Landowners say 'man-made disaster,' Exxon Mobil claims 'natural'

By Mal Taime

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 13, 2012) – The affected landowners of Tumbi Quarry landslip in Tari, Hela Province, have engaged an investigation team to establish the cause of the disaster. The landslide which occurred three weeks ago was described as the worst in the country. It claimed 25 lives, damaged properties worth thousands of kina and cut of the road linking Tari and Komo. The investigation team of engineers, surveyors, geologists, doctors, lawyers, environmental scientists, foresters and geographic scientists arrived in Tari last Wednesday and conducted two days investigations.

They will compile a final report together to find out the actual cause of Tumbi quarry landslip because the people did not experience such worse disasters in their lives since Oil and Gas were found in their area. The landowners believe strongly that the landslide was a man-made disaster, while the Exxon Mobil maintains that it was a natural disaster. It is understood that Exxon Mobil and the Government may engage their own investigation team to conduct investigation, but the landowners

wasted no time in engaging their own team because it is important for the three parties to have their own teams representing them.

[PIR editor's note: Former superintendent of the Tumbi quarry Kevin Munday says operations were "not unsafe," and the landslide occurred in an area the development team had not been using. "We always had geologists down there," Munday says. "We always had environmentalists down there looking at it." He also says at no time was he directed to rush or cut corners to complete the work more quickly. Meanwhile, academics in PNG have cautioned that the economic importance of the Exxon Mobil LNG project may trump the call for comprehensive investigations into the landslide tragedy.]

Shell's return a 'vote of confidence'

The National, 10th February 2012

By MALUM NALU, Business Editor

PRIME Minister Peter O'Neill has assured investors that Papua New Guinea is an ideal business location, despite all the bad press of late. O'Neill made the assurance when opening a new representative office for Shell, one of the largest energy and petrochemical companies in the world, at Petromin Haus in Port Moresby yesterday. He said the return of Shell showed that "there is big investor confidence in PNG". "I want to tell investors and companies that despite our politics, PNG continues to have investors coming in," O'Neill said. "We have in recent times seen that the economy is going very well. "Our foreign reserves are at record levels. "The economy of the country is very stable. "We look forward to working closely with Shell and Petromin over the years. "This is a huge vote of confidence in our country." Shell vice-president commercial –Asia Ton Ten Have said the company's return to PNG was a natural follow-on from the strategic alliance agreement and joint technical study agreement signed between Shell and Petromin last August.

"Shell believes that Papua New Guinea is underexplored," he said. "We are looking at staying here for the long term. "The LNG industry is not one that is here today and gone tomorrow – it is here for the long term. "It is one that is based on collaboration and co-operation. "Shell is a big energy player in the world, and one of the leading LNG companies in the world. "We have been involved in some of the most-challenging projects the LNG industry has seen over the last 20 years." Ten Have said Shell would not be successful without having the right people, as it did in countries like Malaysia and Brunei. "We have been humbled by all the support you have given us in getting Shell back to PNG," he said. "We look forward to a long-lasting and successful partnership." Ten Have said the JTSA was on track to be completed this year and Shell looked forward to working with Petromin to build a successful upstream business in PNG.

Petromin managing director Joshua Kalinoe welcomed the increased presence of Shell and added it would further facilitate for future opportunities in PNG. "Shell is a world-class operator with a proven track record in all parts of the upstream business," he said. "Together with Petromin, Shell will help PNG realise the full potential of its energy resources." Shell and Petromin entered into a Strategic Alliance Agreement on Aug 18, 2011 to establish a long-term partnership. The agreement included a joint study of major hydrocarbon basins in PNG and would enable the pursuit of mutually-beneficial upstream opportunities. It also contained skills-transfer elements, which would see Shell holding technical skills training sessions for Petromin staff, and Petromin staff posted to Shell's office in Malaysia on development assignments. Shell is a global group of energy and petrochemicals companies, with around 93,000 employees in more than 90 countries and territories, and helps to meet the world's growing demand for energy.

Xstrata, Glencore agree on K189 billion merger

Post-Courier 9.2.2012

OPERATOR of Freida gold-copper project in the West Sepick province Xstrata and Glencore have agreed on an all-share merger worth \$US90 billion (K189 billion) the industry's largest ever deal, creating a commodities powerhouse spanning mining, agriculture and trading, reports ABC News reported. Glencore, the world's largest diversified commodities trading house, will issue 2.8 new shares for each Xstrata share in a deal they said was a "merger of equals". The ratio is a 15.2 per cent premium to Xstrata shareholders compared with its share price last Wednesday before word leaked out about the merger talks, a joint statement said. "A merger between Glencore and Xstrata offers a unique opportunity to create a new business model in our industry to respond to a changing environment," said Xstrata chief executive Mick Davis, who will be CEO of the enlarged Glencore. "It is the logical next step for two complementary businesses."

Glencore chief executive Ivan Glasenberg will be deputy CEO and Xstrata chairman John Bond will retain his post. Xstrata shareholders other than Glencore, which already has a 34 per cent stake in the mining group, will hold 45 per cent of the new group. Bringing together Xstrata, the world's fourth-biggest diversified miner, and Glencore will create a group looking to ride an extended surge in demand in coming years for commodities from China and other emerging nations. As the world's biggest exporter of coal for power plants and a top copper producer, the combined firm aims to have the bulk to compete with mining sector leaders BHP Billiton, Vale and Rio Tinto.

Chan calls on government to come good on Lihir

The National, 9th February 2012

NEW Ireland Governor Sir Julius Chan has called on the national government to come good on the Lihir Memorandum of Agreement (MoA). In particular, the NEC submission seeking conclusive settlement for the 15-year outstanding MoA commitments had been five months of lull without tangible outcome. Sir Julius said at the request of the national government, he agreed to withdraw the lawsuit against the state and settle out of court. But, to date, nothing had materialised shoring deep concern in New Ireland about undertakings made by the state. He said a high level team of officials from New Ireland met with the attorney-general and state officials at which the NIP team collaborated fully at its own cost to progress discussions reaching decision to file the NEC submission.

Making the statement a few days before the visit of Prime Minister Peter O'Neill to officiate at the 100 years Centenary celebration of the Catholic faith at Lemakot parish in New Ireland, Sir Julius said: "I may consider putting the Lihir MoA issue back to court if nothing fruitful is forthcoming." The office of the prime minister had confirmed that he would officiate at the Lemakot celebrations about 40km outside Kavieng on Sunday, Feb 12, at the invitation of the Catholic parish. Sir Julius said the provincial government and administration will accord all due recognition and protocol but his government is treating this as a private visit at the invitation of the church. "If the prime minister comes, I expect NEC to announce settlement. "I do not want another political sweet talk visit like the previous Somare visit. "If no commitment, I intend to declare New Ireland an autonomous province of PNG," Sir Julius said in a media statement yesterday. "I cannot tolerate my people being continuously fooled over their rights and inheritance denied them for over 15 years of the Lihir gold mine."

INDONESIAN POLICE OFFICE SHOT NEAR FREEPORT MINE

Allegedly killed by members of Papuan separatist group

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 8, 2012) – An Indonesian police officer with the Mobile Brigade was shot dead yesterday while on patrol near the Freeport mine in the highlands of the Papua region. Police suspect the gunmen are linked to a separatist group. The Jakarta Post reports the Papua police chief, Inspector General. B. L. Tobing, as saying that police have been deployed to hunt down the group. The road between Timika to Tembagapura has been shut while police conduct an investigation into the shooting. Last month, two workers at the Freeport mine were shot dead on the same route.

FIJI'S NAMOSI MINE DISPUTES POLLUTION ACCUSATIONS

Sulfur, heavy metals allegedly leaching into surrounding land

By Rachna Lal

SUVA, Fiji (Fiji Sun, Feb. 8, 2012) – Newcrest Mining has strongly disputed an Australian expert's claim over its exploration work in Namosi. Gavin Mudd, an environmental engineer, had told Radio Australia's Pacific Beat Program that photos of pollution in the Namosi mine exploration site suggested heavy metals and sulphuric acid had been released. In response to questions sent by the Fiji Sun yesterday, Newcrest Mining stressed they are undertaking exploration which in fact does not use any heavy metals or sulfuric acid. Newcrest Mining heads the Namosi Joint Venture in partnership with Japanese interests. The company said they are working cooperatively with landowners and the Government on a process to address existing areas of concern from both landowners and the Namosi Joint Venture. "This includes continued rehabilitation of our exploration sites. The Namosi Joint Venture is committed to fulfilling this work as quickly as possible and continuing direct engagement with landowners and the Government on moving forward," the company stated. They also stressed there is no mining taking place in Namosi as yet.

Dr. Mudd is the author of the report on Australia's mining industry *The Sustainability of Mining in Australia: Key Production Trends and Their Environmental Implications for the Future*. Dr. Mudd, a senior lecturer in Engineering at Monash University in Australia, had told the Radio Australia's Pacific Beat Program that the toxicity of metals and acid should not be underestimated. "There are two key aspects from the photos that stand out to me; one is the amount of sediment and erosion problems going on there but the other one, which I think is more serious, is what we call acid mine drainage. Now, acid mine drainage is, I suppose, essentially the leachate that can come out of mines. Basically, if you take sulfide minerals, expose them into the surface environment, where it can then react with water and oxygen and produce sulfuric acid, and that sulfuric acid, dissolves up copper, zinc, nickel – a whole range of different heavy metals that can be a quite serious concern for aquatic ecosystems," he said.

Environmental management plans

Dr. Mudd stressed if Newcrest had the usual sort of environmental management plans in place, this sort of pollution would not happen. "A lot of companies have environmental management systems in place and certainly Newcrest does have that. But to me, the interesting question is why do we still get problems like this popping up? If the systems are in place, they should be able to prevent this. They should be able to manage the erosion, they would identify risks such as acid mine drainage as being very serious. I know companies like Newcrest do understand these types of risks. The question to me really cuts to the heart of the rhetoric versus the reality, I guess. These things are well known in the industry. They should be able to be managed," he said.

Comparison with PNG mine

Dr. Mudd stated based on the resource figures Newcrest was reporting for the Namosi Joint Venture, it was on a similar scale to Ok Tedi mine in Papua New Guinea, perhaps even bigger. "It is a very large project so, therefore, if things go wrong the risks are therefore very large as well. We have seen that at mines like Ok Tedi, the old Bougainville mine, of course, which led to severe social and environmental problems that still have not been resolved. I would urge caution because you want to make sure if you are going ahead with these types of projects that you do get it right. You need to have good management plans in place, you resource the monitoring and the environmental management properly. This way you can ensure you are not leaving a legacy that is negative, and overall, you can leave a positive legacy. That, to me would be the way I would approach it," he said.

Environmental impact assessment

As for the environmental impact assessment consultations, which could now follow after the Namosi Joint Venture carries out rehabilitation works in Namosi, Dr. Mudd said the guidelines were quite extensive covering a lot of the range of issues.

Tailings dam engineering

He said another question would be whether the Namosi Joint Venture would be building a tailings dam or were they going to use marine tailings like Lihir in Papua New Guinea. "On that type of question, to me, I certainly think there is a good case to be made that they can deliver a conventional land-based tailings dam and deal with risks such as earthquakes and so on. If you look at a country like Chile, they've learned from the past. This in terms of when earthquakes happened and tailings dams collapsed because they weren't engineered to withstand earthquakes."

Baseline data

Dr. Mudd indicated the other critical aspect with any kind of environmental impact assessment was good baseline data which is what everything was like before the mine started. "Now that can be on environmental grounds, surface water quality, ground water, marine and so on but also the biodiversity. But also, social as well, because a lot of the concerns that people have about some of these large developments are not just environmental but also social. So good quality baseline data that can really answer in the future any questions about what changes have been caused by the mine versus what might be natural or maybe climate change -related, or all sorts of various factors. But good baseline data, good options and thorough assessment of different options -these are all the things that should be looked at as part of any environmental assessment," he said.

Mine size – too big?

Radio Australia's Pacific Beat asked Dr. Mudd whether it was possible this mine was just too big for the situation that it finds itself in? To this, Dr. Mudd replied: "At the moment, of course, it is really up to Newcrest to answer that and for the Government to accept Newcrest's position, or for the community to say no, actually we do not think this is worth the risk. That is, I suppose, where everything is up to at the moment. So you can only hope that the studies are thorough, that there are extensive baseline studies, that good options are put on the table and they are all assessed comprehensively. At the moment, that is an open question. It certainly is a very challenging situation and it is not something that should be taken lightly at all," he said. Prime Minister Commodore Voreqe Bainimarama intervened and took charge of negotiations between the landowners and the Namosi Joint Venture. This followed concerns by landowners over damage caused by exploration work.

They also questioned the terms of the planned environmental impact assessment. Commodore Bainimarama highlighted during a meeting between the two parties that the current operations of Namosi Joint Venture were based on a prospective license. He said before any decision is made to grant the company a mining license, an environmental impact assessment would need to be completed.

Government and the Namosi Joint Venture have agreed to map out a process of rehabilitation on environmental and social issues raised by the landowners. The Prime Minister's permanent secretary Pio Tikoduadua would be leading a team to Namosi to physically inspect and verify issues and grievances raised. Government officials would then meet landowners to finalize the rehabilitation process. After that, discussions would be held with the Namosi landowners and the miners on possible ways forward.

PNG PAYS TO GET EXXONMOBIL AIRPORT PROJECT ON TRACK

\$4.5 million allocated to clear road blocked by landslide

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 8, 2012) – The Papua New Guinea government has allocated more than four and a half million U.S. dollars to clear a road damaged by a recent landslide, so that the Exxon Mobil airport project can resume in the Southern Highlands region. The landslide struck in the vicinity of Exxon Mobil's liquefied natural gas project's Nogoli base, burying a village and killing at least 25 people. The minister for Transport and Works, Francis Awesa, says Exxon Mobil has also contributed money to have the road cleared. Mr. Awesa says it will benefit villagers in the Komo district as well as Exxon Mobil's airport project, which has come to a halt since the landslide. "In the Komo area work stopped because there's no fuel, you can't get fuel in there because the road is blocked so we're trying to get the road cleared in order to get fuel in there and people, villagers and government officials moving in and out of the area, and then the project personnel and contractors." Francis Awesa says they hope to get road access in the next few weeks.

PNG shines bright for Harmony

The National, 8th February 2012

HARMONY Gold is confident that its biggest mining project outside of South Africa, which is in Papua New Guinea, is on track to deliver and the miner is looking to expand the project further. It said pre-feasibility studies at the Brownfield project in Wafi-Golpu are progressing according to schedule, and that at the of the last quarter, seven drill rigs were operational, with six engaged on extension of the Golpu orebody to the north and infill of deeper sections. "We have communicated to the market that the expectation is June this year in terms of completing the pre-feasibility studies," Harmony chief financial officer Hannes Meyer told I-Net Bridge/BusinessLIVE.

The world's fifth-largest gold miner also announced that it was on track to maintain its 3.7 billion south African rand capital expansion plans. Wafi-Golpu contained an estimated 11.1 million ounces gold, 47 million pounds of molybdenum, along with 4.1 billion pounds of copper reserves. Harmony said it was in the process to build up its production from its South African assets, which will enable it more cash to expand the Golpu project. The group reported record earnings for the quarter ending in December. Operating profits rose by 59% to 2.1 billion South African rand, while headline earnings per share more than trebled to 242 cents over the same period. Harmony's earnings were boosted by the combination of a stronger gold price and a weaker rand over the quarter. The company noted that during the past quarter, the gold price received rose by 11% from R396, 405/kg

in the September 2011 quarter to R438, 183/kg in the December 2011 quarter. Operating costs fell by 6% to R249, 356/kg over the period.

While Harmony realised increased output levels from Tshepong, Phakisa and Unisel, safety stoppages due to two fatalities resulted in a 23% drop in tonnes milled at Kusasaletu and proved to be a drawback for the company. “We had some safety stoppages at Kusasaletu and unfortunately had some fatalities and that had an impact on production, so I think we were closed for about two weeks during the quarter,” Meyer said. “At the current price, our margins therefore, remain strong. We remain bullish on the gold price and it is our view that the gold price in dollar terms will continue to strengthen, as the fundamentals that drove the gold price up are still in place and the global financial markets have not yet stabilised.” Gold was expected by Harmony to reach an average price of US\$1,850/oz for calendar year 2012 and may even move as high as US\$2,000/oz later this year.

Consortium gears up to partner with InterOil

Post-Courier 8.2.2012

KOREA Gas, known as Kogas, is stitching together a consortium involving Mitsui and Japan Petroleum Exploration with an aim to join InterOil’s proposed gas-export project in PNG as a strategic partner, the Wall Street Journal blog reported yesterday. In September 30 last year, InterOil was said to have mandated Macquarie Capital, Morgan Stanley and UBS to bring in a company with experience in operating large liquefied natural gas production facilities. On offer is an equity stake in the US\$6 billion (K12 billion) plant that will convert natural gas to liquid for export as well as associated infrastructure in the Gulf Province. InterOil says it is also willing to sell interests in the Elk and Antelope gas discoveries in the Gulf, along with exploration tenements in PNG. “The considerable strengthening of the Asian LNG market, the increased interest in exploration and investment in PNG, as well as the company’s reservoir analysis and project design fundamentals lead the company to believe that now is an attractive time to seek a partner,” InterOil said at the time.

PNG has an estimated 22.6 trillion cubic feet of natural gas reserves, according to U.K.-based consultancy Wood Mackenzie, but little new local demand for the clean-burning fuel is expected beyond mining developments such as Xstrata’s Frieda River copper-gold project and greater use by households. The Post-Courier could not confirm the total or estimated cubic feet of natural gas reserves in the country as all phone lines to the Department of Petroleum and Energy were out. The Wall Street Journal said this (gas reserves) created an opportunity for some of the world’s biggest energy companies to invest in developing the gas reserves for export as LNG. PNG is poised to join the ranks of LNG exporters in 2014 when the ExxonMobil-led US\$15.7 billion (K50 billion) PNG LNG project is slated to start up. InterOil is proposing to build a minimum 7.6 million-ton-a-year LNG plant fed by the Elk and Antelope fields. Once construction starts, it typically takes around 4-5 years before a facility is able to chill its first gas for export as LNG. In a statement on December 22, last year InterOil announced that it has extended the dates by which certain conditions are to be met and Final Investment Decisions (FID) made in LNG project agreements with Mitsui and Energy World Corp, until March 31, 2012.

HR company teams up with landowners

Post-Courier 8.2.2012

A NEW business venture has been tied between the landowners of Kuembu Investment Limited (KIL) in Hidden Valley and the Star Mountain HR Limited to provide labor hire services at Morobe Mining Joint Venture (MMJV). KIL, one of the three landowner associations in Hidden Valley last Friday signed a joint venture contract with Star Mountain HR, a subsidiary of Star Mountain Investment Holdings Limited (SMIHL). The signing took place at the newly opened Madang Star International Hotel witnessed by MMJV general manager of sustainability and external relations Da-

vid Wissink, Star HR Ltd general manager Ralph Tarasomo, representatives of KIL and other representatives from MMJV and Star HR. Speaking during the signing Mr Tarasomo described the joint venture agreement as a “dream of a thousand dreams” saying “it has set a new road for our destiny. “We have set a new pathway in business by bringing these two local companies to a bonding agreement,” he said. Mr Tarasomo said KIL has no experience and in forming such joint venture partnership with locally owned company to provide labor assistance to the mine was a right step taken. He said Star HR specialises in human resource management and has been operating in Tabubil since 2006 providing labor hire at the OK Tedi mine. Group chairman of SMIHL Leslie Farimi-ap said the signing of this joint venture contract was a bridge between the community and the developer.

Allied Gold welcomes govt assurance

Post-Courier 8.2.2012

By *PATRICK TALU*

ALLIED Gold Mining Plc (Allied Gold), the operator of the Simberi gold mine in New Ireland Province, has welcomed the Government’s move to protect it from misinformation that was threatening to tarnish the its operation and general investor confidence. Said Allied Gold said in statement yesterday: “the company welcomes the decisive action of the Prime Minister’s Office and the MRA (Mineral Resources Authority) and its officers which serves to protect the company from misinformation that threatens the international investor confidence of the PNG mining sector. “The company also welcomes the confidence shown by the traditional Simberi landowner group for ML136, which publicly stated last week that they are in support of Allied Gold.” The miner said it notes recent speculation in the PNG media and comments by some provincial and island representatives about the company’s Simberi gold mine and rejects suggestions that landowners were seeking to replace it as the 100 per cent owner and operator of the mine.

Allied Gold said it immediately contacted the MRA and the Prime Minister’s Office to raise concerns about the media speculation regarding licences ML 136, which covers the eastern half of Simberi where mining currently takes place, and EL 609, which is the exploration licence covering the western half of the islands and nearby Tabar islands. It said the Prime Minister’s Office assured the company that the rule of law and policy in relation to mining licence tenure remained in force. The operator said the MRA has also acted expeditiously and responsibly in confirming in writing that both ML136 and EL609 are legally in good standing and that no actions relating to the mining or exploration areas of the company were pending. A source from the MRA indicted to the Post Courier in a brief conversation that MRA has granted the EL609 and EL136 and in support of the project. The MRA is the authority which independently monitors, on an ongoing basis, all mining companies’ obligations in relation to operating and exploration tenements in PNG. Allied Gold stated that since the inception of the Simberi mining operations, the company has worked closely with the MRA and other government departments to ensure regulatory compliance and will continue to do so in the future.

Aussie eyes PNG deal with ExxonMobil

The National, 7th Febuary 2012

AUSTRALIAN billionaire Clive Palmer has told the Australian Financial Review he is considering a farm-out offer from ExxonMobil for exploration leases his company, Chinampa Exploration, holds in the northern part of the Gulf of Papua. Palmer said he was first approached by ExxonMobil in 2010 and that he had held further discussions with the world’s biggest oil and gas corporation late last year. “We do not want to make a hasty decision. But we are either going to develop it, joint venture it or do a deal with the Chinese,” he told the AFR, adding that Chinampa held exploration

leases covering more than 48,000sqkm in PNG. He said Chinampa had already spent A\$40 million on exploration but needed significant funding to meet high exploration costs. Palmer also told the AFR the PNG exploration project “could be bigger than the North West Shelf – it is the most significant thing we are doing at the moment”. The North West Shelf operations of Woodside Petroleum was Australia’s first LNG project and Australia’s largest such operation to date. Palmer noted that ExxonMobil was currently building a US\$16 billion LNG project in Papua New Guinea and “our gas (site) is right opposite that”.

ExxonMobil spokeswoman Rebecca Arnold told the AFR it was not the company’s policy to comment on commercial matters. Palmer said ExxonMobil had made a “standing offer” and his group was thinking about it. The report said Chinampa had three exploration licences in shallow to deep water close to the planned LNG plant at Port Moresby. According to the company’s website it held a 100% interest in PPL 379, PPL 380 and PPL 381 in the Gulf area. The AFR indicated Palmer had good political connections in PNG, having spoken at a fund raising dinner for the United Resources Party in June last year. Describing PNG as “the promised land”, Palmer said: “If we find gas, we develop it and make billions of dollars out of it. First we are looking at reserves, then the cost of extracting, but it looks very promising.” He said preliminary work carried out by his company had indicated the area had the potential to contain 22 trillion cubic feet of gas or about double the amount being developed by ExxonMobil in PNG for the country’s first LNG project.

Bougainville hardliners to stand by O’Neill on his trip to Aropa

Post-Courier 7.2.2012

FORMER BOUGAINVILLE hardliners want Prime Minister Peter O’Neill to be the first PNG leader to land at the Aropa Airport after its closure in 1989. Mr O’Neill and his full Cabinet are expected in Arawa at the end of this month to convene the Joint Supervisory Body Meeting followed by the Cabinet (NEC) meeting. Solomon Islands Prime Minister Gordon Darcy Lilo is also expected to attend this first time ever high level meeting in Arawa with the PNG counterparts. Sam Kauona, former renowned rebel commander and now businessman, has assured PNG Government, specifically Mr O’Neill and his deputy Belden Namah that security at the meeting would be 100 percent provided and that more than 100 former commanders of central and south stand ready to receive the Cabinet at the Aropa Airport later this month. Prime Minister O’Neill yesterday welcomed the announcement by Mr Kauona and thanked the leaders of Bougainville for a possible way forward in the re-opening of the Aropa Airport. Mr O’Neill yesterday said that Prime Minister of Solomon Islands was also expected to attend the meeting. He said that preparations for the meeting was already underway and the Government was ready to travel to Bougainville to further show his government’s commitment for the region. Mr O’Neill said that despite the country now going through disasters Bougainville still stands as one of the major agendas for his government. ABG president John Momis could not be reached for comment as he is in Lae.

SOPAC tries to defend its promotion of experimental seabed mining

PNG Mine Watch 7.2.2012

While SOPAC tries to defend its industry driven experimental seabed mining project (see below), it still can't explain how an extractive industry can be sustainable, how, unlike multiple mining projects in PNG seabed mining will benefit ordinary people or why it is rushing ahead while there is no scientific consensus on how to manage the environmental impacts....

SOPAC DEFENDS BENEFITS OF PACIFIC SEABED MINING

Says deep sea mining will bring Pacific tangible benefits

Tahitipresse

Akuila Tawake, Deep Sea Minerals Project Team Leader for a European Union (EU) funded project, stressed the importance of such projects in the Pacific region. Mr. Tawake explained that the Deep Sea Minerals Project is administered by the South Pacific Applied Geoscience Commission (SOPAC), a division of SPC, and is developing a regional legislative and regulatory framework for deep-sea mineral mining. "This will help ensure that sustainable resource management will bring tangible benefits to Pacific Island Countries and their people," Mr. Tawake said. Mr. Tawake was responding to a story that appeared on Pac News that questioned the motives of those involved with the project.

"Since the Project was conceived as a result of a number of Pacific Islands Countries requesting the SOPAC Division for advisory assistance and technical support relating to seabed minerals, it is difficult to understand who is being disenfranchised", Mr Tawake said.

He said that the Deep Sea Mineral Project is not only being supported by the SPC member countries, but by the Pacific Island Forum Secretariat, as well as the EU. The overall objective of the project, he said, is to expand the economic resource base of Pacific ACP States by developing a viable and sustainable deep-sea marine minerals industry. He said the specific objective is to strengthen the system of governance and capacity of Pacific ACP States in the management of deep-sea minerals.

"This can only be achieved through the development and implementation of sound and regionally integrated legal frameworks, improved human and technical capacity and effective environmental monitoring systems", Mr Tawake said. [PIR editor's note: Meanwhile the regional civil society group Pacific Network On Globalisation (PANG) has expressed their concern in a Press Release regarding the lack of precautionary approach towards the sustainable development of experimental seabed mining. The group says they "...are angry that SOPAC, with the financial support of the European Union, is assisting Pacific states to push forward the development of a regional legislative and regulatory framework for experimental seabed mining ...without the benefit of adequate scientific debates nor of prior public dialogue and meaningful community participation." On December 1 the group launched a public petition against seabed mining and has since garnered signatures from as far as Nigeria and Guyana, diverse groups in Canada, Asia, Hawaii and the Pacific, Pacific and Australia churches and feminists from across the world.]

Mr. Tawake said that to date there is only one potential deep-sea mining project in the Pacific region and that is scheduled to become operational in 2013. It is the Solwara 1 project in the Bismarck Sea in Papua New Guinea. The mining company, Nautilus Minerals has been working with the Papua New Guinea government since 1997 to explore seafloor massive sulphide deposits with the option to develop those mineral resources if feasible. Mr. Tawake said that the Papua New Guinea government has taken 14 years to make the decision to allow Nautilus Minerals to develop the mine. The Deep Sea Minerals Project is currently being implemented in the following fifteen island countries: Cook Islands, Federated States of Micronesia, East Timor, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

Australian operations put serious dent in MCC's reputation

From a report by Nick Evans, PNG Mine Watch 7.2.2012

Chinese infrastructure company China Metallurgical Group Corporation (MCC), owner of the Ramu nickel mine in Papua New Guinea, is having serious problems at the CITIC Pacific Sino Iron magnetite project in the Pilbera region of Australia, which has links with controversial mining mag-

nate Clive Palmer. The project has been plagued by cost overruns and delays. MCC has been responsible for the design and construction of Sino Iron, which is reportedly more than \$2.5 billion over budget and two years behind schedule. The the problems have reportedly put a serious dent in MCC's reputation in China and internationally. CITIC's tenements are owned by Mineralogy, the company that will pay royalties to Mr Palmer when it gets the mine into production late this year. But the links between Mr Palmer and MCC run much deeper.

MCC is also involved in Australasian Resources's Balmoral South project which sits between Sino Iron and the tenements Mr Palmer failed to float on the Hong Kong Stock exchange through Resourcehouse Ltd last year. Resourcehouse was seeking a \$3.4 billion listing, but pulled its plans in June after the crisis in Europe sent jitters through financial markets. Australasian Resources, which is 68 per cent owned by Mr Palmer, said late on Friday that two major ratings agencies had agreed to assess the company's credit worthiness ahead of a planned \$500 million high-yield bond issue to part-fund its Pilbara iron ore mine. The ratings assessment, by Moody's Investor Services and Fitch Australia, will be an important test of whether Australasian Resources can get the project off the ground.

The company, which has a market capitalisation of only about \$90 million, wants to export 12 million tonnes of magnetite iron ore concentrate from its Balmoral South project, and has said it expected to be able to begin construction of its mine sometime this year. But the company needs to raise \$3.3 billion, not an easy task in the present capital markets, particularly as interest has waned in Australian magnetite projects in the past year. Australasian says the \$500 million bond issue will be backed by the Royal Bank of Scotland, with the rest of the funding to be arranged by way of export credit from Chinese banks. According to a deal signed last year, MCC, in return, will be appointed as the engineering, construction and procurement contractor for Balmoral South. It's a curious deal for MCC, which effectively appears to be arranging itself work by finding the debt funding for Australasian.

Too many cooks in the mining kitchen in Australia

PNG Mine Watch 7.2.2012

Australia's rich resources are credited with buffering the nation from the Global Financial Crisis. But as the boom continues, a fractured network of regulators seems ill-equipped to properly check its impact and if Australia can't regulate its mining industry what hope is there for Papua New Guinea?

By Sarah-Jane Collins

In the tropical northern Australian wet season from December until about March, mining companies are on alert. Water holdings swell, rainwater mixing with used-water storages that must be released in accordance with the environmental guidelines. Sometimes companies are forced to pump water from pit to pit, making sure it doesn't break containment and seep out into the surrounding environment. For some operations that can mean weeks of vigilant monitoring and constant pumping from one pit to the next – anything to stop an unauthorised release of the contaminated waste water. But sometimes the system fails, the wet season is too unrelenting and the waters rise too high, breaking out of their holding wells and disused pits, and flowing freely into water catchments used by local farmers, graziers and towns. Mining, so often lauded as the solution to Australia's economic woes, is big business. Across the country, mining operations big and small not only beef up the country's financial bottom line they draw on natural resources, create waste rock and water, and make a significant contribution to carbon emissions.

A 2010 report by the Federal Government's department of climate change said growth in carbon emissions to 2020 "is dominated by emissions associated with the extraction and processing of energy resources driven by strong export demand." As mining becomes a bigger slice of Australian industry, more and more exploration occurs each year. The Australian Bureau of Statistics quarterly reports on mining activity estimate that in the September quarter of 2011, expenditure on exploration rose 6.2 per cent on the previous quarter, totalling more than \$919 million. Overall, the report found the amount being spent on exploration had risen 45.4 per cent on the estimate from the September quarter in 2010. Most of this exploration has happened in the two boom states, Queensland and Western Australia.

How the system is regulated is a patchwork of state and federal rules imposed by myriad authorities. The federal government weighs in on treaty issues, world environmental obligations and threats to endangered species. What it does not do is regulate the entire system. But with such rapid growth, communities and environmental groups have begun to ask more questions about the strength of the current regulatory framework. A key concern, raised over and over again to *The Global Mail*, is whether government has allowed the politics of the mining boom, and the rhetoric of jobs and national economic needs to overshadow key environmental issues such as water contamination and climate change. They argue not enough is being done to ensure we are not sacrificing the quality of our arable land, air and water for the benefit of an industry that has created, in their disputed view, a mythology that ties Australia's economic success to its continued expansion and development.

Community advocates, former government regulators and academics in the field all have raised questions about a lack of crucial oversight and what they dub a state of "regulatory capture" where public servants tick boxes without critical analysis — that has led to environmental problems across a range of mining ventures and a number of states. The recent hearings of the Queensland floods inquiry show there can be flexibility in how regulations are determined and enforced by those monitoring mining sites.

Read the full article: <http://www.theglobalmail.org/feature/too-many-cooks-in-the-mining-kitchen/18/>

West African gold shines bright for Newcrest

Post-Courier 6.2.2012

A PREDICTION that gold could top \$US2500 an ounce within five years was not the only lure that Newcrest chief executive Greg Robinson dangled in front of investors yesterday. In an address to the Melbourne Mining Club, Mr Robinson gave the strongest indication yet that Australia's biggest goldminer was taking its West African assets more seriously than first thought. Newcrest inherited the Bonikro mine in Ivory Coast - and 25,000 square kilometres of exploration turf - as part of the Lihir acquisition in 2010, and was expected to discard them in keeping with the company's Asia-Pacific focus. But, Mr Robinson said, Newcrest would spend up to \$30 million exploring the territory and was giving itself "every chance to build a substantial business there". "We didn't deliberately go to West Africa as a strategy ... but sometimes strategies are a bit more random," he said. "It's sitting on a greenstone belt with an enormous amount of similarities to Western Australia.

We've got very good greenstone exploration geologists from our WA operations. "We have high expectation that we will find significant gold." Mr Robinson stressed that optimism about Bonikro was not the start of a spread into Africa, saying Newcrest would always see south-east Asia as "home base". A pre-feasibility study on the Wafi Golpu mine in Papua New Guinea is due for completion by mid-year, and Mr Robinson said political turbulence before this year's PNG election would not disrupt those plans. He named the Philippines as an attractive target for Newcrest in the

next five years, with mainland Asia the next logical step in the next 15 years. In a bullish assessment of gold prices, Mr Robinson said the upward trajectory of the past decade would continue apace. An ounce of gold was worth \$US1747 late Thursday, not far below the high of \$US1900 reached in August and September. "I think gold will retain its value and trade somewhere between \$US1500 an ounce and \$US2500 per ounce in the years ahead," he said.

He based the claim on continued devaluing of US and European currencies, and a "strong gold culture" in the emerging middle classes of India and China. Resource Capital Research analyst Tony Parry agreed that gold was likely to strengthen this year towards \$US2000 an ounce, but he said a breach of \$US2500 was unlikely if the US dollar again became the ultimate, highly liquid haven in times of economic turbulence. Meanwhile, Mr Robinson said progress on early studies of a copper-gold project in Fiji was slower than the company had anticipated due to consultations with local residents. Prime Minister Frank Bainimarama last month said he would directly oversee the negotiations, and Robinson said discussions with the leader had been "very, very constructive." Newcrest last estimated the Namosi project in Fiji has a mineral resource of 7.7 million ounces of gold and 7.9 million metric tons of copper. It is manager of the project and owns a 70 per cent stake in it, while Mitsubishi Materials Corp. owns 28 per cent and Nittetsu Mining Co. 2 per cent.

- The Sydney Morning Herald

Newcrest has eyes on promising gold find

Post-Courier 6.2.2012

THE world's third largest gold miner Newcrest Mining Ltd is eyeing a promising Papua New Guinean gold find. Newcrest's operations in PNG are the Lihir gold mine in the New Ireland Province, Hidden Valley mine and the Wapu-Golpu project, both in Morobe province. Newcrest chief executive Greg Robinson said at the Melbourne Mining Club last Thursday that he would buy out equal partner Harmony Gold Mining Company's (HAR.JO) 50 per cent share in a promising PNG project if he could, although he doesn't expect its South African partner wants out of the Wafi-Golpu venture any more than he does. "I'd love to buy it all," Robinson told reporters and investors after an industry luncheon in Melbourne. "But I expect if you asked Harmony, they would say the same thing."

Robinson said the Australian gold company isn't concerned by the recent political unrest in PNG, and hadn't reduced the roughly 200 people the companies have on the ground there. "It is an election year in Papua New Guinea, so it will be a noisy year," Mr Robinson said. The CEO said Newcrest expects to complete a pre-feasibility study on Wafi-Golpu by June, depending on the speed of drilling, adding that the market wasn't yet pricing the promising project into the company's share price as it is still at an early stage of study. In 2008, Harmony, then struggling to reduce costs but still developing new projects, struck a deal to bring Newcrest on as a 50 per cent partner in a large bundle of PNG assets in exchange for an investment of up to US\$525 million (over K1.1billion). The gold resource for the prospective Wafi-Golpu deposits was then estimated at roughly 9.5 million troy ounces--compared with the companies' revised estimate of 26.6 million ounces last year.

The share prices of gold producers have lagged the soaring price of the precious metal, but Robinson earlier told the luncheon he expects that gap to close in time. The price of gold will likely remain strong, trading in a US\$1,500-US\$2,500 (K3264-K5274) range over the next few years, he said. He said he believes the gold price is well supported as a store of value that acts as a hedge against political and economic uncertainty. Mr Robinson stated the price will continue to be buoyed by concerns over the U.S. dollar, the health of European economies and political tensions worldwide. Newcrest last month reiterated its forecast for production of between 2.43 million and 2.55 million ounces in the year through June, despite a 20 per cent fall in output to 579,073 ounces in the

December quarter after its mining operations were hit by heavy rain in PNG and a groundfall at an open-pit mine in Australia.

Abel: Mining projects key to development

The National, 3rd February 2012

By BOSORINA ROBBY

PAPUA New Guinea has the potential to become a well-developed nation if its mining projects are managed well and benefits from them distributed widely. Mining minister Byron Chan told a two-day stakeholder workshop in Port Moresby that this would happen if there was a government-private partnership to ensure that development reached the grassroots people in the village. The workshop was to push the government and stakeholders to take up the challenge of good governance in the spending of benefits received from the extractive industry in a transparent manner. It is called the extractive industries transparency initiative (EITI). Its aim is to strengthen good governance by improving transparency and accountability. It is a global standard that promotes revenue transparency with a robust, yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. Its successful implementation would lead to benefits for the government, the companies, civil societies and for energy security.

Chan said government was willing to participate in this initiative where it would become a vital part of PNG's development and progress into the future. He said his ministry wanted to adopt some of EITI's principles by inserting the relevant provision within the revised mining policy and mining act. "The revised mining act has expanded on section 161 Information of the Mining Act 1992 by revising the heading to Reporting and Information. "Under this provision, tenement holders are required to submit all information to the authority and shall not be made available to anyone outside of the authority, unless otherwise authorised to do so," he said. Chan said the revised act called for audits to be conducted once ever fiscal year for compliance and regulation of the mining industry. It would look at the performance of the MRA and its agents or subsidiaries and of all companies licensed under the Act to ensure all policies, laws and regulations are complied with.

Oil Search begins new hunt for gas

The National, 3rd February 2012

THE search for additional gas reserves to enable the PNG LNG project to double the size of its current US\$15.7 billion export facility has begun. It started with the spudding of the P'nyang South well just north of Juha in the Hela province. Oil Search said it spudded the P'nyang South well on Jan 29 following the recent completion of a 2-D seismic program over the area. The P'nyang South-1 well is located 4km southwest of the P'nyang 1-X gas discovery and 90km northwest of the Juha gas field. Oil Search is the operator with a 38.5% stake together with ExxonMobil (49%), JX Nippon (12.5%). The seismic and well results would be used to assess the potential gas resources in P'nyang before the Rig 103 was moved to the nearby Trapia well pad site, which was already being prepared for its first wildcat well. Further drilling at the huge Hides gas field, where the gas resources had yet to be fully delineated, will follow these two wells.

The well, likely to commence in the third quarter of this year, will test the gas-water contact in the well. Industry sources said these three drilling programmes would basically determine if there was enough additional gas reserves for ExxonMobil to build the third and possibly fourth LNG trains at the export plant now under construction just outside Port Moresby. They said the P'nyang structure alone could potentially contain up to two trillion cubic feet of recoverable gas. The LNG consortium will need to discover an additional five to six trillion cubic feet of gas to build two additional

LNG trains. Oil Search had indicated that together with its exploration and drilling activities in the oilfields and the Gulf of Papua, the current exploration campaign will be the biggest and most intense it has ever conducted in this country.

Horizon Oil scale fit to supply PNG

Post-Courier 3.2.2012

THE Final Investment Decision (FID) by Horizon Oil (Papua) Ltd will be a scale that will have the capacity to supply PNG customers and other large industries; customers in the Asia Pacific region, Minister for Petroleum and Energy, William Duma said. Minister Duma, MP while expressing his pleasure with the decision by Horizon Oil (FID) in relation to the Stanley field gas condensate recovery project in the Western Province said, "FID decision now means that the condensate resources will be certified and will be of a scale that will have the capacity to supply PNG customers and other large industrial customers in the Asia Pacific region." "The decision by Horizon Oil sends a clear signal that with Government support and the right regulatory and fiscal regime, our gas resources can be commercialised for the benefit of the shareholders of Horizon Oil, the PNG Government, the landowners, and the people of PNG."

"The Stanley development project is a welcome addition to the two gas projects currently under development namely Exxon LNG project and the InterOil project," the Hagen Open MP said in a statement yesterday. The Petroleum Retention Licence (PRL 4) for Stanley was renewed in August 2011, with very demanding work obligations, designed to bring the project to commercially quickly. The Horizon Oil led joint venture with partner Talisman has responded aggressively to carry out those obligations in a timely manner with a very successful result. The Stanley gas power plant processed by PNG Energy Development Limited, a subsidiary of PNG Sustainable Development Program Ltd and recently approved by the National Executive Council (Cabinet) adds a valuable piece of infrastructure to Western Province.

Minister Duma stressed that it will meet the power requirements of the Ok Ted mine, and potentially the Frieda River mine, from locally produced gas, thus reducing the important of diesel into the area. Most importantly it will bring affordable power to about 50,000 people in the area. He stressed that the Stanley development project will have a very significant impact on employment in Western Province and create related business opportunities for landowners and the local community. "I commend the management and Board of Horizon Oil and its partners in taking concrete steps towards commercialising the resources in the Western Province. The PNG Government remains committed to assisting where possible to commercialise this resource," Minister Duma said.

Xstrata close to new deal

Post-Courier 3.2.2012

OPERATOR of the Frieda River copper-gold project Xstrata said it Glencore International is nearing an agreement to combine with in a deal that may value the combined entity at 52 billion pounds (\$82.46 billion), Bloomberg reported on Thursday, sending Glencore shares sharply higher in Hong Kong. The companies may announce a deal as early as this week, Bloomberg said, citing two people with knowledge of the plan. Glencore's Hong Kong-traded shares gained as much as 6 % in mid-afternoon, before trading was suspended and ahead of their London opening. The talks between Xstrata and Glencore, both based in Switzerland, are ongoing and a deal could still fall apart, one of the people told Bloomberg as Reuters yesterday. The deal value excludes the value of Glencore's 34 %t stake in Xstrata, the report said.

Glencore, the world's largest diversified commodities trader, raised about \$10 billion (K21 billion) in an initial public offering in London and Hong Kong last year, setting aside a large chunk of the

proceeds for takeovers. Analysts and investors have long speculated over a tie-up between Glencore and Xstrata, particularly after the IPO since it would give the company, led by Chief Executive Ivan Glasenberg, a way to fund takeovers with its own stock. In an interview with the Financial Times last year, ahead of the IPO, Glasenberg said there were “a lot of benefits and synergies” in putting the two companies together. He has since denied firm talks over a combination. Glencore spokesman Simon Buerk had no comment on the Bloomberg report when contacted by Reuters. Xstrata also declined to comment. The Frieda River Project pre-feasibility study, delivered in October 2010, outlined a potential open pit mining operation based on an annual average copper production of 190,000 tonnes per annum and 280,000 ounces per annum of gold, over 20 years.

ISA lauds progress at seabed mineral forum

The National, 2nd February 2012

SECRETARY General of the International Seabed Authority Nii Allotey Odunton said that the ISA had been “honoured and delighted” to hold an international workshop, in collaboration with the SPC/SOPAC division of the Pacific Community and the government of Fiji, on issues relating to the environmental impact assessment of deep seabed mining. Odunton’s comments, part of his address to the United Nations General Assembly last month, referred to good progress made at the international workshop in identifying the issues that will need to be addressed in future environmental impact assessments, “including the establishing of a framework so that all stakeholders are aware of what is expected of them”. During the workshop in Fiji, an integral part of the four-year, EU-funded deep seabed minerals project, Odunton said that more information about the different species living on the deep seabed was needed.

“My concern is to prevent species extinction. We want to emphasise the precautionary approach, the work that still needs to be done in collecting baseline data. “It is the mandate of the ISA to protect the marine environment. This means managing deep seabed mineral exploration, and any future mining enterprises, in such a way that the marine environment is sustained as the common heritage of all mankind.” Of particular interest for Pacific Island nations are the two licence applications for deep seabed mineral exploration that the ISA has approved in the areas of seabed reserved for developing states. The successful applications made by Nauru Ocean Resources Inc (NORI) and Tonga Offshore Mining Ltd (TOML), were sponsored by Nauru and Tonga respectively and that by forming partnerships with commercial interests that had access to the financial capital and technology necessary to conduct deep sea exploration, these two countries are following the “only realistic option for most developing States.” – Sea Bed World News

Analyst: PNG on verge of change

By *PATRICK TALU*

Post-Courier 2.2.2012

PNG is at the crossroads and on the verge of change and social revolution, according to Britain-based market analyst bdaily Business Network (bdaily) yesterday. “An unprecedented level of activity in resources is generating a new future for PNG,” bdaily said. Its economy is booming and it is home to the world’s largest new energy project and set to become a top five global gas exporter. The PNG economy is dominated by the extractive resources industries and investment and high commodity prices have stimulated activity and development in many related sectors. Asian demand for its commodities, mainly copper, gold and nickel remains buoyant.” In its oil and gas market briefing, the recent resource boom lifted PNG’s economy to a position as one of the world’s fastest growing in 2011. One project in particular, the \$US17.3 billion (K50 billion plus) Exxon Mobil led PNG LNG project is a key driver of growth. This constitutes the single largest investment ever made in PNG and is due to come on stream in 2014.

“The PNG LNG project is the most important single development in the history of PNG and the \$17 billion dollar investment into what was a \$US10 million dollar economy is widely expected to double PNG’s GDP,” bdaily stated. The project will extract a total of 9 trillion cubic feet of gas for export to Taiwan, China and Japan. With total gas reserves in PNG estimated at 35.7 trillion cubic feet, there are further oil and gas projects in development and many more yet to be discovered. The analyst indicated that there are opportunities for UK business. UK mining, oil and gas companies have long term potential in the region, whilst considerable projects have been started in the past few years, the mineral exploration will continue to uncover prospects and the mining, oil and gas potential is expected to last for decades. For companies who service and supply the extractive resource industry along and healthy outlook will provide many opportunities, in aviation, drilling and supplies, seismic scales, analytical laboratories, technical services, transport and logistics, earthmoving, fuel supply, machinery, catering, accounting, legal, and engineering and other professional services. Low levels of energy supply and natural conditions in the Pacific provide substantial opportunities in the renewable technologies sector, the brief concluded.

LNG PROJECT OPERATORS DENY FAULT IN PNG LANDSLIDE

Esso Highlands calls allegations ‘pure speculation’

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 2, 2012) – The operator of Papua New Guinea’s Liquefied Natural Gas project, Esso Highlands, has dismissed speculation that its activities were the cause of last week’s landslide in Southern Highlands province. Four bodies have been recovered but at least 25 people are confirmed to have been buried in the landslide. Many locals claim that a nearby quarry used for the project involved explosives which unsettled the earth and caused the landslide. Esso’s media spokeswoman Rebecca Arnold says the project’s contractors stopped working at the quarry six months ago and never used explosives. "That’s pure speculation at this stage. At this stage the cause of the landslide is unclear. The government is undertaking an investigation and I understand has commenced that assessment. We continue to provide support to the government in any way, shape or form that they require." Rebecca Arnold says some of the project’s construction work remains temporarily suspended due to the landslide.

Landowners: sort out ‘LNG’ land matters

Post-Courier 2.2.2012

THE landowners of Portion 152 and surrounding areas are proposing the development of the Meta-go LNG Township on Metago lands. Landowner Chief Doriga Berasi says consistent with the irrevocable verification by the land court they are now fully prepared to offer their land for long term meaningful and tangible developments to commence without delay. Mr Berasi said practically the opportunities associated with the development of the township would be many - the long term employment and business opportunities were tremendous which would also sustain the communities well after the life of the project. He further reiterated the LNG Project had consumed 30 per cent of the land areas therefore on offer was the remaining 70 per cent for the development of the township.

“We need financial support from the Government through its LNG Landowner development grants to carry out the necessary early works including survey, land titles preparation, subdivision and town development planning. “We want the land to be leased out on genuine lease terms and conditions for; residential, commercial, amenities and general purpose requirements,” Mr Berasi said. He said for the landowners to successfully develop their business endeavours, they had engaged the services of a professional and high profile land consultant with many years experience in the real estate, property development and management in PNG. “This is a new era for landowners and we want to foster a strong, transparent and respectable tripartite relationship between all the project

stakeholders,” Mr Berasi said. Mr Berasi is a landowner recently recognised by the Central Province Land Mediators as the ultimate hereditary to the LNG facilities site known as Portion 152 and is now calling on the Government to immediately correct the damages done to landowners on July 5, 2011.

In his call to the Government and its agencies including Department of Petroleum and Energy, Department of Prime Minister and NEC, Department of Trade and Industry and Commerce and Lands to immediately correct the mistakes now affecting the landowners due to the development of the LNG Project. He said the failed social mapping, land investigation reports and genealogical surveys were done in haste and were not even worth the papers they were written on. Mr Berasi also demanded to know what historical documents were used by the Government as evidence to rely on and negotiate the various land use agreements and wants the Government to immediately rectify the situation so that his people can also meaningfully participate.

Letter to the editor

Deep sea tailings system unsafe

Post-Courier 2.2.2012

PLEASE allow me to express my views on Sir Arnold Amet’s claim that the proposed Deep Sea Tailings System to be employed by Ramu Nico is safe (Post-Courier 24/01/2012). To start off, let me commend Sir Arnold for his bold and brave move to claim Deep Sea Tailings is safe and that “as a top lawyer, he would take any responsibility should anything go wrong.” While I do not know what scientific materials he read on the matter to make such assumptions, I know for a fact there are only two environmental impact reports that talk about the impacts of Deep Sea Tailings in the Basamuk area of PNG. These are the Lutheran Report and the Scottish Association of Marine Science (SAMS) reports. My analysis of these reports show that the Lutheran report is the most comprehensive report on the matter and does not in any way show that Deep Sea Tailings is safe. The SAMS report on the other-hand is a 295-page collection of case studies of similar practices in other parts of the world and shows very clearly the irreversible damages this practice can cause. Both reports in no way at all provide any basis to assume Deep Sea Tailings is safe. Tailings in this practice would be released between 150 meters and 200 meters deep, depths that are claimed to be safe levels simply because this is the limit of the Eutrophic zone, part of the water column where light penetrates. Fish stocks are not found at these depths but this does not mean they will not be affected.

Fish like tuna, mackerel and marlin to name a few are all part of a food web that rely on plankton, copepods and other marine invertebrates and micro-organisms that sink to the bottom during the day and rise to the surface at night. If pollutants are introduced to their habitat, don’t you think that will have an effect on the food web? Furthermore, if research in recent years has shown and continues to show marine life forms at the bottom of the Bismark sea to depths exceeding one thousand, six hundred meters (1600 metres), how can it be claimed that depths of 150 metres-200 metres where tailings would be pumped are at levels where there are no fish or marine life? Finally, the tailings to be pumped out should be of such density that they avoid upwelling. This means the sea-floor gradient should be at an angle where tailings will flow all the way to the abysal plains. The proposed Deep Sea Tailings plan show the pipe outlet draining to an underwater canyon that is only 800 metres deep. If one hundred (100) million tonnes of waste is dumped into this canyon, obviously it will make the canyon shallow. The shallower the canyon gets, the greater the high tide-low tide fluctuations in the area will get, leading to the same effects of a tidal wave in which tailings would surface and be carried back to land. I am not an expert, nor was I involved in any way at all in debating this issue, but I have done my research and I know it is wrong to assume Deep Sea Tailings to be safe. John Duma Kay’e, Chuave

Ramu NiCo: Agreements are legally binding

Post-Courier 2.2.2012

RAMU NiCo Management Limited (MCC) says any existing structure and legally binding business relationship established under a memorandum of agreement (MoA) should be honored and proper process be followed in pursuing such initiative. The nickel/cobalt project developer pointed this out in yesterday response to a media article last week that certain landowner clans at Basamuk in Rai Coast, Madang wished to have a separate contract arrangement to undertake the security business at the project. MCC's position is supported by Raibus Limited, the landowner umbrella company across the project region, and its subsidiary Raibus Security Services Limited (RSSL), a specialized security company who is currently providing security services to the project.

MCC also refuted claims that it holds 51 per cent share in RSSL and in the operation and said that the landowner security business is 100 per cent owned by landowners and running independently. MCC's community affairs general manager Martin Paining, in a letter to the chairman of the Ganglau Landowner Company, said MCC, while appreciating the initiative taken by the Ganglau clan to setting up a company, is concerned that proper consultation have not taken place with MCC as the operator of the project. Mr Paining said Ganglau Clan Company has a right to part take in any business that may be available provided they are competitive and meet MCC's requirements.

FIJI MINE DISCUSSES LAND RESTORATION WITH GOVERNMENT

Exploratory work halted until 'corrective measures' taken

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 2, 2012) – Fiji's interim government is reported to be in talks today with the company wanting to mine copper and gold near Suva over how damaged land will be repaired. The Namosi Joint Venture, a partnership between the Australian mining company Newcrest and Japanese interests, has been conducting exploratory work in the Waisoi area, drawing strong opposition from Namosi and Naitisiri landowners. However in a meeting yesterday led by the interim prime minister the company agreed to halt the work until landowners' concerns had been addressed. The Fiji Village website reports that today's meeting will outline to the Namosi Joint Venture the rehabilitation work it needs to undertake. It reports the permanent secretary to the prime minister's office saying that explorations will not resume until the company implements some corrective measures. The company is reported as stating its commitment to fulfilling that work as quickly as possible and engaging directly with government and landowners on the project's future.

FIJI LANDOWNERS PLEASED WITH NAMOSI MINE TALKS

Community leaders changing minds after meeting with PM

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 1, 2012) – The chief executive of Fiji's Naitisiri Province says the owners of land that's the site of a potentially huge copper and gold mine near the capital Suva are happy with the outcome of yesterday's meeting with the interim prime minister. Commodore Frank Bainimarama recently assumed responsibility for negotiations over the Namosi Joint Venture, a partnership between the Australian mining company Newcrest and two Japanese companies. Exploratory work is being conducted at the Waisoi site, something to which Namosi and Naitisiri landowners have expressed strong opposition.

[PIR editor's note: Naitasiri provincial officials have said that [government pressure has not been the cause for community approval](#) of the proposed Namosi Joint Venture project. According to provincial authorities, the landowners' main concerns are the rehabilitation of their lands after damage caused by exploratory work.]

But the Roko Tui Natisiri, Peni Sokia, says that work will proceed as soon as the landowners are satisfied their environmental concerns have been addressed. "The landowners have raised their concerns and the government is going to work with the landowners to take these concerns to the Namosi Joint Venture and see that they are happy with the outcome before any other movement is made towards this development in the Namosi Joint Venture." Peni Sokia says Commodore Bainimarama has delegated his authority to a government team that includes the landowners.

PNG LANDSLIDE PUTS LNG DEVELOPMENT INTO QUESTION

\$16 billion project must 'cope with the fallout' of disaster

WELLINGTON, New Zealand (Radio New Zealand International, Feb. 1, 2012) – It remains unclear how much of an impact last week's massive landslide in Southern Highlands in Papua New Guinea will have on the country's largest resource extraction project. Although it crosses several of PNG's provinces, Exxon Mobil's 16-billion U.S. dollar Liquefied Natural Gas project is centered on the Hides gas fields in the area affected by the landslide. Exxon has said the landslide, in which at least 25 people are confirmed to have been buried, won't impact the schedule of the project. But in Hela region where the landslide occurred, blame is already being directed to the project with claims that a nearby quarry used for the project involved explosives which unsettled the earth.

[PIR editor's note: PNG's government has considered announcing a State of Emergency for the Hela region while releasing approximately US\$14 million to support relief efforts in disaster-affected areas, including the Southern Highlands, Morobe, the Northern Province, and for rebuilding the Angabanga bridge in Central Province. Exxon Mobil, government officials noted, has also offered to build and fund the construction of 21 bridges in the Highlands area.]

Johnny Blades reports:

The LNG project is the biggest commercial activity ever in the country and has drawn unprecedented foreign interest in the remote Hela region of Southern Highlands. Naturally mistrustful of outsiders, many Hela people blame the LNG project for social and environmental problems. John Tamita, a worker with the regional NGO Hela Community Care, says Exxon and its partners have ignored the problems in their rush to build the big gas pipeline. "That's why more disasters and natural disasters are created. More people are affected, more deaths will rise in the near future and then the government and the company will be blamed for it." A landowner from the LNG site, Eric Huai, says the landslide left a mound of mud and rocks that stretches for over a kilometer and is around five hundred meters wide at some points.

It's cut off the main road connecting Komo and Nogoli. "To the main activities in the LNG project, it's been cut off. It's going to be delayed, definitely. It's really a big concern for Exxon Mobil and the project." Christine Yango is a liaison officer with LNG project partner Oil Search, PNG's prime oil and gas producer with a 29 percent share. She doesn't believe the project will be derailed by this disaster but admits it's created a logistical challenge. "Yeah, I think people are waiting. But we can't deny the fact that the road system is cut off because of the landslide. It affects major infrastructure areas: the Hides gas conditioning plant and the Komo airfield; the road that brings all the supplies and things. I think at the moment that for food rations and things like that, they're using air transport, helicopters, but they haven't cleared up the area to allow vehicles to pass through yet." However Christine Yango denies that the project is to blame for the landslide, saying it was a natural phenomenon which has nothing to do with nearby LNG activity. John Tamita says that the LNG Project will have to cope with the fallout from the destruction because many people's lives have been ruined.

[PIR editor's note: Simon Bole, leader of the Peoples Action Party in PNG, has called for an independent investigation into the Tumbi landslide. Bole criticized Esso Highlands' actions as "a conflict of interest" for flying government officials to the Southern Highlands to assess the situation. Bole also said that people affected by the landslide "must be resettled away from the LNG project construction areas because of the dangers involved in such [a] massive project."]

"And the police are making awareness and giving them (Tumbi locals) the word to move out of the place. But finding a house will be a problem because they are native landowners and they've been living there for generations to generations. And if they go, they'll have to go to another land which is occupied by another person which will be difficult to move into." He says Exxon Mobil is expected by local tribes to compensate families of victims and help resettle those displaced by the landslide.

Bulolo gets K11 m grants

Post-Courier 1.2.2012

By HAIVETA KIVIA

BULOLO District is now benefitting from the K11 million Special Support Grant (SSG) given by the Hidden Valley Mine developer Hidden Valley Joint Venture (HVJV). One of the biggest beneficiaries will be the Bulolo District Rural Hospital which has been given K3 million by the Provincial Project Management Unit of the Morobe Provincial Administration. A further 2 million each have given to the sealing of roads in the Wau and Bulolo townships and K1.5 million given to fix and upgrading of main feeders roads in the Watut and Biangai areas. Morobe Administration's Deputy Provincial Administrator — District Services and Acting Chairman of the Provincial Project Management Unit — Patilias Gamato also said that Law and Order is one of the biggest issues in Bulolo District and they have K1.4 million to build Police Barracks for single officers at Wau and Bulolo at K700 000 each. Mr Gamato is acting in the chairman in the absence of Provincial Administrator Kemasang Tomala, who is on leave.

He also explained that the authority on the SSG is given by the National Government to the Morobe Administration to administer and disburse, on the recommendation of the PPMU. Mr Gamato said the PPMU is made of one representative each from the Morobe Administration, Mineral Resources Authority (MRA) and Department of National Planning and Monitoring, the developer Hidden Valley Joint Venture and the resource owners through their Nakuwi Landowners Association Chairman, Rex Mauri. The PPMU met this Monday and disbursed the funds for the projects mentioned in the mine affected areas in Wau and Bulolo. The Acting Chairman wanted to clear the air on any misguided ideas and comments that have being passed in and around the province that the funds were abused. LLG presidents from Bulolo were not impressed that they were not on the committee to deliberate on how the funds are supposed to be used. They countered that they and their district public servants should be on the committee.

But, Mr Gamato explained that the SSG policy guideline does not allow for that and it couldn't be accommodated. He said Presidents in the affected areas like Wau Rural, Wau-Bulolo Urban and Watut Local Level Government areas can draw up project proposals and either give them to the Morobe Administration or the Nakuwi chairman to be forwarded for consideration. "That is the only way for them and any landowner, who seeks funding of their projects from this grant," he explained. He said the talk about them misusing the funds is utter rubbish and should be stopped. Mr Gamato said K3 million now given to Bulolo Hospital for renovations and upgrading of the facilities is to better service the people of Bulolo district. He said the upgrading of the hospital will serve all of the Bulolo District including Menyama District. He said the sealing of the roads in Bulolo and Wau and the building of the police barracks' is to bring back investor confidence in both townships because of the many mining and exploration activities taking place in the district. "The

fund is for impact projects and projects that will benefit the wider communities and not just an individual or one group of people,” he concluded.

Oil Search gives K19m levy to State

Post-Courier 1.2.2012

By *PATRICK TALU*

WHILE most of the benefits from the PNG LNG project in terms of equity, royalty and development levies are yet to materialise, benefits from existing oil projects continue to flow into the government coffers. This was evident in a K19.878 million development levies for the 2011 year ending paid to the State by oil and gas developer Oil Search Ltd (OSL) from its South East Manadana and Moran projects in Southern Highlands. OSL general manager for external affairs Willie Kupo, while presenting the cheque to representatives of the Department of Petroleum and Energy (DPE), said OSL continues to achieve strong results from its oil fields as yesterday’s payment of more than K19 million in development levies to the State indicates. Mr Kupo said significant benefits have been paid by the petroleum sector since production started in 1991 and benefits continue to flow from OSL-operated oil fields despite a challenging operational environment, posed by declining oil fields and escalating costs.

“Development levies and royalty payments are additional to other cash benefit streams including business development and taxes that are paid to the landowners and the State,” Mr Kupo said. “The State was today presented a total of K19, 878, 290.63 in development levies for 2011. A total of K58, 503, 954.46 has also been paid to the State as royalties in 2011. “Over the years, a total of K174, 968, 942.27 in development levies and K504, 442, 458.62 in royalties have been paid to PNG stakeholders by OSL.” Mr Kupo said the State as per the Oil and Gas Act and relevant benefits sharing agreements, will further distribute the development levies to appropriate stakeholders and in this case the Southern Highlands Provincial Government. He said landowners and the State are equity participants of the oil projects and their share of benefits are managed by Mineral Resources Development Company and Eda Oil Ltd respectively. “Our optimisation initiatives in various safeties, technical and commercial areas continue to pay good dividends,” he said.

“These benefits are delivered by a very strong and dedicated workforce of highly skilled citizen and expat employees. “OSL recognises project area communities as key partners particularly in social and community development activities. “We are very much committed to various sustainability efforts in the area of health and community outreach. “Our tax credit program in partnership with the State continues to deliver much needed infrastructure including health, education and training, employment, business development, roads and bridges to the project area communities.” The onus now is on the Southern Highlands Provincial Government to make project submissions in order to access these funds from the National Planning which are tied to projects as per their agreement. Desmond Goru, the pipeline co-ordinator who along with chief petroleum inspector Jimmy Haumu from DPE who received the cheque on behalf of the State, said the funds are tied to projects and will be parked in the Finance Department Trust account to be drawn down by the provincial government.

NO COMMENTS ALLOWED AFTER FIJI MINE TALKS

Namosi landowner says he’s barred from discussing talks with PM

WELLINGTON, New Zealand (Radio New Zealand International, Jan. 31, 2012) – The head of a group of landowners opposed to a potentially huge copper and gold mine in Waisoi near Fiji’s capital Suva has told Radio New Zealand International he’s not allowed to comment on yesterday’s talks with the interim prime minister. Commodore Frank Bainimarama recently assumed responsibility for negotiations over the Namosi Joint Venture, a partnership between the Australian mining

company Newcrest and two Japanese companies. The Namosi Tikina Landowners Committee's spokesperson, Sipiriano Nariva, earlier welcomed the regime leader's involvement, describing him as a man of the people who would listen when told to make the mining company go away. The Fiji Sun newspaper reports the landowners as saying they are happy with the result of yesterday's meeting. Mr. Nariva told the newspaper land damaged in exploratory work is to be repaired, an Environmental Impact Assessment put on hold and new talks held. Mr. Nariva also told the paper that once rehabilitation of the area is complete the landowners will be consulted on whether they want mining to proceed.

Marengo soon to finish study on Yandera plan

The National, 31st January 2012

MARENGO Mining Ltd said yesterday it expected to complete its bankable feasibility study on the proposed US\$1.8 billion Yandera copper-molybdenum project by the middle of this year. In its December quarterly report released yesterday, Marengo said a new resource estimate will be published during the current quarter with advanced metallurgical test work now underway in China and Australia. Fourteen bulk samples had been sent to China for flotation testing to assess the potential for recovery of copper concentrates. A 45-tonne sample from the Gremi zone was also ready for processing in Perth. Recent infill drilling results at four orebodies located at Yandera, which was not far from the Ramu nickel-cobalt mine, had come up with very wide intersections of relatively high grade assays. Among them, Gremi had 732m averaging 0.53% copper equivalent; Imbruminda 166m averaging 0.88% copper equivalent; Dimbi 318m at 0.54% copper equivalent and Omora 146m at 0.48% copper equivalent.

Marengo, which had a cash balance of A\$34.6 million at the end of the quarter, intended to continue with its regional exploration programme during the current year. The quarterly report said Marengo's board of management and its senior management visited Papua New Guinea during the quarter and were pleased at the level of community support for the project. The company hoped to build and commission the mine, one of the largest undeveloped copper-molybdenum deposits in the Asia-Pacific, by 2015. The deposit, 95km south west of Madang, was expected to host an initial 25 million tonnes a year mining operation with a potential to double production at a later stage for a 20-year mine life.

FIJI PM CONTINUES MINING TALK WITH NAMOSI LANDOWNERS

Follow-up meeting to discuss environmental, petition concerns

By Mereani Gonedua

SUVA, Fiji (Fijilive, Jan. 30, 2012) – Prime Minister Voreqe Bainimarama will be meeting with the Namosi landowners and the Namosi joint venture mining company to discuss issues about the Namosi mine tomorrow. This was confirmed to FijiLive by Permanent Secretary to the Prime Minister's Office Colonel Pio Tikoduadua. Col Tikoduadua said the meeting will be about issues that arouse from their first meeting last Friday between the Commodore Bainimarama and the landowners. He said these issues include the landowners concerns and the environmental assessments. Meanwhile, Namosi landowner's committee spokesman Iowane Duwari said tomorrow they will be handing a petition to the Commodore Bainimarama regarding mining activities in Namosi.

[PIR editor's note: The project meeting participants include Australian and Japanese investors, and the upcoming meeting is hoped to "address any and all outstanding issues and misinformation," particularly after petitioning by Namosi and Naitasiri communities.]

SOPAC has no mandate from Pacific island people to push experimental seabed mining

PNG Mine Watch 30.1.2012

By Effrey Dademo, ACT NOW!

SOPAC, a division of the Pacific Islands Forum Secretariat (SPC), is pushing ahead with a European Union funded project to promote experimental deep-sea mining in the Pacific region without first consulting with communities about whether this form of mining is environmentally, socially or economically appropriate. There is currently no scientific consensus on the consequences of mining seabed hydrothermal vents and a lot of international concern about its implications. There is also no evidence to suggest mining by large foreign corporations really delivers a better quality of life for local people in the Pacific. Yet SOPAC, in alliance with the mining industry and EU, is pushing ahead with developing laws and a regulatory framework for this risky and unproven new industry. The evidence from Papua New Guinea is that large-scale mining does not deliver a better quality of life for local people and causes a multitude of social and environmental problems. PNG has many mining operations but the Gross National Product per capita is much lower than Pacific countries that are not being exploited by mining companies.

According to the World Bank, GNP per capita in PNG is \$1,300 while in Micronesia, Vanuatu and Samoa GNP is more than twice as high, at \$2,700, \$2,760 and \$2,930 respectively. In Fiji and Tonga GNP is almost three times greater than PNG and in Palau GNP is five-times higher than in PNG. Mining might increase government revenues but most of the money is taken away by the foreign mining companies and their highly paid expatriate staff. In contrast incomes from local food production and farming are wholly retained in the communities where the businesses are located and these types of enterprise provide a truly sustainable future. SOPAC says there is misunderstanding and misinformation about its Deep Sea Minerals Project but the truth is it is being driven by the mining industry and the EU, who want to use Pacific resources to increase their own wealth. The mining industry has been working with SOPAC for many years to map the minerals in the Pacific and those relationships mean we can have no faith in the impartiality of SOPAC in providing technical advice to island countries.

Further, before we drive ahead with laws and regulations we need to decide if the Pacific wants to again be the guinea pig for untried and untested technology just as it was for nuclear testing. Why don't we let Canada, the US or the EU do their testing in their own waters rather than ours? Perhaps they are afraid of more environmental disasters like the 2010 seabed oil drilling debacle in the Gulf of Mexico. SOPAC is clearly wrong to say that laws and regulatory frameworks will ensure sustainable resource management and tangible benefits to the Pacific. Again we need to look no further than PNG which has outstanding protections in its Constitution and Environmental laws but has suffered some of the worlds worst mining disasters and a prolonged civil war caused by some the world's largest mining companies. Despite the denials from SOPAC we stand by our statement that the Deep Sea Minerals Project of the SPC (SOPAC) disenfranchises indigenous people and promotes the interest of big mining companies at the expense of local communities.

SOPAC is spending more time talking with Nautilus Minerals in private meetings and exclusive international workshops than it is having a conversation with the Pacific communities that will suffer the potential impacts of the mining. Nautilus is the Canadian company spearheading much of the seabed exploration in the Pacific and plans to start production at the world's first undersea mine in PNG in 2013. The SOPAC has stated the overall objective of the project is to develop an experimental seabed mining industry in the Pacific but fails to explain how an extractive industry can be "sustainable" nor how it will be different from other mining operations that have failed to improve the livelihood of local communities. While SOPAC may be correct to say that experimental seabed

mining could "expand the economic resource base of Pacific countries" this should not be confused with genuine development and improved livelihoods for Pacific people.

We should also not be fooled by fancy statements about "strengthening the system of governance and the capacity of Pacific States" to manage experimental seabed mining. Nothing SOPAC or the SPC can do is going to change the power imbalance between global mining corporations and Pacific Island governments and bureaucrats that make fine sounding laws and policy frameworks meaningless when it comes down to the actual management of individual mine sites. Laws and policies did not protect the people of Ok Tedi or Bougainville and they will not protect the people impacted by experimental seabed mining. Rather than continually dancing to the tune of global corporations, captured governments and their failed economic system of unregulated capitalism, SPC and SOPAC should be looking to support and nurture our own Pacific ways of doing business and caring for our families and the environment.

Marine bill vital for economy

Post-Courier 27.1.2012

By *KONOPA KANA*

THE shipping industry is poised to increase as a result of the LNG project, which has also increased the risk of maritime pollution. This was revealed in the Melane-sian sub-regional workshop on oil pollution compensation and liability which revealed five new maritime pollution bills and regulations which are designed to bring PNG in line with international standards as contained in various convention for the International Maritime Organisation (IMO). The five new bills and regulations are marine pollution (MP) on (ships and installations), MP on sea dumping, MP on preparedness and response, MP on liability and cost recovery, and MP on ballast water control which will ensure protection against maritime pollution.

Army mutiny: Private sector concerned

Post-Courier 27.1.2012

By *KONOPA KANA*

THE PRIVATE sector including huge foreign investments in the country is at stake and most likely to be hard hit if the yesterday's army mutiny in Murray Barracks is prolonged. However as of 8pm last night the "mutiny" situation was stabilised. Concerns were also expressed that the current political impasse and the consequent army mutiny will create an uncondusive business environment and instill fear in the investors. This concern was expressed by the head of Lae Chamber of Commerce Mr Allan MacLay in a telephone conversation with Post-Courier yesterday evening. Mr Maclay said that as a result all Air Nuiginis flights cancellation from Lae to Port Moresby had affected the day old chickena from Zenag farm which cannot stay over night in Nazab airport because they will be weak and are prone to die. He said that the leaders should realise that a lot of business will be at stake because of their political infighting and they must immediately resolve this because if this is not stopped then it will ruin the businesses confidence in the country. "Confidence will be eroded in the business community so all the leaders have to come up with a solution to restore the situation so business can operate as normal," Mr Maclay said.

Meanwhile a high profile team of foreign investor of the Samsung C & T Corporation who should have arrived in Port Moresby from Korea to visit the Hela Province are being delayed by the current situation that has occurred. According to a letter dated 19, January 2012 stated that this delegates of the Samsung C & T Corporation will be visiting Hela Province to accomplish certain infrastructure project in the LNG site. The situation came about when a group of soldiers led by retired when Colonel Yaura Sasa and his men stormed into PNG army headquarters Murray Barracks in the early hours of yesterday morning and place the PNGDF commander Francis Agwi and two highly decor-

ated officers under house arrest. According to reports Colonel Sasa is supported by 1 Royal Pacific Island Regiment (1RPIR) from Taurama Barracks, Goldie Barracks, Naval base, Air Transport Squadron and a few from Murray Barracks and they comprised of about 500 estimated men.

Ramu: Landowners want firm removed

Post-Courier 27.1.2012

By *QUINTON ALOMP*

A SEVEN day ultimatum to remove Raibus Security Services Limited at the Ramu Nickel project refinery at Basamuk will be given to the management of MCC today by Ganglau Landowners Association to have them withdraw their services from the refinery site at Basamuk. This was revealed by Chairman of Ganglau Landowners Association Sande Suang during the launching of Basila Joint Venture Security Service (BJVSS) at Ganglau village last weekend. Mr Sande said failure to comply with the ultimatum will result in a court injunction being dished out to them to not only do so but also to stop project commissioning. Mr Suang among other claims said they wanted RSS out as 51 percent of its shares was owned by MCC, the developer of the Ramu Nickel project. He said these was totally wrong as all spin off businesses should rightfully be taken up by landowners as stated by in the Memorandum of Agreement (MOA). He claimed the remaining 49 percent was owned by various stakeholders and individuals and not the four landowner companies in the project impacted areas. He said under the Mining Act, it was illegal for a mining company to do business or involve in any spin offs belongs to the landowners.

“If Raibus Security was a landowner company, then, I am the one supposed to hold the business license certificate but this is not the case,” he said. He claimed that there were certain individuals within the management of MCC who had been involved in the incorporation of Raibus Security under the shadow of landowner companies but added that he did not think the top management of MCC was aware of this “foul play” involving its officers. “MCC is here to abstract and export minerals and not to get involved in businesses belonging to the landowners. The 51 per cent of ownership by MCC in the Raibus Limited is against the MOA and is illegal for a developer to involve in spin off businesses for landowners. Mr Suang claimed that millions of kina belonging to the landowners as seed capital funds ere access through the “back door” to start Raibus Security Service.

Developer failed to resettle Hides landowners, says bishop

The National, 27th January 2012

By *ELIAS LARI*

A CHURCH leader has accused developer Exxon Mobil and the government for failing to resettle landowners resulting in the loss of lives at the project site. Rev Wai Tega is the chairman of the Hela council of churches and Bishop of the United Church in Hela. He said the landslide which buried scores of people on Tuesday morning was man-made disaster - not a natural disaster as many had claimed. He said Hela had a relationship with nature and ExxonMobil, the developer of the multi-billion kina PNG LNG gas project, had totally destroyed the environment which was not right in the eyes of the landowners. The developer and the state should be held responsible for the deaths because many issues regarding the project had not been solved. If the landowners had been relocated, lives and properties would not have been lost. Tega said the Lai Tepo-Hides gas was a spiritual fire foretold by their prophets but the government and ExxonMobil did not show any respect for the customary faith the people had. He forecast it was a first warning of what would come later. The churches are calling on the government and Exxon Mobil to treat people with respect.

LNG project on track

Post-Courier 27.1.2012

By *PATRICK TALU*

PNG LNG Project operator Esso Highlands Ltd (EHL) said the project is working to get full construction activities back to normal in order to meet the deadline scheduled for 2014 and the subsequent export of first LNG offshore. EHL spokeswoman Rebecca Arnold said the one-day stoppage is not expected to impact the schedule of the project located about 7 km from the landslide area near Tumbi quarry that has reportedly buried over 60 people and more than 42 houses. EHL, subsidiary of the US oil giant ExxonMobil, has been adamant that it will meet the construction deadline despite various hiccups and interruptions from natural causes and human induced activities, especially landowners over outstanding issues relating to the project. ExxonMobil leads a consortium building the LNG project, the country's biggest-ever resource undertaking due to come on stream in 2014. The project is expected to produce 6.6 million tonnes on LNG per annum and could see Papua New Guinea's Gross Domestic Product increase 20 per cent.

"The project temporarily suspended work in the Hides and Komo area, but has since resumed some operations. The project is currently working to get full construction activities back to normal," Ms Arnold said. She said in order for the construction to be on target, the project operator continues to be in communication with the Government, including the National Disaster and Emergency Relief Office. "We have offered our support to the Government and the local community," she said. "Specifically, we are supporting government representatives to be transported to the area to assess the extent of the landslide. "Providing support for the haus krai with rations, tarpaulins, generators, fuel and lights. "Have offered immediate deployment of equipment to the community to assist with recovery efforts and ready to assist the government to reopen the road so that the community can regain access. "Our hearts go out to the people who have been affected by this tragedy. "Exxon has offered to support landslide recovery efforts, including helping to reopen the road to the area," Ms Arnold said.

Exxon Mobil restarts Papua LNG project after deadly landslide

Thu, Jan 26 2012

* Exxon resumes work at LNG site after one-day stoppage

* At least four people killed from landslide

PERTH, Jan 25 (Reuters) - U.S. oil giant Exxon Mobil resumed work on Wednesday at its \$15.7 billion liquefied natural gas (LNG) project in Papua New Guinea, a spokeswoman said, a day after a landslide swept through two nearby villages killing at least four people. Exxon Mobil spokeswoman Rebecca Arnold said the one-day stoppage is not expected to impact the schedule of the project located about 7 kms (4.3 miles) from the landslide area. Exxon Mobil leads a consortium building the LNG project, the country's biggest-ever resource undertaking due to come on stream in 2014. The project is expected to produce 6.6 million tonnes on LNG per annum and could see GDP increase 20 percent.

Four bodies were recovered from the site of a landslide that swept through a 1.5-kms trail of mountain settlements in central Papua New Guinea, and the death toll is expected to mount, government officials told Australian media Wednesday. "We have recovered four bodies," PNG's National Disaster centre director Martin Mosi told the Australian Associated Press. "We are expecting more. I am unwilling to put a number on that until I get confirmation from my team," Mosi said. Authorities has previously put the death toll as high as 60. Exxon has offered to support landslide recovery efforts, including helping to reopen the road to the area, Arnold said. Papua New Guinea shares the island of New Guinea with Indonesia, and is Australia's nearest neighbour, directly north. The majority of its people live subsistence lives despite abundant mineral wealth.

PNG landowners in Fiji to share experiences

Post-Courier 26.1.2012

By *PATRICK TALU*

A GROUP of unidentified Papua New Guinean landowners from an unnamed mining area in PNG are in Fiji to share their mine related impacts with villagers of a mining area in Fiji. The Fiji Sun yesterday reported “a resource landowning unit from Papua New Guinea on Monday went up to meet villagers in Namosi to share their experiences on mining back home. The Tikina Namosi Landowners Committee spokesperson Sipiriano Nariva confirmed this yesterday to the Fiji Sun. Mr Nariva said the purpose of this visit from PNG landowners was to share with the Namosi people the impact mining had had on their community. The Post-Courier understood that the landowners were believed to be from any of the mines operated by Newcrest Mining Limited. “They told us they understood our position and were supporting us as they were not so fortunate.

“They have started feeling the impact mining has had on them, something which they had not thought of when they agreed to give permission for mining,” Mr Nariva was quoted on the Fiji Sun. The newspaper said exploration works by the Australian mining company, Newcrest Mining which leads to the Namosi Joint Venture in partnership with Japanese interests, has been stopped by the landowners. It was reported that the landowners fear being misinformed of the possible impacts of mining in the province by the Namosi Joint Venture. Mr Nariva told the Fiji Sun that effects on the environment were already being felt even though it was only exploration which was being carried out. He said the loopholes they witnessed so far with the mining company, is making them less attracted to the mining in their province. “It is not attracting us any more to go for the project; in fact we want to turn our backs to the project altogether,” the newspaper quoted.

Hidden Valley: Zibe urged to fulfill promises

Post-Courier 26.1.2012

THE people of Lower Watut, Labu and Huon Gulf areas are still waiting for a German scientific report their MP Sasa Zibe promised he would commission into the effects of the Hidden Valley gold mine on their lives. Mr Zibe who is the Member for Huon Gulf electorate told a mining workshop at the Lae International Hotel in July last year that he would be bringing in scientists from Germany through the German Lutheran Church to conduct an independent study on the effects of the Hidden Valley gold mine on the Huon Gulf waters. Mr Zibe was the former Minister for Health and HIV/AIDS in the Somare Government. To date, nothing has been heard of the scientists or whether they have carried out the studies Mr Zibe said they would do. Yesterday Councillor Douglas Gedisa from Ward 5 of the Wampar Local Level Government called on Mr Zibe not to mislead his people about the effects of the mine on their lives.

“Sasa Zibe made a huge public commitment to help us with the scientific study and we are still waiting for him to come forward with the scientific report,” Councillor Gedisa said. The Watut, Bulolo and other rivers in the Bulolo/Wau areas flow into the Markham River which empties into the vast Huon Gulf waters where Mr Zibe’s voters live. The Watut River passes the Lower Watut area where the Huon Gulf electorate borders the Bulolo Open electorate on the south-western side of the Markham River. From there, it empties into the Markham and down to the Huon Gulf waters. The Watut people have experienced elevated sedimentation of the river as well as dieback. Peter Namus who is the Wampar Local level Government president comes from the Lower Watut area and expressed concern about this at last year’s Hidden Valley Mine Inter-agency Environment Advisory Committee Stakeholder Engagement workshop in Lae. Mr Namus called for an independent study on the effects of the Hidden Valley mine on the Wampar LLG people who include the Labu people who live at the mouth of the Markham River on the south west side of Lae City.

Mr Namus wanted the investigation to include the Labu people whose traditional fishing grounds will be severely affected if there is confirmed scientific evidence of chemicals in the Markham River and the waters of the Huon Gulf. The presence of dangerous chemicals could have a serious effects on the livelihood of the Labu people as well as other communities further down the Huon coast whose fishing grounds would be destroyed as a result. After listening to the results of studies conducted into the effects of the mine on his people, Mr Zibe said then that he was not entirely satisfied and announced he was inviting independent German scientists to conduct another study for the benefit of the Huon Gulf people. He said he had identified the experts and would be bringing them into PNG through the German Lutheran Church. "Therefore, I called on him on behalf of the 27 wards in Wampar to produce the report and not take us for a ride. We don't want empty promises...we are still waiting for Mr Zibe," Mr Gedisa said.

Lihir output down 20%

Post-Courier 26.1.2012

THE operator of Lihir Gold Mine and the world's third largest gold producer Newcrest Mining Ltd (Newcrest) has reported that its gold production fell 20 per cent. The Australia's largest mining giant in statement on Tuesday attributed the fall of gold production in line with its recent forecast, dented by heavy rains in PNG and lower ore grades in the second quarter of its 2011 fiscal year. It also attributed that a groundfall at an open-pit mine in Australia has also compounded the fall. The report indicated that gold output fell to 579,073 ounces in the December quarter of 2011 from 722,783 ounces a year earlier. Newcrest said it expected December quarter production to be between 575,000 and 585,000 ounces. The miner did not indicate as to how much the 20% fall of gold output translates to monetary value. An email to Newcrests Melb-ourne head office and Port Moresby office for comments and deliberation on the fall were unsuccessful.

The Melbourne-based company, Australia's top gold producer by output and the world's third-largest by market value, last month trimmed its production forecast for the year through June. Newcrest reiterated that full-year output was likely to be between 2.43 million and 2.55 million ounces, and said it was sticking with its original guidance on copper output, capital expenditure and operating costs. Separately, the company said it expected to list on the Toronto Stock Exchange by March, and that it had lodged an application for a secondary listing with the TSX in December. Newcrest completed the sale of two mining assets in Australia in early November. The yield from the company's flagship Lihir Island mine in the New Ireland Province would fall 100,000 ounces under budget in part because of heavy rains at the mine site, the company said. "It is unlikely this production will be recovered during the remainder of this financial year," Newcrest said in a statement in December 2011 while announcing the cut in its gold ore production. Production at its Telfer mine -- one of the biggest in Australia -- would fall short by about 50,000 tonnes because the ore contained less gold than originally believed,"

Building boom 'huge'

Post-Courier 25.1.2012

By *PORENI UMAU*

The building boom in Port Moresby has been described as huge and it is difficult to determine how much is being spent on the industry. Chief executive officer of the Port Moresby Chamber of Commerce and Industry (POMCCI) David Conn, when asked to comment on the building boom in the nation's capital, said "it was hard to say how much money is being spent on high rising buildings including offices, apartments and hotels". He said the building boom in the nation's capital is "huge". Mr Conn said such high rising metal and brick structures are not only being driven by the Liquefied Natural Gas Project, as many people tend to think. He said the boom has come about because the country's economy was driven higher in the last five to six years before the LNG project

got off the ground. He said another factor encouraging the boom was that interest rates have fallen during this period, attracting people and businesses to invest in property markets.

Mr Conn said many people have invested in the property market and this is evident with the building boom. He said recent developments have tripled, forcing hotels to expand to satisfy increasing demands. "The PNG LNG Project is not the sole reason for the boom in buildings," he said. "The LNG project is almost at its peak and as soon as it is over, hotel developers would still sit on their hunches for a while. Also many businesses are currently going into residential building market which is one major industry currently in the city." He said landlords were determined to lock in tenants on longer term leases for about two to three years. He said in the commercial residential market, there is a slight softening as there is not much movement. But he warned that there is expected to be a rise in interest rates in the next few years and this could change and punish those who have invested in properties while shelter for low and middle class wage earners is a very big problem. He said this has contributed to the growth of settlements around Port Moresby.

Deep Sea Tailings System safe at Ramu – Amet

Post-Courier 24.1.2012

MADANG Regional MP Sir Arnold Amet says he is convinced the Deep Sea Tailing System to be used by the developers of the Ramu Nickel mine is safe. He also said that as a top lawyer he will be the first to take responsibility should anything go wrong. These remarks come as the Chinese Developer Ramu NiCo (MCC) Limited prepares for its project commissioning and eventual production. Speaking during his visit to Tokain, Sumkar District, Sir Arnold said from all the scientific material he had read and the independent evaluations carried out by various organisations including the Scottish Association of Marine Scientists (SAMS) he was convinced there would be no upwelling. Sir Arnold said fish stocks would not be affected as the tailings would be pumped way beyond the levels in which they are found. He said the tailings would be heavy and as such when pumped would go down to a depth of 150 to 200 metres which were considered safe levels.

"The tailings will be deposited at levels where there is no fish or marine life. Evidence shows that under normal circumstances there will not be any upwelling except in instances of where there is a tidal wave," he said. He said given all these evidence the National and Supreme Courts had also ruled in favour of the developer. However, Sir Arnold said he would continue to insist that the guidelines set in the Environment Management Plans are strictly adhered to by the developer. He also stressed that contained in the Environmental Permit and SAMS Report were control mechanisms and monitoring processes which would ensure that should something go wrong that there be an immediate shut down. He said as the top lawyer he would be the first to take any responsibility should anything go wrong.

Bougainville: PLA want BCA repealed

Post-Courier 24.1.2012

By *PORENI UMAU*

LANDOWNERS of the Bougainville Copper Mine have called on the government for the Bougainville Copper Agreement (BCA) Act 1969 to be repealed. Panguna Landowners Association (PLA) stated that if Panguna Mine is to be re-opened, this has to be negotiated under a totally new agreement. The landowner executives have consulted with their lawyers and the legal opinion is that, the landowners cannot participate in the BCA review as they were never a party to that agreement. The same goes for the Autonomous Bougainville Government (ABG). The matter has been discussed in length by the six Panguna mine Lease Executives with the President and his Bougainville Executive Council Ministers over the past year. They said that if Bougainville Copper Limited (BCL) and the National Government want to talk about re-opening the Panguna mine with them, then the whole

BCA Act must be repealed. However, both the government and BCL must first agree to re-open the mine, they said. They have called on the Bougainvillean MPs to bring to the attention of parliament through the Prime Minister and the Mining Minister that BCL and the National Government must first agree to repeal the BCA Act if they want ABG and the Panguna Landowners to come to a negotiation table to discuss the re-opening of the mine.

Xstrata takes up option - expands Frieda River

By: Esmarie Swanepoel, Mining Weekly, 23rd January 2012



PERTH (miningweekly.com) - The copper division of Swiss-listed Xstrata on Monday reported that it would exercise its \$10.8-million option over the Nena copper/gold deposit to include it in the Frieda River copper/gold project, in Papua New Guinea. Until now, the Nena deposit has remained outside of the Frieda River joint venture (JV) with ASX-listed Highlands Pacific. However, the option over the deposit dated back to a 2002 agreement between Highlands and Noranda, which had subsequently been taken over by the Xstrata group. The option was set to expire on Monday. Highlands Pacific said that by exercising the option, Xstrata Copper would hold 81.82% interest in the entire Frieda River project area, inclusive of the major copper porphyry deposits, as well as a number of other prospects within the exploration licence.

“Xstrata Copper exercising this option further demonstrates their belief in the potential of the Frieda River project. This will take their project spend to date to almost \$270-million, and with the finalisation of the feasibility study this December, the total project spend will be around \$290-million,” said Highlands Pacific MD John Gooding. He added that including the Nena deposit, the Frieda River JV had a resource inventory of almost 11.6-million tons of contained copper, 18.2-million ounces of gold and 49-million ounces of silver.

“Highland’s 18.8% share of this is 2.1-million tons of contained copper, 3.3-million ounces of gold and 8.9-million ounces of silver is a significant endowment for a junior company and we have the benefit also that much of this inventory is in the highest resource confidence levels,” said Gooding. Xstrata and Highlands Pacific last year delayed the completion of its feasibility study into the Frieda River until December this year, as the partners considered a number of potential power options. Xstrata Copper was expected to deliver the feasibility study by December 21. A previously completed prefeasibility study found that the Frieda River project had the potential to deliver an openpit mining operation averaging around 190 000 t/y of copper and 280 000 oz/y of gold, over a 20-year life-of-mine.

LNG: Government urged to release K360m

Post-Courier 23.1.2012

A Hides Gas Project landowner leader, Andy Hamaga, is calling on the National Government to immediately release the K360 million it allocated under the infrastructure Development Grants for high impact project in the PNG LNG Project affected areas. Up to K120 million was approved to be released each year since 2010 as per the Umbrella Benefits Sharing Agreement (UBSA) in Kokopo, East New Britain Province and the Licence Based Benefits Sharing Agreement in the respective licence areas of the PNG LNG Project. Hides PDL-1 and PDL-7 will receive a total of K105 million with each receiving K60 million and K45 million respectively. The rest of the money will go to other licence areas in the route of the PNG LNG Project. "The landowners have been waiting patiently for too long and out of frustration, there have been disruptions to the Project at PDL -1 (Petroleum Development Licence) and PDL-7," Mr Hamaga said.

"PDL-1 and PDL-7 will contribute 70 per cent of the gas to the LNG project and most of the activities in the PNG LNG project upstream will take place in Hides, PDL -1 and PDL-7. "Both licence areas are missing out on high impact projects and using the IDG, we will implement many projects including the water project, school relocation, upgrading Para Aid Post, build the Hides 4 Growth Centre, participate in the relocation exercise and other projects nominated in the UBBSA and LBBSA agreements respectively," he said. Meanwhile, Mr Hamaga has also applauded the decision made by operator of the PNG LNG Project ExxonMobil to supply water tanks to communities in PDL-7 to alleviate the water problems faced near the Hides Gas Conditioning Plant and the surrounding areas, in response to the landowners' demands.

ExxonMobil agreed to supply the water tanks to the local communities after their streams and river systems have been claimed to have been affected as a result of construction works underway to build the Gas Conditioning Plant at Hides. Mr Hamagawelcomed the energy giant's decision which came about following a lengthy meeting with representatives from company and landowner leaders. "ExxonMobil has agreed to supply water tanks to the villages affected by the water contamination as a temporary solution to the problems being faced by the villagers when they do not have access to clean water for drinking and cooking. "We are happy that ExxonMobil has come down to our level and met with us to discuss the issue faced by the HGCP and quarry landowners. "We look forward to similar dialogues to discuss the way forward to come up with a permanent solution to the water problem and other issues as petitioned," Mr Hamaga said.

LNG: Landowner's not happy

Post-Courier 23.1.2012

By Konopa kana

LANDOWNERS in the Kairuku Hiri LNG corridor are not happy with the way their Member is treating their LNG funds. Principal Muna'a Landowner and chairman Hennie Hickey Ikupu said that they welcome Mr Aihi response in last week's Post-Courier to clarify the LNG funds. Mr Ikupu said that the reason for him to come to the media is to show to the people of Kairuku-Hiri that the Member has failed to meet and response to the plight of the Muna'a Vaivai Incorporate Land Group (ILG), the impact and affected LNG pipeline corridor in Cape Suckling Kairuku District Central Province. A press statement by Mr Ikupu stated that Kairuku Hiri covers the largest land mass of more than 10,000 square kilometers and nearly 500 villagers only will benefit from the LNG project.

According to the press release Mr Ikupu claimed that the failure to release the LNG funds resulted in the impediments of the development in the electorate, like lack of proper electricity, communication facilities, poor water and sanitation and discrimination with the landowners and political leaders in that area. The Muna'a Vaivai have taken a bold step to challenge their rightful claims on de-

velopment benefits of the LNG pipeline on the sea and the land to compensate for the construction phase and any environmental damages in the LNG impacted areas. Mr Ikupu said Mr Aihi's response is totally uncalled. He said Mr Aihi has made a personal attack on the people who are the rightful landowners. He added that Mr Aihi's actions portrays the type of leader he is and his premature actions are evidence of the lack of development in his electorate today.

Solomon Islands crime fight on Post-Courier 20.1.2012

Solomon Islands police have set up a special task force to investigate acts of theft and violence against the property of two of the country's biggest companies. Trouble flared last week around the Gold Ridge Mine and the Guadalcanal Plains Palm Oil processing plant which are located around 20 kilometres east of the capital, Honiara. Thirty-eight police have been assigned to the task force. Police Commissioner, Walter Kola said landowners have stolen property and demanded compensation to return stolen goods and have thrown rocks at the companies' property. But he said the companies must resolve their issues with landowners. "We are trying to encourage companies if there are issues outstanding in terms of their agreement than it is a matter they should resolve," he said.

ExxonMobil: Water quality around LNG site monitored

The National, 20 January 2012

THE developer of the LNG project, ExxonMobil, said yesterday the quality of water was routinely monitored in water bodies surrounding PNG LNG project activities to detect any changes that could have a potential impact on the environment. ExxonMobil made this response after landowners blocked off the Hides conditioning plant, saying that their water for cooking, washing and drinking has been contaminated by developments there. ExxonMobil said overall the project's monitoring programme results indicated there had been no material shift in water quality around the Hides gas conditioning plant. The project had taken steps to reduce its demand on local water supplies and was also building several community water structures around the project area to provide community access to water supplies. The project has installed 23 units of 15,000-litre water tanks in the Hides area. These tanks were collecting about 275,000 litres of drinking water across Hides per month.

Central Province coastal pipeline clarified Post-Courier 20.1.2012

By *TRAVERTZ MABONE*

VILLAGERS of the Abiara Oreke in the Bereina area are concerned over the closeness of which the LNG pipelines have been laid just offshore of their area. Spokesperson Anjelo Aria of the Abiara-Oreke community that resides adjacent to the mouth of the Angabanga River raised this issue claiming that the pipelines were laid quite closer within the vicinity where the local anglers and trawlers fish. He said: "Originally the people were told that the pipeline would be laid further out to sea where there is no economic activity but from where we have witnessed the pipeline being laid, we have grown concerned that the government and its associates have not kept to their words." "Our little community has experienced a lot of unfortunate incidents in the past such as the Toluma waste dumping that polluted the Angabanga River that poisoned the fish and even people," Aria said.

He added that the closeness of the pipeline scares the villagers who remain sceptical that the pipeline and its closeness to the shore was immune to damage that could be caused by trawlers. He revealed that the local chief Lui Ikupu Aihi stated that he welcomes the development, however, the developers and the government must clarify the situation with coastal people. The LNG Project

operator Esso Highlands Limited stated that the route of the underwater pipeline for the LNG Project was determined with due regard for environmental and community sensitivities. The route is governed by an Environmental Impact Statement (EIS), which was prepared by Esso Highlands Limited and circulated widely among all relevant stakeholders prior to the government's approval in 2009.

All stakeholders, including communities, were afforded an opportunity to comment on the EIS prior to the government's approval. The pipeline is currently being constructed along the route which is set out in the EIS, and has not deviated. The pipeline route was carefully selected to minimise impact to the environment and communities, and is designed to withstand trawling activities. The Project has undertaken engagement, and does so on an ongoing basis, with communities within the Project impact area to keep communities informed of the pipe-laying activities. Notices have been issued to relevant authorities so that commercial fishing and other vessels are aware of the offshore construction activities.

Chan says Wali is disrespectful

Post-Courier 20.1.2012

MINING Minister Byron Chan has described acting Mineral Resource Authority director Kepas Wali's recent public statement against New Ireland Governor Sir Julius Chan, in the media, as outrageous and in total disrespect. Chan was responding to recent comments Wali made in a full page paid press release regarding the implementation of Public Investment Program (PIP) projects under the Lihir MOA and Simberi. Wali's statement basically stated that he had followed due process in executing the expenditure of PIP projects and that earlier outburst by Governor Sir Julius for lack of consultation and in breach of protocol is uncalled for. However, Mr Chan condemned actions of Mr Wali in failing to consult the provincial government in implementing the original Lihir MOA commitments and revised MOA commitments as well as non-payment of Special Support Grant (SSG) and Infrastructure Development Grant (IDG) to New Ireland Provincial Government.

"Basically the fact that MRA acting MD (Kepas) completely failed to administer original Lihir MOA commitments that Sir J as Prime Minister in 1995 agreed on four major infrastructure projects and revised MOA commitments of May, 2007 estimated around K400 million in the Alternative Dispute Resolution process. "MRA should admit that it has led the State into confusion and the province into conflict. This is total blunder and slap in the face of the government of New Ireland. "I believe other mining provinces are also affected by MRA's lack of attention and focus as Namatanai district, my electorate," Chan said. He said any consultation must go through the Provincial Executive Council (PEC) and this has not been adhered to by MRA boss thus, bypassing normal government protocols and procedures. The minister added that all PIP project expenditure were clearly outlined or captured in the provincial budget and it was only fair the acting managing director should work within the framework of the budget in delivering the projects.

Furthermore, while Wali claims that all is well in delivering PIP projects in the province Chan said Wali has failed to address existing MOA reviews of Lihir, Simberi and Nautilus. "The provincial government must be given the recognition and representatives of MRA must follow proper procedures and laws under the MOA. The failure has led to Lihir LLG and landowners of Simberi not receiving their royalties when I intervened as minister," he said. Chan also questioned the motive behind the huge PIP project expenditure concentrated on Namatanai electorate alone and not others as highlighted by Wali in his media statement. Chan said that the focus on delivering PIP projects should also go to other mine impacted provinces in the country such as Porgera, Tabubil, Ramu, Yandera, Bougainville, Sinivit, Wafi Golopu and Hidden Valley. "I as minister I'm ashamed that all PIP projects have been directed to my Namatanai electorate," Chan said.

Clans in mine area plan umbrella firm

The National, 20 January 2012

By PISAI GUMAR

THE mine-impacted communities surrounding the Wafi-Golpu gold mine site on the border of Bulolo and Huon Gulf districts, Morobe, convened a meeting to gauge customary landowners' views to form an umbrella company to represent them. It was hosted by Babwaf-Saab leader Bill Itamar at Wampet village, Wampar LLG, on the Bulolo Highway, and attended by clans from Gurako in Mumeng LLG and most Wampar villages including Mare, Gabensis, Yalu, Munum, Gab-songkec and Wampet. Nasuapum and Zifasing did not turn up while the Yanta and Hengabu clans advised the gathering they were unable to attend because of another scheduled meeting in Lae. Itamar said although a case was still pending in court to verify the ownership of the land, "we have decided to come together to air our views and come up with tangible plans, especially to set in place a memorandum of understanding to unite us together".

"Having differences while living apart has created a gap to allow foreign contractors to engage with the investor, Morobe Mining Joint Venture (MMJV), in contracting works for which we should have been eligible," Itamar said. He said if and when the court decided the ownership of the land, "all clans will support each other and work towards the betterment of the community". "The issue of land ownership has taken the tribes almost 30 years spanning from colonial administration to today and the decision of ownership is still pending with the national land court and the Land Titles Commission. "The differences left the clans without organising and mobilising themselves to set in place landowner companies to engage with MMJV for spin-off activities. "We are therefore trying to organise ourselves then present our credentials and documents to MMJV to allow us do what we can based on resources and equipment we can afford," Itamar said.

Ex-MP: Landowners act disgusting

The National, 20 January 2012

A FORMER Southern Highlands MP has described the behaviour of LNG project landowners as "disgusting" and called for landowners to behave while pursuing their demands for funds. Sir Matiabe Yuwi, former Tari MP said the prospect of the LNG project had made every landowner and their followers gone mad and brought disgrace to other decent Southern Highlanders. "I think the LNG gas project is a poison that is making our people gone mad as most of their thoughts are on money alone," he said. He said money is the root of evil and people must not let money control them but they control money. "Most of our once peaceful place has become a trouble zone where people dispute over landownership and vye for recognition in order to get themselves a few thousand kina," he said. He urged his people not to focus on benefiting from non-renewable resources such as gas and oil alone but look for other alternatives to sustain themselves. He said agriculture was one of the major income generating sources that had sustained most of the people in the highlands region before the discovery of oil and gas and must be maintained. Sir Matiabe urged all landowners in the area to look at other alternatives rather than focusing on the benefits of the LNG gas projects alone.

Environment bill repealed

Post-Courier 20.1.2012

By GORETHY KENNETH

ENVIRONMENT Minister Thompson Harokaq'veh yesterday introduced the Amendment Bill repealing the Environment (Amendment) Act of 2010. Mr Harokaq'veh's explanatory notes on the Bill described the purpose which was to amend the Environment Act 2000 (Principal Act) to repeal

the provisions of the Environment (Amendment) Act 2010 in respect to the issuance of certificates of compliance of conduct and for related purposes. The First Legislative Counsel Hudson Ramatlap, in his notes certified that in accordance with the National Executive Council Decision No. NG52/2011 and the drafting instructions, the Amendment Bill was now in order and ready for passage.

Mr Harokaq'veh, when presenting the Amendment Act, said that Cabinet already approved to rescind the amendments to the Environment Act 2000. These Amendments were one of the most undemocratic and potentially unconstitutional Acts of the previous Government. In his Ministerial Statement to Parliament, he said: "The rescindment of these amendments will be done in the Parliament Session. The rights of landowners and other stakeholders to request a review of Government decisions on important issues such as deep sea tailing placements must be maintained. "As the Minister for Environment and Conservation, I accept that my decisions can be reviewed through the processes under the Environment Act and through the Courts. This is a fundamental right of people in a democratic society which PNG has to maintain to protect democracy.

"My longer term objective is to have the Environment Act reviewed and amended as required to ensure it can meet its objective of ensuring development in PNG does not cause environmental harm. The Act has been in force for seven years and has been applied to many resource development projects. "One of my key objectives for review is to identify areas where environment regulation activities can be devolved to provincial and lower levels of Government. The Organic Law on Provincial and Local Level Government clearly provides a role for the Department in relation to projects which are in the National interest. "The objective of devolving activities to lower levels of Government cannot be achieved without the provinces committing resources to environment regulation. To date, none of the provinces has made a serious commitment to environment issues. This will need to change," he said.

Protected area policy proposed

Post-Courier 20.1.2012

By *TRAVERTZ MABONE*

A DISCUSSION paper on a proposed Protected Area Policy for Papua New Guinea was launched on Wednesday by the Minister for Environment and Conservation Thompson Harokaq'veh. With PNG hosting an array of biodiversity the minister is taking a bold and timely step with the department of Environment and Conservation to ensure that the country's flora and fauna are well protected and conserved for the future. Mr Harokaq'veh revealed that to date the country doesn't have a policy on protected areas in the country. "At the moment there is no policy and here we have corporations mining, exploring and drilling holes all around the country without the courtesy of having respect of the country's biodiversity," he said. The discussion paper will aim to stimulate debate with the government, industry, conservation stakeholders and civil society on how we move forward to establishing the National Protected Area System. "The feedback from the stakeholders will be used in drafting the policy which i want cabinet to endorse before the 2012 elections," Mr Harokaq'veh said.

SPC brings in PR consultant to defend mining project

PNG Mine Watch 19.1.2012

The Secretariat of the Pacific Community (SPC), badly stung by civil society criticism of its experimental deep sea mining project, has brought in an expensive Public Relations consultant to try and massage its image rather than try and address the problems in its initiative. The Deep Sea Minerals Project of the SPC disenfranchises indigenous people and promotes the interests of big mining

companies at the expense of local communities, according to its critics. The project is being funded by the European Union and implemented by the Applied Geoscience and Technology Division (SOPAC) of the SPC. It is alleged the SOPAC boss has a close relationship with Nautilus Minerals the Canadian mining company leading the development of experimental seabed mining. We can now expect to see a series of 'placed' news stories in all the Pacific region media which will portray the SOPAC project in a good light, ignore the criticisms and promote the image of experimental seabed mining as somehow good for the environment and good for Pacific people. SOPAC is yet to explain how experimental seabed mining, an extractive industry, can be sustainable, as it claims or why it has given Nautilus Minerals a seat at the table developing the legislation to regulate the industry.

FIJI MINE COMPENSATION SOUGHT BY LANDOWNERS

Company says government responsible for payouts

WELLINGTON, New Zealand (Radio New Zealand International, Jan. 19, 2012) – Newcrest, one of the foreign companies involved in the proposed copper mine near Suva in Fiji, says it is not aware of any complaints about compensation not being paid to affected landowners. Landowners in the Namosi district have decided they do not want the mining project to go ahead because of the environmental impact and are demanding Newcrest leave. The secretary of the Namosi Landowners Committee, Sipiriano Nariva, says they are also frustrated by the non payment of compensation to landowners as promised. But in a statement Newcrest, which is an Australian company, says there are processes for the landowners to raise any issues they may have. Newcrest says the process is managed by the government and it is not aware of any non payments relating to the compensation agreement. No one was available for comment from the interim Fiji government.

SOLOMONS GOLD MINE, OIL PLANT HIT BY THEFT, VIOLENCE

Thirty-eight police members form task force to investigate

HONIARA, Solomon Islands (Solomon Times, Jan. 19, 2012) - The Solomon Islands Police has set up a special task force to investigate acts of theft and violence against the property of two of the country's biggest companies. Trouble flared last week around the Gold Ridge Mine and the Guadalcanal Plains Palm Oil processing plants which are located around 20 kilometres east of Honiara. Thirty-eight police have been assigned to the task force. The acting Police Commissioner, Walter Kola, says that the police are continuously receiving reports from these companies that the landowners continue to demand compensation and are damaging company properties. "I am trying to encourage the companies to look into outstanding issues contained in their agreement," said Mr Kola. "I think that should resolve the issue, the police is just there to create a good environment for such negotiations." Mr Kola says that the task force's job for the two months is to investigate nine reports put to the police recently. Mr Kola stressed that the current unrest at the plains cannot be left to police alone. "There are many parties that need to come together, the companies, the landowners, the provincial government and community leaders," said Mr Kola.

KIRIBATI GOVERNMENT EXPLORING SEABED MINING

Manganese and cobalt deposits may provide economic boost

AUCKLAND, New Zealand (The Kiribati Independent, Jan. 19, 2012) – With fisheries as Kiribati's main economic resource for a growing population, there is an imperative to find other income sources. "This is where seabed mineral exploration and mining is important," said Mr. Tearinaki Tanielu, a Geologist, working as the Minerals Officer for the Kiribati Ministry of Fisheries and Ma-

rine Resources Development. "As a nation we are working toward adding more prosperity for people to make their lives better, but at the same time with little or no impact on our environment." He said that on a global level, seabed systems are not fully understood, and that there are policy and knowledge gaps that need to be addressed, adding greater complexity to the whole issue, and that it would be necessary for Kiribati to first develop technical and scientific knowledge and the appropriate policies so that the country has the capacity to undertake deep seabed mineral exploration and exploitation.

For these reasons, Mr. Tanielu sees the country's on-going association with the SPC/SOPAC (Secretariat of the Pacific Community/South Pacific Applied Geoscience Commission) the Division as a way to tap into forty years of experience in ocean scientific research, as well as be involved in the development of policy frameworks for deep seabed mineral exploration and mining. Frameworks are being developed as a part of the four-year European Union-funded Deep Seabed Minerals Project. "Yes, of course we see the economic potential of deep seabed minerals, but at the same time we have to protect what has been there for millions of years, and that our ancestors have depended on for thousands of years," he said.

[PIR editor's note: SOPAC has been developing regional laws and regulatory frameworks for deep-sea mineral mining in the Pacific to benefit island economies. The overall goal of the mining initiatives is to expand economic resources bases for island nations through the development of viable, sustainable deep-sea mineral harvest industries. Kiribati is one of 15 island nations that is implementing the Deep Sea Minerals Project.]

"It is also important to include our cultural knowledge as a complement to scientific knowledge. Local fishermen are aware that any disturbances to the deep seabed may impact upon the environment, and therefore upon their fish supplies and livelihoods." "There is the confirmed existence of manganese nodules and cobalt crusts in our Exclusive Economic Zone (EEZ) in the Line Islands. We plan to have more exploration there, but we want to do this in an environmentally sound way," said Mr. Tanielu. A country's EEZ extends to 200 nautical miles from the shoreline, but when a country is comprised of groups of islands, (an archipelago), the EEZ may be calculated from the outer edges of that group. Mr. Tanielu said that previous studies, undertaken in the 1960s through to the 1990s, provide useful baseline data, although the area studied is small in comparison with Kiribati's EEZ. "But in taking the direction of deep seabed minerals, we still have to be mindful of protecting our ocean because of the great connection the people of Kiribati have; for thousands of years our people have been people of the sea.

Mr. Tanielu said that it was with protection of the environment for future generations in mind, that the Kiribati government created the second-largest marine protected area in the world, in 2006. This was recognized as a World Heritage Site in 2010. "By conserving an area around the Phoenix Islands group, Kiribati has set a standard for the global community," said Mr. Tanielu. Creating the MPA was a significant move that puts the abundant fish stocks out of reach as a commercial resource, and also precludes the possible exploration and exploitation of the mineral resources within the marine protected area (MPA). As the Phoenix Islands are uninhabited, there has been minimal human disturbance in this area, making the MPA a gift to researchers worldwide when they are studying human impacts on environments. Mr. Tanielu said that the MPA is rich in its diversity of corals and fish species. As a protected area, it could become a spawning ground for fish that migrate to other marine areas that have depleted fish populations as a result of being over-exploited. Although the MPA is equal in size to the state of California, it is only a portion of the area making up Kiribati's EEZ. And Mr. Tanielu believes that "it makes sense from a geological point of view to make use of this large EEZ we have been blessed with, but to do so with a minimum amount of disturbance to our environment."

PNG NATURAL GAS PROJECT BREACHED OIL AND GAS ACT

Officials reveal Somare government illegally rushed LNG

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 19, 2012) - The problems associated with the Papua New Guinea Liquefied Natural Gas (PNG LNG) project are bigger than what was earlier anticipated by the landowners. Department of Petroleum officials have now revealed that the Somare Government breached Section 47 of the Oil and Gas Act which stipulates that a full-scale social mapping and landowner identification study must be done by the licensee prior to granting of new petroleum Development License and also prior to the development forum. Confirming this to the Post-Courier, the officials said without the satisfactory fulfillment of Section 47 of the Oil and Gas Act, it is illegal for the Minister of Petroleum or the government to invite affected landowners, affected LLG's and affected provincial governments to the development forum. "A petroleum licence is granted only after section 47 and section 48 of the Oil and Gas Act are fully and satisfactorily met. The act is very clear – the only entity that should conduct a full scale SMILS is a license or the company operating that particular license out of which a commercial development is proposed and promoted," the officers said. Landowner Simon Ekanda also told the Post-Courier that the revelation by officers from the department confirms his fears as expressed by three different MPs on three different occasions. He said in April 2011, Sam Abal expressed the same concern followed by Minister of Petroleum William Duma in December 2011.

Wafi Golpu landowners urged to work together

Post-Courier 19.1.2012

By *HAIVETA KIVIA*

LANDOWNERS at the Wafi Golpu gold and copper project area and the impacted surrounding areas have been asked to come under one umbrella for their common good. A common good that will be felt in many generations to come once the Wafi Golpu mine cease to operate after its lifespan. Currently, the landowners are in a bitter land court battle for the ownership of the land where the project is located and all sides are not backing off. While they are at loggerheads and disputing the ownership of the land, people from the outside are getting into the mine and getting into spinoff businesses. Bill Itama, a clan leader of Babuaf Sab clan from Mare village, organised a meeting at Wampit village yesterday for all the villages and clans of Wampar LLG in Huon District and Mumeng LLG in Bulolo District to listen to what a consultant had to say about being united.

Village representatives from Omalai, Gurako, Wampit, Mare, Gabensis, Munum and Zifasing were at the meeting and also asked the two main parties to the mine land, the Huntas and Hengabus to join the cause because it will benefit the masses and not just one person or groups of people. Consultant Edward Buasin told the people that while they were fighting among themselves and wasting their time, other people were getting into business spin offs that they are supposed to be benefitting from. Mr Buasin assured the people that the Special Land Court will take its course but all the clans and tribes must pool their resources and form an umbrella company to get into business spin offs in the project. "If you keep on waiting for the land court decision, it may take two to 20 years and while you are waiting, the developer, financiers and the government will not wait for you and they have their timeline for the project phases," he said.

He told the people that the developer must move on and if they are not ready, it will look elsewhere for contractors in business spin offs. He asked the people to take the example of Lihir landowners, who just recently bought properties in Brisbane, Australia. "All the stakeholders in Lihir went under one umbrella company and are really reaping in the benefits," he said. Yaeng Ngawi from Chuwaef clan at Mare village told the people not to waste more time because the more time they waste, the more businesses they will miss. "We must unite, everyone from the mine site, the mine corridor and the surrounding impact areas, because it is in our best interest," Mr Ngawi said.

LNG: Landowner's halt action illegal

Post-Courier 19.1.2012

Landowners who are unnecessarily stopping operations at the PNG LNG Project and the Gas to Electricity plants are doing it illegally and they should allow the projects to operate, says chairman of Hides Special Purpose Authority Lemson Mapiria. Mr Mapiria said there were proper procedures to follow if landowners had issues with the project developer or the National Government and these avenues must be exhausted before landowners resort to stop the project. "I call on landowners in PDL -7 And PDL -1 to show leadership and take the issues up with leaders like myself who will assist them find a proper solution rather than stopping the PNG LNG Project and other related projects," Mr Mapiria said. "The stop work is illegal. Stopping the project will not do any good to the landowners as they will only delay the payment of their benefits from the project. If we want to receive royalty and equity immediately or by 2014, we must allow the project to go ahead."

Mr Mapiria also called on the Project developers of the LNG Project and the Gas to Electricity projects, ExxonMobil and Oil Search Ltd respectively to work with respective leaders at Hides so that solutions to issues could be found and resolved immediately. He said the landowners must also respect the Government of the day and the Government and its agencies must also listen to the people and attend to their issues. "One of the biggest problems is that we do not have Government representatives such as the Departments of Environment and Conservation, Petroleum and Energy, Lands and Physical Planning and others who should be the first point of contacts for the landowners when they have issues," he said. "I am prepared to take Government representatives to Hides and the surrounding project areas so that they can see first hand what is lacking on the ground and also the landowners can talk to them face to face with their issues. "I am also calling on the Government to make any outstanding payments to those who have submitted their claims and continuing to delay the payment will only prolong the problems landowners are facing. Mr Mapiria said.

Sinivit Landowner's to be paid soon

Post-Courier 19.1.2012

By GRACE TIDEN

LANDOWNERS of the Sinivit Gold Mine will be paid their outstanding royalties by this Friday or early next week. This was one of the resolutions passed by all parties during a recent Sinivit Mining Forum held in Kokopo. It was resolved that royalties will be paid to the Uramot Landowner Company in line with the 2009 Memorandum of Agreement and the company will then released the money to all beneficiaries. However the K1.4 payment would be verified by the Mineral Resource Authority and the ENB Provincial Government after landowners said they were not sure if the K1.4 m represented the actual royalty payments since the start of gold exports in 2008. The developer New Guinea Gold Limited had released the money to MRA soon after the Uramot Baining Landowners had forced the closure of the mine in December last year. MRA, the provincial government and landowners will now be working together in the next few days to see the release of the royalties. The parties involved in the forum included executives of the landowner Company, the Wild Dog Mining Area Landowners Association, the Lulai-Nakama Association who represent the three ILGs within the mining lease area and the other ILGs together with NGG, MRA and the ENB Provincial Government.

MRA's Philip Samar outlined the resolutions that were passed by all parties during their latest meeting yesterday. The primary resolution that was reached during their first meeting was for the developer to resumed operations at the mine site after the landowners had occupied the mine but negotiations were to continue until the landowners' issues were resolved. Another resolution was that all parties had acknowledged the claim by landowners in regards to environmental damage and that the landowners will need to provide supporting information to substantiate their claim of K700m. A claim by landowners of lack of infrastructure development in the surrounding communities was also

addressed and it was agreed that the MOA did not clarify as to who was responsible for implementing and monitoring infrastructure development. There will be a review of the MOA in the near future to address this issue. They also agreed that the developer would have to make a presentation on the issue of equity as the landowners were also shareholders as per the MOA. In their other resolution, all parties agreed that the landowner fractions will have to resolve their differences. A follow up meeting will be held on February 28.

FIJI LANDOWNERS WANT NAMOSI MINE PROJECT STOPPED

Community happy for Bainimarama involvement in negotiation

WELLINGTON, New Zealand (Radio New Zealand International, Jan. 18, 2012) – Landowners from the Namosi district in Fiji are welcoming news that the interim prime minister Commodore Frank Bainimarama will be overseeing negotiations relating to a proposed mining project in the area. A final decision on whether the potentially huge copper mine near Suva will go ahead is at least six months away. The Namosi Joint Venture is a partnership between the Australian mining company Newcrest and two Japanese companies. The secretary of the Namosi landowners committee, Sipiiriano Nariva, says they are concerned about the environmental impacts of the planned mine, and are glad that Commodore Bainimarama is stepping in.

[PIR editor's note: Community members in Namosi and Naitasiri petitioned earlier in the month against the development of the proposed mining project on the grounds that mining would pose a significant environmental threat to vital water systems in the area. The government later released a statement that said no operations would commence until an environmental impact assessment was completed for the Namosi Joint Venture, which would study animal and plant life, river systems, and aquatic ecosystems that could be affected by the mining. Traffic, noise, dust and other potential impediments to human residents, along with cultural and social concerns, would also be studied.]

"This government is a very good government; the government hears the voice of the people. In the past governments, our voices and our rights cannot be heard, but Bainimarama is a different man, he is a man of the people. I'm ready to face Bainimarama. I'll tell Bainimara, 'tell this company to go away,'" said Nariva. Commodore Bainimarama says he wants to ensure all relevant parties' voices are heard, especially those of the landowners.

Landowners: 'Proper audits needed'

Post-Courier 18.1.2012

Landowners from Hides Petroleum Development Licence (PDL) – 7 are calling on the National Government to carry out a proper audit on the implementation of infrastructure as agreed to in various agreements including the Umbrella Benefits Sharing Agreement (UBSA), the Licence Based Benefits Sharing Agreement (LBBSA) and in principal or land access agreement. Landowner leaders Andy Hamaga, John Kaloma, Ega Yale, Martin Abe, Martin Tindipu and Tom Marako said the project operator ExxonMobil and the National Government had not fulfilled most of the agreements under the UBSA and the LBBSA. They said the landowners in PDL-7 do not have access to proper drinking water because the project developer failed miserably to address and implement the resettlement program. "Now all our streams and rivers are polluted and our people including children are being exposed to skin diseases which could have been avoided if the resettlement of the villages, school and other infrastructure was relocated," the leaders said.

"PNG LNG Project operator ExxonMobil is not ensuring that it's Engineering, Procurement and Construction (EPC) Contractors are complying with the strict guidelines with waste management during the construction phase of the project in the Hides gas project area. The EPC Contractors ha-

ve been and continue to be reckless with their waste management systems that dangerous wastes and chemicals are flowing into the nearby streams and the river systems near the project area.” The leaders are now calling ExxonMobil to immediately put in place a proper water supply system using the funding allocated under the National Content Plan’s Community Investment Program. They said the water for the water supply should be sourced from a stream or river that will not be contaminated by any operations of the PNG LNG Project.

The leaders also called on the National Government to honour the benefits sharing formula in relation to the Infrastructure Development Grant (IDG) and other High Impact Infrastructure Projects. It was agreed under the UBSA and LBBSA that the PDL provincial governments and ILGs will share the IDG with the Pipeline and LNG Plant provincial governments and ILGs in the ratio of 72:28 (that is 72 per cent will be received by the PDL provincial government and ILGs and 28 per cent to be received by Pipeline and LNG plant provincial government and ILGs). From the 72 per cent, 70 per cent will go to the wellhead landowners and 30 per cent goes to the SH Provincial Government. PDL-7 landowners are entitled to 12 per cent of the 70 per cent of wellhead benefits.

“We would like the National Government to immediately release our 12 per cent so that some of these money could be used to fund high impact projects in our villages such as the critical water supply project,” the leaders said. “Hides 4 (PDL-7) is becoming like PDL-1 where various project developers did not honour the commitments agreed to between the landowners, State and the developers.” The landowners have given a 14-days notice to the National Government and PNG LNG Project developer ExxonMobil to address attend to their list of demands or the blockade to the construction sites which started on Sunday will continue for an indefinite period.

Central: MP clarifies LNG funds
By *PORENI UMAU*

Post-Courier 18.11.2012

KAIRUKU Hiri MP Paru Aihi has come out to explain the LNG corridor funding after a landowner complained in this paper yesterday. Joseph Abaka of Hisiu had called on Mr Aihi to justify when the district would receive their LNG corridor funding after he complained that West Hiri has already received its share K90 million. He also claimed that there was K240 million for the district in a trust account, only accessible by Mr Aihi. Further, he said that Kairuku had not seen any development along the pipeline corridor through its district. Mr Aihi rebuffed such claims saying that he was not aware of the Hiri West people receiving K90 million of the LNG funding as claimed by Mr Abaka. “Exactly who received that and from who? Let me explain the K240 million in the trust account is the Infrastructure Development Grant, which is K120 million per year since 2009. “To access these funds, proper funding proposals must be submitted to established committees by all affected by the LNG project,” Mr Aihi said. He urged Mr Abaka to carefully research facts surrounding his grievances in the future before making public comments.

Mr Aihi said that after many years of neglect by previous leaders, he has made huge progress in developing the district over the last five years through the District Services Improvement Project funds that the Somare-led government introduced. “I have reopened roads, built classrooms, teachers houses, aidposts, supplied vehicles to churches and government agencies, provided water tanks, subsidised school fees and many other things,” Mr Aihi said. He reminded Mr Abaka that Kairuku Hiri is the largest district in Central province with a land mass of over 10,000 square kilometres, nearly 500 villages, hamlets and government outlets. Mr Aihi said that the people have always been hardworking and resilient against the ever growing challenges in modern Papua New Guinea and do not need the culture of free handouts to do well in life, as people like Heni Ikupu and Joe Abaka were advocating.

Hides Gas teams up with KK Kingston

Post-Courier 18.1.2012

Hides Gas Development Company Limited (HGDC) and Papua New Guinea's leading industrial supplier and manufacturer, KK Kingston Ltd have signed an agreement to start a Joint Venture company that will supply all KK Kingston products in the upstream section of the PNG LNG Project. The shareholder agreement was signed by HGDC chairman Tuguyawini Libe Parindali and KK Kingston founder and chairman Keith Kingston. With so much money going into the local economy at Hides and surrounding areas of the new Hela Province, HGDC and KK Kingston see the new partnership as an opportunity to bring much needed industrial and commercial products closer to where the people are. HGDC board of directors and its shareholders will support the new joint venture company in a new environment while KK Kingston would provide technical support and know-how to the new company. "Understanding the background of how KK Kingston started and the number of years it operated in PNG, we are pleased to enter into this new joint venture agreement with one of the leading industrial and manufacturing companies in the country," Mr Parindali said.

Mr Kingston said they were excited about the new partnership and looked forward to developing this new business on site at Hides. He also said that they would start moving the first delivery of containers into Ega Mondo, Para by next month. HGDC general manager Richard Champion applauded the agreement saying that with that amount of money going into the local communities, they would now have an option to purchase goods from Hides Kingston Industrial which will be located on the Para, Hides 4 Site. Contractors and the local population will now be able to access a wide range of industrial and other K.K. Kingston Ltd products locally rather than buying from Lae or Mt Hagen. He said whilst there would be challenges the partners looked forward to a successful partnership.

K.K. Kingston Ltd was established in 1972 by Keith Kingston, as a supplier of machine tools and after 40 years of operations, it is now one of Papua New Guinea's leading suppliers of industrial equipment, safety equipment, machinery and tools representing numerous market leader brands of quality equipment. KK Kingston Ltd is involved in manufacturing a wide range of goods. These include cleaning chemicals, bleach, toilet tissue, hand towels, plastic bottles and caps, food containers, water tanks, septic tanks, rubbish bins and cable pits. K.K. Kingston Ltd also operates an equipment sales and hire business providing generators, compressors, light towers, telehandlers and EWP equipment and this will be extended via the new JV to Hides.

From a small office in Lae, KK Kingston Ltd has grown from strength to strength, to include a branch in Port Moresby, distributors nationwide and has a work force of over 800 employees. "We have six manufacturing plants- five in Lae and one in Port Moresby. HGDC is recognised by PNG LNG Project operator, ExxonMobil and its subsidiary Esso Highlands Limited as the umbrella landowner company of the upstream section of the PNG LNG Project. The company started its operations in a workshop shed at Badili with one staff and has grown from strength to strength since 2009. The company represents regional landowner companies from Hides Petroleum Development Licence (PDL) 1 & 7, Juha PDL 9, Angore PDL 8, Komo Airfield, Benaria Pipeline and Kobalu Camp.

Bougainville: New pact for Panguna mine

Post-Courier 17.1.2012

By *PETERSON TSERAHA*

The re-entry into Panguna by any best bidder or Bougainville Copper Limited (BCL) can be made possible by the end of 2012 according to ABG vice president and now acting president Patrick Nisira. The ABG by March this year wants to see positive progress for negotiations for a totally

new agreement for Panguna mine which will replace the old Bougainville Copper Agreement (BCA). The old agreement was done without genuine consent from landowners, Mr Nistra said. The BCA is widely considered in Bougainville as foreign and counterproductive to the common interest and welfare of the people including the autonomy arrangements they have with the national government of PNG, he said. Mr.Nisira made the remarks while addressing the executives of the Rorovana-Uruava land owners association on the future of the Panguna mine and the Loloho port facilities which comes directly under the care of the Rorovana- Uruava landowners.

“After one and a half years of consultations with various landowner groups in Panguna, Bana, and Rorovana including former combatants from all sides, and after listening to our people through their elected representatives in the Bougainville house of representatives, the council of elders throughout the Bougainville region on the mining issue, I want to see negotiations with the government of Papua New Guinea and maybe BCL commence in March this year, especially negotiations that will help kick start the mining activities in Panguna by a reputable mining company.” Mr Nisira said. The Panguna mine and mining on Bougainville has been an agenda between the ABG and the National government since 2005.

“We have been procrastinated for too long and that is not good for the region.” Mr.Nisira said. “We in the ABG have helped establish the respective mine lease associations in the mine affected areas, we have strengthened capacity in our mining division, we have established peace and good order in Panguna and the mine affected areas through continued dialogue with the Mekamui leaders, the MDF, the respective council of elders, we will soon complete these processes through the election of one umbrella association.” Mr.Nisira said. “The official position of the BCA review is that we do not want to review the Bougainville Copper agreement, it is old outdated agreement with no Bougainvillean input.” Mr Nisira said. “The mining industry has moved on and landowners have developed new ways of dealing with governments and mining companies things are no longer the same.” he said.

Angry landowners block off road

Post-Courier 17.1.2012

Hides gas plant site closed

By *ANDREW ALPHONSE*

ANGRY Hides gas field landowners in Tari, Hela Province have forcefully shut down the operations of the existing Hides gas to electricity plant site as of 2am on Sunday. They felled trees and dug a huge drain across the access road at Kulu near Yuni, preventing movement of workmen and vehicles to the plant site and Nogoli camp where operator Oil Search Limited (OSL) is based. The Post-Courier visited the site on Sunday afternoon and observed that locals had used spades and steel rods to dig up the road under the cover of darkness without being detected by OSL security. The locals also chained the gates to the plant site, preventing OSL workmen from gaining access. An OSL security officer at Nogoli confirmed the shutdown to the Post-Courier, stating that the closure of the plant site is placing OSL under extreme pressure as the gas plant operations supplies electricity to power the nearby Porgera gold mine operations in the Enga Province.

Hides PDL 1 landowner leaders from the 17 clans that receive yearly rental royalties are frustrated over certain unresolved issues with the State and decided to take action. Spokesmen Howard Timania (Humani clan), Hengebe Hondope (Pina) and Ekape Andiria (Pina) said the State through its relevant agencies like Department of Petroleum and Energy (DPE), National Planning and Finance and Treasury have failed to address all outstanding Hides PDL 1 issues for nearly 20 years now while attention is shifted to the multi-billion kina PNG LNG project landowners from the neighbouring Hides 4 PDL 7, Angore PDL 8, Juha PDL 9, the proposed Komo LNG international airport and the proposed LNG conditioning plant site near the Hides 4 well pad head. The leaders said Hides

PDL 1 have presented submissions after submissions but these are filing up at DPE and National Planning offices while the State deemed fit to entertain and pay benefits to other landowners like Hides PDL 8 who just received their K16 million business development grants (BDG).

They said last week the 17 landowner groups were paid a mere K14,000 as annual rental payment for the plant site by DPE but this amount is “peanuts” compared to the millions of kina the operations at Hides PDL 1 has been making both for the developer OSL and the State in the past 19 years. The landowners said LNG project developer ExxonMobil has also raised many false and high expectations for the landowners when in fact there is nothing sustainable for the landowners to participate and they are mere spectators in their own land and that it was unfair for Hides PDL 1 landowners as their existing Hides PDL 1 project would supply more than 80 per cent of raw gas in the LNG project. They said OSL was also shifting the blame to ExxonMobil and the State while it (OSL) is also another major partner in the LNG project development. They said because of the failure by the State to address all these outstanding issues at Hides PDL 1, landowners who were marginalised but patient for nearly 20 years had decided to take action to show their frustration.

The leaders also demand a positive response from Petroleum and Energy Minister in the O’Neill-Namah government, William Duma to honour their K500 million outstanding Hides MOU claim be paid while another K40 million golden handshake’ for the old Hides chiefs as per the Kokopo 2009 umbrella benefit sharing agreement (UBSA) commitment be paid too. The landowners said they would still hold the road in ransom until the State, OSL and ExxonMobil comes to heed their plight. Hides chief and Komo LLG deputy president Peter Pureni yesterday called on Mr Duma and Treasurer Don Polye to immediately go to Hides and meet the landowners. Mr Pureni said several times he has advised the State on their failure to address issues at Hides and now the landowners have resorted to taking the action to shut down the plant site.

Police mobile squads attached with LNG security operations are monitoring the situation, but could not remove the road blocks. The closure of the plant site is affecting all EPC 4 international contractors working at Hides 4, conditioning plant sites, well pad, access roads, Kobalu, Komo and related quarry developments to come to a standstill as they could not get diesel supplies for the heavy machinery, equipment, trucks and vehicles. Post-Courier travelled to Hides 4 on Sunday afternoon and saw machines, equipment and trucks grounded while only light 4WD trucks were doing other odd jobs in the normally busy and hectic project area. These contractors depend on the mini refinery at Hides plant for their diesel supply.

LNG: Water shortage at Hides

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A serious water shortage problem is being experienced in the Hides gas project area due to the ramp up of construction work on the LNG project. Many streams and rivers and the surrounding environment in the area (Petroleum Development Licence-7) is contaminated and the local landowners do not have access to safe drinking water anymore. Landowner leaders Andy Hamaga, Eric Haroli, Martin Tindipu and John Kaloma said the water sources from Mt Gigira and the HGCP were all contaminated and as a result the local people were experiencing skin diseases and other illnesses. Three children have been admitted to the Tari General Hospital with infections after washing in the contaminated streams. As the results the access road to the Hides Gas Conditioning Plant (HGCP) construction site has been blocked by the landowners until PNG LNG project developer ExxonMobil puts in place proper water supply systems for all the villages surrounding the HGCP.

The leaders said in addition to environment damages as a result of the LNG Project, the only school in the area, Para Top Up School was closed and no children or teachers could be seen at the school will the Para Health Centre needed stocking with proper medical supplies and life saving. They said

proper houses should also be built for the landowners affected by the resettlement program. The leaders added that most of the environment had been damaged and needed to be properly compensated. "Hides PDL-1 and PDL-7 will contribute 70 per cent of the gas to the PNG LNG Project and most of the business activities like HGCP, quarry, lay down, heavy haul road and well heads are all located in Hides 4," they said. "Hides 4 are the nerve centre of the Project and the developer must take immediate steps to pay compensation for the damage done to the streams and the river systems before the project move forward. "Better still, a proper water supply must be in place for the villages affected by the contaminated of the streams and the river system."

They said the Infrastructure Development Grant (IDG) totalling K30 million (K15 million from 2010 and K15 from 2011) should be paid out immediately to implement such projects. The leaders said the high impact project funds earmarked for PDL -7 should also be used to carry out the water projects. "We are aware that the IDG is about to be released to the other projects and we are unaware how the vetting was done to properly identify the genuine landowners," they said. "Like the K15 million Business Development Grant share paid to the PDL-7 landowners we are 100 per cent sure that out K30 million IDG grants would be used to implement sustainable projects such as the water supply project for the community, school relocation, resettlement, growth centre and other projects tied in the UBSA and the LBBSA agreements. "There is an increase in the interest rates, building boom in Port Moresby and increase in employment rates but the real people who are the host of the project are suffering. "If K30 million is not spent on the critical projects mentioned, the project that was shut down yesterday will continue for an indefinite period.

Porgera: Paiam undergoes construction boom

Post-Courier 16.1.2012

By *FRANK RAI*

PAIAM town, situated several kilometres outside Porgera Gold Mine in the Enga Province is booming up with new buildings. Porgera is known as one of the classic gold mines in the world, but despite that the local landowners are involved in many tribal fights causing fear and anxiety to the travelling public. The tribal fights have also claimed many innocent lives while properties worth thousands of kina were damaged. Towards the end year of last one of the clan allegedly set up a road blocks and set fire to one of the heavy trucks owned by Wizzy Transport and Mapai Transport respectively. The Enga Provincial Law and Order Committee held an urgent meeting and declared Porgera as a fighting zone for three months. According to the local people in Porgera the mining company took the initiative to build new police barracks at Paiam to accommodate the mobile squad to beef up manpower to combat law and order problems in Porgera.

BAINIMARAMA TO LEAD TROUBLED FIJI MINE NEGOTIATIONS

PM wants 'all relevant parties' voices' to be heard

By Avinesh Gopal

SUVA, Fiji (Fiji Times, Jan. 15, 2012) – Prime Minister Commodore Voreqe Bainimarama will oversee talks and negotiations related to the Namosi Joint Venture mining project. Located in the Waisoi area in Namosi, the gold and copper mining project is expected to have an initial investment of \$1 billion with a similar turnover annually. In a Ministry of Information statement on Friday night, Commodore Bainimarama announced that he would take over the responsibility of talks and negotiations on the mine. "As a result of some people seeking to politicise the project for their own benefit by spreading misinformation, the Prime Minister wants to personally ensure all relevant parties' voices continue to be heard, in particular those of the landowners," the statement said. The statement said an Environment Impact Assessment and economic impact analyses were still being conducted.

It said the government was committed to maintaining a pristine environment in Namosi and throughout Fiji. "It is imperative to be forward looking to ensure a clean environment for future generations while trying to gain maximum benefit for landowners, as has been done successfully throughout the world," said the statement. Permanent Secretary for Lands and Mineral Resources, Filimone Kau told *The Fiji Times* earlier that the infrastructural development was expected to start in June. Mr Kau had said the company would make an initial investment of \$1 billion for the development of the mine. He said the mine would have an annual turnover of \$1 billion based on the present world market price of gold and copper. Once in operation, the Namosi mine would be one of the largest in the country, raking in more money than the Vatukoula gold mine and employing thousands of people.

Sinivit mine scales down operations

The National, 13 January 2012

MINING operations at East New Britain's Sinivit mine are supposed to remain scaled down as developer New Guinea Gold Ltd continue negotiations on landowner grievances. But that is not the case, according to landowners and a provincial government team that visited the site this week. Both parties confirmed the company resumed mining operations, breaching commitments made by all parties on Dec 30. At the time, mine manager Eric Namaliu had said the company was keen to take on the issue step by step rather than immediately starting operations while landowner issues were outstanding. He had said both parties would negotiate until they reach a solution, then the "mine could return to full operations".

Namaliu assured the meeting comprising landowners, Mineral Resources Authority and provincial administration officers that only mine processing officers would be recalled on site to manage the vatting system to avoid overflow of tailings into rivers. Douglas Augustine, chairman of the three villages under the Lulai Nakama Integrated land group, said they were happy to negotiate despite the court order to re-open the mine but maintained there would be no gold processing during the negotiation period. The provincial government team that visited the mine on Monday to make physical assessments and verify reports of leaks from the processing vats or heaps was reportedly turned away at the gate by mine executives. The team said from the gate, they could see mining operations in full swing. With heavy rain experienced in East New Britain, there was a concern of a greater risk of seepage of tailings into the water systems.

SLTC review granted

Post-Courier 13.1.2012

By FRANK RAI

Two principal landowner groups, from one of the largest gold and copper exploration site in the Wafi-Golpu area of Mumeng District in Bulolo, Morobe Province, yesterday strenuously refuted published report in The National newspaper. The Hegabu Landowner Association and the Yanta Development Association stated that that particular report, published last week, was misleading, false and fabricated by people who were not landowner representatives from the area. The report stated that a Piu Land Group, also from the same area had gone through the National Court in Waigani and had obtained leave of court along with 11 other named parties to go for a final court trial to determine the legitimate landowner of the Wafi-Golpu land.

Yesterday Post-Courier sighted a copy of the court ruling, delivered by Justice George Manuhu, and found out that the ruling actually granted leave to the Piu Land Group Incorporation (plaintiff) to proceed with their judicial review challenge, not go for a final trial as reported by the other paper. John Nema, former president of Hegabu Landowner Association, and Stanley Tau, president of

Yanta Development Association claimed the report had misled the developer, Morobe Mining Joint Venture (MMJC), Mineral Resource Authority (MRA) and other stakeholders. They said the ruling was clear that for the case of the revoked Special Lands Title Commission (SLTC), the judge granted leave for the plaintiff to proceed with their application to recall the SLTC. According to the ruling, Justice Manuhu found that there were serious questions warranting review as to whether the National Executive Council (NEC) could disband a SLTC when a dispute over customary land coming within the scope of the Land Dispute Settlement Act.

The plaintiff alleged, among other things, breach of natural justice and unreasonableness on the part of the relevant minister that sponsored the submission to disband the SLTC. "May I add, that if it was in the national interest to establish the commission or was it in the national interest to disband it? These are the legitimate issues for the substantive review," Justice Manuhu stated. Messers Nema and Tau said they presented court documents of a 2006 Supreme Court decision that granted the Wafi-Golpu land to the Hengabu and Yanta people. They said upon sighting the court documents, land titles with other relevant documents, NEC saw fit that the SLTC was illegal and revoked appointment. The leaders said the Piu Land Group was not a party to the said land but some individuals were fighting to delay the mining. They called on the company and other stakeholders that those issues would be settled, adding that those behind the Piu Land Group would also be dealt with before the National Court.

FIJI NAMOSI MINE ON HOLD TILL IMPACT ASSESSED

Joint venture in limbo while environmental review done

By Mereani Gonedua

SUVA, Fiji (Fijilive, Jan. 12, 2012) – Fiji government will decide whether to operate a mine in Namosi after conducting an Environmental Impact Assessment (EIA). In a statement Namosi Joint Venture said an EIA is a common and important process to ensure all issues are fully understood and taken into account before the mine can be built. It also includes a range of studies including environmental studies of flora and fauna, river systems and aquatic life, assessing potential noise and dust, traffic, social and cultural studies including current community health and cultural heritage. Extensive consultation with nearby villagers and other impacted or interested stakeholders is also part of the process. Namosi Joint Venture said the data collected during the EIA is assessed to determine the impacts and how it can be mitigated. There will be further consultation with relevant stakeholder groups to discuss the results.

[PIR editor's note: A report from the Fiji Broadcasting Corporation alleged that landowners in Namosi and Naitasiri were petitioning the government over concerns that vital water systems would be compromised with pollutants from mining. Permanent Secretary for Lands and Mineral Resources Filimoni Kau "rubbished" media claims that landowners from Namosi were petitioning against the proposed mining project. He said that consultations with local community members were ongoing, and if there was a need for "higher level" consultations, they would have done so.]

Main Gobe Landowners want priority

Post-Courier 12.1.2012

By JOHN PANGKATANA

GOBE Main PDL (Petroleum Development Licence) 4 project landowners are urging the National Government to give them priority in paying their outstanding claims. These claims include:

- Infrastructure Development Grant (IDG) – K16 million
- Remainder of K80 million ministerial commitment (UBSA Kokopo) – K45 million
- Royalty and equity payments for the past seven years

This is all highlighted in the petition to the National Government received last month, following their forced shut-down of the LNG Project site on December 6. A large number of property especially vehicles were damaged in the attack. There were no casualties in the attack. Esso Highlands media and communications adviser Ms Rebecca Arnold had advised that police and appropriate authorities were on site to quell the situation. Gobe PDL 4 is situated in the Sambergi Valley in the Erave District of Southern Highlands.

A 22-day protest followed with frustrated Sambergi villagers swelling over 2000 during that period at the nearby Gobe Field Engineering (GFE) camp site. After a meeting with landowner leaders on January 5 at Moro, facilitated by Valentina Kaman representing the developer Esso Highlands Limited (EHL), the issue was brought to an understanding. Also present at the meeting was Government representative Francis Lenge (Department of Petroleum and Energy), Paul Sapake (Oil Search Limited), Bartholomeu Yakopa (MRDC) and Fiona Pagale (EHL) representing their key stakeholders. The landowners agreed to lift the protest and have since sent a letter of apology to the developer and the various stakeholders regarding the attack and damages, that they would not close down the facility again in that manner. Damages are believed to be in the millions of kina.

This led to the re-opening of the project site, on the condition that their grievances highlighted in a petition are to be taken seriously. Gobe PDL 4 landowner leaders Max Apua (Erave LLG councilor) and Mano Apiko-Pelipe (Moloko ILG chairman) yesterday confirmed that they have given the National Government until February 5 to solve their problem. Mr Apua took the opportunity to thank the National Government for the confirmation this week for Gobe's PDL's 3 and 4 MoA/IDG payments to Gobe Main Resources Limited. Gobe Main Resources Ltd is named on the IDG payment structure approved list for the Erave Sambergi road upgrade. Gobe Main Resources Ltd is a subsidiary of Gulf and Southern Highlands umbrella landowner company Gobe Field Engineering (GFE). The landowners received their business development grant of K8.2 million last year. This has been disbursed accordingly.

Ex-MP criticises LNG locals

The National, 12th January 2012

A FORMER Southern Highlands MP has described the behaviour of LNG project landowners as "disgusting" and called for landowners to behave while perusing their demands for funds. Sir Matiabé Yuwi, former Tari MP said the prospect of the LNG project has made every landowner and their followers gone mad and bring disgrace to other decent Southern Highlanders. "I think the LNG gas project is a poison that is making our people go mad as most of their thoughts are on money alone," he said. He said people must not let money control them. "Most of our once peaceful place has become trouble zone when people dispute over landownership in order to get themselves a few thousand kina," he said.

SHP LANDOWNER's call DPE to identify real LANDOWNER's

By JOHN PANGKATANA

Post-Courier 12.1.2012

Principal landowners will soon be identified in the Alternative Dispute Resolution (ADR) mediation process in the Waigani National Court. This is the view of Minister for Petroleum and Energy William Duma on an Alternate Dispute Resolution (ADR) offered by Gobe Petroleum Development License (PDL) 4 landowners on a petition last month. Mr Duma was responding to a petition from the Gobe Petroleum Development Project area landowners following a forced stop-work situation between December 6-28 last month in the Sambergi area, Erave District of Southern Highlands Province. The petition requests for the State, its agencies and the judiciary body to fast track the

ADR process and identify the principal landowners.

It also stated that about a third of the benefits are tied under the ADR process. The petition further stated that by speeding up the process it will put to rest all the issues and problems. Mr Duma's response of December 22 further indicated that the ADR is an independent judicial process attending to the issues of dispute but is still to finalise its findings. He said that the National Government is mindful of the importance of the ADR outcome as it will address outstanding issues affecting the Gobe Project. He said he will endeavour to speed up the finalisation of the ADR process through the Department of Justice and Attorney General and courts. Prominent landowner spokesman and Sambergi councilor Mr Max Apua said the response from the National Government through the Minister is welcomed, despite some issues not clearly spelled out.

Supported by Moloko ILG chairman Mr. Mano Apiko-pelipe said his people have suffered for too long and just want to enjoy some benefits. In regards to MoU and MoA funds for PDL 3 and 4 plus Facilities and Pipeline Facilities Landowners, Minister Duma stated that as per the Gobe MoA review, they would need to coincide with findings of the ADR process as requisite for the State to honour any MoU and MoA commitments for properly identified beneficiaries in the Gobe Project. The petition signed by Ase ILG chairman, Peter Eiyu; Haukarake ILG chairman, Paul Pinde; Moloko ILG chairman, Mano Apiko; Imauwe Bogasi clan; Imauwe Kewa clan; Lualipu clan representative, Michael Peter; Yesiki clan, Peter Poloweri and Sowolo Haporopake clan, Jerry Kenoke.

Australia: Taiwan signs up for LNG

Post-Courier 11.1.2012

Partners in the Ichthys liquefied natural gas (LNG) project have stitched up further sales agreements, including the first binding sales contract with Taiwan, opening up a new market for exports. Taiwan's CPC Corporation and Japanese companies Chubu Electric Power and Toho Gas signed agreements with Japanese company INPEX and French company Total yesterday in Melbourne. It builds on offtake agreements totalling four million tonnes a year involving five major Japanese gas utilities. Resources Minister Martin Ferguson says Tuesday's announcement adds another dimension, with the first binding long-term sales contract for the supply of Australian LNG to Taiwan. "This is a major step forward for the Australian LNG industry in opening up a new market," Mr Ferguson said in a speech in Melbourne. "It will complement our existing and highly valued customers in Asia — Japan in particular." It was important to increase the levels of safe, dependable energy to promote economic growth in Asia and contribute to a reduction in greenhouse gas emissions, Mr Ferguson said.

"Australian LNG can supply that energy. "Today, we add Taiwan to the list of countries that will be powering their economies with clean, safe and reliable Australian LNG." Japan is Australia's oldest, largest and most valuable LNG trading partner, accounting for about 70 per cent of Australian LNG exports. Chubu Electric and Toho gas have contracts with projects in the North West Shelf and Gorgon, off Western Australia, and supply gas to more than 18 million customers in Japan. Ichthys is the single biggest investment in an Australian resources project by a Japanese company and the first LNG project operated by a Japanese company in the world. In partnership with Total, which has made the largest investment in Australia by any French company, it will boost Australia's LNG export capacity to more than 80 million tonnes a year and has the potential to boost Australia to the position of the world's largest LNG exporter.

FIJI COMMUNITY PETITIONS AGAINST NAMOSI MINING PROJECT

Villagers claim rivers will be polluted, food resources affected

WELLINGTON, New Zealand (Radio New Zealand International, Jan. 11, 2012) – Concerns on a proposed mining project in Fiji has seen Namosi and Naitasiri villagers reportedly signing a petition. FBC News reports a villager who did not want to be named, as saying the petition is to be sent to the government in the hope that mining at Namosi will not eventuate. Villagers claim that if mining will proceed, the Waidina and Rewa rivers will be polluted, affecting fish and kai, two of their main sources of protein.

[PIR editor's note: The Namosi Joint Venture, pending completion and review of the in-progress environmental impact assessment, has not yet gained final approval by the government to move on with mining. Village representatives in Naitasiri have expressed concerns recently over how the mining will affect the local environment, specifically how the mine's proposed site may adversely affect an important river.]

In response, the Namosi Joint Venture says a comprehensive and independent Environment Impact Assessment study is underway in accordance with Fiji's environment laws. The company says an extensive consultation process is part of the assessment and the villagers are encouraged to be part of it. Once the assessment is complete, the government will then decide if the mine can be built.

Ramu NiCo invests . . .

Post-Courier 11.1.2012

IN ORDER to prepare for commissioning, Ramu NiCo continues to make significant investment in health, safety and environment (HSE). To do this they have hired professionals with more than 20 years experiences of HSE management in multi-national mining companies and subsequently a number of highly experienced safety consultants. This was highlighted in the Ramu NiCo Second Sustainability Report for 2009-2010 titled 'Constructing A Sustainable Future' that was released at the end of 2011. Ramu NiCo stated in the report that with these experts in its team it completed in July 2010 a HSE Management System Gap Assessment which identified the critical controls required to ensure safe work. The company then implemented a "HSE Development Matrix" which tracks HSE Progress over time against critical control areas.

Experienced safety advisers were also deployed at the Kurumbukari mine and Basamuk refinery sites to help monitor compliance with the new system. From there Ramu NiCo's approach to HSE management has required action from a diverse range of technical engineering and management areas. These actions have included:

- "HAZOPS" or risk managements of critical parts of the production process. These studies are aimed at identifying what factors might lead to unexpected incidents and how to avoid them.
- A comprehensive safety training program with an eye on operations;
- Third party inspection and certification on the safety status of key equipment;
- Purchase of highly specialised personal protective equipment. This gear ensures that workers are adequately protected against exposure from heat, gases and chemicals typical of HPAL process plants.

Ramu NiCo is continuing with its efforts to build a strong corporate culture that infuses a health and safety mindset into everything it does.

*Letter to the editor***LNG landowner identification not done**

Post-Courier 11.1.2012

IN April 2011, then acting Prime Minister Sam Abal admitted that the Somare Government had rushed the signing of the Gas Agreement of the PNG LNG Project. His statement was shocking but that was the truth. In December last year, Petroleum and Energy Minister William Duma also admitted that the State and his Department are yet to identify the legitimate landowners affected by the PNG LNG Project and his statement was made when Koroba Kopiago MP John Kekeno asked a series of questions in Parliament. In the New Year (2012), Southern Highlands Governor Anderson Agiru also admitted that only Social Mapping was done and that Landowner Identification Studies were yet to be done. Mr Agiru said that Mr Duma only signed the Social Mapping Reports and that provided the basis to conduct the UBSA Forum in Kokopo in April and May 2009. If the real landowners are not yet identified as confirmed by these leaders, why is the Government hell bent in pushing this project?

I have very closely observed the manner in which the issues pertaining to the PNG LNG Project have been handled and addressed and would like to share the following observations. Mr Abal is a creditable leader and he was very honest by admitting the truth. The truth is that the fundamental fiscal, commercial and economic issues that PNG, as host country, should have negotiated better in order to derive maximum benefits for landowners and the country were given away on a golden plate. For example; all the dry gas (methane and ethane) and wet gas or LPG (butane and propane) will be exported as LNG. The State poorly negotiated the Gas Agreement because it secured zero gas for domestic uses and downstream processing for value-added industries. This project is no different than the aborted PNG to Queensland Gas Pipeline Project where every molecule of gas was going to be piped to Australia. LPG is a good substitute for firewood but we have given this greatest fuel and the biggest opportunity away when our mothers continue to look for firewood each day.

Coppermoly to form JV with Barrick

The National, 10th January 2012

AUSTRALIAN company Coppermoly will form a joint venture with Barrick Gold Corp for its three tenements in New Britain Island in Papua New Guinea. Headquartered in Toronto, Canada, Barrick Gold, the world's largest pure gold mining company, had earned a 72% stake in the Simuku, Nakru and Talelumas tenements after meeting the A\$20 million expenditure commitment required under the farm-in agreement with Coppermoly. Coppermoly managing director Peter Swiridiuk told the Proactive Investors website yesterday the joint venture would now be finalised.

"We will formalise a joint venture agreement over the next three months with Barrick, to look at ways of progressing these projects. Importantly, Coppermoly will retain a 28% interest in the tenements, which Swiridiuk said was a great advantage for shareholders.

Coppermoly's cash contribution up to the completion of a feasibility study will be delayed until the commencement of production, and will be repaid from the company's share of any future production revenue. "From Coppermoly's perspective we can now continue to watch the projects being advanced without needing to contribute any cash until the completion of a feasibility study," Swiridiuk said. The Simuku project, which included the Simuku and Talelumas exploration licences, hosted an inferred JORC Resource of 200 million tonnes grading 0.47% copper equivalent, with a cut-off grade of 0.3% copper equivalent. Simuku is an hour's drive from the provincial capital of Kimbe on New Britain Island.

Meanwhile, at the Nakru project, an exploration target of 50 to 60 million tonnes grading 0.7% to 0.9% copper had been set for the Nakru-1 copper-gold system. This system is the most advanced prospect within the tenement. The Nakru project is located within a four hour drive from Kimbe. In addition to the joint venture tenements, Coppermoly has applied for a further three tenements in the region, which Swiridiuk said are significantly larger than the existing tenements. "We've got three other applications that are 10 times larger than those under the agreement with Barrick ... we are going through the process of getting them granted."

SHP MPs urged to stop fights

The National, 10th January 2012

By JACOB POK

MORE than 30 people are believed to have died in an ongoing tribal warfare along the border of Kutubu and Tari in the Southern Highlands. Local leaders claimed that the tribal warfare started in 2008 between clans within the Beneria and Moran area over a land dispute. Local leader Peya Mongola told The National yesterday that the land dispute over the Beneria pipeline and Moran PDL 5 and PDL 6 had claimed 32 lives since 2008. He said the fight started between the Peri and Kondo clans following a dispute over land where gas and oil projects were taking place. He said other clans later joined in the battle and the fight turned into a inter-tribal warfare.

He said the battle took place in the thick jungles along the border of Kutubu and Tari where there were no police. "They are fighting in an isolated area and many people have died so far and we fear more lives could be lost if police and local leaders failed to intervene and solve the problem in any way possible." Mongola urged the government to intervene and dispatch a police patrol to the area to stop the warfare. Former Tari MP Sir Matiabe Yuwi urged Southern Highlands leaders to visit the people in the province and resolve the conflict. "The fight is taking place on where Governor Anderson Agiru and Imbonggu MP Francis Potape hail from and they should step in to solve the problem," he said. He urged the leaders to be more concerned about their people than themselves. "The payback system is too strong in the area and many lives are in danger so we call on the leaders and police to intervene," Sir Matiabe said.

LLG asks Zibe for report

The National, 10th January 2012

By GABRIEL LAHOC

COUNCIL wards numbering 27 in the Wampar local level government area want Huon Gulf MP Sasa Zibe to produce the results of an independent assessment of the Watut and Markham rivers as he promised last year. A spokesman for the councillors, Douglas Gedisa, from Ward five in the Markham Bridge area, said the livelihoods of thousands of people using the Watut River, which joins the Markham River, was being affected as people were not using the water out of fear of contracting waterborne diseases. During a meeting at the Lae International Hotel where the assessment reports on the Watut River study were discussed to find out if the river was being affected by mining activity upstream, the councillors said Zibe had promised to bring in a German scientist attached with the Evangelical Lutheran church to carry out an independent study.

"He said this German scientist will study and confirm if the rivers were contaminated," Gedisa said. "But we have come to realise that this commitment has taken too long and frustration has built up because that was the same assurance we gave to our people." He said the concerned communities were Lower Watut villages and the Wampar LLG villages of Zifasing, Gabensis, Munum, Nasuam-

pum, Wampit, Mare, Labu-Butu, Labu-Miti and Labu-Tale villages. Gedisa said the people should not be made to wait in suspense until the next general election and that Zibe should explain to the people whether the assessment and their results would be made public.

LNG: 73 off to train in Canada

Post-Courier 10.1.2012

By KONOPA KANA

SEVENTY three young Papua New Guineans have left the shores PNG for 12 months of training in Canada. The students will spend one year in Canada, undertaking Advanced Skills training as part of the PNG LNG Project's Production Operations and Maintenance training program. Tom Hooper, Esso Highlands Limited's operations manager wished the students well in this new chapter of their studies. "We have been impressed with the academic results and personal qualities of the entire group and their demonstrated ability to work together as a team irrespective of which clans or villages they come from. This is a challenging program, but they have put 100 per cent of their efforts into it," he said. "This begins the next phase of their training where they begin to learn a vocation, a craft specifically aligned to the requirements of operating and maintaining our PNG LNG facilities and this is the largest group of Papua New Guineans to head overseas for training, and we know that they will make the country proud," Mr Hopper said.

A student trainee, Eddie Kopeap said at the Jacksons Airport yesterday before the group departed that he was very excited about the trip and a bit nervous because it would be his first time to travel overseas. He thanked ExxonMobil for making his dream come true and he urged new intakes to take the training seriously because in the end it would bring many rewards. "I will surely miss my family but I will have time to come back in April for the first break, then in August for the second break and then December the training will be completed and we'll head back to PNG, straight to the LNG sites," said Mr Kopeap. In Port Moresby, the trainees had completed a 12-month foundation skills program which included mathematics, computing, physics and chemistry, plus a six-month basic skills training program designed to introduce the fundamentals of the oil and gas industry. Ultimately, the operations and maintenance trainees will become qualified technicians capable of operating and maintaining the PNG LNG Project's Hides Gas Conditioning Plant (Southern Highlands) and LNG Plant (Central Province) along with the associated pipelines and wells.

LNG: Hides group wants recognition

The National, 09th January 2012

A LANDOWNER group from the Hides gas project area in Southern Highlands has called for a meeting with landowner company Gigira Development Corporation (GDC) and relevant authorities to have them recognised as legitimate landowners. The Arua Hewa, Arua Tuyaga and Alua Pokoria tribesmen in Pureni, South Koroba, had warned of further action if their request was not attended to. Two oil heads are located on their land, categorised as petroleum development licence (PDL) one. Landowner representatives yesterday claimed they had been paid royalties during the past 19 years but had been left out of the LNG project. They demanded that GDC should organise a meeting with the Department of Petroleum and Energy, ExxonMobil and Oil Search.

LNG: Haluja not Juha chairman

Post-Courier 9.1.2012

CHAIRMAN of Juha PDL 9, Stanley Hogga-Piawi has called on opportunists not to link political interest with project related issues in the LNG Project area. Hogga-Piawi was responding to media statements by Hengebe Haluja in The National newspaper in which he attacked parliamentary lead-

ers of Southern Highlands and Hela provinces and claiming to be the chairman of Juha. Mr Hogga-Piawi said Haluja was not the chairman of Juha PDL 9 and should not mislead the public and make unfounded comments in the media against mandated leaders of Southern Highlands and Hela under the guise as chairman of Juha PDL 9 and cause ill feeling to landowners and their leaders. "I am the only chairman of Juha PDL 9 as far as the clan members of Juha and principal landowners are concerned and I do not want people like Haluja to mislead the people through the media and cause differences with our leaders," Hogga-Piawi said. He said his chairmanship was recognised by the meetings in the Umbrella Benefit Sharing Agreement and the Licence Based Benefit Sharing Agreement and wanted Mr Haluja to refrain from making misleading statements and claiming to be a chairman. "I warn Haluja to stay out of Juha and stop claiming chairmanship once and for all," Mr Hogga-Piawi said.

Rohstoffausbeutung und China-Hass: Es brodelt in Papua-Neuguinea

In Papua-Neuguinea häufen sich Unruhen. Zielscheibe sind chinesische Geschäftsleute. Kein gutes Omen für eine der größten chinesischen Auslandsinvestitionen - die umstrittene Ramu-Nickel-Mine.

Mindere (dpa, 6.1.2012) - Die Männer im Dorf Mindere in Papua-Neuguinea haben ihr Herz für die einst verhassten Kolonialherren entdeckt: «Australier, Amerikaner, Europäer, sie wären alle willkommen, aber die Chinesen sind skrupellos», sagen sie. Neville, Bustin, Joe, Mina, Awan (Namen geändert) leben ein paar Steinwürfe entfernt von der Raffinerie der Ramu-Nickel-Mine an der Ostküste bei Madang. Die Mine gehört dem chinesischen Stahlkonzern MCC.

Verbissen kämpfen die Männer von Mindere gegen das umstrittene Bergwerk zur Nickel- und Kobaltgewinnung. Nachdem die lukrativen Rohstoffe aus dem Erzschlamm gewonnen sind, soll der mit Lösungsmitteln und Metallspuren belastete Rest über ein Fallrohr 150 Meter tief ins Meer entsorgt werden. Diese Art der Verklappung ist gefährlich, haben Studien gezeigt. Die Entsorgung geht auch anders, ist dann nur viel teurer. «Sie bringen Technologie der 60er Jahre, sie vergewaltigen unser Land, die Regierung profitiert, aber wir sehen nichts davon», sagt Bustin.

Sie halten an diesem Tag Rat auf ihrem Dorfplatz unter einem riesigen Mangobaum. «Unser Bach ist hin, seit sie da oben ein Wohnheim gebaut haben und Abwasser reinleiten» sagt Mina. «Sie haben uns Strom versprochen, und was bekamen wir? Einen armseligen Solarkollektor», sagt Joe. Die Trinkwasserquelle ist auf dem abgesperrten Raffineriegelände», sagt die Frau. «Sie haben uns eine Leitung gebaut, doch die war schnell kaputt. Das sei unser Problem, hieß es. Jetzt müssen wir vier Kilometer laufen, um Wasser zu holen.»

Im Unmut der Anwohner kommt viel zusammen: die Angst vor Umweltschäden, Sorge um das Überleben des Dorfes, Frust über die eigene Regierung und Misstrauen gegen die wenig integrierenden Chinesen. Die Regierung betreibe mit Bergbaulizenzen wie dieser einen Ausverkauf des Landes, fülle sich die eigenen Taschen und die arme Bevölkerung schaue in die Röhre, sagen die Männer. «Entwicklung hat gute und schlechte Seiten, aber wir sehen nur die schlechten», sagt Neville.

Nun ist in diesem bitterarmen Land nichts schwarz und weiß, gut und schlecht, aber vieles höchst kompliziert. Vor sechs Jahren waren nicht etwa alle dagegen, als die Regierung für das einstige Kirchenland eine Bergwerkslizenz vergab. Manche verpachteten noch zusätzlich Land an die Investoren. Sie hofften auf Reichtum, Geschäfte mit der Mine und Arbeitsplätze.

Nur ist wenig daraus geworden. Die Chinesen fliegen lieber eigene Arbeiter ein, 2000 sind es inzwischen. Für Papuaner sind nur Aushilfsjobs übrig. Es gibt gehörig Zwist im Dorf zwischen denen, die mal für die Mine waren, und den anderen. Inzwischen hat fast jeder im Dorf einen Angehörigen, der dort arbeitet und mit dem Lohn die Familie durchbringt.

Aber die Stimmung ist gespannt. Einige der rund 700 Bewohner von Mindere versuchen, das verhasste Projekt mit immer neuen Klagen gerichtlich aufzuhalten. «Ich bin einer der Kläger, ich habe in einer Kupfermine gearbeitet und weiß, was so eine Verklappung bedeutet. Das Meer ist ver-

schmutzt, der Strand mit dickem Schlamm verseucht», sagt Awan. «Wenn alle Klagen nichts nützen, will ich für die Sicherheit der Pipeline nicht garantieren», fügt Joe düster hinzu.

«Die Ressentiments gegen Chinesen sind riesig, da fehlt nur ein Funke, das ist explosiv», sagt Blogger Martyn Namorong aus der Hauptstadt Port Moresby im australischen Rundfunk ABC. «Kultur und Sprache - ein riesiger Graben: Da wird aus einer Mücke schnell ein Elefant», sagt der chinesischstämmige malaysische Pfarrer Daniel Wong, den die lutherische Kirche geschickt hat, um zwischen einheimischen Christen und den Chinesen zu vermitteln.

Ein junger Ökowald-Aktivist fährt durch die Hafenstadt Madang etwa zwei Bootsstunden weiter nördlich, die zu deutschen Kolonialzeiten Friedrich-Wilhelmshafen hieß. Sie hat vielleicht 35 000 Einwohner. Herbert zeigt auf einen Supermarkt, einen Klamottenladen, ein Schnellrestaurant. «Bis auf einen Laden und eine Tankstelle gehört hier alles Chinesen», sagt er. «Sie trauen sich kaum raus», sagt er, «weil alle gegen sie sind».

Die Einwanderer lernten kaum Tok Pisin, die Sprache der Einheimischen, erzählt der Ökowald-Aktivist. Sie stellten mit Vorliebe Bewohner aus den bitterarmen Settlements, besseren Slums, ein und das für einen Minilohn. «Hier sind alle sauer, das explodiert, es ist nur eine Frage der Zeit», sagt Herbert.

Wie im Mai 2009, als ein Streit zwischen Einheimischen und Chinesen auf der Ramu-Nickel-Baustelle eskalierte und zu landesweiten Unruhen führte. Hunderte chinesische Läden wurden in Brand gesetzt und geplündert. Im September dieses Jahres schlug die chinesische Botschaft bei der Regierung Alarm, berichtete der australische Rundfunk ABC. Geschäftsleute lebten in Angst. Sie forderte Schutz.

Anfang November kam es in Lae, der mit rund 80 000 Einwohnern zweitgrößten Stadt des Landes, zu Randalen. «Das hatte damit zu tun, dass die Chinesen dort Straßenverkäufer beschäftigen. Das ist ein Sektor, den viele Papuaner als absolut den Einheimischen vorbehalten betrachten», sagt Blogger Namorong.

Die Minenleitung selbst ist öffentlichkeitsscheu und äußert sich auf schriftliche Anfragen nicht. Sie zahlt der lokalen Polizei einen Extralohn, um das Gelände zu schützen. Ein dicker Polizist beardert Besucher, die vor dem Mineneingang Fotos schießen, samt örtlichem Missionar und Dorfbewohnern in seinen Polizeicontainer. «So geht es nicht», wettet er. Öffentliche Straße hin oder her, die Minenleitung duldet keine Fotos. Er lässt die Gruppe erst nach langem Palaver und dem Löschen von ein paar Bildern auf der Digitalkamera ziehen.

Pfarrer Wong erklärt, was aus seiner Sicht schief läuft zwischen Einheimischen und Chinesen. «Früher kamen als Ausländer nur Missionare, die sind aufs Helfen und Geben eingestellt. Aber die Chinesen kommen, um Geschäfte zu machen.» Chinesische Investoren sähen sich dagegen als Opfer eines Komplotts. «Die ganzen Umweltorganisationen, die kommen doch aus westlichen Ländern, die die Chinesen klein halten wollen», gibt er die Überzeugung wieder, die er oft gehört hat. «Sie fühlen sich schikaniert. Solange die USA die Welt wirtschaftlich regierten, war alles gut, jetzt kommen die Chinesen, da hackt jeder drauf rum.»

Das Management von MCC verstehe angesichts der Klagen und immer neuen Verzögerungen die Welt nicht mehr. «Die Regierung hat MCC doch bekümmert, das Projekt zu übernehmen», sagt Pfarrer Wong. Und Peking habe das aus politischen Interessen getan. «Man braucht ja schließlich Freunde in der Welt, bei Abstimmungen in den Vereinten Nationen und so.» Jetzt fragten die MCC-Manager sich: «Wie können die hiesigen Gerichte uns nun so viele Knüppel zwischen die Beine werfen?» Die Eröffnung der Mine ist mehrfach verzögert worden.

Von der Aufrichtigkeit der Demonstranten seien die Chinesen nicht überzeugt. «Ihnen geht es doch gar nicht um die Umwelt, wenn man ihnen Geld gibt, sind sie friedlich», meint Wong. Die Leute von Mindere sagen: «Wir haben uns über die Sicherheitsvorkehrungen auf der Baustelle beschwert. Die Beamten kamen, und dann ist nie was passiert. Später sahen wir sie in dicken Landcruisern durch die Gegend fahren.»

Pfarrer Wong hat die Hoffnung, vermitteln zu können, aufgegeben. Er verlässt das Land. Er hat oft in den Wohnheimen auf dem Raffineriegelände übernachtet, um mit den Arbeitern ins Gespräch zu kommen. «Als die Einheimischen hörten, dass ich Pfarrer bin, hat das gut geklappt», sagt er.

«Aber die Chinesen sind sehr pragmatisch. Sie fragen am Abend nach einer langen Schicht: Was willst Du? Und wenn sie keinen Nutzen sehen, verziehen sie sich zum Fernsehen in die Stube.» Wenigstens hofft Wong, den Einheimischen gezeigt zu haben, dass Chinesen auch anders sein können.

«Die Rohstoffindustrie ist Fluch und Segen zugleich», schrieb Human Rights Watch vor kurzem. «Die Projekte haben gewalttätige Konflikte, Missbrauch und verheerende Umweltschäden entfacht. Die Staatseinkünfte verschwinden durch Korruption und Missmanagement und bringen den normalen Bürgern keine Lebensverbesserung.»

Lihirians boom in property venture

The National, 06th January 2012

By YEHIURA HRIEHWAZI

THE acquisition of three commercial office buildings in Australia clearly puts Lihirians way ahead of all resource landowners in PNG. They had invested their money earned from royalties in sustainable income-generating businesses. The latest purchase was a 19-storey well-tenanted building for A\$40 million from Australia's AMP Finance, one of Australia's largest superannuation, insurance and finance companies, right in the heart of Brisbane's central business district (CBD). This acquisition boosted Mineral Resources Lihir Capital Ltd's growing property portfolio to K155 million, which represented 30% of the company's total assets. Managing director Thomas Tanasu said in his latest company newsletter: "The company now has a total value of K155 million in properties under management.

"Three of the properties are in Australia and two are in Papua New Guinea." "The properties are spread over both commercial and residential with three commercial office complexes in Australia and two executive residential apartments in PNG." He said the company planned to increase their property investment to K220 million and would look at investing in Canberra and Sydney. Sydney-based Papua New Guinean realtor Okuk Rogerson is the company's real estate agent on the lookout for properties to purchase. The A\$40 million property in Brisbane called Flight Centre is located in the "Golden Triangle" of the CBD and the anchor tenant is Flight Centre itself, while the Commonwealth government occupies 84% of total office space.

Other tenants included Personal Best Australia, Gloria Jeans Coffee and others while the remaining 3% was yet to be filled. MRLC also purchased two other commercial properties in Cairns, which are the CBA Building on 76 Lake Street for A\$8.5 million and a newly constructed three-level property on 120 Bunda Street, which was bought for A\$18.8 million. The Bunda Street property was leased by Queensland's Health, Correctional Services, Education and Work Place Relations and Environment departments. The PNG properties are both in Lae. One for K6.1 million is on Doyle Street in Eriku and the other was purchased for K5.1 million at the corner of Cassowary Street and Eagle Street. The Cassowary property was fully occupied by Digicel's Mamose regional executives.

MRLC board chairman Mark Soipang praised his board and management on the investments and thanked his management team for working "diligently" to grow the property portfolio of the company. He also announced that Tanasu's contract had been extended by another four years after it expired last year. "The acquisition of Flight Centre House in Brisbane is indeed a milestone. "Lihirians are now proud owners of this 19-storey office complex, which stands in the heart of Brisbane CBD. "I urge all Lihirians to do away with petty politics and meaningfully support the board and management in growing the assets of the company for the benefit of future generations of Lihir," Soipang said.

MRA officers accused of breaking protocol

The National, 06th January 2012

NEW Ireland governor Sir Julius Chan wants officers in the Mineral Resources Authority sacked for failing to consult his government before embarking on projects. Sir Julius said the authority failed to consult his government on the million kina projects it had distributed to areas in Central New Ireland. He claimed that the authority kept breaking protocol of mutual consultation and unilaterally handed out projects in the province outside the provincial plans and priorities.

“It is disrespectful and unacceptable of the MRA to behave as a government and I call on the national government to sack people who deliberately usurp the authority of my elected government to dictate projects for our province,” he said.

He cited, as an example, the opening of a new aid post building at Natong on Anir Island. The Authority he claimed did not seek clearance from the health department on staffing and operational funding. “New Ireland people rightfully deserve their fair share of benefits and cash grants from the Lihir gold mine in arrears for over 15 years and the previous NA government in NIP and Waigani, including MRA have failed to remedy the long-running issue,” he said. Sir Julius added that it was outrageous and sickening. “There is only one elected government in New Ireland led by me as Governor and no one, including MRA and Newcrest, can overrun the government through bureaucratic machinery,” he said. Sir Julius said the MRA had been funding many projects in Central New Ireland which is where managing director Kepas Wali came from.

Simberi Mining Area Association get K164,000 as 15 per cent of the mining royalty

Post-Courier 6.1.2012

THE Simberi Mining Area Association (SMAA) received a cheque of K164, 000, which is a 15 per cent administrative component of the Simberi Mining Royalty. Minister for Mining and Member for Namatanai, Byron Chan presented the cheque to the SMAA on December 29 last year at the Kavieng Hotel in the New Ireland Province. The remaining 85% of the Simberi Mining Royalty remains intact under state control with the Mineral Resources Authority (MRA). Mr Chan said the money would relieve SMAA of their burden of running the association without operational funds after their administrative component had been stopped owing to differences among the Mining Lease Landowners SMAA and Allied Gold Plc.

“This difference among these parties had caused SMAA to suffer in its operation as an association which had perpetuated for five years,” he said adding that SMAA was recognised by government because its legitimacy as an association was mandated by the people of Simberi during the election in 2010. “As such it must get its administrative component of the Simberi Mining Royalty which is also stipulated in the Memorandum of Agreement (MOA) and the Understanding of Issues (UOI) of 1996 and 2004 respectively,” Mr Chan said. The Minister for mining further stated that the problems resulting in the differences between SMAA and the faction group of Mining Lease (ML) 136 Landowners could have been managed had the Mineral Resources Authority been neutral and committed in negotiating a solution that would have recognised SMAA as a legitimate association for the landowners of Simberi and Tabar in general, but it did not.

Mr Chan called on MRA and Allied Gold Plc to recognise the legitimacy of SMAA and work with them in every way possible to help the common people of Tabar and build a sound and cordial working relationship among all stakeholders in the Simberi Gold project. “I also call on the ML 136 Landowners to participate fully in the Simberi Gold MOA Review to ensure their concerns are accommodated in the new MOA,” he said. “We are very happy indeed that Mr Chan facilitated the release of our administrative component of the Simberi Gold Royalty. Our administrative burden is

now going to be something of the past and the association will smoothly operate in 2012," SMAA executive secretary, Simeon Lamo said. He reiterated that a fair election was conducted by the Electoral Commission that saw SMAA executives and directors take up office but it was sad to see that the ML 136 landowners continued to be a faction group in Simberi.

LNG: Papa Rea Rea LOs get K3m

Post-Courier 6.1.2012



By *DEBBIE MOSES*

THE Department of Commerce and Industry has once again planted a seed through its Business Development Grant. Buria Rea Rea Caution Bay, a landowner company belonging to the people of Rea Rea (Lea Lea) were recipients of a cheque from the Department of Commerce and Industry amounting to K3,385,200 at the Golden Bowl Restaurant in Port Moresby on Wednesday. In his remarks, Department Secretary, Stephen Ian Mera told the small group gathered that it had taken the Department of Commerce and Industry a year to process and make this seed capital payment possible. He said the delay in the presentation of the cheque had been due to disputes among the landowners. Mr Mera said the National Executive Council (NEC) had given discretion to the Department of Commerce and Industry to disperse these Business Development Grants to areas which were part of the Liquefied Natural Gas (LNG) Project.

He said the department has not been able to disperse these grants due to the disputes that occurred between landowners. He added that, the department was way behind its assigned schedule of 12 months and was now into its 25th month and the Department had so far dispersed K97 million. He said Juha and Angore were the next areas which the department was hoping to address as soon as landowner disputes had been dealt with. He appealed to landowners of Angore to put aside their differences, and combine to have one set mind so that they too could participate in the spin-offs from the LNG project. He said that currently there were six court orders in place, preventing the industry from moving. Therefore the department was hoping to convene a meeting with the landowners from Angore to make them understand that the payment was a one-off payment which would be used as seed capital, which would allow the landowner companies to tap into the spin-off benefits and develop their businesses. According to Tau Micah of Tau Rei Lawyers representing the Buria Rea Rea Caution Bay Company, his clients were acting on a court order which had been issued on the August 11, 2011 which stated that his clients could receive the cheque and deposit it into their account.

He explained that there had been several court orders issued, including a restraining order, which had been issued on the August 16, 2011. However, he said his clients had been reinstated and were acting on the order which had been issued on the August 11, last year. According to spokesman for the Buria Rea Rea Caution Bay, Rausi Iru, the spin-offs for the construction phase at the LNG Project site on portion 152 have nearly been depleted. He said the group had not developed a business plan; however, the group was looking at investing in agriculture and engaging in joint venture business with other businesses. Mr Iru said the group was well aware that the money would be acquitted and that they would be very careful with how they managed this business grant. Company chairman, Morea Veri who received the cheque on behalf of the people of Rea Rea (Lea Lea) said he was thankful to everyone involved in making the presentation possible. Particularly, the Department of Commerce and Industry, Department of Treasury, and the Department of Petroleum and Energy

who had worked tirelessly despite the many hurdles which they had to overcome during the past year.

LNG: Leave politics out of it

Post-Courier 6.1.2012

By JONATHAN TANNOS

POLITICS should not be used to discredit the action of the O'Neill-Namah government in paying the K10 million seed capital for the Tari Airport Landowners Association. This is the message from chairman, Benson Angobe, who yesterday described criticisms against Finance and Treasury Minister, Don Polye, for approving the payment as pure politics by so-called landowner leaders. "If you want to play politics do not use the seed capital for your political intensions. Leave politics out of what is rightfully landowner benefits as recognised by the government. "After four decades or more the government has finally recognised the plight of the Tari airport landowners who have also met the requirements under the Public Finance Management Act in applying and securing the funding. "For so-called leaders to challenge the wisdom of the government and to make threats is childish and demonstrates a lack of understanding of how funding is justified and secured."

Mr Angobe said the genuine landowners were grateful and acknowledged the commitment of the government through Mr Polye to honor them with an unfulfilled promise by the previous government and the Southern Highlands Provincial Government. "Legitimate commitments by the Government should not be questioned in the manner which these leaders have done and issuing threats to shut down the airport," Mr Angobe said. He said the organisation and preparation for the landowners to participate in the related business and economic activities of the hydro carbon industry have been recognised by the government and they were now moving into the implementation stages. He said the landowners will cooperate fully with other initiatives of the national government that were geared towards ensuring they received due benefits as an important infrastructure site in the economic boom which the country will go through. "We cannot afford to be left out of these important developments," he said.

SOLOMONS GOLD MINE YIELDS TO STRIKERS' DEMANDS

MOA between parties signed, employees to return to work

By Daniel Namosuaia

HONIARA, Solomon Islands (Solomon Star, Jan. 5, 2012) - The strike action taken by Gold Ridge Mining Limited (GRML) workers which started yesterday was resolved after a memorandum of Agreement (MOA) was signed late yesterday in the Solomons. The MOA was signed by the General Manager of GRML Wayne Hatton-Jones, General Secretary of Solomon Islands National Union of Workers (SINUW) Tony Kangovai and six GRML employees' representatives. The strike action was taken following a 14-day notice issued to the company on December 19 last year. Employees of the company have been demanding pay rise. Mr Jones confirmed to The Solomon Star that they have already settled the issue and workers are going back to work. He said the action taken by workers was a result of a communication breakdown and wasn't an issue. "This was an issue last year which the company just had to revisit after the Christmas and New Year's break. "But we have solved everything and workers have resumed duties as normal the same day (Tuesday)". Solomon Star sighted the MOA signed between the company, SINUW and company representatives.

The terms and conditions stipulated in the MOA are;

- 2012 CPI will be determined and paid subject to further negotiation on the 2011-20-12 log claims

- GRML to award a cost of living adjustment of 8% across the board to all employees effective 1st January 2011. Those employees who have been awarded 3.9% will only receive 4.1% based on the old rate effective 1st January 2011.
- 4 days pay: That GRML to pay all employees the four days road blocks cost by the dispute between the company and land owners. Moving forward it will not be considered as a precedent.
- That the employees also agreed to return to work immediately.

LNG: Landowners in Angore urged to sort out conflict

The National, 5th January 2012

By YEHIURA HRIEHWAZI

COMMERCE and Industry Secretary Stephen Mera yesterday made a strong appeal to Angore gas project landowners to quickly sort out their differences and collect their K12 million in seed capital. He said Juha landowners were next in line to collect their K12 million this month after their disputing parties had resolved to work together. Mera made the call to Angore's disputing landowner groups as he paid over K3.3 million to Buria Rearea landowners in the Caution Bay area - about 20km north-west of Port Moresby, where the PNG LNG liquefaction plant is under construction. He expressed fear that if the funds were not paid out quickly to the landowner companies to invest in business, the Department of Treasury could recall the funds from the trust accounts.

Mera said the government had instructed them to release the funds to lancos (landowner companies) within 12 months, "but it is now the 25th month and going into third year". He said K120 million was set aside in trust accounts to be paid to landowner companies as seed capital for the PNG LNG project impact areas. "It's a one-off payment under the LBBSA and UBSA agreements," he said. So far K97 million had been paid and only Juha and Angore were outstanding with Buria Rearea getting paid yesterday. Mera urged lawyers involved in the various court battles to consider the greater interests of the people who were being left out. He said his staff would contact the lawyers and try and try to get out of court settlements and free up funds so that the affected people could start businesses and benefit from the multi-billion kina LNG project.

LNG: Lanco eyes fishing with K3.3m grant

The National, 5th January 2012

A GROUP of landowners will put up a large fishing project with cooling and freezer system, using the money from the K3.38 million business development grants it received yesterday. They are from Papa Lealea where the PNG LNG Liquefaction plant was being constructed. The land owners said they had missed the boat in terms of spin-off businesses during the construction phase of the gas plant on their traditional land. The Buria ReaRea Caution Bay Ltd (BRCBL), which represented several clans, was yesterday paid a total of K3,385,200 as seed capital under the government's business development grants scheme. The grant scheme aimed to help landowner companies (lancos) in the PNG LNG project's impact areas set up commercial enterprises and take advantage of spin-off business activities spawned by the gas project.

Legal disputes among landowners had prevented the early release of funds to the Papa Lealea villagers. Meanwhile, other landowner groups in the area had taken advantage of the construction phase and were reaping the benefits through machinery and labour hire and other arrangements. The BRCBL leaders yesterday said they had "missed the boat" and would re-organise themselves to go into other businesses like fishing and agriculture to cater for the gas project's messing facilities. One of the executives of the company and village elder Rausi Iru said they were already late on contracts during the construction phase "which will be completed within the next 12 months".

“We have to look at other alternatives like fishing and agriculture to supply the workers’ mess,” he said. Iru said they were considering a large fishing project for which they would negotiate power supply with the ExxonMobil. This would run the cooling facility of the project, he said. Iru said they planned to go big on fishing and engage in export. Commerce and Industry secretary Stephen Mera, who presented the cheque for K3.38 million to BRCBL chairman Morea Veri – a former deputy Electoral Commissioner – said his department would assist the lanco draw up business plans. He urged the directors and leaders to put the money to good use. “I believe strongly that you will take the money and make good use of it ... you will take K3 million and grow it to K12 million in two years time,” Mera challenged them. He said his department was ready to help with training to instill on the lanco good business ethics and discipline. Mera said the business development grants of K120 million were for “one-off payments” for LNG lanco, which were disbursed by his department. So far a total of K97 million had been distributed to landowners.

Final trial allowed to verify mine landowners

The National, 5th January 2012

By ELIAS LARI

MEMBERS of the Piu Land Group Inc from Morobe are staging several celebrations throughout the country after the National Court in Waigani last Friday granted leave to them and 11 other parties for a final trial. The final trial will allow for a fair hearing to determine the rightful landowners of the Wafi-Golpu mine in the Mumeng district, Morobe. The decision handed down by Justice George Manuhu comes almost a year after former mining minister John Pundari revoked the appointments of the three Special Land Title (SLT) Commissioners in Lawrence Titimur, Robert Urung and Richard Cherake and disbanded the hearing into the Wafi-Golpu landowners grievances. A relieved Piu Land Group Inc chairman Martin Tapei said the victory was for the people.

He said the decision would now enable the Land Title Commissions to continue and complete its hearing from all parties before a decision was made to determine the legitimate landowners. He said the SLT Commissioners had covered most issues but only two matters were selected and they were inspections of the land boundary and the submission form of all parties. Tapei said the Wafi-Golpu mine was predicted to be the next biggest mine in PNG. The mine is said to contain 26.6 million ounces of gold and nine million tonnes of copper. Tapei said now that the court had made its decision, the members of the land group were staging celebrations throughout the country. He appealed to his people, supporters and interested parties to remain calm and wait for the outcome of the final hearing.

Landowners says LNG MPs with Somare must join O’Neill

The National, 5th January 2012

By PATRICK TALU

A CONCERNED leader from the LNG project area in Hela has called on the Southern Highlands and Hela MPs in the Somare-led group to unite with Prime Minister Peter O’Neill. Chairman of Juha Landowners Association of the petroleum development licence (PDL9) area, Hengebe Haluya, said it was in the best interest of the LNG project and the people of Southern Highlands and Hela. All political leaders must be united and work together for the common good of their province and support the project developer to deliver the LNG project on its targeted deadline. “We have a huge multibillion kina project in our province and this project needs political leadership to move the project forward,” he said. “It won’t be good for our investors like ExxonMobil, which have put so much trust and confidence in the political leadership of the provinces. “The divided political leadership is not encouraging for the LNG project and its stakeholders.

“I call on particularly Southern Highlands Governor Anderson Agiru, LNG project host Open MP Francis Potape and other MPs who are in the opposition to put their political differences aside and work with O’Neill in the best interest of their province, the LNG project stakeholders, including the landowners, and PNG,” Haluya said yesterday. He praised the government for responding to outstanding issues relating to the LNG project. “I want to commend Prime Minister Peter O’Neill and his government for giving due diligence to resource our grievances. “This government has proved to the people of Papua New Guinea, including us the aggrieved landowners, that it is the government for the people. “Somare and his government failed to address our outstanding issues but since O’Neill took office as PM, we have seen some light and we want that to continue until all outstanding issues, including all memorandum of agreement commitments, are fulfilled during this government’s term,” he said

Juha local urges people not to mix politics with project

The National, 5th January 2012

JUHA PDL 9 chairman Stanley Hogga Piawi is calling on landowners not to link political interests into LNG project-related issues. Piawi was responding to a media statement published in a weekly newspaper by a Hengebe Haluja in which he attacked parliamentary leaders from the Southern Highlands and Hela. Piawi said Haluja was not the chairman of Juha PDL 9 and must not mislead the public. He said Haluja should not make unfounded comments in the media against mandated leaders of Southern Highlands and Hela while claiming to be chairman of Juha PDL 9 and causing ill-feeling between landowners and the leaders. He said the media must know that there were many would-be landowners in LNG areas. “I am the only chairman of Juha PDL 9 as far as the clan members of Juha and principal landowners are concerned and I do not want people like Haluja to mislead the people,” Piawi said. He said his chairmanship was recognised by the meetings in the umbrella benefit sharing agreement and the licence based benefit sharing agreement and he wanted Haluja to refrain from making misleading statements claiming to be chairman.

LNG: ‘Don Polye gone far too low’

Post-Courier 5.1.2012

By ANDREW ALPHONSE

Treasurer Don Polye in the other government has “gone too low and is involving himself in Hela politics” without fully explaining the “process and manner” in which the controversial K10 million for Tari airport land compensation was paid out on Christmas Eve under dubious circumstances to some self claimed paper landowners and consultants in Port Moresby. Respected Tari businessman and former mayor George Tagobe said this in response to Polye’s published comments this week in this paper in response to comments by Mr Tagobe and fellow landowner leaders like Pulupe Wauwe and Alu Wapiria Wangarere. Polye claimed the trio were not indigenous landowners of Tari airport prompting Tagobe to yesterday describe Polye’s as a “de-commissioned minister in an illegal government causing problems for genuine, honest and hardworking Papua New Guineans who strive and sweat each day to make ends meet”.

Tagobe said Polye’s comments against him and other landowner leaders are misleading, highly defamatory, discriminative, immature, full of ego and without any real substance. “The good de-commissioned Treasurer has gone far too low in attacking me and the other landowner leaders of Tari airport. “How does Mr Polye know that Pulupe Wauwe, Alu Wapia Wangarere and I are not indigenous landowners of Tari airport. “I am the Kikita 1 councilor for second term now and leader of the clans identified by Mr Polye as landowners from Kikita tribe namely Tarani Tene, Jawi Tali, Po’o, Pakoli and Homaria. “We are not tainting Polye’s name for political advantage, we are just concerned because the K10 million has being paid out to few individuals and a ghost landowner

company in the name of Tari airport.

“We reiterate that these individuals and the company that was paid the K10 million are not even nominated by the 18 clans that own the portions of the land at which the Tari airport and township is located,” Tagobe said. Tagobe said that if Polye thinks that they were not indigenous landowners, Polye should come to Tari and find out as Polye is being misled by the very people who are conspiring with him to have the cheque paid to them in the name of Tari airport. “Just because of Mr Polye’s irrational, immature, emotional and off cuff comments and decisions like this, the Grand Chief Sir Michael Somare in his wisdom on numerous occasions dumped him for better candidates with credibility for the Deputy Prime Minister post too. “Now Polye has further belittled himself again by interfering in domestic Tari issues and can qualify himself to tell me where we hail from. “Polye should come and deport me from Tari just like what his illegal government did to Graham Osborne if Polye thinks I am a foreigner inTari,” Tagobe said.

Tagobe said the landowners also want to know the meeting minutes and documents pertaining to the number of meetings Polye said he has had with the Tari airport landowners because as far as the landowners are concerned, they are still to do landowner identification studies, social mapping and the formation of the incorporated landowner groups (ILGs) for the airport. “Where and when were the meetings held with the landowners in Tari since 2009? Polye should come and explain these meetings to us and we the legitimate landowners back home in Tari are not aware of these meetings,” Tagobe said. Tagobe, yesterday, flanked by chief Wangarere and other angry Tari airport landowner leaders also called on the national anti-corruption and sweep task force team headed by Chairman Sam Koim to immediately conduct investigations as the matter is “highly fraudulent” while, Wangarere said their threat to close Tari airport still stands.

Letter to the editor

Mendi still lies in shambles despite promises

Post-Courier 5.1.2012

AS a woman of the Southern Highlands, I write to put an open challenge to Governor Anderson Agiru on what he has done for the province so far over the last five years. Mendi Town lies in shambles with no future reorganisation. It has been the capital to the vast oil and gas project in SHP but yet there is no tangible development at all in Mendi. Mothers of the province have been crying for better services delivery, even the chairman of Mendi Youths Association have expressed similar concern and all have fallen on deaf ears. We have never seen any tangible development in Mendi. Despite boasting of hosting the LNG project and other projects my town is still in tatters and I’m ashamed everytime I travel to other provincial capitals and see changes. Hela is now a province of its own and what we experience in Mendi should be a lesson for the Hela people to vote leaders who have the people at heart and not prophetic charismatic type of leaders who make waves in media and public rallies but cannot deliver. I challenge the local leaders of Mendi to deliver the much hyped international airport as it is five years now and we have not seen any project off the ground as all we see is the grass cutting. As women of the province, we are fed up with our leaders making empty promises. I appeal to the people of lower and upper Mendi to rise up and challenge our leaders in the coming 2012 elections on what visions and plans they have for the resurrection of our provincial capital. All intending candidates must come to the Momei oval in Mendi and publicly declare what they have in store for us in an open forum and sign a pledge of loyalty and commitment in front of the people. We cannot be losers again.

Tari Landowners threaten to shut airport

Post-Courier 5.1.2012

By ANDREW ALPHONSE

POLICE in Tari have asked disgruntled Tari airport landowners to seek legal action including court injunction orders instead of trying to forcefully shut down the Tari airport by tomorrow. Hela provincial police commander Supt John Anawe said this in a meeting yesterday between Tari airport landowners, Tari police station commander Chief Inspector Michael Welly and himself. The landowners have written to Civil Aviation Minister Puri Ruing of their notice to threaten and forcefully shut down the airport after learning that a K10 million land acquisition payment for the Tari airport was paid on Christmas Eve to some self-claimed paper landowners, con consultants and an illegal landowner company in Port Moresby. During the meeting yesterday, Mr Anawe said as police they were there to uphold law and order and would not tolerate any violence or forceful and illegal seizure and closure of public installations like the airport.

Mr Anawe said while their concern was a genuine one, he urged the landowners to find proper avenues like seeking a court order to prevent the use of the airdrome. Mr Anawe said in the meantime, he would write to the two landowner leaders in Port Moresby, Benson Angobe and Mark Mulungu to come home to Tari with the K10 million and resolve the issue once and for all with all the affected landowners. A virtually irate Chief Alembo Wagarere, chairman of Tari Airport Landowners Association said in the meeting yesterday that for 30 years they had been fighting for land compensation payment for the airport and that their submission was before the National Executive Council (NEC) for K15 million.

Mr Wagarere said it was not until Treasurer Don Polye and the two landowner leaders conspired with another con-artist and self claimed consultant (named) to defraud and re-direct the payment to a ghost landowner company that did not have the consent of the entire 18 landowner clan groups back home in Tari. Mr Wagarere said as frustration was building up, landowner youths and leaders would not hesitate to shut down the airport. Mr Wagarere said even if police stopped them, the landowners were frustrated and hell-bent on shutting the airport tomorrow unless the two men brought the K10 million home to Tari to be distributed equally among all the landowner groups. He said landowner leaders like Mr Angobe and Mulungu together with Treasurer Don Polye must be prepared to meet the fall-out of their actions should they fail to come to Tari with the K10

VATS AT PNG MINE SITE REPORTEDLY LEAKING TOXIC MATERIALS

Sinivit mine posing health risk to river communities

PORT MORESBY, Papua New Guinea (The National, Jan 5., 2012) – The vats system at the Sinivit mine, in East New Britain, is reportedly, posing a health risk for communities along the river systems. Police were on site on Monday to confirm the leak and plans are in place for provincial environmental and health inspectors to visit the site and make assessments of the system. Police believe the leakage started prior to the temporary closure of the mine. During a meeting last week with landowners, developers New Guinea Gold Ltd, provincial government, police and Mineral Resources Authority, mine manager Eric Namaliu said one of the company's immediate intentions was to recall mine processing officers back on site to manage the vat system to avoid overflow of tailings into the rivers. The oxide ore from the current operations is processed via vat and heap leaching.

According to company figures in June, there were 17 vats holding hundreds of thousands of tonnes of crushed ore and cyanide on site. Deputy Governor Boniface Setavo said it was important that mine workers were let in basically to manage the likely overflow of the vats. "The vats should be managed well to avoid any catastrophe for the people up and down the rivers and the oceans." He

said the mine had many huge vats on the highest mountain peaks of the New Britain island, that makes one of the subject of discussions, because a number of vats were outside the mining lease area and were "dangerously located". He said since police were called into the mine, they had little or no confrontation with the landowners. Setavo acknowledged provincial police commander, Sylvester Kalaut for his leadership and maintaining a command that was people-friendly, responsive and effective during the festive period.

Sinivit landowners removed

Post-Courier 5.1.2012

By GRACE TIDEN

NEW Guinea Gold Limited, developer of the Sinivit Gold Mine in East New Britain has sent in company officials to the mine site to monitor mine waste vat-leach pads and cyanide retention ponds due to the high annual rainfall in the area. The landowners and representatives of the Canadian Company had reached an agreement last Friday to allow company workers to attend to the waste disposal systems at the mine which both parties said was a priority. The mine is an open-pit that extracts gold and silver ore using cyanide-based vat-leaching. The company had taken out a court order to remove landowners from the mine site last Friday but both parties have agreed to continue with negotiations to reach a solution.

The Uramot Baining Landowners had occupied the mine site almost two weeks ago after the company failed to meet their demands. Negotiations started a few days before the company took out the court order last Friday. However, the mine management has made an undertaking, since last Friday, not to fully execute the court order but to address the issue phase by phase and to continue negotiations despite the court order. The landowners had demanded the company to pay their outstanding royalties of K3 million as well as K700 million for environmental damages, infrastructure development in the communities near the mine site and for forest and soil destruction on their customary land which they said was outside the mining lease.

STRIKE CAUSES CONFUSION FOR SOLOMONS MINE WORKERS

Gold Ridge employees not notified of stop work action

By Douglas Marau

HONIARA, Solomon Islands (Solomon Star, Jan. 4, 2012) – In the Solomons, there was confusion amongst employees at the Gold Ridge Mining Limited (GRML) yesterday following the strike action taken by local workers. The Solomon Star visited the Gold Ridge Mining site yesterday morning and spoke with several workers who claimed that they were confused as to who authorized the strike. GRML Liaison officer, Ruth Liloqula told the Solomon Star yesterday that some workers were confused and were not informed of the strike. "Some of us were not informed until today (yesterday)," she said. This she said has caused confusion amongst workers with most turning up for work whilst others did not. But whilst at the site, the Solomon Star witnessed disgruntled workers gathering in numbers on site shouting and voicing out their disagreements.

When the Solomon Star attempted to talk to some workers within the mine site they were refused entry by security guards at the gate. "Sorry media is not allowed to talk to workers on the site," the Solomon Star was told. The Solomon Star understands the strike action was staged yesterday following a 14-day notice issued on December 19 last year which lapsed on Monday this week. It is understood the workers are demanding pay rise. Another petition was also issued on December 30 informing the company; that workers would continue to go on strike until their demands are met.

As of late afternoon yesterday some workers said the management has promised to meet their demands by today. Attempts to confirm this with the GRML human resources manager James Gatu were unsuccessful yesterday.

Copper Drives Papua New Guinea Island's Independence Movement

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By Shihoko Goto - Exclusive to Copper Investing News

The existence of natural resources can make or break the financial future of a nation, and in Papua New Guinea, copper may determine whether a region can gain independence or not after decades of conflict. At stake is the possibility of the island of Bougainville breaking away from the southwestern Pacific Ocean state, which may be possible should islanders access the financial gains from the Panguna mine. Owned by Bougainville Copper (ASX:BOC), the Panguna mine has produced copper concentrate from 1972 until guerillas of the Bougainville Revolutionary Army forced the company to suspend operations in 1989. The rebel forces had forced the mine to close as they believed the island deserved a greater share of the wealth in addition to greater protection from environmental exploitation, but with the recent surge in prices and the race to secure supply of the red metal heating up across the globe, Bougainville's political activists are hopeful that the time is ripe to re-invest in its resources as a means to gain independence.

The owners of the Panguna mine is itself 54.58 percent owned by Rio Tinto (LSE:RIO), while the government of Papua New Guinea has a 19.06 percent shareholding, and public shareholders hold the remaining 27.36 percent. At its height, the mine had provided nearly 20 percent of its annual income according to some estimates. A referendum on whether or not the island should cede from Papua New Guinea is slated to be held between 2015 and 2020, and the possibility of economic self-sufficiency will play a critical role in swaying public opinion. As for the distribution of wealth from the mine, Bougainville Copper's Chairman Peter Taylor said in an interview with Radio Australia last February that the company would "encourage the landowners and the Bougainville government to set the agenda. I would expect that there will be shared ownership in the mine... I think they need to have equity in the project so the fortunes of the mines are also the fortunes for them." Yet trust in the company's goodwill may not come easily from some quarters, as the mine operators were accused by locals over two decades ago of siding with the government of Papua New Guinea against the rebels and supplying them with military equipment to keep the operation running.

Whatever the truth may be about the conflict between the Papua New Guinea government and rebels, what is clear is that getting the mine back in working condition will not be cheap. Taylor said at the company's latest annual general meeting in April that it would cost about \$3 billion to re-open the mine and the first step to getting it back into operation would be to conduct a pre-feasibility study. The company will also need to assess the write-offs needed, and Bougainville Copper states on its web site that "as access to the mine site has not been possible, the extent of the necessary write-downs is not capable of reliable measurement of estimation." The company adds that "it is clear that a major write-down of assets from their pre-closure levels will be required. To allow for this future write-down, the directors made a general provision in 1991 for deterioration, damage, and pilferage of 350 million kina," or over \$16 million.

Still, with copper reserves estimated to reach at least \$50 billion, the rewards could be substantive. Despite the costs and considerable political risks, Bougainville Copper is far from alone in vying to get a foothold on Papua New Guinea's mineral wealth beyond Bougainville's shores. Mineral productions account for about a quarter of the nation's gross domestic product, with major mining groups including BHP Billiton (ASX:BHP), Harmony Gold (NYSE:HMY), and Newcrest Mining (ASX:NCM) as well as Rio Tinto being heavily invested in mines across the nation. Moreover, their

involvement is expected only to increase as the race for mineral resources intensifies, and they are expected to seek out junior mining companies to partner with them moving forward.

LNG: Villagers leave Gobe gas site

The National, 4th January 2012

By YEHIURA HRIEHWAZI

ESSO Highlands Ltd yesterday confirmed that a group of landowners had unlawfully occupied a LNG project site at Gobe in the Gulf province where they damaged a number of vehicles, construction equipment and camp facilities. The group occupied the site for about two weeks leading up to the Christmas and New Year festive season but had since departed the camp site. The occupiers have stated that their primary issue is government commitments related to oil project memorandums of agreement. The Department of Petroleum and Energy (DPE) had met with the group on three different occasions to discuss these issues. "It was disappointing that the PNG LNG Project has been targeted in an attempt to resolve legacy issues," spokesperson Rebecca Arnold said.

"The people unlawfully occupying the camp damaged a number of vehicles, construction equipment, and camp facilities," she said. "Safety and security is a core value of Esso Highlands Ltd, and we are committed to providing a safe workplace." Arnold said PNG LNG project encouraged continued cooperation between communities, the government and the project to constructively address issues as they arose, without impact to ongoing project activities. Meanwhile, she also gave an update of construction work on the PNG LNG project at the various sections of the vast project that covers three provinces – Central, Gulf and Southern Highlands. She said on the Hides gas conditioning plant (HGCP):

1 The 90% design review of the HGCP was complete. Construction at the HGCP progressed with the installation of a waste management area that included waste segregation bays and a hazardous material storage area.

1 The first HGCP foundation piles were received on site and piling had begun.

Komo Airfield:

1 Earth moving activities continue, with lower rainfall contributing to improved work rates. Lighter earth moving equipment, which was better suited to the wet conditions at Komo, also arrived on site during the quarter.

Onshore pipeline:

1 Despite record rainfall in the area surrounding the Kopi Shore Base, construction of the onshore pipeline continued with almost all of the onshore pipeline route surveyed and 103km prepared for pipe stringing and welding activities.

1 Over 30km of pipeline stringing and welding were completed in third quarter 2011.

1 The onshore pipeline contractor also began the first major river pipeline crossing at Kikori River. The pipeline will be placed below the river using horizontal directional drilling techniques – a trenchless method of installing pipelines which achieves minimal surface and river disruption. It involves drilling a large diameter borehole beneath the river and pulling the pipeline through.

Offshore pipeline:

1 The onshore pipeline trench at the Caution Bay landfall site had been completed. Near-shore trenching also began in Caution Bay. The pipeline shore pull was completed.

1 A major milestone was the completion and delivery of all offshore line pipe from the production facility in Japan to the pipe coating facility and load out area in Malaysia. This offshore line pipe supply consisted of 212,000 tonnes of line pipe, measuring 414km in length.

LNG plant and marine facilities:

1 Significant progress had been achieved with construction activities at the LNG Plant site. The first concrete foundation had been poured for the LNG tanks, while excavations for train two foun-

dations had begun. More than 100 tonnes of structural steel had been erected on the train 1 pipe racks.

1 Piling for the marine jetty had advanced, with 25 of 100 concrete piles completed. Piling of the LNG loading platform was completed and a temporary tower crane installed at the platform.

Mineral Authority: Form a group to get royalties

The National, 4th January 2012

By ELIZABETH VUVU

THE Mineral Resources Authority has urged landowners of East New Britain's Sinivit mine to organise themselves into one body to receive their royalty payments. Officer-in-charge of the authority, Phillip Samar, assured them last Friday during a meeting with the developers New Guinea Gold Ltd, the provincial government and police at Gazelle International Hotel that their royalties were safely parked with MRA after it was released by New Guinea Gold Ltd recently. "You (landowners) have to decide when you want your royalties and come together with one voice, then the process of payment can commence," he said. Court instructions are in place for landowners to organise themselves, with a 60-day period given to get the factions organised. The deadline is Jan 10.

"MRA is under instructions to liaise with the provincial government to facilitate this this week," he said. Samar said it was only this situation that warranted the MRA holding back the royalties temporarily. He told landowners if they were still divided, it was a waste of time talking as that resulted in more problems. Provincial director for corporate services, Ephreddie Jubilee, said the provincial government would facilitate by organising their people in accordance with the court order to make sure issues were addressed fully and the order was not being breached. Lawyer assisting the landowners, Donald Wesley made a practical consideration that according to the chairman of the Lulai Nakama Integrated land group, Douglas Augustine, the landowners' leadership issue was far-reaching and may not be achieved in the 60-day period.

The court may have to extend the deadline. He said that could affect negotiations willingly taken on by New Guinea Gold Ltd and landowners regarding landowner grievances. Wesley said these were two important issues and all parties must not let one issue prevent the other from eventuating. As one of the demands to New Guinea Gold Ltd, landowners want justification of K1.4 million in royalty payments parked with MRA. Augustine said they were told in the first quarterly review that they would be receiving about K3 million. He acknowledged the release of royalties by New Guinea Gold Ltd to MRA but sought clarification why only K1.4 million was being given.

Minerals found in Finschhafen

Post-Courier 4.1.2012

By EVAH KUAMIN

THE New Year has brought a golden find in the Finschhafen District of Morobe Province. However, the community and clan groups in the Hube Local Level Government (LLG) area of the Finschhafen District have been urged not to invite companies or individuals who have intentions of mining or prospecting into the area. Philip Dowa, spokesperson of the Lalan villagers in the Hube LLG made this statement in the light of a gold rush after recent discoveries of high grade gold, copper and silver deposits were found in the area. He said that they had documentary evidence of a certain clan from the area who, without the authority of the village community, registered itself in the hope of possible gold prospecting.

He said Lalan village was a new prospect area and any dealings must be approved by the locals with communal consent for any development to come into the area. "At this stage, a meeting was held by

the Lalan villagers who have since endorsed for alluvial mining that will allow our people to part take directly in the mining industry and any clan or individual found doing things that is outside of the village's authorisation will be dealt accordingly by the village community," Dowa said. "We would like people to dig gold like that of their own garden produce and to sell their mineral products to help themselves without outside influence," he said. Mr Dowa said that clans and individuals must not take the ignorance of the Lalan village people as an advantage to engage consultants and companies at will.

He also added that recent laboratory tests have proven that high grade gold, copper and silver were present in the head waters tributaries of the Kwat River in Lalan. "According to laboratory tests from two laboratories, we found that we have A grade gold and copper deposits with silver elements linked to the two minerals," he said. "However, gold deposits were found on the topsoil and we would allow our people to go into alluvial mining until such time when we will start inviting potential prospecting companies," Mr Dowa said. Meanwhile, he urged the Member for Finschhafen, Division of Mining in the Morobe Provincial Government and the Morobe Provincial Government to be wary of entertaining individuals or groups claiming to represent Lalan village body.

Tari landowners set to take part in hydro carbon business

Post-Courier 4.1.2012

COUPLED with the predicted eight percent growth in the economy, Tari airport landowners are ready to directly participate in the development of the hydro carbon industry in Southern Highlands. They expressed this confidence following back up and public support from Finance and Treasury Minister, Don Polye over the New Year to their plans for involvement in economic, commercial and business projects. Mr Poyle also revealed he had approved K10 million in seed capital for the landowners under a commitment by the Government to ensure they were fully involved in the liquefied natural gas (LNG) project. Tari airport is the main aerial entry port for high technology equipment needed for the LNG project. Landowner chairman, Benson Angobe, said yesterday the seed capital now put them on a "more equal footing" to bid for major projects with other operators. "To start off with, we have the Tari airport itself of which so-called work on it has been left uncompleted," Mr Angobe said.

"Minister Polye has alluded to this and I call on Civil Aviation authorities to send in engineers and technical staff to thoroughly appraise and investigate the level of work done including compliance levels under the country's aviation laws and regulations. "The former contractor there should be exhaustively investigated and the project re-tendered in order to complete what is an important infrastructure totally necessary for the LNG and related projects." On the business side of things, Mr Angobe said the landowners were now in a better position to bid for other major projects adding they should also be given special consideration being the traditional custodians of the important airport. He reiterated the K10 million was seed capital otherwise land compensation was directly dealt with by the Lands Department. Mr Angobe said formal development projects and activities had already been identified and accepted by the Government for the landowners thereby prompting the release of the money. He said formalisation of the setting up of the activities would be implemented next under the guidance of landowner directors and advisers.

Landowners threatened to shut gas site

Post-Courier 4.1.2012

By PORENI UMAU

SPECIFIC Hides Gas landowners have threatened to take incentive actions to stop the major impact projects from operating if their agreement funds are not fairly distributed. The landowners from the PDL 01 of the Hides Gas area have given the warning in relation to the Hides Gas area of oil head

01, 02 and 03. John Angawi, a mining engineer and PDL 01 Association chairman and Juha principal landowner made this call yesterday. Mr Angawi said that he did not want his people to be spectators on their own land citing that the government must come good on payment of MOA funds, Infrastructure Development Grants (IDG), and payment of High Impacted Project (HIP) areas.

He said that he did not want his people to be like the other landowners currently flocking around the Vulupundi Haus at Waigani in the National Capital District waiting on the government to pay them what it had promised during the Umbrella Benefit Sharing Agreement (UBSA) and Land Benefit Sharing Agreement (LBSA) meetings in Kokopo, East New Britain. He said that the government must address these outstanding issues for his people as such have created paramount problems. He also called on the government to conduct a proper social mapping to identify the genuine, legitimate landowner groups. Mr Angawi said the social mapping must be critically and analytically done so that there would be no confusion among landowner groups. He said that this would pave way for peaceful operations and the sites and that the concerned landowners would not disturb the projects in these areas. Mr Angawi said that this would also maintain trust by the investors.

LNG: Agiru told to shut up

Post-Courier 4.1.2012

A SOUTHERN HIGHLANDS leader has called on Governor Anderson Agiru to clean up his own backyard before pointing his fingers at others. Chairman of the Wiru Tok Aut Association Joe Kambu said the Somare regime's deputy Prime Minister Agiru must inform the landowners in the PNG LNG area as to what the Somare Government did in terms of landowner benefits and MoA funds. He said as a result of inaction by the former Somare government, landowners are now forced to camp outside the Vulupindi House, leaving the O'Neill – Namah Government to shoulder the burden. He said how the former government handled the LNG issue is today a disgrace to the country – even going to the extent to borrow money to put up for the country's share in the project when 'the mineral is rightfully ours'. Mr Kambu said Mr Agiru should not confuse the people of this country. "Of course, the population of this country respects Sir Michael Somare as one of the founding fathers of our nation; but a lot must be questioned as to how this country has been run in the past nine years. "Any right thinking person or leader would not want to associate with corrupt leaders, and the direction Mr Agiru has taken is only digging his own grave...on his political future," Mr Kambu said.

LNG: Kekeno queries K66m payout

Post-Courier 4.1.2012

By KOLOPU WAIMA

Koroba Lake Kapiago MP John Kekeno has urged the Finance Minister Don Polye and Petroleum and Energy Minister William Duma to verify K66 million paid to several landowners companies recently. Mr Kekeno made the query at a press conference last Friday after realizing that there were some people who were not genuine landowners who were paid the money. "I am challenging these two ministers, Don Polye and William Duma to come out and tell resource owners of Juha, Agore, Gobe, and PDL7 and pipeline areas in Kikori who were the genuine landowners that they have paid so far. "I want to see the list or identify the true land owners they dished out K66 million and now another K240 million is now waiting to be dished out and how much Juha, Gobe, Agore, PDL7 and pipeline areas in Kikori have each received," he said.

Mr Kekeno said that there are about 700 companies who have submitted proposals claiming millions of kina and their claims are now before the Departments of Finance and Treasury, Petroleum and Energy, and Planning respectively. "These 700 plus companies are claiming millions of kina and their total claim was over K4 billion," Mr Kekeno said. He said that the claims were submitted

from Umbrella Based Sharing Agreements (UBSA), LBSA and ministerial commitments but the companies are not the genuine land owner companies. “According to records from UBSA, LBSA and Ministerial commitments, we agreed that K120 million will come out of the project area in each years but how come more than K120 million was given out and more is being demanded,” Mr Kekeno said.

LNG landowners welcome response

The National, 3rd January 2012

COUNCILLORS and landowners from the gas-rich areas have praised National Planning secretary Dr Peter Gora for clarifying the funding arrangements for infrastructure development grants (IDG) and high impact projects (HIP) for the LNG project. Speaking during an informal gathering in Port Moresby at the weekend, ward councillors and their president and landowner representatives also praised the national government for recognising the plight of LNG landowners and working towards fixing it. However, many said it was vital that responsible government entities must properly identify and ensure the memorandum of agreement (MoA) payments were made to licensed areas that were currently active, or operational. These included Hides PDL1 and PDL7, Gobe PDL4 and PDL5, Kutubu PDL2, Moran PDL5 and PDL6 and parts of Kikori in Gulf.

Komo LLG president Thomas Potape said the explanations by the planning secretary had clarified certain misunderstandings that landowners and their leaders might have on the various funds being committed under the LNG project. “There are no activities taking place in Juha and Angore and they cannot receive MoA payments. “Why are they complaining and are being paid? “The announcement by National Planning Minister Sam Basil to have the IDG and HIP payments made in Mendi to the provincial government must be reconsidered. “The payments must be made in Komo and given to the host local level government of the project. “It cannot go to the provincial government.” The landowners had been waiting for more than three years for their payments since the signing of the umbrella benefits sharing agreement (UBSA) and licenced-based benefits sharing agreement (LBBSA) in Kokopo, East New Britain.

PNG GOLD MINE WINS CASE TO REMOVE LANDOWNERS

New Guinea Gold to pursue negotiations with locals

By Elizabeth Vuvu

PORT MORESBY, Papua New Guinea (The National, Jan. 3, 2012) – Mining company New Guinea Gold (NGG) has won a court order to remove landowners from its Mt Sinivit site in East New Britain but has opted to remain in negotiations to settle landowner grievances. The company last week halted operations at Mt Sinivit after landowners moved in on the mine site. It said it had received a letter on Dec 12 from lawyers on behalf of Lulai Nakama Association over outstanding royalties. The letter warned of shutting down NGG’s mining operations at Mt Sinivit if the company failed to pay the royalties. The royalties were released but the protesters remained at the site. The Waigani National Court last Friday ordered the landowners off the mine and for work to resume. Both parties had agreed to pursue negotiations to reach a settlement. Donald Wesley, lawyer assisting the landowners, told a meeting at Gazelle International Hotel that any other issues that both parties agree on would be taken back to court for “some endorsement”. NGG mine manager Eric Namaliu said the company was keen to resolve the outstanding issues step by step rather than resuming operations immediately. A follow-up meeting was set for Jan 11.

LNG: Tari Airport dilemma cleared

Post-Courier 3.1.2012

Treasurer and Finance Minister Don Polye last night set the record straight on the Tari Airport land payment. Mr Polye said the K10 million payment made by the Government was for the acquisition of the land and the money was given to the Kikita tribe. Mr Polye was responding to a report in the media by a George Takope, Pulupe Wawe and Alu Wapia Wangarare on the payment. "Firstly the three gentlemen are not indigenous landowners of the Kikita tribe which is comprised of six clans, the Tarani Tene, Jawi Tali, Po'o, Pagoli and Homare. The Omani clan is also a landowner group. "I urged George Takope, Pulupe Wane and Alu Wapia Wangarare not to taint my name for political advantage. Pulupe Wawe is a public servant but comes from Komo-Magarima, Alu Wapia Wangarare is the first cousin of a senior politician in the Opposition, George Takope is mixed parentage of Tari and Enga. None of these men belong to the Kikita tribe," Mr Polye explained.

He said he has been addressing the Tari airport land matter with the rightful individuals and clans since 2009 when he was minister for Civil Aviation and Transport. He said he held meetings several times with the landowners, Southern Highlands Governor Anderson Agiru, MP for Tari Pori, James Marape and other Hela MPs over the development of the Tari airport and the issues involving landowners. "During these meetings I have not been approached by any other group or individual except by the Kikita tribe leaders and managers of their umbrella association and its holding business arm," Mr Polye said. He said based on the information collected, he made a Cabinet submission which resulted in a decision to pay K15 million to acquire the land and meet other related costs.

"Related costs meaning enabling landowners to participate in economical activities as per Cabinet resolution (iv) of the decision number 114/2009," Mr Polye said. He said that up until two weeks ago no money was given to the landowners for their land but construction had already started under the sole control of the Southern Highlands Provincial Government outside the Civil Aviation authority or the National Airport Corporation system. "The work is continuing without the local participation hence the continuing threats of airport closure which is an ongoing concern. What I as Treasurer have done here is that I have honoured a Cabinet decision that I took charge of myself in 2009," he said. "The landowners can now participate in the projects in Tari."

WORKERS AT SOLOMONS' GOLD MINE GO ON STRIKE

Gold Ridge employees seek unpaid arrears from 2011

By Trixie Carter

HONIARA, Solomon Islands (Solomon Star, Jan. 3, 2012) – Workers of the Gold Ridge Mining will go on strike today. A representative of the workers' committee who wanted his name withheld said the strike action to not attend work is the result of the company's failure to respond to their demands. The spokesperson said a 14-day notice was issued on December 19 which lapsed yesterday January 2. The workers he said demanded that the workers arrears for last year 2011 such as pay rise and pay back were not met by the company. "The claims were put to the company in the past months for the company to address and dates were being proposed for negotiation, however the company ignored that saying they were not ready to deal with the claims." The spokesperson said all employees will as of today stop work until a satisfactory solution is reached. "We will not work, we will sit and wait for them to respond to us to settle our demands," he said.

He said the strike will involve local workers from all departments in the company. He added that another letter was also issued on Friday December 30 informing the company to meet the workers on that day but they continue to refuse. "The only answer we got from them is they are not ready to deal with us and wish to settle the arrears this year," he said. The workers' committee spokesperson said the company has this attitude of refusing to meet workers' plights when asked to every year.

"There is an agreement in place that every year the company should meet with the workers to discuss issues surrounding workers' cost of living. "All local workers will stop work as of today until the company responds positively," he said. Attempts to talk to the company late yesterday evening were unsuccessful.