PNGEITI

PAPAUA NEW GUINEA

Extractive Industries Transparency Initiative Report 2022

PUBLISHED: JUNE 2024

KTK Kuna Taberia Kiruwi ACCOUNTANTS & ADVISORS | engaged | MICHAEL BARRON Consulting

Table of Contents

List of Annexes

The Annexes are attached as a separate document.

Annexe	Content
A	PNG MSG members and alternates
B	Mining projects 2022
C	Oil projects 2022
D	State-owned enterprises 2022
E	Beneficial ownership data 2022
F	Employment and gender data
G	Mining tenements awarded/renewed in 2022

List of Tables

List of Figures

Abbreviations

Abbreviation	Meaning
AML	Alluvial Mining Lease
APF	Agogo Processing Facility
APT	Additional profits tax
BDG	Business Development Grant
BO	beneficial ownership
CDOA	Coordinated Development and Operating Agreement
CEPA	Conservation and Environment Protection Authority
CMCA	Community Mine Continuation Agreement
CPF	Central Processing Facility
CRF	Consolidated Revenue Fund
DMPGM	Department of Mineral Policy and Geohazard Management
DNPM	Department of National Planning and Monitoring
DoF	Department of Finance
DPE	Department of Petroleum and Energy
EIR	environmental impact report
EIS	environmental impact statement
EITI	Extractive Industries Transparency Initiative
EL	Exploration Licence
EMC	Executive Management Committee
FGTF	Future Generation Trust Funds
FOB	Free on board
GBT	General Business Trust
GDP	Gross Domestic Product
GST	Goods and Services Tax
IA	Independent Administrator
IDG	Infrastructure Development Grant
ILG	Incorporated Land Group
IMF	International Monetary Fund
IRC	Internal Revenue Commission
ITA	Income Tax Act 1959
ITC	Infrastructure Tax Credit
JV	Joint Venture
KCH	Kumul Consolidated Holdings Ltd
KMH	Kumul Mineral Holdings Ltd
KPH	Kumul Petroleum Holdings Ltd
LBBSA	Licence-Based Benefits Sharing Agreement
LNG	Liquefied natural gas
m3	cubic metres
MA	Mining Act 1992
MAC	Mining Advisory Council
MCC	Metallurgical Corporation of China Ltd
ML	Mining Lease
MoA	Memorandum of Agreement
MRA	Mineral Resources Authority
MRDC	Mineral Resources Development Company Ltd
MMscf	Millions of standard cubic feet (gas)
MRE	Mineral Resource Enga Ltd
MRM	Mineral Resource Madang Ltd
MROT	Mineral Resource Ok Tedi No. 2 Ltd
MRSM	Mineral Resources Star Mountains Ltd
MSG	Multi-stakeholder group
MTFS	Medium Term Fiscal Strategy 2013– 2017
MYEFO	Mid-Year Economic and Fiscal Outlook

NEC	National Executive Council
NEFC	National Economic and Fiscal Commission
NGO	Non-government organisation
OGA	Oil and Gas Act 1998
OTDF	Ok Tedi Development Foundation
OTML	Ok Tedi Mining Ltd
oz	ounce
PDL	Petroleum Development
PEP	Politically exposed person
PIP	Public Investment Program
PGK	Papua New Guinea Kina
PNG	Papua New Guinea
PNGSDP	Papua New Guinea Sustainable Development Program
PPFL	Petroleum Processing Facility
PPL	Petroleum Prospecting
PRG	Petroleum Resources Gobe Ltd
PRK	Petroleum Resources Kutubu Ltd
PRL	Petroleum Retention
PRM	Petroleum Resources Moran Ltd
scf	standard cubic feet (gas)
SML	Special Mining Lease
SOE	State-owned enterprise
SSG	special support grants
STARS	Responsible Sustainable Development Strategy
stbo	standard barrels of oil
stbopd	standard barrels of oil per day
stbopy	standard barrels of oil per year
SWF	Sovereign Wealth Fund
TCS	Tax Credit Scheme
UBSA	Umbrella Benefit Sharing Agreement
UHA	Unconventional Hydrocarbons Act

Minister's Foreword

It is an honour for me as Chairman of the PNGEITI Multi-Stakeholder Group (MSG) and Minister responsible for implementation of the EITI to present the 10th PNGEITI Report for the financial year 2022.

Papua New Guinea consistently met its reporting obligation by publishing this annual country report in a timely manner, consistent with the EITI Global Standard.

The Marape-Rosso Government has been working hard to ensure our people have a brighter future by focusing on creating economic growth and employment opportunities. The Government is committed to continue initiating critical policy, institutional and legislative reforms aimed at achieving good governance and maximising returns from exploitation of PNG's rich mineral resources.

The on-going negotiations to strike a new deal with Barrick Niugini Mining Limited is a clear testament of this Government's commitment to ensuring that our people gain meaningfully from the mining and petroleum developments in the country.

The Government will continue with its reforms to ensure that revenues and other wealth generated from extractive activities are diverted to supporting other sectors of the economy for a broad based growth.

The government will continue with its fiscal reforms including increased revenue mobilisation efforts in the medium term. It will strengthen resource revenue management and endeavour to maintain macroeconomic stability for future generation by operationalising the Sovereign Wealth Fund to take advantage of the windfalls expected from higher outputs in mining and LNG production in the medium term.

Despite the slow recovery from the Covid-19 pandemic and the onset of Russia and Ukraine war, I am proud to say that our economy actually performed well in 2022.

Economic activities normalised across all sectors of our economy and GDP grew by 4.6% in real terms. This growth was attributed to the resource sector rebounding by an estimated 4.8% growth (supported by the non-resource sector).

The growth was driven by higher outputs in the mining and LNG production and commodity price spikes. Despite Porgera being shut, gold production actually increased in Lihir and OkTedi Mines, while the PNG LNG project exceeded its planned production capacity in 2022.

Total extractive sector exports represented 87.3% (K45,527.3 million) and this translated to 26.7% of total government revenue in 2022. This was a considerable increase from previous year's contribution and reflected windfalls from higher global oil, gas and mineral prices in 2022.

The Government recognises that the extractive sector is a significant contributor to government revenue, economic growth, employment and other benefits and will continue to do so for many years to come once new projects in the pipeline come on stream. The extractive sector has been contributing an average of 26% of GDP since 2016 and continues to be the main driver of PNG's economic growth.

I commend the stakeholders for working collaboratively in providing the data and information for this important report. Such a report serves as source data for informed policy decisions and legislative reforms to improve sector governance and ensure investors, government and resource owners'

benefit meaningfully from these resources. I would like to assure that the Marape-Rosso Government will continue to support EITI implementation to complement some of our efforts such as the work of the Independent Commission Against Corruption (ICAC) in identifying incidences of corruption in the use of resource revenues and other benefits to create better foundation for good governance and to attract further investments.

I am greatly encouraged by the vibrant dialogue and collaborative efforts displayed by key stakeholders of government, industry companies and civil society organisations in implementing the EITI Standard and strongly believe that such a dialogue is necessary to build trust among the different stakeholders as we work together to address issues in the sector.

As Chair of the PNGEITI Multi-Stakeholder Group (MSG), I am pleased to present the 10th PNGEITI Report to the stakeholders and the public.

HON. JAMES MARAPE, MP
Prime Minister of Papua New Guinea,
Minister for Treasury & Chairman,
PNGEITI Multi-Stakeholder Group

Multi-Stakeholder Group Statement

The PNGEITI Multi-Stakeholder Group (MSG) is an oversight body for the implementation of the EITI in the country. The MSG comprises representatives from the government, extractive industry companies and civil society organisations.

One of the key roles of the MSG as required by the EITI Standard is ensuring timely publication of the EITI annual country reports. Papua New Guinea has so far published 9 EITI reports for the financial years 2013 to 2021. The publication of the financial year 2022 Report is the 10th report since the Government signed up to implement the EITI Standard in 2013.

The 10th PNGEITI Report builds on from preceding reports in providing a comprehensive description of the country's extractive sector, its contribution to the national economy, the fiscal and taxation regime and most importantly, the accountability and transparency of revenue received and other benefits flowing to the government and resources impacted communities, and how these benefits were distributed in 2022.

The Report continues to address gaps identified in previous reports and the corrective actions recommended from the country assessment (validation) undertaken in 2018.

The Report also covers other aspects in the sector relating to; subnational payments and transfers, disclosure of beneficial ownership information, disclosure of contracts (project agreements) and licences, productions and exports data, transparency in the operations of State Owned Entities, gender disparities, environmental impacts and other activities undertaken through the entire extractive sector value chain.

The compilation process for this report required time and effort from government agencies and industry companies, particularly individuals who are dedicated and committed to supplying the required data and information. The delivery of this report for the sector, which marks a decade of reporting would not have been possible without the MSG's continued support and dedication. We recognise and extend our sincere gratitude and appreciation to them for their generous support and commitment.

The MSG tripartite arrangement is a platform intended for different stakeholders to openly discuss issues of national importance for the extractive sector and we strongly encourage the EITI platform be utilized as it can assist in building trust for open dialogue between different stakeholders. This would be good for investors, government and resources impacted communities.

Implementation of the EITI has strengthened relationships between policies, revenue administration, management, and regulating agencies through the tripartite stakeholder arrangement. The inter-agency collaboration has proven to derive positive outcomes in resource revenue collection, distribution and expenditure through disclosure of financial data.

Despite publishing the 10th EITI Report so far, the reporting process continues to highlight systematic weaknesses in government systems and processes. There still remain data and information gaps where corrective actions are required for greater transparency and accountability in the sector.

The EITI reporting process is intended to stimulate debates relating to revenue streams and the taxation and fiscal arrangements pertaining to development of mining and petroleum resources. The debates should culminate in initiating appropriate policy decisions and legislative reforms for better management of the sector for all players to benefit equally from resource developments.

For the extractive companies, it is important to ensure that there is regular and meaningful consultation by the government on any proposed policy or legislative reforms that might adversely affect investors in the sector. Therefore, it is absolutely necessary to work with the government to build confidence and maintain trust.

For civil society organisations, the establishment and operationalisation of the PNG Resources Governance Coalition (PNGRGC) as the umbrella body is critical to contribute effectively at the MSG level. The MSG relies on the civil society to inform the public on the work of the EITI and its report findings so that citizens, particularly the affected communities are empowered to debate on resource governance issues.

The MSG wishes to acknowledge and thank the Executive Director of the PNGEITI National Secretariat, Mr. Lucas Alkan and his staff for their assistance and guidance throughout the 2022 PNGEITI Report preparation process. The MSG would also like to extend its appreciation to KTK Accountants and Advisors who have worked in collaboration with Engaged Consulting Limited and Michael Barron Consulting to perform the Independent Administrator (IA) role in compiling the report.

1 Report of the Independent Administrator

6 June 2024

PNGEITI Multi-Stakeholder Group
8th Floor Treasury Building
PO Box 1907
PORT MORESBY, NCD
Papua New Guinea

To whom it may concern,

KTK Accountants and Advisors, in collaboration with Engaged Consulting Limited and Michael Barron Consulting was contracted by the PNG Extractive Industries Transparency Initiative National Secretariat Multi-stake Holder Group (MSG) to provide Independent Administrator (IA) services in relation to the Extractive Industries Transparency Initiative (EITI).

Papua New Guinea (PNG) joined the EITI in March 2014 and was given candidate country status. In November 2022, the country was validated against the EITI Standard 2019 and achieved a score of 70.5 (moderate).

PNG is determined to enhance transparency and accountability in the extractive sector. In that vein, this report, which covers the period from 1 January 2022 to 31 December 2022, discloses payments made to the Government of PNG by major participants. Consistent with prior years and with approach approved by the MSG, all receipts and payments included in this report are on a “cash basis”. The extractive sector comprises entities operating in the mining, oil and gas industries.

The following methodology highlights the main processes adopted in the preparation of this report:

- Analysing local regulations, reporting requirements, and internal control mechanisms to ascertain the degree of confidence that might be placed on data quality,
- Examining the reporting relationship between governmental and non-governmental reporting bodies, as well and among the various arms of the Government of PNG,
- Preparing an inception report which examines materiality, revenue flows, participating businesses and governmental organizations, as well as the responsibilities played by each in the data-supply chain,
- Gathering and analysing publicly available data,
- Collating non-financial contextual data,
- Evaluating data reported on signed, completed templates from all stakeholders,
- Matching data on production and revenue flows received from all governmental and non-governmental participants, and investigating the rationale for differences detected,
- Where practical, adjusting template information where discrepancies are determined to arise from omissions, duplications or erroneous allocations,
- Obtaining agreement from participants regarding suggested adjustments to data provided.
- Making suggestions through the report, for modifications meant to increase the accuracy, consistency and completeness of data,
- Creating a draft report for the PNGEITI Multi-Stakeholder Group’s consideration,
- Delivering a final report and electronic data files for publication and dissemination.

The procedures performed did not constitute an audit or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, the IA provides no opinion, attestation or other forms of assurance with respect to the work or the information upon which the work was based.

The IA did not audit or otherwise verify the information supplied in connection with this engagement, from whatever source, except as may be specified in this report. The IA’s work was

limited to the specific procedures and analyses described herein and was based only on the information made available through 15th March 2024. Accordingly, information provided after this date, which could affect the findings outlined in the report, may not have been considered.

The assessment performed was not designed to identify or disclose fraud, defalcations and other irregularities. Where checks involved documents with an authorising signature, no procedures were performed to verify the authenticity of those signatures.

This report is presented in PNG Kina (PGK). Amounts provided in US Dollars (USD) have been converted at the rate of USD$1: PGK3.5211 which is the average rate for the calendar year 2022 based on Bank of PNG figures.

The EITI report for fiscal year 2022 is attached.

Paul Kiruwi,
Managing Partner
KTK Accountants & Advisors

[1] BPNG historical exchange rates https://www.bankpng.gov.pg/historical-exchange-rates

2 Background

2.1 Background of EITI

Since its formal launch in 2003 in London, the Extractive Industries Transparency Initiative (EITI) has become a benchmark for transparency in the extractives sector, and the EITI Standard has provided a clear framework for that transparency.[2] EITI is an organisation set up to administer a global standard of openness and accountability in the management of oil, gas and mineral resources in countries choosing to adopt that Standard.

EITI is led at a global level by a board, representing governments, civil society and the private sector, and this multi-stakeholder approach is core to the EITI model. Implementing countries, of which there are 57, put in place their own local structure to implement the standard, but at the core of that is the same multi-stakeholder principle.

The EITI Standard sets minimum requirements for transparency and reporting relating to the extractives sector. These originally focused on transparency of tax payments, but now requires transparency beyond payments from companies to governments. It includes disclosure of licences/contracts, information about state-owned companies and significant social payments, beneficial ownership, environmental issues and gender. The latest version of the Standard was issued in June 2023.[3] Implementing countries undergo Validation against the Standard every three years.

In recent years the focus has moved towards embedding these principles into legislation in implementing countries, and transitioning to information being systematically disclosed, rather than through a formal annual EITI Report.

But just as importantly, EITI implementation is about how that information is used: how it is made available in an accessible form to the broadest range of stakeholders. The audience for EITI is not just governments, civil society organisations and companies. It is also the communities who are impacted by extractive activities, rely on them for employment or socio-economic resilience and will have to live with the lasting impacts, positive and negative, of the sector.

2.2 Implementation of EITI in Papua New Guinea

PNG applied for EITI candidacy in 2013 and was accepted as an EITI implementing country in 2014. The EITI Standard requires candidate countries to form a multi-stakeholder group (MSG) as the key decision-making body for implementation. The MSG represents government, civil society and industry. An informal group first met in PNG in early 2012, and the group was formalised on 1 November 2013 via a Memorandum of Understanding.[4] Since becoming an implementing country, the PNG MSG has published nine reports covering the calendar years 2013–21.[5]

PNG underwent its first Validation in 2018 and was assessed as making “meaningful progress” against the 2016 version of the Standard.[6] In 2022, PNG underwent its second Validation and achieved a “moderate” score of 70.5.[7] This Validation was against the 2019 version of the Standard.

---

[2] For more information on EITI, see its website: eiti.org
[3] The 2023 Standard can be found here: https://eiti.org/collections/eiti-standard and a summary of the key changes can be found here: https://eiti.org/documents/2023-eiti-standard-summary-changes
[4] 2017 Final PNGEITI MSG MoU, PNG validation - PNGEITI
[5] Previous reports can be found at: https://www.pngeiti.org.pg/pngeiti-reports/
[6] See https://eiti.org/documents/papua-new-guinea-validation-2018
[7] See https://eiti.org/documents/papua-new-guinea-2022-validation-report

PNGEITI's MSG oversees implementation in the country. The Minister for Treasury chairs the MSG and the other members are:

- 11 Government of PNG representatives: four voting and seven non-voting members, selected through internal processes and through direct engagement with participating ministries, agencies and departments,
- Three state-owned enterprises (SOEs) representatives: two voting members and one non-voting member,
- Eight civil society representatives: seven voting members and one non-voting member, selected through a democratic process,
- Seven extractive industries representatives, selected through a democratic process in collaboration with the PNG Chamber of Mines and Petroleum.

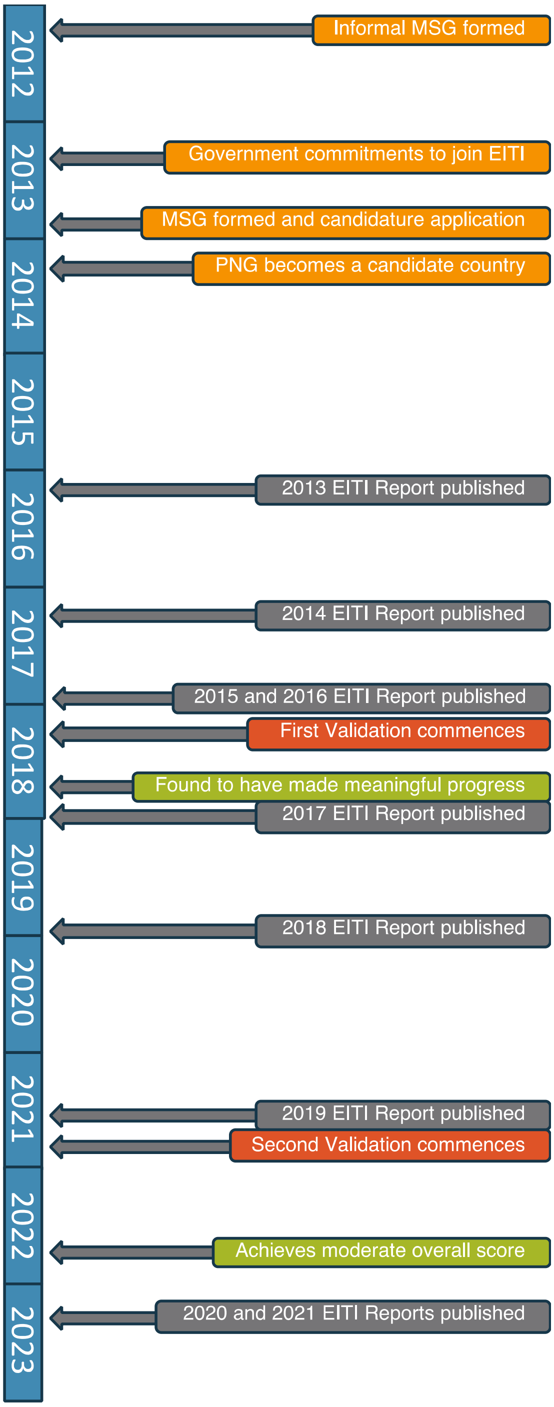


Figure 2-1 PNG EITI timeline

PNGEITI MSG has set the following objectives for implementing EITI in the country:

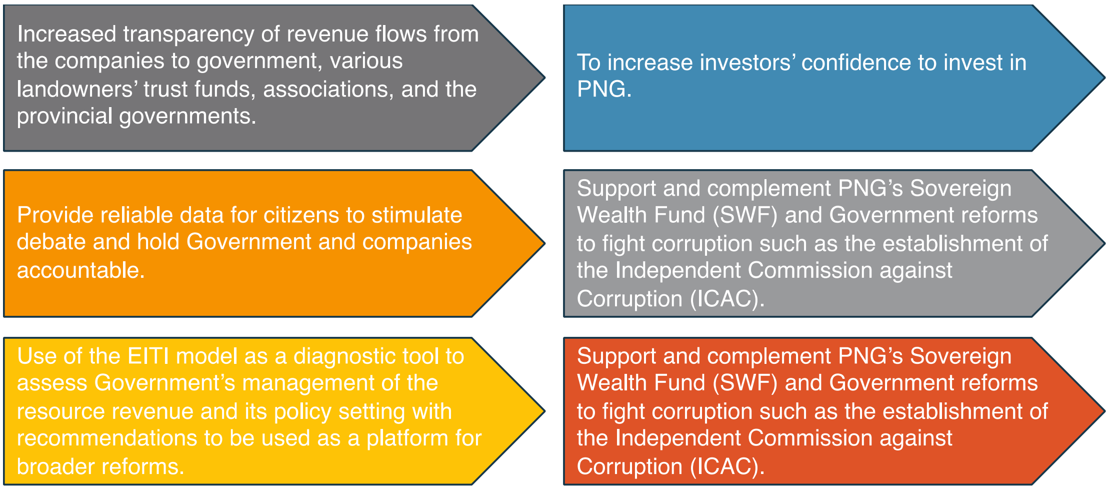


Figure 2-2 PNG EITI objectives

Each MSG member has a primary and two alternate representatives. A proxy vote can be given to a nominee in cases where none of these representatives are unable to join a meeting. The organisational structure is shown in Figure 2-3 below, and the complete list of members and representatives is provided at Annexe A.

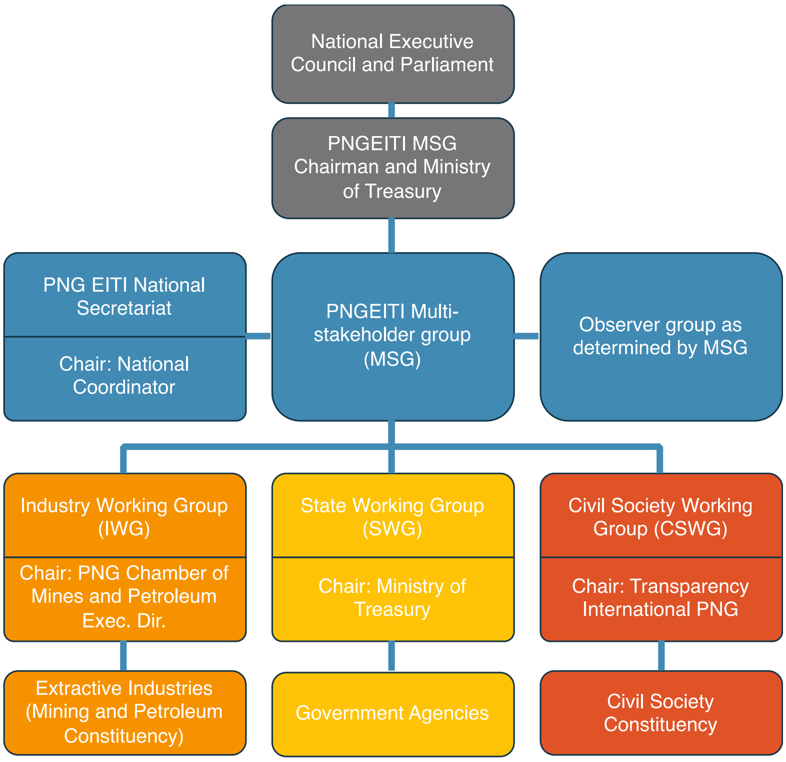


Figure 2-3 PNG EITI structure

The MSG publishes minutes of its meets on the PNGEITI website. The MSG also publishes an annual workplan setting out its objectives, tasks, action plan and budget for the year ahead.[8] The PNGEITI National Secretariat supports the MSG implement the EITI Standard and is responsible for day-to-day delivery of activities.

2.3 Objectives of this Report

The objective is to produce an EITI Report for the Fiscal Years 2022 in accordance with the EITI Standard 2019 and the Terms of Reference (see Annexe F), while also giving consideration to the implications of the recently published EITI Standard 2023. The Report provides an analysis and reconciliation of payments directly or indirectly made by participating mining, oil and gas companies involved in the exploration and production of minerals, oil and gas to the Government of Papua New Guinea and revenues reported as received by Government agencies from those companies for fiscal year 2022.

2.4 Scope of Work

Our scope of work is set out in Section 4.2 of this report, together with the determination of materiality (Section 4.3) and the methodology used to undertake the work (Section 4.4).

All websites referenced in the main body of this report, in footnotes or in the annexes were accessed between 1 November 2023 and 16 February 2024.

2.5 Acknowledgements

We would like to express our sincere thanks to the Ministry of Treasury, the IRC, the MRA, the PNGEITI MSG, the companies which submitted their reporting templates and to the PNGEITI Secretariat, who have assisted us in receiving replies from the Government and participating companies from the extractive industries, and for sending and receiving official confirmation letters to/from these parties.

[8] MSG meeting minutes and Annual Workplans can be found here: https://www.pngeiti.org.pg/pngeiti-reports/

3 Executive Summary

KTK Accountants & Advisors (KTK) in collaboration with Engaged Consulting Ltd and Michael Barron Consulting Ltd (together “the Independent Administrator” (IA)) were appointed on 18 July 2023 following a competitive tendering process, required to undertake the work set out in the Terms of Reference for the Engagement. This includes undertaking a reconciliation of specified flows to government from companies in the extractive sector, as described further in this section. The reconciliation has been carried out on a cash accounting basis.

The Inception phase included identification of the flows in scope, reporting entities in scope, material project and the materiality threshold for reporting payments. See Chapter 4. The IA reviewed the reporting templates issued amended electronic templates to all reporting entities. The amendments included updating the templates and making them more user friendly. A separate beneficial ownership template was issued.

Where data is available online, this report provides links to the location of that data rather than embedding it in the report, unless that data is vital in understanding a wider piece of analysis. In line with the ongoing approach taken by PNGEITI, where data is available online, this report provides links to the location of that data rather than embedding it in the report, unless that data is vital in understanding a wider aspect of analysis. Based on the PNGEITI Report summary data template, PNG systematically discloses 36]% (15% for the 2021 report) of information required by the EITI Standard.

PNG derives considerable economic benefit from the exploitation of its oil, gas and mineral resources. This economic benefit is derived from investment, export revenue, taxes, fees and dividends paid to government, employment, social payments and purchase of goods and services. The extractive sector accounted for 32% of GDP and 87.3% of export earnings in 2022. However, given the cyclical nature of the sector and especially price volatility, this contribution can vary significantly from year to year. This is particularly true of its contribution to government revenues.

In 2022, the extractive industries provided 26.7% of government revenues according to government data. This represents a considerable increase on previous years and reflects the windfall from higher global oil, gas and mineral prices in 2022. The data for government revenues from the oil, gas and mining sector set out in the National Budget comprises corporate income tax receipts from the sector and dividends from state-owned extractive companies.

The PNGEITI MSG set a materiality threshold of 2% or more of the total revenues received by government from the mining, oil and gas sectors. Total revenues received in 2022 was PGK8,423,140,835. The IA has completed the task of reconciling 99.58% of extractive revenues for the 2022 report. The report’s comprehensiveness is unaffected by the revenue streams that are not covered.

Key discrepancies noted are the following:

- Data reliability - obtained unsigned data templates,
- Unavailability and inaccessibility of data and supporting details,
- Timing difference reporting – Amount to be reported should be within the calendar year cash basis reporting,
- Application of GST credits/Tax refunds against tax payable.

In addition the reconciliation process was hampered by delayed responses from some government agencies and no response from CEPA.

Where reconciliation differences were immaterial, they did not negatively impact the reliability and comprehensiveness of reconciled financial data.

Notwithstanding the foregoing:

- 100% of entities participating in this EITI report submitted templates authorised by an authorised company representative.
- Most participants provided audited or unaudited, stand-alone or consolidated financial statements for the period under review.
- Government agencies produced internally audited templates of flows received from participants in the extractive sectors.
- The IA was able to effectively reconcile flows showed by Government agencies against flows shown by participants in the extractive industry with immaterial unreconciled balances.
- All source documents required for reconciliations were provided.

Based on the above, the IA concluded the final assessment of the overall comprehensiveness and reliability of reconciled financial data from company and government agencies to be satisfactory, and that the report includes reliable and credible information on the revenues generated by the extractive sector in PNG.

Chapter 9 provides the following:

1. The update and assessment on the implementation of Recommendations from prior years' EITI Reports,
2. The update on implementation of the Corrective Actions and Recommendations from PNG's 2022 Validation Report,
3. New recommendations i.e. those arising from the 2022 EITI Report. These are divided into the following categories:
    a. For the MSG and the National Secretariat,
    b. For government agencies
    c. For reporting companies
    d. For civil society organizations

The new recommendations focus on preparations to ensure that PNG can meet the 2023 version of the EITI Standard through improving the quality and timeliness of information disclosed in order to have a positive impact on transparency and accountability in the country's extractive sector through revitalizing government, civil society and business engagement.

4 Approach and Methodology

4.1 Introduction

KTK Accountants & Advisors (KTK) in collaboration with Engaged Consulting Ltd and Michael Barron Consulting Ltd (together “the Independent Administrator” (IA)) were appointed on 18 July 2023 following a competitive tendering process, required to undertake the work set out in the Terms of Reference for the Engagement. This includes undertaking a reconciliation of specified flows to government from companies in the extractive sector, as described further in this section. The reconciliation has been carried out on a cash accounting basis.

4.2 Scope

4.2.1 Flows in Scope

During the Inception Phase the following flows were identified as being in scope based on the agreed materiality as set out in Section 4.3 below.

Table 4-1 Flows in scope

Key	
	Quantitatively material, included in scope, disclosed and reconciled
	Not quantitatively material, but qualitatively material, included in scope, disclosed and reconciled
	Not quantitatively or qualitatively material. Not included in scope

	Revenue stream	Brief Description	Direct	Indirect
1	Mine closure bond	Fee paid as Security fee to CEPA for any activities the Government needs to carry out to rehabilitate or clean the environment.	Y	
2	Production levy (subnational payments)	Please refer to Section 5.5.15	Y	
3	Alluvial levies	This refers to alluvial mining lease (AML) paid by naturalized citizens for mining alluvial minerals. The term of the lease is up to 5 years. Current rate is PGK 250.00.	Y	
4	Mine security deposits	These are payments made when an ML or SML application is granted and registered. These payments are refundable when the ML or SML becomes inactive (Expired, Surrendered, Cancelled).	Y	
5	Exploration security deposits	These are payments made when an EL application is granted and registered. These payments are refundable when the EL becomes	Y	

		inactive (Expired, Surrendered, Cancelled).		
6	Mining lease rentals	Rental payments are paid annually in advance from the date of grant.	Y	
7	Exploration rentals	Rental payments are paid annually in advance from the date of grant.	Y	
8	Data sale receipts, Exploration applications, extensions, extension late fees, transfer and dealing fees (related to exploration)	An applicant, who lodges an application for an extension of the term of a tenement less than 90 days prior to the date of expiry of the tenement, shall pay a late fee equal and additional to the fee prescribed for the application For Data Sale Receipt, Data and maps generated at the MRA are sold to clients. Revenue is usually below PGK 100,000 annually.	Y	
9	Mining applications, extensions, extension late fees, transfer and dealing fees (related to mining)	Extension fees of the term of Mining Leases is 50% of the grant fees. An applicant, who lodges an application for an extension of the term of a tenement less than 90 days prior to the date of expiry of the tenement, shall pay a late fee equal and additional to the fee prescribed for the application.	Y	
10	Public Investment Program (PIP) project funds	Within the development budget a separate Public Investment Program (PIP) has been in place since 1988. The PIP provides details of program and project objectives and, importantly, identifies and quantifies the sources of funds for projects in current and future financial years.[9]	Y	
11	Development levy (subnational payments)	Please refer to Section 5.5.15	Y	
12	Licence fees	Refers to fees paid by the Oil and Gas companies for the application and renewal for PDL, PRL, PPL, PL and PPFL	Y	
13	Additional profits tax	Please refer to Section 5.5.9	Y	
14	Equity distributions (subnational payments)	This is payments made by various operators of both Oil and Gas and Mining projects to PNG government nominated entities as	Y	

[9] https://openresearch-repository.anu.edu.au/bitstream/1885/157570/1/142_public.pdf

		a result of equity participation in the respective projects.		
15	Import taxes and excise duty	Please refer to Section 5.5.6	Y	
16	Goods and services tax	Please refer to Section 5.5.7	Y	
17	Royalties (subnational payments)	Please refer to Section 5.5.15	Y	Y
18	Dividends	Dividends paid by SOE	Y	
19	Environment permit fees and user charges	This refers to fees on application for environment permit. It also includes Annual Permit fees which is renewable on or before the anniversary in each year of the date on which the permit was issued. It also includes fees for the application to amend, transfer or renew a permit equivalent to the annual fee.	Y	
20	Salary and wage tax (Group tax – taxes withheld on employees' salaries)	Please refer to Section 5.5.2	Y	
21	Mining and petroleum tax (corporate income tax)	Please refer to Section 5.5.1	Y	
22	Business payments tax	Please refer to Section 5.5.10	Y	
23	Dividend withholding tax	Please refer to Section 5.5.11	Y	
24	Interest withholding tax	Please refer to Section 5.5.12	Y	
25	Management fee withholding tax	Please refer to Section 5.5.13	Y	
26	Royalty withholding tax	Please refer to Section 5.5.14	Y	
27	Foreign contractor withholding tax	Please refer to Section 5.5.3	Y	
28	Training levy	Previously, all businesses whose annual payroll exceeded PGK 200,000 were subject to a 2% training levy, calculated on the sum of the taxable salaries, including benefits, of all personnel. Qualifying expenses incurred in training PNG citizen employees were creditable up to the actual amount of the levy. The training levy, if payable, was not tax-deductible.	Y	
29	Infrastructure tax credits	Please refer to Section 5.5.4	Y	

4.2.2 Projects and Private Sector Companies in Scope

During the Inception Phase the following projects and private sector companies were identified as being in scope based on the agreed materiality as set out in Section 4.3 below. For the state-owned companies in scope, see below, Section 4.2.5.

Table 4-2 Mining companies in scope

	Company name
1	Anomaly Ltd
2	Barrick (Niugini) Ltd
3	Frieda River Ltd
4	K92 Mining Ltd
5	Lihir Gold Ltd
6	MCC Ramu NiCo Ltd
7	Mineral Resources Enga Ltd
8	Mineral Resources Madang Limited
9	Mineral Resources Ramu Limited
10	Morobe Consolidated Goldfields Ltd
11	Nautilus Minerals Niugini Ltd
12	Newcrest PNG 2
13	Niuminco Edie Creek Ltd
14	Ramu Nickel Limited
15	Simberi Gold Co. Ltd
16	Tolukuma Gold Mine Ltd
17	Wafi Mining Ltd
18	Woodlark Mining Ltd

Table 4-3 Oil and gas companies in scope

	Company name
1	Ampolex (Highlands) Inc
2	Ampolex (PNG Petroleum) Inc
3	Ampolex (PNG) Ltd
4	Ampolex Highlands Ltd
5	Cue PNG Oil Co. P/L
6	Eda Oil Ltd
7	Esso PNG Juha Ltd
8	Esso PNG Moran Ltd
9	ExxonMobil PNG Antelope Limited

10	ExxonMobil PNG Ltd
11	Gas Resources Angore Ltd
12	Gas Resources Gigira Ltd
13	Gas Resources Gobe Ltd
14	Gas Resources Hides No.4 Ltd
15	Gas Resources Juha Ltd
16	Gas Resources Kutubu Ltd
17	Horizon oil (Papua) Ltd
18	Lavana Ltd
19	Merlin Pacific Oil Co. NL
20	Merlin Petroleum Company
21	Mitsubishi Corporation (Diamond Gas Niugini B.V.)
22	Nippon PNG LNG LLC
23	Oil Search (LNG) Ltd
24	Oil Search (PNG) Ltd
25	Oil Search (Tumbudu) Ltd
26	Osaka Gas Niugini Pty Ltd
27	Petroleum Resources Gobe Ltd
28	Petroleum Resources Kutubu Ltd
29	Petroleum Resources Moran Ltd
30	Repsol*
31	Santos
32	Santos (Hides) Ltd
33	Total E&P PNG Ltd
34	Twinza Oil

4.2.3 Material Mining Projects

Table 4-4 Mapping of companies to mining projects

Quantitatively material (or part of a material group)
Qualitatively material

Parent company	PNG Entity	Projects														
		Porgera	Kainantu	Lihir (Luise Caldera)	Ramu Nickel (Kurumbukari)	Hidden Valley Mine	Edie Creek	Ok Tedi (Mt Fubilan)	Ok Tedi Mining Limited Subsidiary	Simberi	Solwara (Bismarck Sea)	Woodlark (Kulumadau)	Frieda River	Tolukuma	Mt Crater (HGZ Mine)	Wafi-Golpu
Independent State of PNG - 67% owned by KMHL, on behalf of the State and people of PNG. The shares have been transferred to KMHL from Treasury in 2021.Mineral Resources OK Tedi Star No.2 Limited - 12% Mineral Resources Star Mountains Limited (MRSM) - 9% Mineral Resources CMCA Holdings Limited - 12%	Ok Tedi Mining Limited															
	Ok Tedi Power Limited (subsidiary of Ok Tedi Mining Limited)															
	Ok Tedi Development Foundation (subsidiary of Ok Tedi Mining Limited)															
Barrick (PD) Australia Pty Limited - 50% Gold Mountains (H.K.) Barrick Niugini PNG Limited International Mining Company Limited - 50%	Barrick (Niugini) Ltd															
Kumul Minerals Holding Limited – 36% Barrick Niugini Limited – 24.5% Zijin Mining Limited – 24.5% Enga Provincial Government - 15%	Mineral Resources Enga Ltd															
Newcrest Mining Limited - 50% Harmony Gold Mining Company Ltd - 50% Wafi Golpu	Newcrest PNG 2 and Wafi Mining Ltd															

Parent company	PNG Entity	Porgera	Kainantu	Lihir (Luise Caldera)	Ramu Nickel (Kurumbukari)	Hidden Valley Mine	Edie Creek	Ok Tedi (Mt Fubilan)	Ok Tedi Mining Limited Subsidiary	Simberi	Solwara (Bismarck Sea)	Woodlark (Kulumadau)	Frieda River	Tolukuma	Mt Crater (HGZ Mine)	Wafi-Golpu
Kumul Minerals Holding Limited -20% Landowners & PNG - 10% Newmont - 35% Harmony Gold Mining Company Ltd - 35%																
Asidokona Mining Resources Pty Ltd	Tolukuma Gold Mine Ltd															
Crater Gold Mining Ltd	Anomaly Ltd															
Geopacific Resources Ltd/ Kula Gold Ltd	Woodlark Mining Ltd															
Harmony Gold Mining Company Ltd	Morobe Consolidated Goldfields Ltd															
Highlands Pacific Limited	Ramu Nickel Limited															
K92 Mining Inc	K92 Mining Ltd															
Kumul Mineral Holdings Ltd	Nautilus Minerals Niugini Ltd															
MCC-JJJ Mining - 85% Nickel 28 (formerly known as Highlands Pacific) - 8.56% Mineral Resources Ramu Limited - 3.94% Mineral Resources Madang Limited - 2.5%	MCC Ramu NiCo Ltd															
Mineral Resources Development Company	Mineral Resources Ramu Limited															
	Mineral Resources Madang Limited															
Newcrest Mining Ltd	Lihir Gold Ltd															
Niuminco Group Ltd	Niuminco Edie Creek Ltd															
PanAust Ltd	Frieda River Ltd															
St Barbara Ltd	Simberi Gold Co. Ltd															

4.2.4 Material Oil and Gas Projects

Table 4-5 Mapping of companies to oil and gas projects

Quantitatively material (or part of a material group)
Qualitatively material

Parent company	PNG Entity	Projects							
		Gobe Main (PDL 4)	Kutubu	Moran	Papua LNG (ElkAntelope)	Pasca A	PNG LNG	Stanley Project	SE Gobe (PDL 3 and PDL 4)
Santos Ltd	Lavana Ltd								
	Oil Search (LNG) Ltd								
	Oil Search (PNG) Ltd								
	Oil Search (Tumbudu) Ltd								
	Santos								
	Santos (Hides) Ltd								
ExxonMobil Corporation	Ampolex (Highlands) Inc								
	Ampolex Highlands Ltd								
	Ampolex (PNG) Ltd								
	Ampolex (PNG Petroleum) Inc								
	Esso PNG Juha Ltd								
	Esso PNG Moran Ltd								
	ExxonMobil PNG Ltd								
	ExxonMobil PNG Antelope Limited								
	Merlin Pacific Oil Co. NL								
Kumul Petroleum Holdings Ltd	Cue PNG Oil Co. P/L								
	Eda Oil Ltd								
	Kumul Petroleum (Kroton) Ltd								
	Kumul Petroleum (PNG LNG) Ltd								
	Kumul Petroleum Holdings Limited								
Japan Papua New Guinea Petroleum Company, Nippon Oil Exploration (PNG) Pty Ltd, Marubeni Corporation	Merlin Petroleum Company								
	Petroleum Resources Gobe Ltd								

Parent company	PNG Entity	Projects							
		Gobe Main (PDL 4)	Kutubu	Moran	Papua LNG (ElkAntelope)	Pasca A	PNG LNG	Stanley Project	SE Gobe (PDL 3 and PDL 4)
Mineral Resources Development Company	Petroleum Resources Kutubu Ltd								
	Petroleum Resources Moran Ltd								
	Gas Resources Gigira Ltd								
	Gas Resources Gobe Ltd								
	Gas Resources Angore Ltd								
	Gas Resources Hides No.4 Ltd								
	Gas Resources Juha Ltd								
	Gas Resources Kutubu Ltd								
Total S.A.	Total E&P PNG Ltd								
Twinza Oil	Twinza Oil								
Nippon Oil exploration (PNG) Pty Ltd, JX Nippon Oil & Gas Corporation, Marubeni Corporation	Nippon PNG LNG LLC								
Arran Energy Investment Pty Ltd	Arran Energy (Niugini) Pty Ltd								
	Arran Energy (Elevala) Ltd								
	Arran Energy (JG) Pty								
Mitsubishi Corporation	Kumul Gas Niugini B.V.								

*

4.2.5 State-owned Enterprises

State-owned enterprises (SOEs) and trustees play an important role in the extractives sector in PNG, and Table 4-6 sets out the SOEs in scope for reporting.

Table 4-6 State-owned enterprises

	Company	Company registration number	IRC TIN	Company website
1	Kumul Mineral Holdings Ltd (KMHL)	1-59327	500003612	https://kumulminerals.com.pg
2	Mineral Resources Development Company Ltd (MRDC)	1-5231	500002846	https://www.mrdc.com.pg
3	Ok Tedi Mining Limited (OTML)	1-6233	500000321	https://oktedi.com

4	Ok Tedi Development Foundation	1-45663	500108796	https://oktedi.com/who-we-are/our-subsidiaries/ok-tedi-development-foundation/
5	Ok Tedi Power Limited	1-102170	500004023	https://oktedi.com/who-we-are/our-subsidiaries/ok-tedi-power-limited/
6	Kumul Petroleum Holdings Ltd (KPHL)	1-100145	500198449	https://kumulpetroleum.com

4.2.6 Selected Government Entities

Table 4-7 sets out the government entities selected as in scope for reporting, along with the revenue streams that each collects and records.

Table 4-7 Government entities in scope

	Government entity name	Revenue streams collected and recorded
1	Mineral Resources Authority	Production levy, Royalties and MRA fees
2	Mining Advisory Council	
3	Department of Petroleum and Energy	Development levy, Royalties and License fees
4	Department of Treasury	Dividends from SOE
5	Department of National Planning and Monitoring	Infrastructures tax credits
6	Internal Revenue Commission	Mining and petroleum tax (corporate income tax), salary & wages tax (group tax), infrastructure tax credits, additional profits tax, foreign contractor withholding tax, management fee withholding tax, interest withholding tax, business payments tax, royalty withholding tax, dividend withholding tax
7	PNG Customs	Import duty, Excise tax
8	Conservation and Environment Protection Authority	Environmental permit fees

4.2.6.1 The Mineral Resources Authority

The Mineral Resources Authority is an independent statutory authority established in 2005 by the *Mineral Resources Authority (MRA) Act*. This act was updated in 2018. The MRA's undertakes the following functions (as set out Section 5 of the Act) on behalf of the Government of PNG:[10]

- Advising the minister on mining, management, exploitation and development of PNG's mineral resources,
- Receiving, assessing, registering, recording and managing applications and dealings in mineral tenements in PNG and providing technical expert advice and information to the Mining Advisory Council and the Minister,

[10] The former Department of Mining, now the Department of Mineral Policy and Geohazards Management, is now solely responsible for policy development.

- Overseeing the administration and enforcement of the Mining Act or any other legislation relating to mining or to the management, exploitation or development of PNG's mineral resources,
- To negotiate mining development contracts under the Mining Act, on behalf of the State,
- Acting as agent for the Government of PNG in relation to any international agreement relating to mining or to the management, exploitation or development of PNG's mineral resources,
- Coordinating and monitoring the implementation of the Government's undertakings and obligations under agreements, and such other legal, contractual, commercial or social obligations in accordance with government policies on mining and the applicable laws that are necessary for the management of the mining sector.

4.2.6.2 The Mining Advisory Council

The Mining Advisory Council (MAC) is a government entity established under the Mining Act, which advises the Head of State and Minister for Mining on grants and extensions of mining tenements (i.e., mining leases, leases for mining purposes, mining easements and exploration). The MAC reviews each application and makes a recommendation to the Minister for Mining on the suitability of the tenement application. Responsibility for issuing tenements remains, though, with the MRA after MAC's application assessment process is complete.

4.2.6.3 The Department of Petroleum and Energy (DPE)

The DPE oversees the regulation of the oil and gas sector in PNG. The DPE plays a number of key roles in the oil and gas sector, including issuing licences and permits, regulating the environmental impacts of oil and gas activities, promoting the development of the sector, and providing technical advice and assistance.[11]

In August 1997 the Petroleum Division and Energy Division were separated from the Department of Mining and Petroleum to form the Department of Petroleum and Energy (DPE). In 1998 a Corporate Services Division was created to help deal with the large volume of work generated by the increase in activity in the petroleum and energy sectors.[12]

4.2.6.4 The Department of Treasury (DoT)

Treasury is the Papua New Guinea government's principal economic and financial department. By maintaining a view over the entire economy, it serves the role of analysing current and future trends to anticipate and respond to changes in global conditions rapidly in order to achieve strong and equitable growth for all Papua New Guineans.

DoT mission is:

- Ensuring equal access to education, healthcare, and income opportunities for all citizens of Papua New Guinea.
- Providing well-informed and influential economic policy advice and effective management of the economy.

---

[11] https://commodities.nto.gov.pg/service/department-of-petroleum-and-energy-dpe/#:~:text=Papua%20New%20Guinea.-,The%20DPE%20plays%20a%20number%20of%20key%20roles%20in%20the,providing%20technical%20advice%20and%20assistance

[12] https://petroleum.gov.pg/about-us-2/

- Adopting a comprehensive, long-term approach that encompasses all government sectors.[13]

4.2.6.5 The Department of National Planning and Monitoring (DNPM)

The role of DNPM is to lead, plan, coordinate and facilitate appropriate national and international initiatives that addresses and promotes equitable and sustainable development of Papua New Guinea, in accordance with both a long-term vision for the Nation that has the support of the citizens of Papua New Guinea and the five (5) directive principles of the National Constitution.

The Department of National Planning and Monitoring acts as the key central agency advising Government on matters relating to strategic development; development policy; development planning and programming; foreign aid coordination and management; and monitoring and evaluation of national development projects and programmes.[14]

4.2.6.6 The Internal Revenue Commission (IRC)

The Internal Revenue Commission (IRC) was created under the Income Tax Act 1959. It administers and collects taxation, identifies and prevents tax evasion and along with the Treasury, develops taxation policy. The IRC is responsible for collecting most state revenue, including corporate income tax and tax on salary and wages, as well as indirect taxes such as GST. The IRC is led by the Commissioner General with support of the Commissioner Taxation and Commissioner Services.

In 2018, the Income Tax Act was amended to allow the IRC to provide direct information without the requirement of a waiver letter for EITI reporting purposes and provide greater transparency. This amendment allows the Independent Administrator to access tax payment data from the resources sector for the preparation of this report.

4.2.6.7 Conservation and Environment Protection Authority (CEPA)

Established under Conservation and Environment Protection Authority (CEPA) Act 2014, CEPA's role is to provide for the conservation and protection of the environment in accordance with the Fourth National Goal and Directive Principle (National Resources and Environment) of the Constitution.

CEPA is responsible for regulating the environmental aspects of the extractive industry. This includes approving environmental impact assessments (EIA) and issuing environmental permits.

Its mission (approved by National Executive council on 22 August 1989) is to ensure natural and physical resources are managed to sustain environmental quality and human well-being.

4.2.6.8 PNG Customs

The Customs Act 1951 and Customs Regulation 1951 remain the principal legislative instruments empowering the Chief Commissioner and staff of Customs to regulate the movement of all forms of conveyances, persons and cargo. Customs is also empowered to deal with breaches of Customs laws and other associated laws.

The Import and Excise Tariffs Acts also empower Customs to charge and collect duties and taxes. The Papua New Guinea Customs Service Act 2014 confers on Customs the powers and functions necessary to administer all matters regarding personnel and resources.[15]

---

[13] https://www.treasury.gov.pg/the-department/about-treasury/
[14] https://www.devex.com/organizations/department-of-national-planning-and-monitoring-of-papua-new-guinea-120600
[15]https://www.customs.gov.pg/about.php?q=who-we-are, accessed on 13 Feb 2024.

4.3 Materiality

This section sets out the definitions of material revenue streams and material reporting entities for the 2022 calendar year. All material payments and receipts made or received by material reporting entities are included in this report.

The EITI Standard 2023 Requirement 4 demands a comprehensive disclosure of material company payments and government revenues from the extractive industries. EITI Standard Requirement 4.1d states that all oil, gas and mining companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. The Multi-Stakeholder Group (MSG) is required to agree which payments and revenue are material and therefore must be disclosed, including appropriate materiality definitions and thresholds.

4.3.1 Determination of Materiality for Revenue Streams

In accordance with the aforementioned requirement, PNGEITI is required to produce a Materiality Determination for the FY 2022 Report.

In general, materiality has a quantitative aspect and a qualitative aspect. The quantitative aspect is usually considered first, before being adjusted by qualitative considerations.

From a quantitative viewpoint, the determination of materiality is often a mathematical one which would exclude flows below a certain threshold. For 2021, and it is our understanding for 2022 also, the PNGEITI MSG has set a materiality threshold of 2% or more of the total revenues received by government from the mining, oil and gas sectors. Total revenues received in 2022 was PGK8,423,140,835.

For the qualitative measure the definition of materiality previously adopted by the MSG, covered revenue streams that were:

- Defined by law,
- Of significant interest or benefit to the PNG population,
- Likely to exceed a pre-defined quantitative level of materiality in the future.

Table 4-8 Revenue streams 2022

Revenue stream	Revenue (PGK)	% of revenue	Material	Paid to
Mining				
Mine closure bond	-	-	N	CEPA
Production levy	55,189,975	0.66%	Y	MRA
Alluvial levies **Mine security deposits** **Exploration security deposits** **Mining lease rentals** **Exploration rentals** **Data sale receipts** **Exploration applications, extensions, extension late fees, transfer and dealing fees (related to exploration)** **Mining applications, extensions, extension late fees, transfer and dealing fees (related to mining)**	6,262,553	0.07%	N	
Public Investment Program (PIP) project funds	-	-	N	MRA
Oil and gas				
Development levy	157,178,968	1.88%	Y	Collected and recorded by DPE, (also recorded by the Department of Finance), and paid to relevant local or provincial government
License fees	2,433,000	0.03%	N	DPE
Additional profits tax	800,304,373	9.56%	Y	IRC
Equity distributions	1,802,237,261	21.53%	Y	State-owned enterprises (KMHL, KPHL and MRDC)
Mining and oil and gas				
Import taxes and excise duty	47,402,975	0.57%	Y	PNG Customs
Goods and services tax	6,270,086	0.07%	Y	IRC
Royalties	589,007,705	7.04%	Y	*O&G:* Santos pays by cheque to DPE, ExxonMobil makes payments direct to trust account to be apportioned to relevant landowners, local level governments, and provincial governments. *Mining:* Paid directly relevant landowners, local-level governments, and provincial governments; also reported to MRA
Dividends	600,000,000	7.17%	Y	Treasury (from SOEs)
Environment permit fees and user charges	-	-	Y	CEPA

Salary and wage tax (Group tax - taxes withheld on employees' salaries)	660,621,187	7.89%	Y	IRC
Mining and petroleum tax (corporate income tax)	3,011,504,441	35.98%	Y	
Business payments tax	4,208,566	0.05%	N	
Dividend withholding tax	-	-	N	
Interest withholding tax	9,127,062	0.11%	N	
Management fee withholding tax	10,644,439	0.13%	N	
Royalty withholding tax	2,815,379	0.03%	N	
Foreign contractor withholding tax	70,714,795	0.84%	Y	
Training levy	-	-	N	
Infrastructure tax credits	533,250,647	6.37%	Y	Spending reported to DNPM; Claimed as credits to IRC

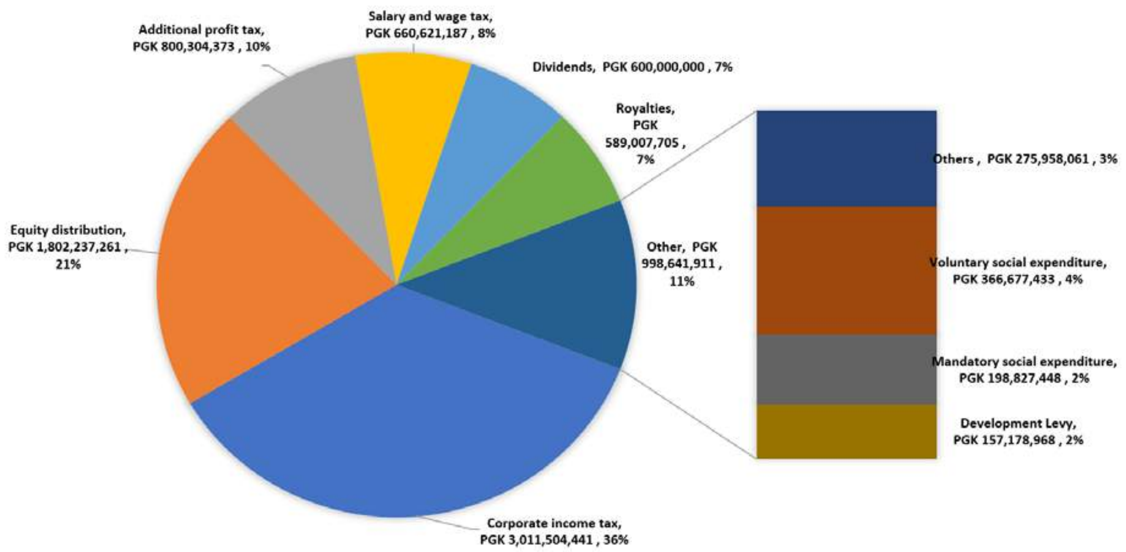


Figure 4-1 Revenue streams

4.3.2 Determination of Materiality for Reporting Entities

Companies potentially in scope are those with interests in extractive projects that were producing saleable commodities during the reporting period and projects in advanced stages of exploration or preproduction. As for previous reports, the MSG has approved the exclusion of mid-stream and down-stream resource companies.

Companies in scope include:

- Companies meeting the quantitative materiality threshold individually or when taken together with associated company extractive operations in PNG
- Companies which do not meet the quantitative materiality criterion, but were considered material for other reasons including production and export quantities.

Criteria for assessment of material reporting entity

The entities required to submit data templates for this report include:
► All mining and oil and gas companies which have interests in operations that were producing saleable commodities, as agreed by the MSG
► Companies with interests in projects in advanced stages of exploration or pre-production, whose group tax payments might be material
► Government entities who received payments from the companies
► Trustees of government funds
► SOEs that have resource companies, or receive or make payments to the resources sector
► Entities that do not receive payments but keep records of payments.

4.4 Methodology

4.4.1 Data Collection

Reporting entities provided soft copy templates to the Independent Administrator, with the exception of Simberi and CEPA. Hard copy templates, with the assurance declaration signed by a senior official were provided by reporting entities, and copies of companies' audited financial statements were also provided in hard copy.[to be checked/amended]

All companies and government entities that returned templates also provided signed hard copy templates.

See Section 7.10 for details of audited financial statements provided by companies.

4.4.2 Templates Used in 2022 Reconciliation

The templates used for data collection are attached as Annex G. The IA reviewed the reporting templates used for previous reports. The IA findings are set out in its Inception Report. The IA updated all the reporting templates to achieve:

- User friendly templates that follow a logical order and have comprehensive instructions and guidance notes,
- Capturing all the information required by the EITI Standard,
- Ensure clear project and company level reporting,
- Anticipation of the requirements of the 2023 version of the EITI Standard and "future-proof" the templates to the extent possible,
- Make the information collection process as efficient as possible.

The IA issued the following reporting templates to collect information:

- Oil and gas company reporting template,
- Mining company reporting template,
- Beneficial ownership reporting template,
- SOE reporting template,
- IRC reporting template,
- DNPM reporting template,
- Customs reporting template,

- CEPA reporting template,
- DOTR reporting template,
- DPE reporting template.

The MSG approved data collection templates at the meeting held on 21 August 2023 and on 30 August 2023, the IA issued templates to companies and government agencies participating in the 2022 reconciliation for completion.

4.4.3 Level of Disaggregation (Requirement 4.7)

PNGEITI defines a project for EITI purposes as follows:

"The operational activities that are governed by a single agreement or contract and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

Where payments are attributed to a specific project [all material revenue other than group tax] - then the total amounts per type of payments shall be disaggregated by project. Where payments are levied at an entity level rather than at a project level – [group tax] – the payments will be disclosed at an entity level rather than at a project level."

This differs slightly from the definition included in the EITI Standard 2023:

"A "project" is defined as operational activities that are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project.

"Substantially interconnected agreements" are a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to a single set of payment liabilities. Such agreements can be governed by a single contract, joint venture, production sharing agreement or other overarching legal agreement."

"Where a payment covered by the scope of EITI disclosures is levied at entity level rather than at project level, the company is encouraged to disclose the payment at the entity level."

We do not believe that there is any substantive difference between these definitions and propose that the PNGEITI definition is used in disaggregating data in the 2022 Report.

4.4.4 Elements of Work of the Independent Administrator

The IA performed reconciliations of information provided by the various reporting entities utilising the following strategy:

- The IA created specially designed spreadsheets and populated them with the 2022 information provided by the participating entities and government agencies.
- A comparison was made between all entries, and questions were submitted to either the participants or government agency for clarification or justification for entries reported by one and not the other.
- Where differences suggested an omission by a government agency, the apparent omission was discussed with both the participant and government agency to determine its authenticity, and to allow either party the opportunity to acknowledge the error.

- Where differences suggested an omission or a revenue payment to government in the government agency data, the participant was asked to provide documentation to support the omission.
- In most cases, documentation was submitted in soft medium.
- Where necessary, virtual meetings were held with the participants and government agencies to resolve differences. Where such meetings were impracticable, issues were resolved in writing using an appropriate virtual medium.

The IA's process in preparing this report is shown below.

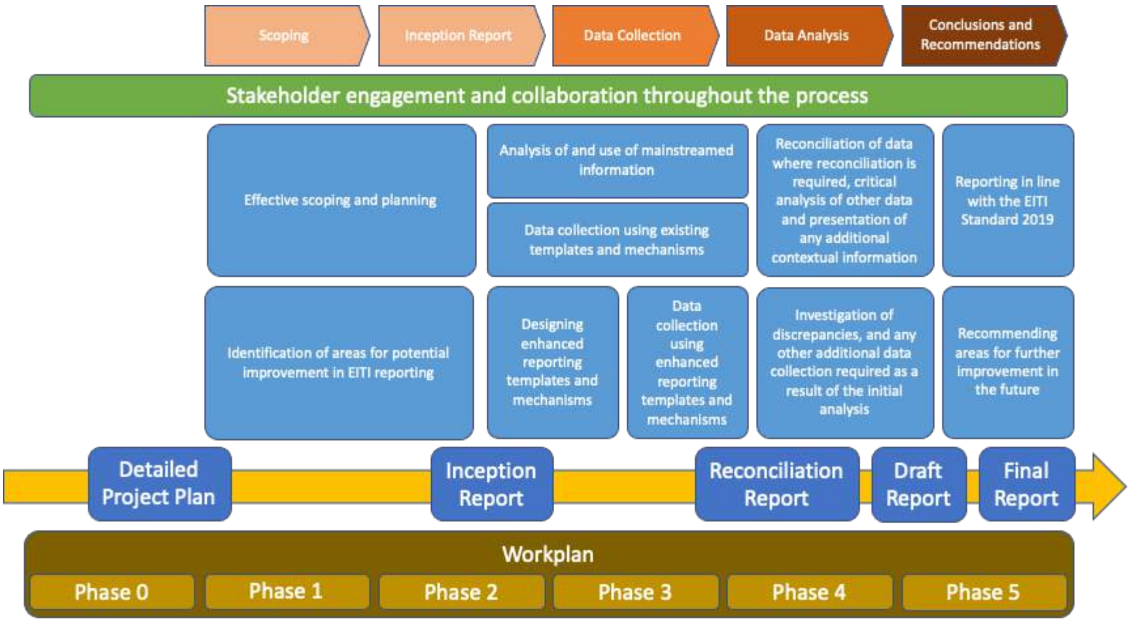


Figure 4-2 Report preparation process

4.5 Assessment of Coverage (Requirement 4.9)

4.5.1 Assessment of Coverage – Companies

Requirement 4.9 of the EITI Standard 2019 states that:

"*All oil, gas and mining companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. A company should only be exempted from disclosure if it can be demonstrated that its payments are not material.*"

There is no legal or contractual obligation for companies to participate in the EITI reporting process in PNG but those willing to participate sign a non-binding Memorandum of Understanding to that effect. As such, the Government of the PNG cannot, without legislative form, force compliance, even among those entities that are party to the MOU.

The nature of participation could, by its very nature, result in significant participants not being included in the report by virtue of their unwillingness to contribute. The IA does not have access to company information stored at the IRC to assess which other companies within the extractive industries provide material revenues to government and should be approached to become a participant. Likewise, (most of) these companies under the extractive industries are privately owned and not required to disclose their financial information to the public, for a similar assessment to be made. In PNG, according to the Companies Act 1997, section 190, a company shall appoint an auditor to audit its financial statements. However, exempt companies are not required to appoint an Auditor if the criteria set out in section 171 are met.

Despite repeated efforts, the IA was not able to contact Simberi Gold and received no information from this company. The IA cannot provide an estimate of Simberi's Gold's percentage of the total of extractive industry revenues.

4.5.2 Assessment of Coverage – Payments

Total receipts from the extractive sector, as reported by receiving respective government agencies to the PNGEITI, are shown in Table 4-8.

Table 4-9 Assessment of coverage

Revenue streams	Government receipts (PGK)	Coverage percentage
Revenue streams covered	8,333,682,413	99.58%
Revenue streams not covered	35,490,999	0.42%
Total	**8,369,173,412**	**100.00%**

The IA has completed the task of reconciling 99.58% of extractive revenues for the 2022 report, based on the income sources that were selected above. The report's comprehensiveness is unaffected by the revenue streams that are not covered.

4.6 Mainstreaming and Data Collection

The EITI Standard 2016 encouraged implementing countries to prepare to mainstream data available on existing government and corporate online sources. The EITI Standard 2019 built on this foundation leading to scoping studies into barriers to systematic disclosure and action plans to address these barriers.

"EITI Mainstreaming is about encouraging and recognising countries that make transparency an integral feature of their governance and management of the extractive industries. EITI implementing countries are increasingly making the information required by the EITI Standard available through government and corporate reporting systems (databases, websites, annual reports, portals etc). This helps to ensure that this data is timely, reliable and accessible. In 2016 the EITI Standard was revised to encourage these efforts. This action plan outlines activities to be undertaken by the EITI International Secretariat, working together with supporting organisations, to accelerate the trend toward mainstreaming." - EITI, Towards Mainstreaming Action Plan, 2016[16]

Mainstreaming is part of ongoing efforts to improve the timeliness of EITI reporting, by providing direct access to systematically disclosed data outside of the regular annual EITI process. However, mainstreamed data remains an important element of an EITI Report, in order to ensure that it provides a holistic view of the extractives sector and its impact.

Systematic disclosure is also important in building public trust.

In line with the ongoing approach taken by PNGEITI, where data is available online, this report provides links to the location of that data rather than embedding it in the report, unless that data is vital in understanding a wider aspect of analysis. Based on the PNGEITI Report summary data

[16] https://eiti.org/sites/default/files/attachments/2016-10-towards_mainstreaming_action_plan.pdf

template, PNG systematically discloses nearly [36]% (15% for the 2021 report) of information required by the EITI Standard.

4.7 Reconciliation and Investigation of Discrepancies (EITI Requirements 4.7 and 4.1.d)

The full reconciliation is set out in Chapter 8 below. After receiving completed templates, the IA reconciled company payments with government receipts. Where discrepancies occurred, the IA engaged with both the company and the relevant government entity to resolve the discrepancy. Some discrepancies remain due to lack of reported data.

Key discrepancies noted are the following:

- Data reliability - obtained unsigned data templates,
- Unavailability and inaccessibility of data and supporting details,
- Timing difference reporting – Amount to be reported should be within the calendar year cash basis reporting,
- Application of GST credits/Tax refunds against tax payable.

Inaddition the reconciliation process was hampered by delayed responses from some government agencies and no response from CEPA. In addition, lack of familiarity with the EITI reporting process in some companies presented a challenge.

4.8 Reliability and Credibility of Data Reported

The following are some of the issues which impacted the reconciliation process:

- A delay of one month in appointing the IA.
- The failure of at least one government agency and one mining company to provide data as requested.
- Delays on the part of some reporting companies and government agencies to provide data.
- The lack of audited financial statements available from SOEs and government agencies and the lack of recent Auditor-General reports.
- Lack of signed templates from some reporting entities.
- The provision of template information is voluntary and the IA's demands on participants, during a time when they are inundated with current financial reporting deadlines, may result in inaccuracies and omissions, on account of the apparent lack of importance attached to these voluntary additional reporting responsibilities by some participants.
- A significant number of new staff members in reporting entities responsible for EITI reporting who were unfamiliar with the EITI Requirements. In addition, the main point of contact in a reporting entity was often different from the staff members responsible for collating and signing off submission of the data. In some cases, contact details for reporting companies were out of date.
- The reconciliation process for Royalty and Development Levy payments by Oil & Gas companies with records held by DPE was observed to be burdensome due to current multiple cross departmental data/information custody and responsibilities. Payments are made by petroleum companies into bank of PNG. Department of Finance has access to the bank statements while the administration of Royalties and Development levies is with DPE. Therefore, to provide us with responses to reconciliation queries, DPE had to request BPNG statements via Department of Finance. All variances had been resolved at the time of finalising the 2022 report. However, the process involved was very cumbersome due to the IA having restricted access to the BPNG statements held by DPE.
- [Although many participants produced audited financial statements, some provided financial statements of the parent company, consolidated with information of many subsidiaries, not all of which were the subject of this report. The information required by

template could not be easily identified from within the audited consolidated financial statements because the preparation of the template is not a mere replication of information clearly revealed in the audited financial statements.

- The auditors of the participant's financial statements may have used materiality levels in their assurance procedures, which may have resulted in the omission of financial adjustments which to the IA may be deemed material.
- Because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with International Standards of Auditing and in accordance with International Financial Reporting Standards (IFRS). An audit is not a 100% verification process. Therefore, generating template information from the audited financial statements may result in the replication of undetected errors.
- The materiality levels utilised by the various auditing firms in the conduct of their assurance processes, may permit the omission of adjustments termed 'unadjusted misstatements' which, to the IA, may be considered material.]

4.8.1 Reliability and Comprehensiveness of Reconciled Financial Data

The reconciliation process required adjustments to be made to the revenue flows reported. Wherever material adjustments were required, these raised doubts about the accuracy of the preliminary data provided by those participants and governmental bodies. Those reconciliation differences existed despite all templates having been signed on behalf of the company by a responsible official of each participating entity. The existence of material inaccuracies on the templates impacted their reliability and credibility.

Where reconciliation differences were immaterial, they did not negatively impact the reliability and comprehensiveness of reconciled financial data.

Notwithstanding the foregoing:

- 100% of entities participating in this EITI report submitted templates authorised by an authorised company representative.
- Most participants provided audited or unaudited, stand-alone or consolidated financial statements for the period under review.
- Government agencies produced internally audited templates of flows received from participants in the extractive sectors.
- The IA was able to effectively reconcile flows showed by Government agencies against flows shown by participants in the extractive industry with immaterial unreconciled balances.
- All source documents required for reconciliations were provided.

Based on the above, the IA concluded the final assessment of the overall comprehensiveness and reliability of reconciled financial data from company and government agencies to be satisfactory, and that the report includes reliable and credible information on the revenues generated by the extractive sector in PNG.

5 Context for PNG's Extractive Industries

5.1 Legal and institutional framework (EITI Requirement 2.1)

5.1.1 Constitutional Structure

PNG is a constitutional monarchy. The Head of State is His Majesty King Charles III, represented by a Governor-General elected by Members of the National Parliament. The current Governor-General, Sir Bob Dadae, has served since 2017. A Governor-General can serve for a maximum of two six-year terms.

The National Parliament is a unicameral legislature elected for five-year terms. The most recent parliamentary elections took place in July 2022. Members of the National Parliament are elected from 89 single-member electorates and 22 regional electorates. The regional electorates correspond to PNG's 20 provinces, the Autonomous Region of Bougainville and the National Capital District. Members from regional electorates also serve as provincial governors. Each province has its own provincial assembly and administration.[17]

The government is led by a Prime Minister and Cabinet, known as the National Executive Council (NEC). The current prime minister is James Marape (appointed May 2019) and the Treasurer is Ian Ling-Stuckey (appointed after the 2022 elections). He also serves as Chairman of PNG EITI.

The judicial system consists of the Supreme Court, National Court, and local and village courts.

5.1.2 Extractive industries legislative framework

Table 5-1 below lists the relevant legislation for the extractive sector with links to the text of the law. Legislation relevant to the extractive industries in PNG can also be downloaded from PacLII http://www.paclii.org/countries/pg.html. All new legislations, changes to acts of parliament and constitutional changes are officially certified by parliament at https://www.parliament.gov.pg/bills-and-legislation/2022.Mining legislation is also available on the MRA website https://mra.gov.pg/investment/pngminingindustry/.

Table 5-1 Relevant legislation with hyperlinks

Legislation
Environment Act 2000
Environment (Amendment) Act 2014
Goods and Services Tax Act 2003
Income Tax Act 1959
Mineral Resources Authority Act 2005
Mineral Resources Authority Act 2018
Mineral Resources Development Company Act 2020
Kumul Minerals Holdings Limited Authorization Act 2015
Kumul Petroleum Holdings Limited Authorization Act 2015
Mining Act 1992
Mining Safety Act 1977

[17] National Parliament of Papua New Guinea, http://www.parliament.gov.pg/about/parliament

Oil and Gas Act 1998
Oil and Gas Regulation 2002
Mining (Ok Tedi Agreement) Act 1986
Mining (Ok Tedi Tenth Supplemental Agreement) Act 2013
Resource Contracts Fiscal Stabilisation (Amendment) Act 2001
Unconventional Hydrocarbons Act 2015
Bougainville Mining Act 2015

The key legal reform underway that will impact the extractive industries is a proposed EITI law. This would place PNGEITI on a statutory basis and create a legal obligation on extractive companies, state-owned companies and government agencies to provide data for EITI reporting and co-operate with the implementation of EITI in PNG. There is currently no timetable for the debate and enactment of this legislation.

5.1.3 Regulation of the Mining Industry

Mining activities in PNG are governed by the following legislation:

- *Mining Act* 1992 (MA), which regulates the law relating to minerals and mining. .
- *Mining (Safety) Act* 1977, which provides for the regulation and inspection of mines and works.18
- *Mining (Ok Tedi Agreement) Acts*, which govern the operation and development of mineral deposits in relation to the Ok Tedi mine.
- *Mining (Bougainville Copper Agreement) Act* 1967, which governs the Panguna mine on Bougainville. Separate mining legislation for the Autonomous Region of Bougainville - the *Bougainville Mining Act* 2015 - was passed by the Autonomous Bougainville Government in 2015,[19] the relationship between these respective pieces of legislation is unclear as the former has not been repealed, nor have the references to it in the MA been amended.

Oversight, administration and enforcement of these acts and associated agreements, as well as any other legislation related to mining, is the responsibility of the Mineral Resources Authority (MRA).

5.1.4 Regulation of the Petroleum Industry

The *Oil and Gas Act* 1998 (OGA) is the main legislative act governing PNG's petroleum industry. This act is supported by the *Oil and Gas Regulation* 2002. The act was amended in 2016 by the *Oil and Gas (Amendment) Act*. The Department of Petroleum (DPE), headed by the Minister for Petroleum and Energy is responsible for regulating the oil and gas industry. The OGA specifies regulatory requirements for oil and gas development activities including:[20]

- Licensing, exploration, development, processing, storage, transportation, and sale of products,
- Directing monetary benefits to State oil companies and resource area landowners, and nonmonetary benefits such as infrastructure development, training, employment, business development and community participation,

18 https://mra.gov.pg/wp-content/uploads/2021/08/3.Mining-Safety-Act-1977.pdf
[19] http://www.abg.gov.pg/uploads/acts/Act_2015-3-Bougainville_Mining.compressed.pdf
[20] Oil and Gas (Amendment) Act 2016, https://leap.unep.org/countries/pg/national-legislation/oil-and-gas-act-amendment-act-2016-no-25-2016

- Compliance mechanisms relating to health, safety, security, environmental protection, and project monitoring and reporting.

The Minister for Petroleum and Energy performs a number of functions under the OGA including:

- The granting of prospecting, retention, development, pipeline and processing facility licences and imposing conditions upon the holders of those licences (such as the requirement to lodge security deposits) or varying existing conditions,
- The disbursement of royalties in accordance with a development agreement to be agreed between project area landowners, affected local-level governments and affected provincial governments or, where there is no agreement, the Minister determines the proportionate disbursement of royalties.

5.1.5 Regulation of unconventional hydrocarbon

The *Unconventional Hydrocarbons Act* 2015 (UHA) 2015 regulates the unconventional hydrocarbon sector as this sector is not covered by the Oil and Gas Act 1998. The UHA covers the exploration and production of unconventional hydrocarbons both onshore and offshore in PNG. It also regulates "*the grant to traditional landowners and Provincial Governments and Local-level Governments of benefits arising from projects for the production of unconventional hydrocarbons.*" Terms and definitions in the UHA are aligned with the OGA, including areas, fees, royalties, development levies, rights of landowners and state participation. Unconventional hydrocarbons are oil or gas that are extracted from coal, shale or other rock, usually using techniques such as fracking.

5.2 Contract and licence allocations (EITI Requirement 2.2)

5.2.1 Allocation of mining tenements

The Tenement Administration Branch of the MRA's Regulatory Operations Division is responsible for the management of tenement applications. The Minister for Mining issues mining tenements on the recommendation of the Mining Advisory Council. The exception is Special Mining Leases (for large-scale operations), which are issued by the Head of State, acting on advice from the NEC. Tenement application requirements are outlined in relevant sections of the MA:

- Exploration License (s. 24)
- Special Mining Lease (s. 35)
- Mining Lease (s. 42)
- Alluvial Mining Lease (s. 52)
- Lease for Mining Purpose (s. 70)
- Mining Easement (s. 85)

The MRA website includes information on the different types of tenements and the application process, including a step-by-step flow chart outlining the process, fees, and minimum expenditures.[21] Tenements are not awarded through a bidding process, but based on a set of criteria.[22]

The MRA's Regulatory Operations Division is responsible for the assessment of tenement applications in accordance with the Mining Act 1992. Relevant technical and financial criteria are provided in Part V of the Act.[23] In summary, these include:

[21] Mining Tenements in Papua New Guinea, MRA, https://mra.gov.pg/regulatory/permitting/
[22] Mining Act 1992, https://actnowpng.org/sites/default/files/1.%20Mining%20Act%201992.pdf
[23] Ibid

Completion of application forms, including:

- Form 8 - Application form
- Form 17 - Boundary description form
- Form 20 - Exploration work program form
- Evidence of registration with the Investment Promotion Authority, as either a new company registered in PNG, or as an overseas company, registered under the laws of another country
- Statements and evidence of financial and technical capacities
- Payment of an application fee
- Minimum annual expenditure requirements related to acquisition and interpretation of exploration data, including related laboratory and feasibility work
- Requirement to comply with approved program of work.

A mining tenement will not be granted until the Conservation and Environment Protection Authority (CEPA) grants environmental approval. CEPA is the government authority responsible for administering the Environment Act 2000.

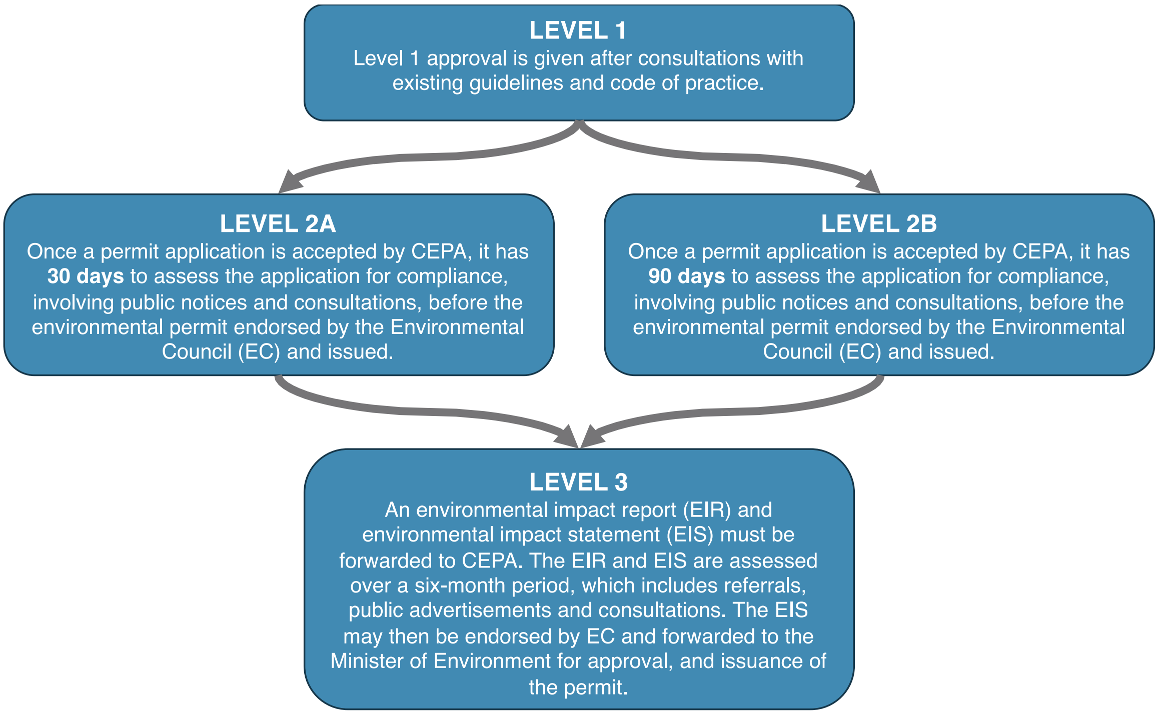


Figure 5-1 CEPA environmental permit approval process

Before a new mining lease is issued, representatives from the national and regional government, landowners and the mining company hold a development forum to determine the benefits package. The outcome of the forum is documented in a memorandum of agreement. However, under the Mining Act's section 18 a separate Mining Development Contract, can be negotiated by the State rather than the MRA. For example, the agreement between Ramu Nickel mine and the State is reported to include significant tax concessions.[24] In the event of any objections, the Mining Advisory Council makes recommendations regarding tenements to the Minister.[25]

Sections 118-119 of the Mining Act set out the process for transferring tenements. A written application seeking approval for the transfer is submitted to the Registrar, who in turn submits the application to the MAC for its consideration. The MAC recommends to the Minister for mining whether to approve or refuse the transfer. In practice, ultimate ownership of tenements can be transferred through a change in the ownership of the company, or companies, holding the tenement.

MRA reported no tenement transfers during the reporting period.

5.2.2 Allocation of oil and gas licences

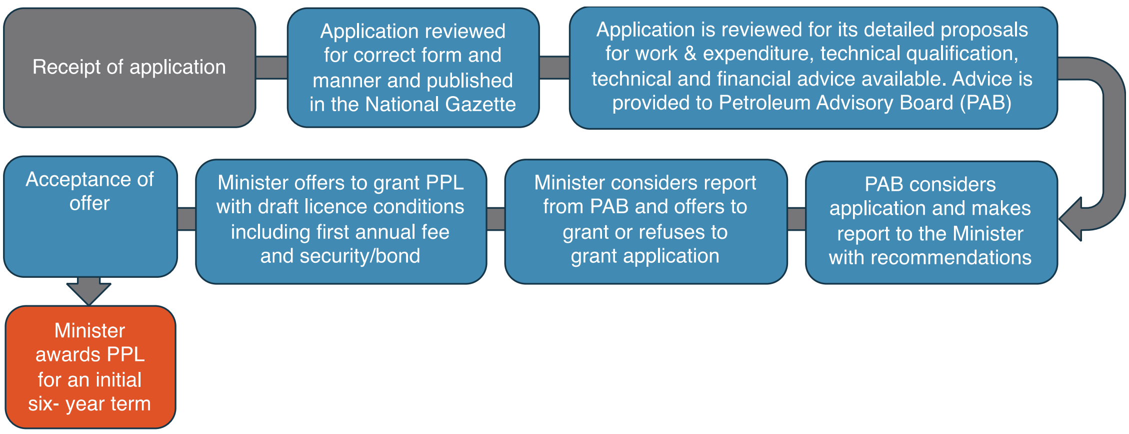


Figure 5-2 DPE licence allocation process

Table 5-2 DPE licence statistics for 2022

No. of Licences	Type of Licence	Amount of fees paid (PGK)
2	PETROLEUM PROSPECTING LICENCES (PPL)	923,000
6	PETROLEUM RETENTION LICENCES (PRL)	270,000
10	PETROLEUM DEVELOPMENT LICENCES (PDL)	1,000,000
4	PETROLEUM PIPELINE LICENCES (PLL)	140,000
1	PETROLEUM PROCESSING FACILITY LICENCES (PPFL)	100,000
		2,433,000

5.2.3 Resource development agreements

As well as obtaining a licence to develop oil, gas or minerals, extractive companies also enter into a resource development agreement with the government. These agreements can include:

[24] Communication from Treasury, 10 October 2016
[25] Mining Act 1992, https://actnowpng.org/sites/default/files/1.%20Mining%20Act%201992.pdf

- Granting the state an equity interest in the project,
- Modifying relevant PNG laws e.g. to grant an exemption,
- Adjusting the tax rate applicable for the project or granting other tax and fiscal incentives.

5.3 Register of licences and permits (EITI Requirement 2.3)

5.3.1 Mining tenements

The MRA maintains the register of tenements as required by Section 113 of the Mining Act. The MRA has also established an online mineral tenement management system (Mining Cadastre Portal), which is updated in real time. The portal appears to contain details on all active projects. The portal can be accessed via an interactive online map.[26] The portal was designed for tenement management rather than for the EITI but includes all the information required by the EITI Standard except for the commodity produced at each mine site, which can be found in Table 7-1 below. The MRA have advised that they do not plan to add this information to the cadastre. While the information for each licence area does not list the co-ordinates of the block, it does show the outline of each block and using the tools provided, the co-ordinates can be ascertained.

5.3.2 Oil and gas contracts and licences

The DPE maintains the official register of oil and gas licences, but this is only available in hardcopy ledgers. These ledgers are organised sequentially by licence numbers; new entries are made when applications are lodged. In principle the registers are publicly accessible and the DPE continues to ensure these remains so. The register is set up to record all information for a licence, which is also required by the EITI Standard. The reliance on hard copy documentation poses a risk of data loss.

See Section 5.3.2.1 for the list of active oil and gas licences in 2022. For the 2022 reporting period, DPE advised that no PPLs had been cancelled.[27] The physical distribution of oil and gas tenements in PNG is shown in the map in Section 7.5.2. A larger version can also be found on the website of the PNG Chamber of mines and petroleum.

Tables below shows the list of all active licence IDs of material and non-material companies for 2022.

5.3.2.1 Petroleum development licences (PDL)

Table 5-3 Active PDLs in 2022

Active PDL Licences 2022						
Licence	**Licensee**	**Application Date**	**Grant Date**	**Expiry Date**	**Location (Province)**	**Commodity / Field**
PDL 01	ExxonMobil PNG Ltd	02-Oct-89 – 04-Oct-89	27-Sep-15	26-Sep-35	SHP	Gas Condensate / Hides
PDL 02	Santos Ltd	01-May-90	10-Dec-15	09-Dec-35	SHP	Oil-Gas / Kutube
PDL 03	Santos Ltd	01-Apr-96	24-Dec-21	23-Dec-41	SHP	Oil-Gas / SE Gobe

[26] MRA, PNG Mining Cadastre Portal, http://portal.mra.gov.pg/Map/
[27] 2021 Non-financial data template provided by DPE for this report.

PDL 04	Santos Ltd	11-Apr-96 - 26-Apr-96	23-Dec-21	23-Dec-41	SHP/Gulf	Oil/Gas / Gobe Main
PDL 05	Esso Highlands Ltd	28-Apr-00 - 01-May-00	17-Feb-26	07-Dec-34	SHP	Oil-Gas / Moran & part of Kutubu
PDL 06	PNG LNG Project	24-Feb-06 - 27-Feb-06	30-Apr-33	29-Apr-53	SHP	Gas-Condensate / North West Moran
PDL 07	PNG LNG Project	27-Aug-09 - 31-Aug-09	08-Dec-09	07-Dec-34	SHP	Gas-Condensate /SE Hides
PDL 08	PNG LNG Project	29-Aug-09 - 31-Aug-09	08-Dec-09	07-Dec-34	SHP	Gas-Condensate / Angore
PDL 09	PNG LNG Project	27-Aug-09 - 31-Aug-09	08-Dec-09	07-Dec-34	SHP	Gas-Condensate / Juha Main & NW Juha
PDL 10	Trans Wonderland Ltd	28-Aug-12	30-May-14	29-May-39	Western	Gas-Condensate / Stanley
Applications for PDL (APDL)						
Licence	**Licensee**	**Date of Application**	**Lodged date**	**Duration (Yrs)**	**Location (Province)**	**Commodity / Field**
APDL 11	Santos Ltd	16-Aug-13	16-Aug-13	25	SHP	Gas/ Condensate
APDL 12	Trans Wonderland Ltd	17-Mar-14	17-Mar-14	25	Western	Gas/ Condensate
APDL 13	Santos Ltd	06-Feb-15	6-Feb-15	25	Western	Gas/ Condensate
APDL 14	Twinza Oil (PNG) Ltd	30-Jun-15	30-Jun-15	25	Gulf	Gas/ Condensate

5.3.2.2 Petroleum Retention Licences (PRL)

Table 5-4 Active PRLs in 2022

Active PRL Licences 2022							
Licence	**Licensee**	**Date of Application - Lodgement**	**Grant Date**	**Expiry Date**	**Commodity – Field**	**Location (Province)**	**Remarks**
PRL 3	ExxonMobil	13.Jul.98 - 39.Jul.98	23-Aug-11	22-Aug-15	Gas Condensate – Pnyang	Western	PRL 3 remains in force until the APDL 13 has been dealt with. APDL 13 is still an application.
PRL 14	Santos Ltd	17.Jan.09 - 13.Feb.09	31-Mar-17	30-Mar-22	Gas- Cobra, Iehi & Saunders fields	Gulf & SHP	Extended for 1 year (30 March 2023). Under yearly extension due

							to prevention from carrying out operations.
PRL 15	Total Energies EP PNG Ltd	04.Aug.09 - 05.Aug.09	30-Nov-21	29-Nov-26	Gas - Elk/Antelope Gas Field	Gulf	
PRL 21	Trans Wonderland Ltd	26.Nov.10 - 26.Nov.10	18-Mar-11	17-Mar-16	Gas - Ketu/Elevala/Tingu Gas Field	Western	PRL 21 and APDL 12 were part of a court matter and were on hold.
PRL 28	Trans Wonderland Ltd	30.Jun.11 - 30.Jun.11	31-Jan-17	30-Jan-22	Gas – Ubuntu	Western	Under yearly extension due to prevention from carrying out operations.
PRL 39*	ExxonMobil	07.Mar.13 - 08.Mar.13	07-Jul-20	07-Jul-25	Gas – Triceratops	Gulf	
PRL 40	Trans Wonderland Ltd	28.Feb.17 - 27.Feb.22	28-Feb-17	27-Feb-22	Gas - Douglas and Pukpuk	Western	Under yearly extension due to prevention from carrying out operations.
PRL 41	Santos Ltd	9.Feb.16 - 10.Feb.16	14-Feb-20	14-Feb-25	Gas- Flinders and Hagana Fields	Gulf	
PRL 47	Kumul Petroleum (PRL 9) Ltd	21.Dec.18 - 21.Dec.18	14-Sep-21	14-Sep-26	Gas – Pandora	Gulf	
PRL 48	Kumul Petroleum (PRL 9) Ltd	18.Aug.14 - 28.Aug.14	13-Apr-21	12-Apr-26	Gas – Kimu	Gulf	
PRL 49	Kumul Petroleum (PRL 9) Ltd	28.Oct.20 - 28.Oct.20	13-Apr-21	12-Apr-26	Gas – Barikewa	Gulf	
PRL 50	Kumul Petroleum (PRL 9) Ltd	28.Oct.20 - 28.Oct.20	13-Apr-21	12-Apr-26	Gas – Uramu	Gulf	
PRL 55	Papuan Oil and Gas Limited	29.Jan.21 - 29.Jan.21	10-Sep-21	09-Sep-26	Gas –Kuru	Gulf	

5.3.2.3 Petroleum Prospecting Licences (PPL)

Table 5-5 Active PPLs in 2022

Licence	Licensee	Date of Application	Date of lodged	Date of award	Expiry Date	Location (Province)	Remarks
PPL 328 [E]	Twinza Oil (PNG) Ltd (Twinza Oil (PNG) Ltd (90%), Eda Energy Ltd (10%)	18-Nov-08	21-Nov-09	31-Oct-11	30-Oct-17	Gulf	PPL 328 remains in force until the APDL 14 has been dealt with. APDL 14 is still an application.
PPL 338 [E]	Kina Petroleum Ltd (100%)	18-Mar-09	18-Mar-09	13-Jan-17	30-Jan-23	Onshore Gulf-Western	Expired. No Renewal application
PPL 339 [E]	Oil Search (PNG) Ltd (Kina Petroleum Ltd (30%), Oil Search Ltd (70%))	18-Mar-09	18-Mar-09	31-Oct-19	30-Oct-26	Onshore Gulf	

PPL 352	Peak Oil (PNG) Ltd (100%)	30-Jun-09	20-Jun-09	04-Sep-20	03-Sep-25	On-Offshore New Ireland	
PPL 378 [E]	Gini Energy Ltd (100%)	12-Jul-10	28-Sep-10	26-Sep-18	25-Sep-23	Southern Highlands	Expired. No Renewal application
PPL 402	Oil Search (PNG) Ltd (37.5%), Esso PNG Wren Ltd (42.5%), Bararccuda Ltd (20%)	22-Jun-11	12-Jul-11	14-Feb-20	13-Feb-26	Western	
PPL 413	Bismarck Oil Company Ltd (100%)	27-Sep-11	07-Nov-11	19-Jan-17	18-Jan-23	on-offshore Manus	Expired. No Renewal application
PPL 414	Bismarck Oil Company Ltd (100%)	05-Dec-11	05-Dec-11	19-Jan-17	18-Jan-23	on-offshore Manus	Expired. No Renewal application
PPL 437	Kina Petroleum Ltd (100%)	01-Jun-12	21-Jun-12	19-Jan-21	18-Jan-27	Western	
PPL 474	SPI (210) Ltd (75%), Oil Search (PNG) Ltd (25%)	10-Oct-13	16-Oct-13	12-Sep-20	11-Sep-26	Gulf	
PPL 475	SPI (220) Ltd (56.337206%), InterOil Partners Ltd (18.662794%), Oil Search (PNG) Ltd (25.000000%)	10-Oct-13	16-Oct-13	04-Sep-20	03-Sep-26	Gulf	
PPL 476	SPI (208) Ltd (75%), Oil Search (PNG) Ltd (25%)	10-Oct-13	16-Oct-13	12-Sep-20	11-Sep-26	Gulf	
PPL 487	Esso PNG Papuan Gulf Ltd (100%)	08-Jan-14	08-Jan-14	30-Nov-16	29-Nov-24	Southern Highlands	
PPL 545	Oil Search (PNG) Ltd (40%), Esso PNG Exploration Ltd (40%), Nippon Oil Exploration (Niugini) Pty Ltd (20%)	16-Apr-15	17-Apr-15	31-Aug-2017	30-Aug-25	Hela and Enga	
PPL 549	Rawson Resources Ltd (100%)	31-Jul-15	31-Jul-15	27-May-16	26-May-23	On-Offshore West Sepik	Expired. No Renewal application
PPL 560	Rawson Resources Ltd (100%)	12-Aug-15	12-Aug-15	30-Nov-16	29-Nov-25	On-Offshore Oro	
PPL 574	Arran Energy (Ubuntu Lmited (45%), Arran Energy (Ketu) Limited (35%), Arran Energy (JG) E&P Pty Limited (10%) & Mega Fortune International Limited (10%)	27-Nov-15	27-Nov-15	30-Nov-16	29-Nov-22	Onshore Western	PPL 574 part of court case , as with APRL 12 and PRL 21.
PPL 576	Total E&P PNG 2 BV (100%)	02-Dec-15	10-Dec-15	30-Nov-16	29-Nov-26	On/Offshore Central & Milne Bay	
PPL 579	Larus Energy Ltd (100%)	01-Dec-16	01-Dec-16	31-Mar-17	30-Mar-25	On/Offshore Central	
PPL 581	Kina Petroleum Ltd (100%)	28-May-15	29-May-15	31-Jan-17	31-Jan-23	onshore Gulf	Surrender on 25 July 2023
PPL 584	Twinza Oil Ltd (100%)	01-Feb-16	26-Feb-16	14-Feb-20	14-Feb-26	offshore Gulf	

PPL 589	Total E&P (100%)	24-Mar-16	24-Mar-16	31-Oct-17	30-Oct-25	On/Offshore Central & Milne Bay	
PPL 596	Kina Petroleum Ltd (100%)	01-Jun-15	04-Aug-16	31-Mar-17	30-Mar-24	onshore Gulf	
PPL 597	Kina Petroleum Ltd (100%)	01-Jun-15	04-Aug-16	31-Mar-17	30-Mar-24	onshore Gulf	
PPL 598	Kina Petroleum Ltd (100%)	01-Jun-15	04-Aug-15	31-Mar-17	30-Mar-24	Onshore Gulf	
PPL 599	Waves Petroleum Ltd (100%)	15-Aug-16	15-Aug-16	29-Jan-21	28-Jan-27	Onshore Western & SHP	
PPL 608	Oil search (PNG) Ltd (100%)	03-Feb-17	21-Feb-17	14-Feb-20	11-Feb-26	Onshore Enga & SHP	
PPL 610	Kapul Kapul Petroleum Ltd 100%	17-Mar-17	17-Mar-17	21-Jul-18	20-Jul-24	Onshore Western & Hela	
PPL 614	Hides Gas Development Company (100%)	10-Jul-17	10-Jul-17	9-Jul-21	08-Jul-27	Onshore Western	
PPL 616	Benshill Corporation Limited (100%)	04-Aug-17	04-Aug-17	12-Sep-20	11-Sep-26	Onshore SHP	
PPL 617	Benshill Corporation Limited (100%)	03-Aug-17	04-Aug-17	12-Sep-20	11-Sep-26	Onshore Western	
PPL 624	Tnf Holdings Limited (100%	22-Nov-17	22-Nov-17	21-May-19	20-May-25	onshore Madang. Morobe	
PPL 625	Peak Oil (PNG) Pty Ltd (100%)	27-Nov-17	28-Nov-17	29-Jan-21	28-Jan-27	On/offshore New Ireland	
PPL 634	Igiri Petroleum Limited (100%)	18-Dec-17	19-Dec-17	9-Jul-21	08-Jul-27	onshore SHP	
PPL 638	Granite Services Limited (100%)	06-Aug-18	09-Aug-18	23-May-19	22-May-26	onshore Eastern Highlands	
PPL 639	Granite Services Limited (100%)	06-Aug-18	09-Aug-18	23-May-19	22-May-26	onshore Chimbu, Gulf	
PPL 643	Gini Energy Ltd (100%)	01-Aug-18	13-Sep-18	25-Apr-19	24-Apr-26	onshore SHP	
PPL 645	Sino Industrial Energy PNG Ltd (100%)	25-Jul-18	26-Jul-18	23-May-19	22-May-26	onshore Western	
PPL 646	Sino Industrial Energy PNG Ltd (100%)	25-Jul-18	26-Jul-18	23-May-19	22-May-26	onshore Western	
PPL 647	Sino Industrial Energy PNG Ltd (100%)	25-Jul-18	26-Jul-18	23-May-19	22-May-26	offshore Gulf	
PPL 658	ENB Mining & Petroleum Limited (100%)	20-Jul-19	22-Aug-19	7-Jul-20	06-Jul-26	on-offshore Manus	
PPL 662	Noru Kair Oil and Gas Joint Venture Limited (100 %)	20-Feb-20	25-Feb-20	03-Nov-22	02-Nov-28	Onshore Western/SHP	
APPL 665	CGE Limited (100%)	20-Mar-20	20-Mar-20	19-Aug-21	18-Aug-27	Onshore Western, West Sepik, Hela	
PPL 666	MKS Equities Limited (100 %)	13-Apr-20	20-Apr-20	16-Feb-21	15-Feb-27	onshore Western /Hela	
PPL 669	Hela Investment Limited	13-Aug-20	14-Aug-20	09-Jul-21	08-Jul-27	Onshore/ Gulf	
PPL 671	Igiri Petroleum Limited (100 %)	02-Sep-20	02-Sep-20	16-Nov-20	16-Nov-20	Onshore/SHP	
PPL 672	Moonbi Energy Limited (100 %)	04-Sep-20	04-Sep-20	18-May-21	17-May-27	Onshore/Western	
PPL 675	Moonbi Energy Limited (100 %)	29-Jun-21	29-Jun-21	11-Mar-22	10-Mar-28	Onshore/Western	

Table 5-6 PPLs awarded in 2022

Licence	Licensee	Date of Application	Date Lodged	Duration (Yrs)
PPL 675	Moonbi Energy Limited (100 %)	29-Jun-21	29-Jun-21	6
PPL 662	Noru Kair Oil and Gas Joint Venture Limited (100 %)	20-Feb-20	25-Feb-20	6

Table 5-7 PPL applications lodged in 2022

Licence	Licensee	Date of Application	Lodged date	Status	Location (Province)	Duration (Yrs)
APPL 686	United Pacific Drilling (PNG) Limited	25-Aug-22	13-Sep-22	Application	Onshore Western	6
APPL 685	United Pacific Drilling (PNG) Limited	25-Aug-22	13-Sep-22	Application	Offshore Gulf	6
APPL 684	United Pacific Drilling (PNG) Limited	25-Aug-22	13-Sep-22	Application	Onshore Western	6
APPL 683	United Pacific Drilling (PNG) Limited	25-Aug-22	13-Sep-22	Application	Onshore Western	6
APPL 682	Irigi Petroleum Ltd (50 %) and Tohole Petroleum Ltd (50 %)	01-Sep-22	02-Sep-22	Application	Onshore Western	6
APPL 681	Igiri Petroleum Limited (100 %)	01-Sep-22	02-Sep-22	Application	Onshore Western	6
APPL 680	Nbinip Oil Gas Limited (100%)	01-May-21	29-Jun-2	Application	on/offshore Morobe	6

Table 5-8 PPLs surrendered in 2022

Licence	Licensee	Grant Date	Expiry Date	Surrender Date
PPL 374 [E]	ExxonMobil PNG Canary Limited	18-Jan-19	17-Jan-24	25-Jan-2022
PPL 375 [E]	ExxonMobil PNG Limited	18-Jan-19	17-Jan-24	25-Jan-2022

Table 5-9 PPLs expired in 2022

Licence	Licensee	Grant Date	Expiry Date	Revised Expiry Date
PPL 523	Igiri Petroleum Limited	31-Aug-15	30-Aug-21	30-Aug-22
PPL 532	Igiri Petroleum Limited	31-Aug-15	30-Aug-21	30-Aug-22
PPL 537	Twhite Petroleum Pty Ltd	14-Sep-15	13-Sep-21	13-Sep-22
PPL 538	Twhite Petroleum Pty Ltd	14-Sep-15	13-Sep-21	13-Sep-22
PPL 565	South Pacific (PNG) Investment Ltd	24-Dec-15	23-Dec-21	23-Dec-21
PPL 566	Twhite Petroleum Ltd	24-Dec-15	23-Dec-21	23-Dec-21

5.3.2.4 Pipeline Licences (PL)

Table 5-10 Active PLs in 2022

Licence	Licensee	Date of Application - Lodgement	Date Awarded	Expiry Date	Remarks
PL 1	Santos Ltd	01.Dec.89 - 05.Dec.89	27-Sep-90	26-Sep-15	Extension Awarded 27 Sep 2015. Extended to 26 Sep 2025
PL 2	Santos Ltd	01.May.90 - 01.May.90	08-Dec-09	08-Dec-35	
PL 3	Santos Ltd	11.Apr.96 - 26.Apr.96	24-Dec-21	23-Dec-41	
PL 4	PNG LNG Project	27.Aug.09 - 31.Aug.09	08-Dec-09	07-Dec-34	
PL 5	Santos Ltd		08-Dec-09	07-Dec-34	
PL 6	PNG LNG Project		08-Dec-09	07-Dec-34	
PL 7	PNG LNG Project		08-Dec-09	07-Dec-34	
PL 8	PNG LNG Project		08-Dec-09	07-Dec-34	
PL 10	Arran Energy		30-May-14	29-May-39	
PL 14	Pacific Energy Aviation (PNG) Limited		14-Feb-20	13-Feb-45	
PL 15	Mobil Oil New Guinea Pty Ltd		07-Jul-20	07-Jun-45	
PL 16	ExxonMobil PNG Limited		28-Nov-19	27-Nov-44	
PL 17	Dirio Gas and Power Company		04-Sep-20	03-Sep-45	

5.3.2.5 Petroleum Processing Facility Licences (PPFL)

Table 5-11 Active PPFLs in 2022

Licence	Licensee	Application Date	Date Awarded	Remarks
PPFL01	Puma Energy PNG Refining Ltd	14-Feb-00	23-Aug-11	Licence remains in force until Licensee surrenders it or Minister cancels it.
PPFL02	Esso Highlands Ltd	27-Aug-09	8-Dec-09	Licence remains in force until Licensee surrenders it or Minister cancels it.

5.3.2.6 Transfers

No transfers were registered in 2022.

5.4 Disclosure of licences and contracts (EITI Requirement 2.4)

There are legal and contractual barriers to the disclosure of contracts and licences in PNG. Section 163 of the MA, Section 52 of the MRA Act and Section 149 of the OGA impose confidentiality provisions that prevent the disclosure of contracts and licences. In addition, the contracts themselves contain confidentiality provisions that prevent disclosure. In October 2021, PNGEITI published a scoping study on contract transparency that made recommendations on advancing contract transparency in the country.[28]

Legislative reform is required to enable contract disclosure as a matter of course. Until such reform is enacted, contracts can only be made public with the approval of both the company and the DPE or MRA (as appropriate). To date, no contracts have been made publicly available. Broader benefit-sharing agreements related to mining and oil and gas projects are also not currently publicly disclosed.

5.5 Taxation

The *Income Tax Act* 1959 (ITA) is the primary piece of legislation that sets out the taxes to be collected from the extractive industries. These include corporate income tax and additional profits tax. The list of taxes relevant to the extractive industries are set out below. The ITA includes provisions which apply specifically to extractive industry operations depending on the type of resource being extracted. These are set out in Division 10 "Mining, Petroleum and Designated Gas Projects" of the ITA and include:

- General provisions applicable to mining, petroleum and designated gas projects
- Specific provisions applicable to mining
- Specific provisions applicable to petroleum
- Specific provisions applicable to designated gas projects
- Additional profit tax

5.5.1 Corporate Income Tax

Corporate income tax is 30% for all companies.

Corporate tax is levied on taxable income, i.e. assessable income less deductions allowed under the ITA. The taxation system for extractive industries also has a "ring fencing" requirement i.e. each project that an extractive company participates in is taxed as a stand-alone entity. Each project's revenue, expenses and losses are separate from those of other projects or other revenue, expenses and losses that the company may occur though other activities. Where an expense is attributable to more than one project, it is apportioned to the relevant projects on a reasonable basis. The system allows some exemptions to ring fencing for exploration expenditures and expenditures carried forward from discontinued projects. These exemptions include:[29]

- Combine all exploration expenditures and deduct this against project income at year end,
- Include exploration expenditure into the project if the exploration licence has been surrendered or cancelled or has expired,

[28] https://www.pngeiti.org.pg/pngeiti-reports/
[29] Information provided by the IRC non-financial template 23 October 2018. No update for 2019 was provided.

- Ability to transfer residual capital expenditures limited to transfers to a buyer who acquires an interest in the project or in an amalgamation.

The deduction allowed each year due to exploration costs is limited to the lesser of 25% of the total balance of the exploration pool or the amount that would reduce the income tax otherwise payable for that year by 10% in the case of oil and gas companies or 25% in the case of mining companies. During the production phase, ordinary operating and administrative expenses can be immediately deducted, but there are deduction limits in relation to certain expenditure such as interest and management fees. Exploration expenditure, as well as capital expenditures, are written off over the specified periods of time described in the ITA, usually 4 or 10 years, and deductions allowed each year are limited such that it does not create a tax loss.

5.5.2 Salary or Wages Tax (Group Tax)

Salary or Wages Tax (SWT, also referred to as Group Tax), are amounts withheld from employee salaries and paid to the IRC by companies operating in PNG.

5.5.3 Foreign Contractor Withholding Tax

Foreign Contractor Withholding Tax (FCWT) applies to non-residents performing contracted roles within PNG. The FCWT rate was amended in 2017 to 15% of gross contract income. This made it a final tax and removes the option to file an annual tax return. In its ongoing effort to protect its revenue base, the Government will restrict FCWT as a separate tax regime from the Corporate Income Tax regime.[30]

5.5.4 Tax Credit Scheme

The Tax Credit Scheme (TCS) (previously called infrastructure tax credits) is a public/private partnership model to promote the development of infrastructure in areas where mining and petroleum resource projects or agricultural companies are operating.

Until 2017, companies could claim expenditure on prescribed infrastructure projects as a credit against tax payable. The credit amount is generally limited to the lesser of 0.75% of assessable income or tax payable each year. Unspent amounts can be carried forward and utilised within the next two years, while unused credits can be carried forward to succeeding years of income until fully utilised. A further 1.25% can be utilised for specified projects. Guidelines and project approvals for credits are managed by the Department of National Planning and Monitoring (DNPM).

The NEC Decision No. 13 / 2017 placed a moratorium on the approval and funding of new ITCS projects. The moratorium was imposed with the intention to allow for the review of the performance of ITCS program and the ITCS policy Guideline. Accordingly, no projects were approved between September 2017 and October 2019.[31, 32]

Please refer to section 7.9 for further information.

5.5.5 Other taxes on resource projects

Other forms of taxation and concessions that influence the amount of revenue that the State collects from resource projects are set out below.

---

[30] 2018 PNG Budget http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf
[31] Oxford Business Group news article, https://oxfordbusinessgroup.com/analysis/hold-tax-credit-scheme-halted-government-review
[32] PNG EITI https://pngeiti.org.pg/press-statements/pngeiti-welcomes-halt-on-tax-credit-scheme/

5.5.6 Import Taxes

These are tariffs imposed on imported goods. The tariff level depends on the classification of the goods.

5.5.7 Goods and Service Tax

Goods and Services Tax (GST) is collected in accordance with the *Goods and Services Act* 2003. Domestic sales by a resource company are subject to GST, except for the domestic supply of crude oil sourced from a field in PNG which is a GST zero-rated supply. Since 1 January 2019, supplies of crude oil to resource companies are no longer zero rated.[33]

5.5.8 Fiscal stability

A resource project has the option of adding a 2% premium to the applicable rates of income tax noted above in exchange for receiving fiscal stability for a period equal to the financing period or 20 years, whichever is shorter (*Resource Contracts Fiscal Stabilisation Act* 2000). In the case of a gas project, the stability period is the period of time necessary to produce a foundation volume or quantity of resource as defined in the relevant gas agreement. The purpose of fiscal stability is to provide certainty to foreign investors that they will be protected from changes to fiscal law that apply to their investments, thereby encouraging positive investment decisions in PNG.[34]

Fiscal stability currently applies to the PNG LNG Gas Project though the parties mutually agreed to waive the 2% premium to the applicable federal income tax rate.[35] The Papua Gas Agreement similarly negotiated for fiscal stability with a waiver of the 2% premium. No other current resource project has opted for fiscal stability.[36]

5.5.9 Additional Profits Tax

The purpose of Additional Profits Tax (APT) is to continue to provide a progressive instrument to tax economic rents of highly profitable resource projects.

The application of APT is subject to the terms of an applicable fiscal stability agreement.

The mandatory income tax returns do not require the taxpayer to file details of the net cash flow, which goes into the calculation of the additional profits tax.

5.5.10 Business Income Payments Tax

Companies without a "Certificate of Compliance" incur a 10% tax on certain specified business payments. A credit may be provided by the IRC after a review of the payer's tax return.

[33] PNG 2019 Budget, p. 66. http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf,
In 2019, net GST remitted to CRF is projected to increase slightly, with collections expected to increase on the back of higher projected economic growth and tax policy measures to remove GST zero rated status for suppliers of resource companies of which it is expected to generate PGK86.0 million in revenue.
[34] Note that the Tax Review included the following recommendation (no. 47) in relation to fiscal stability: 'Restrict any fiscal stability agreements to key rates of tax and duty and to major deductions listed in the agreement. Agreements should be symmetrical (no one-way bets). They should not contain most favoured project rules. The premium requirement can be discontinued for new projects.
[35] 2019 PNG Budget, p. 125, http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf, 2
[36] Email from IRC, 4 July 2017

5.5.11 Dividend Withholding Tax

From January 2017, a standardised dividend withholding tax (DWT) rate of 15% came into effect across all sectors. Prior to this, withholding taxes had been concessional for resource taxpayers, with the DWT rate being nil for dividends paid out of petroleum or gas income and 10% for dividends paid by companies carrying on mining operations. Taxation amendments in the PNG 2018 and 2019 Budget have confirmed that dividends paid from PNG LNG-sourced profits are exempt from dividend withholding tax, in accordance with the PNG LNG Gas Agreement.[37]

5.5.12 Interest Withholding Tax

Interest payments generally attract a withholding tax of 15%. Certain entities and assets are exempted, including interest earned on long-term bonds, BPNG-authorised foreign currency deposits, and the participants and lenders to the PNG LNG project.[38]

5.5.13 Management Fee Withholding Tax

This tax applies to the management fees of non-residents performing management services outside of PNG. The tax rate is dependent on whether the country in which they are a resident has a Double Tax Agreement with PNG. If there is no applicable Double Tax Agreement the gross management fee is subject to 17% withholding tax.[39]

5.5.14 Royalty Withholding Tax

Royalties paid to non-residents (for the provision of technical know-how, trademarks, patents, design or model or copyrights etc.) are subject to a 10% tax, or 30% if paid to an associate. However, if the person is a resident of a country with which PNG has a Double Tax Agreement, then this is generally reduced to 10%.[40]

5.5.15 Royalties, development levy and production levy

Resource projects are subject to a royalty which is equal to 2% of the gross revenue from resource sales or wellhead value in the case of oil and gas projects. Since 2001, new petroleum and gas projects are also subject to a development levy, which again is equal to 2% of the wellhead value.

In the 2018 budget, the Government amended the ITA such that royalties and the development levy are treated as deductions from taxable income rather than the excess over 2% of wellhead value being deemed to be tax paid. This will now be consistent with the mining sector and is predicted to have a positive effect on revenue. Previously, where a petroleum or designated gas project was liable for both royalty and development levy, and the total amount of royalty and development levy exceeded 2% of the wellhead value of petroleum or gas sales for that year, the excess was deemed to be income tax paid for that year.

Royalties are collected by the State and apportioned to relevant landowners, local-level governments, and provincial governments. Development levies are paid to the relevant local or provincial government (see more detail in Chapter 5).

The production levy applicable to mining projects is calculated at 0.25% (or up to 0.5% at the Mining Minister's discretion) of assessable income (primarily, but not exclusively Free on Board

---

[37] 2019 PNG Budget, p. 124, http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
[38] IRC, https://irc.gov.pg/pages/know-your-taxes/withholding-taxes
[39] Ibid
[40] IRC,* https://irc.gov.pg/pages/know-your-taxes/withholding-taxes

(FOB) production sales) and is used to fund the activities of the MRA. The new *MRA Act* 2018, certified in July 2018, increased the production levy to 0.5%.[41]

5.6 The budget process

The Department of Treasury is responsible for the national budget process. Figure 5-3 below sets out the documents, processes and governance structures for the process.[42]

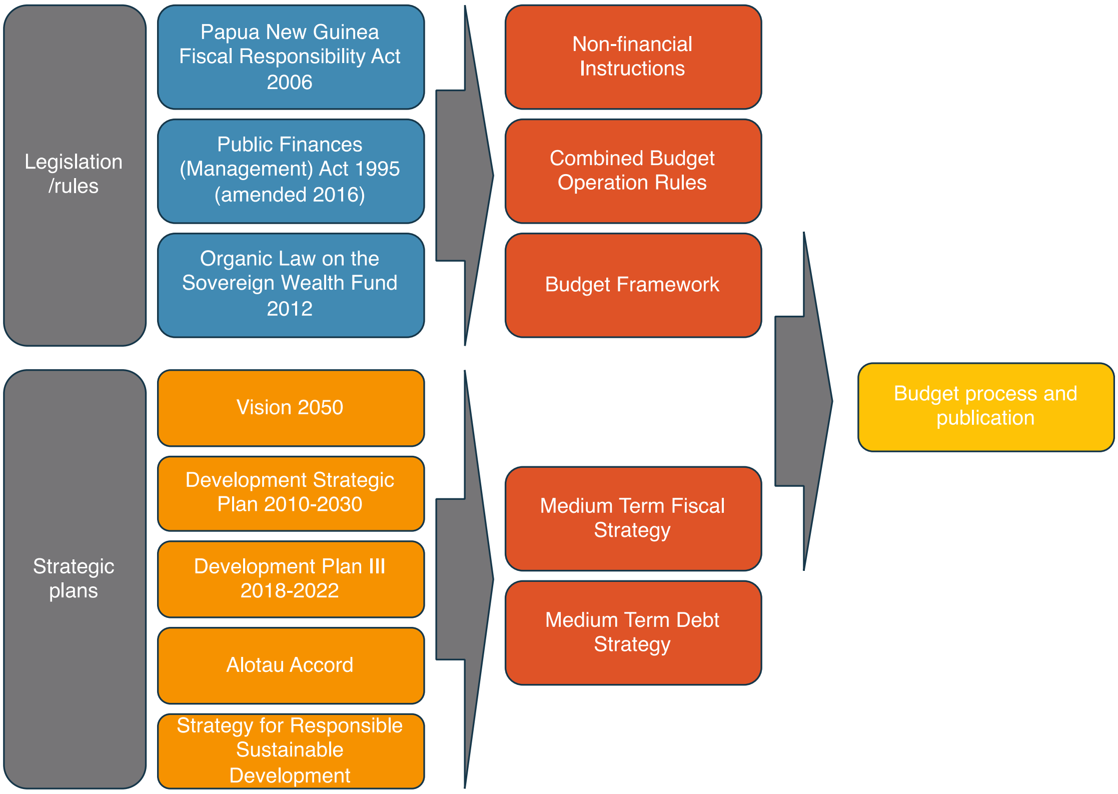


Figure 5-3 Overview of documents governing the PNG budget process

[41] MRA Act 2018, s. 28, http://www.paclii.org/cgi-bin/sinodisp/pg/legis/num_act/mraa2018328/mraa2018328.html?stem=&synonyms=&query=mineral%20resources

[42] PNG Budget Manual, http://www.treasury.gov.pg/html/national_budget/files/2008/budget_documents/Budget%20Manual.pdf

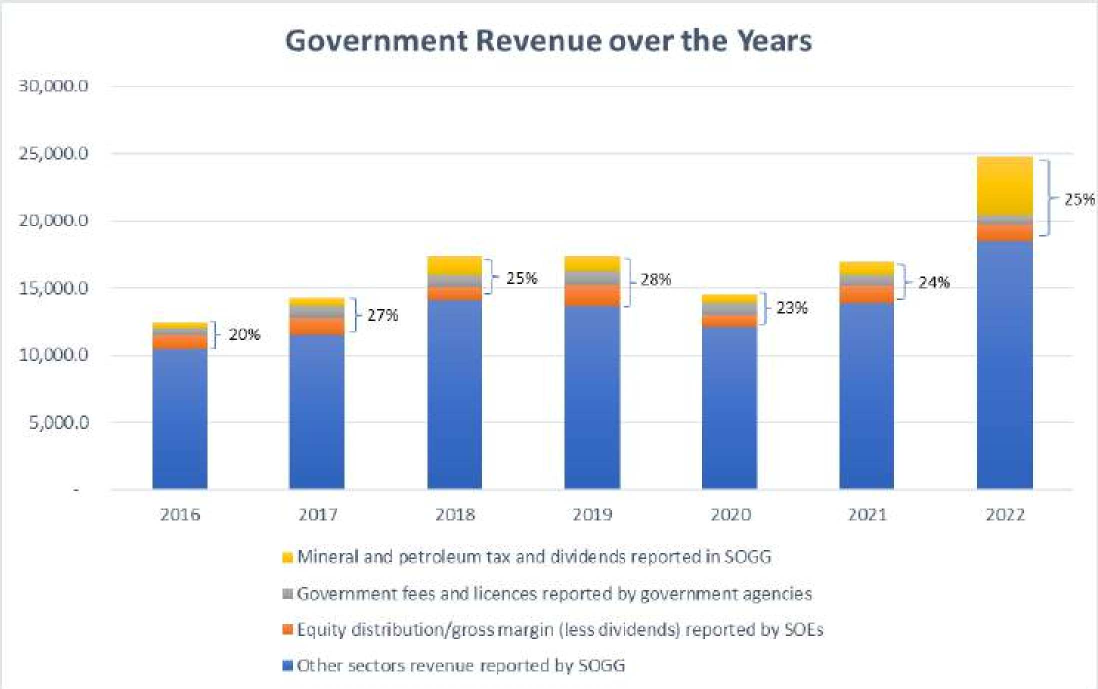


Figure 54 Contribution of the Extractive Industries to government revenue (PGKm) per National budget

Revenues reported in the Statement of Operations for the General Government ("SOGG" or "National Budget") do not include equity distributions received and gross margin reported by state-owned enterprises, and revenues received by government agencies, such as salaries and wages taxes (SWT), foreign contractor withholding taxes (FCWT), DPE and MRA fees and environmental charges. For purposes of presentation in Figure 53.a, other revenues received by SOE and government agencies were included; royalties and landowner receipts (either direct or through Trustee) are excluded. Other sectors revenue presented in Figure 53.a does not include other revenues collected from respective government agency, regulator or authority.

5.6.1 Budget governance structures

Table 5-11 below sets out the governance structure for the budget process.

Table 5-12 Budget governance structures

	Committee	Composition	Role in the Budget
Bureaucratic	Budget Strategic Committee	Deputy secretaries of the central agencies	To work with agencies to review their budget submissions
	Central Agencies Coordinating Committee	Chaired by the Chief Secretary to the government	To coordinate policy and development planning in PNG
Political	Ministerial Economic Committee (also referred to as the Senior Ministerial Budget Committee)	Chaired by the Treasurer and comprises ministers of Finance and National Planning as well as the Prime Minister and National Executive Council (NEC)	To drive budget strategy setting and advise the National Executive Council on the budget

	NEC	Key government decision making body	To approve the final budget

Figure 5-4 below sets out the annual timeline for the budget process.

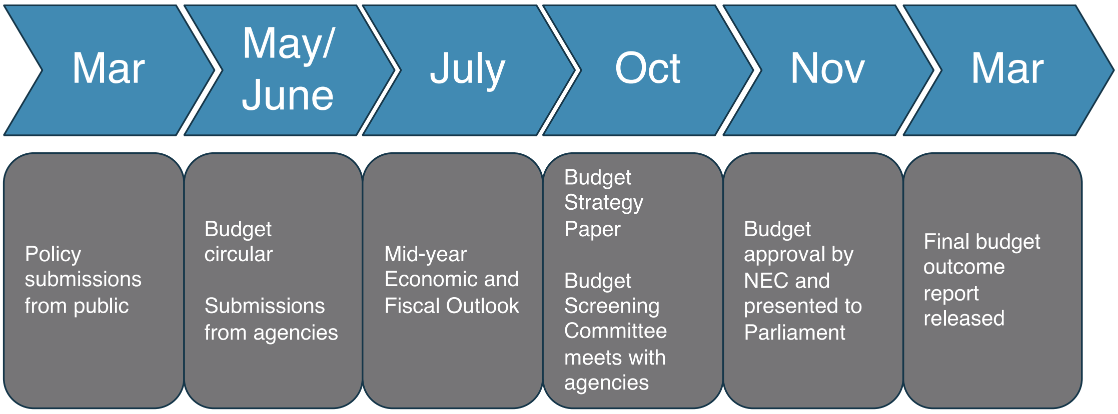


Figure 5-5 The budget process

5.7 PNG Sovereign Wealth Fund

The PNG Sovereign Wealth Fund (SWF) has yet to become operational despite being legislated for in the *Organic Law on the Sovereign Wealth Fund*, July 2015. The Government has yet to appoint the inaugural board, and the National Budget projects zero balances for both funds through to 2023.

The SWF is intended to manage external shocks to the economy, to support the budget, to fund priority areas such as education, health, and infrastructure, and to invest for the benefit of future generations. The SWF will comprise two funds managed under the same governance framework: the Stabilisation Fund and the Savings Fund. Each fund will receive a proportion of mining and petroleum dividends paid by state-owned enterprises. According to the Treasury, 50% of mining and petroleum tax revenues will be deposited in the SWF Stabilisation Fund, while the other 50% will flow directly to the CRF to finance government operations. Until the SWF is operational, all mineral and petroleum revenues are allocated to the National budget. The Savings Fund will also receive some of the proceeds of state-owned assets that the government agrees to sell. When revenue flows are large, the excess will be deposited into the Savings Fund.

5.8 Auditing of public accounts

The Auditor-General is a role mandated by Section 214 of PNG's Constitution and is appointed by the Head of State. The responsibilities and powers are further detailed in the *Audit Act* 1989. The Auditor-General is responsible for auditing public accounts and reporting to Parliament at least once every fiscal year. The Auditor-General's responsibilities cover:

- Departments of the National Public Service and all agencies of the national government,
- Provincial governments, and all their agencies,
- Entities established by statute or Act of Parliament.[43]

[43] http://www.ago.gov.pg/index.php/about-the-ago

The Auditor-General presents the annual financial audit reports to Parliament in four parts:

- **Part 1** Public accounts of Papua New Guinea (latest report on 2015)
- **Part 2** National government departments and agencies (latest report on 2014/15)
- **Part 3** Provincial governments and local-level governments (latest report on 2016)
- **Part 4** Public bodies and their subsidiaries, government owned companies, national government shareholdings in other companies (latest report on 2019)

The reports have highlighted serious and pervasive deficiencies in accounting practices at all levels of government. The Auditor-General's Annual Report 2019 states:

"*I believe the capability of staff in a number of public sector entities is not adequate to deal with the complexities of a modern-day public-sector environment.*

The audit function is constrained because there are few records to audit, and the entities' systems do not support the financial management functions. Often the internal controls that are supposed to prevent breakdowns in financial administration are non-existent."[44]

The report also notes that financial statements are often not submitted within the legislated timeframe, leading to audits being in arrears.

For the audit status of individual reporting entities see below, Section 7.11.

5.9 How extractive industry revenues are recorded

Table 5-12 below sets out where revenues and payments from the extractive industries are recorded, and which of these are available online.

Table 5-13 Public records of extractive industry revenues

Revenue stream	Where recorded	Available online?
Mining		
Production levy	Financial reports of the MRA	No
Alluvial levies Mine security deposits Exploration security deposits Mining lease rentals Exploration rentals Data sale receipts Exploration applications, extensions, extension late fees, transfer and dealing fees (related to exploration) Mining applications, extensions, extension late fees, transfer and dealing fees (related to mining)	Accounts/Financial reports of MRA	No

[44] Auditor General's Office, Annual Report, p. 8, https://www.ago.gov.pg/images/Part_4_Report_2020.pdf

Royalties	Paid by the project developer directly to the recipients, which are defined in each project MOA. Receipts of payments are furnished to the MRA. 2022 outcome of mining royalties and dividends paid to the provinces are recorded in the 2024 PNG Budget.	Yes[45]
PIP project funds	National Budget Volume 3	Yes[46]
Petroleum		
Development Levy	Paid to DPE Trust Account, and financial reports are furnished to the Trust Fund Management Division of the Department of Finance as per the *Public Financial Management Act* 1995 reporting requirements on Trust Funds	No
Royalties	Paid to the DPE Trust Account, which is then transferred to parties based on the OGA, Oil MOAs and UBSA/LBBSA negotiations. 2022 outcome of petroleum royalties and dividends paid to the provinces are recorded in the 2024 PNG Budget.	Yes[47]
Additional profits tax	National Budget, Volume 1, Economic and development policies.[48]	No
Mining and petroleum		
Equity distributions	Relevant annual reports (e.g., KPHL, KMHL, MRDC, OTML[49])	Yes
Import taxes	National Budget, Volume 1, Economic and development policies	Yes[50]
Goods and services tax	National Budget, Volume 1, Economic and development policies	Yes[51]
Licence/tenement fees	Paid to MRA and DPE for mining and petroleum, respectively	No
Mandatory social expenditure	Some company annual reports	
Discretionary social expenditure	Some company annual reports	
Dividends	National budget (listed under non-tax revenue)	Yes[52]

[45] 2024 National Budget Volume 1, page 149, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf , accessed on 13 Feb 2024.
[46] 2024 National Budget Volume 3, https://www.treasury.gov.pg/wp-content/uploads/2023/11/Volume-3A-Final.pdf , accessed on 13 Feb 2024
[47] 2024 National Budget Volume 1, page 149, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf , accessed on 13 Feb 2024.
[48] Ibid
[49] OTML annual review, https://oktedi.com/who-we-are/annual-performance/, accessed on 13 Feb 2024
[50] 2024 National Budget Volume 1, page 149, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf , accessed on 13 Feb 2024.
[51] Ibid
[52] Ibid

Environment permit fees	Financial reports of Conservation and Environment Protection Authority (CEPA)	No
Royalties & dividends paid to provincial governments	National Budget, Volume 1, Economic and development policies	Yes[53]
Salary and wages tax	IRC annual reports	No[54]
Corporate income tax (mining and petroleum tax)	National budget	Yes
Infrastructure tax credits	IRC accounts and DNPM	Yes[55]
Business payments tax	IRC annual report	No
Dividend withholding tax	National Budget, Volume 1, Economic and development policies	Yes[56]
Interest withholding tax	National Budget, Volume 1, Economic and development policies	Yes[57]
Management fee tax*	National Budget, Volume 1, Economic and development policies	Yes[58]
Royalty withholding tax**	National Budget, Volume 1, Economic and development policies	Yes[59]
Foreign contractor withholding tax	IRC annual report (as part of "withholding taxes")	No
Training Levy	National Budget, Volume 1, Economic and development policies	Yes[60]

Note: Some reports may be gazetted and are therefore available to the public in hard copy or via PacLII.

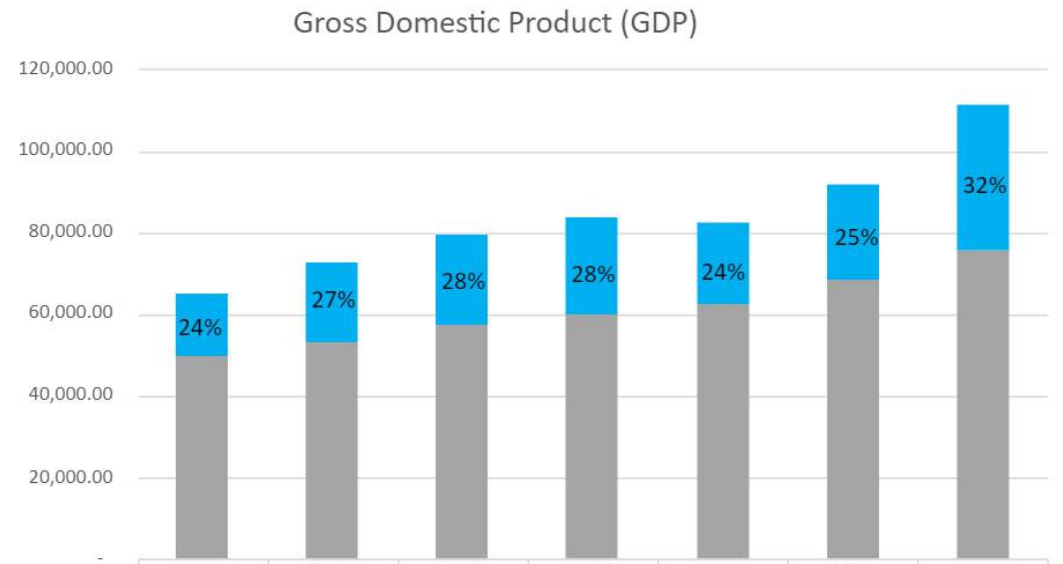
** Recorded in the budget as Management tax*

*** Recorded in the budget as Royalties tax*

[53] Ibid
[54] Nil annual report for 2022, https://irc.gov.pg/pages/about-irc/corporate-information/irc-annual-reports, accessed 13 Feb 2024.
[55] 2024 National Budget Volume 1, page 149, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf , accessed on 13 Feb 2024.
[56] Ibid
[57] Ibid
[58] Ibid
[59] Ibid
[60] Ibid

5.10 Papua New Guinea Economic Performance in 2022

Figure 5-5 below shows the 2016 – 2022 Gross Domestic Product (GDP)[61] for PNG. Extractive industries (both Mining and Oil and Gas sectors) contribution to GDP had increased to 32%, highest from the last 7 years.



	2016	2017	2018	2019	2020	2021	2022
Mineral GDP	15,520.10	19,382.30	22,125.20	23,758.40	20,041.30	23,205.90	35,533.10
Non-mineral GDP	49,518.10	53,139.30	57,279.50	60,087.60	62,473.70	68,419.80	75,708.10

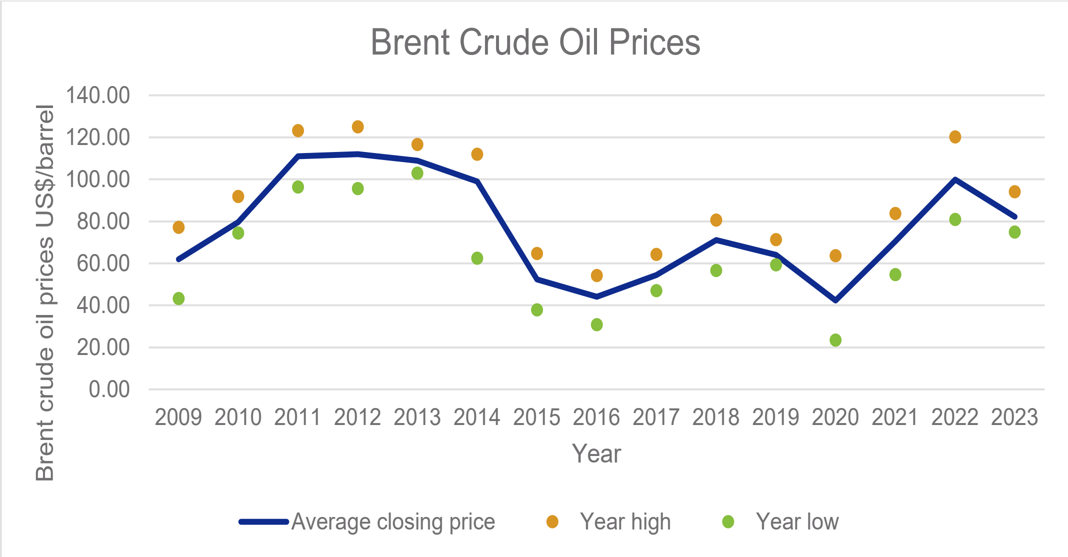
Figure 5-6 2016 – 2022 Gross Domestic Product

5.10.1 Global Context

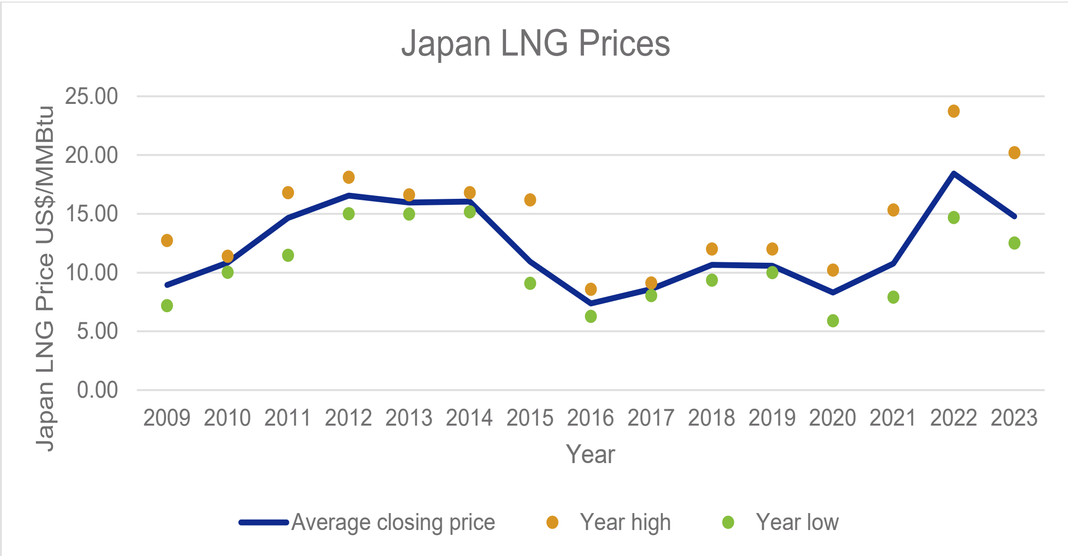
In 2022, the global economy experienced a severe shock due to the impact of Russia's February 2022 invasion of Ukraine. This shock came as the global economy was starting to emerge from the Covid-19 pandemic. The Ukraine conflict caused oil and gas prices to increase by at least 60% and mineral prices also rose. While these increased prices brought higher revenues for PNG, they also brought inflationary pressures due to factors such as increased fuel and freight costs. In addition, weaker energy demand in key Asian markets such as Japan and China saw prices fall in the second half of the year. For a detailed account of the global context for PNG's 2022 economic performance, see: https://www.treasury.gov.pg/html/national_budget/2023.html

The crude oil Brent price benchmark started 2022 at just under US$80 per barrel and peaked at almost US$130 per barrel and was over US$100 per barrel for most of the year (see Figure 5-5). Natural gas prices also experienced a sharp rise. LNG prices for Japan, a key market for PNG, started the year at under US$15 per mmBtu and peaked at almost US$24 per mmBtu (see Figure 5-6). Mineral prices also rose in 2022 but not to the same extent as energy prices. Copper prices peaked at more than US$10,200 per metric tonne (having started at almost US$9800) and gold prices rose from US$1816 per troy ounce to nearly US$1940 per troy ounce (see Figures 5-7 and 5-8).

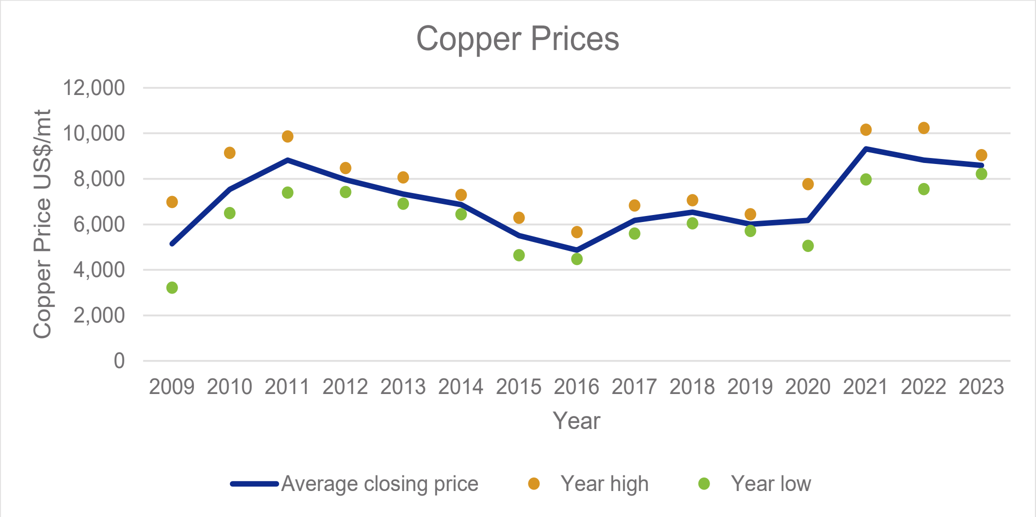
[61] 2024 National Budget, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf



Source: World Bank commodity price data
Figure 5-7 Brent crude oil prices 2009-2023



Source: World Bank commodity price data
Figure 5-8 Japan LNG prices 2009-2023



Source: World Bank commodity price data

Figure 5-9 Copper prices 2009-2023

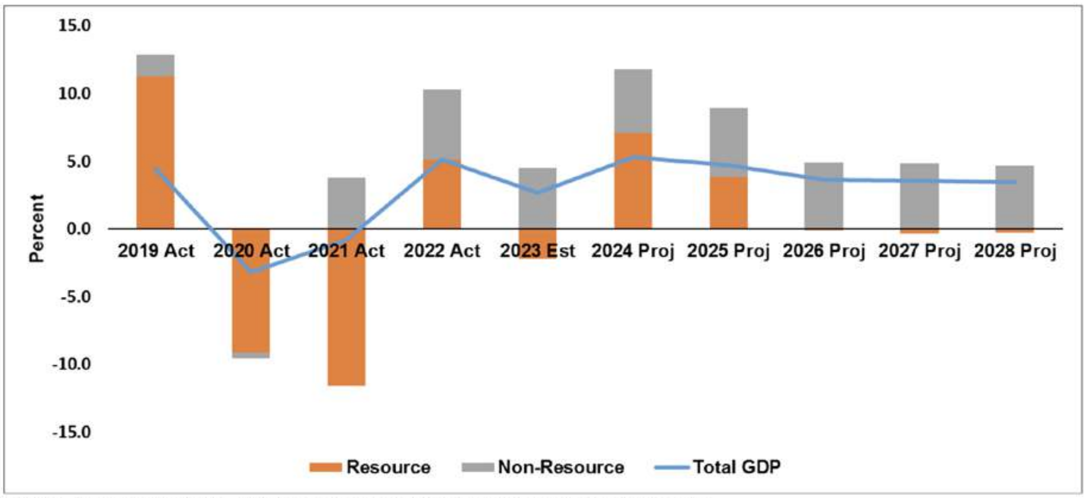
Source: World Bank commodity price data

Figure 5-10 Gold prices 2009-2023

5.10.2 Impact on PNG

In 2022, the PNG economy grew by 4.6% in real terms due to strong growth in the mining sector and the non-resource sector.[62] The mining sector grew 13.5% on real terms and the non-resource sector by 4.5%. By contrast, the oil and gas sector grew only 1.4% in real terms. Higher LNG production was offset by a decline in condensate production. The overall strong growth in the economy continues the growth experienced in 2021, when the economy grew 4.8% in real terms as it rebounded from the impact of the Covid-19 pandemic.

[62] https://www.treasury.gov.pg/html/national_budget/files/2024/Volume1.pdf



Source: Actuals from NSO. Estimates and projections from Department of Treasury.

Figure 5-11 Real economic growth

The PNG government publishes detailed analysis in its National Budget documents that can be found at: https://www.treasury.gov.pg/html/national_budget/2023.html and in the Bank of PNG's Quarterly Economic Bulletins at:

https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/

Table 5-13 below provides key indicators of PNG's socio-economic performance in 2022.

Table 5-14 PNG economic indicators

Indicator	2022
Gross domestic product (GDP)	107.897 bn PGK
GDP growth	4.6%
Government revenues	17.389 bn PGK
Export earnings	46.698 bn PGK
Workforce growth	3.7%
Human development index (HDI)	(156/191) Ranking

Source: 2023 National Budget vol 1, UNDP

To reflect the higher receipts as a result of the surge in commodity prices (which also boosted receipts from agricultural products), the government produced a supplementary budget on 2 September 2022. This budget revised total government revenues upward by PGK1198.8 million (or 7.4%) from PGK16,190.2 million to PGK17,389.1 million. This included an additional PGK360 million revenue from the Ok Tedi mine which was allocated central government rather than going to Kumul Mineral Holdings. All of the additional PGK1198.8 million in revenue was allocated to spending on government priorities including paying government arrears, district support improvement plans, the government tuition fee subsidy and urban infrastructure. For details of the September 2022 supplementary budget see section 3.2 of volume 1of the National Budget documents.[63]

[63] ibid

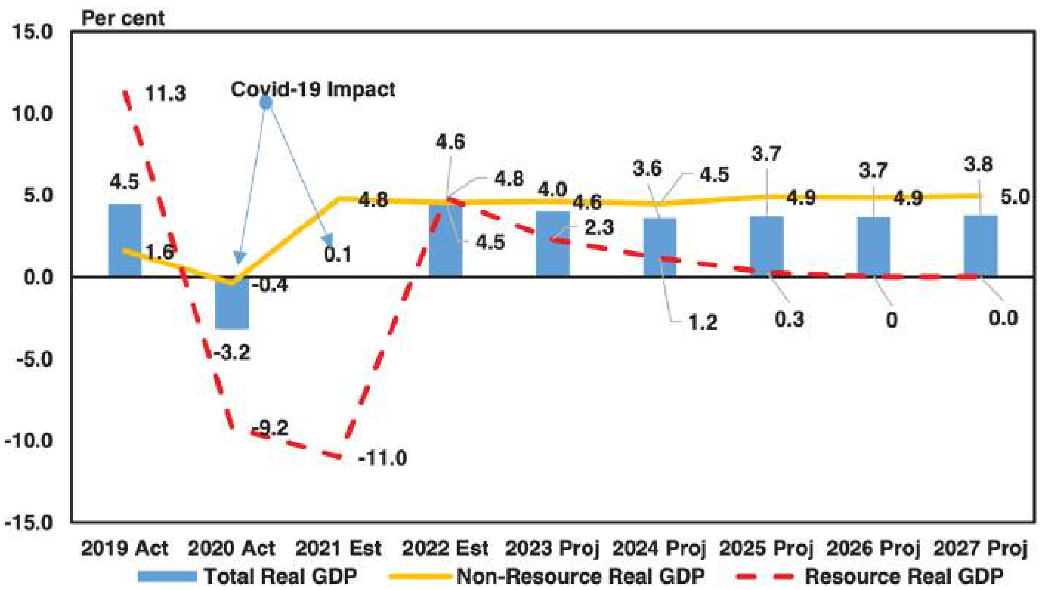
6 The contribution of the extractive sector to the economy (EITI Requirement 6.3)

PNG derives considerable economic benefit from the exploitation of its oil, gas and mineral resources. This economic benefit is derived from investment, export revenue, taxes, fees and dividends paid to government, employment, social payments and purchase of goods and services. The extractive sector accounted for 32% of GDP and 87.3% of export earnings. However, given the cyclical nature of the sector and especially price volatility, this contribution can vary significantly from year to year. This is particularly true of its contribution to government revenues (see below, Section 6.2).

The government is aware of the risks of becoming overly dependent on the extractive sector and has embarked on policies to diversify the economy and shield the PNG economy from the impact of volatility. These policies include establishment of the Sovereign Wealth Fund, Vision 2050, and the National Strategy for Responsible Sustainable Development (STaRS) seek to capitalise on the economic boom of the extractive industries, while also diversifying the economy to avoid over-dependence on the sector.[64]

6.1 Contribution to GDP

Since 2016, the extractive industries have contributed 26% on average to PNG's GDP (see below figure 6-1). Details of the contribution of oil, gas and mining as well as other economic activities to GDP can be found in the National Budget documents at:.



Source: Actuals from NSO. Estimates and projections from Department of Treasury.

Figure 6-1 Contribution of extractive industries to real GDP growth

https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf

[64] 'Vision 2050', 2009, PNG Government, https://sustainabledevelopment.un.org/content/documents/1496png.pdf

6.2 Contribution to government revenue

In 2022, the extractive industries provided 26.7% of government revenues according to government data.[65] This represents a considerable increase on previous years and reflects the windfall from higher global oil, gas and mineral prices in 2022. Table 6-1 shows the extractive sector's contribution to government revenues since 2016.

The data for government revenues from the oil, gas and mining sector set out in the National Budget (table 10, Statement of Operations for the General Government) comprises corporate income tax receipts from the sector and dividends from state-owned extractive companies. The data does not include receipts by landowners, equity distributions to state-owned enterprises, social expenditures, revenues received by Government agencies, such as salaries and wages taxes (SWT), foreign contractor withholding taxes (FCWT), DPE and MRA fees and environmental charges.

IA considered the effect of the excluded revenues for SWT, FCWT, DPE fees, MRA fees, environmental charges and equity distribution that leads to additional 8% of revenue contributions to government revenue.

Table 6-1 Contribution of the mining and oil and gas sectors to government revenue

	2016 (PGK million)	2017 (PGK million)	2018 (PGK million)	2019 (PGK million)	2020 (PGK million)	2021 (PGK million)	2022 (PGK million)
Total tax and non-tax revenue (excluding grants)	10,485.6	11,525.1	14,085.2	13,680.5	12,093.3	12,031.5	15,564.0
Mining and petroleum tax (corporate income tax)	92.0	113.6	775.0	760.7	183.4	520.6	3,000.0
Mining and petroleum dividends	300.5	562.3	653.5	381.2	568.5	600.0	1,150.0
Contribution of mining and petroleum in government revenue	3.74%	5.86%	10.14%	8.35%	6.22%	8.19%	26.7%

Table 6-2 Comparison of 2022 Budget figures with figures from reconciliation

	2022 budget [66]	2022 reconciliation figure	Variance	Variance (%)
		(PGK million)		
Corporate income tax (mining and petroleum tax)	3,000.0	3,065.5	65.5	2.18%
Mining and petroleum dividends (paid to Treasury)	1,150.0	300	-850	-73.91%

We observe that corporate income tax (the mining and petroleum tax) and dividends paid to the Treasury by SOEs involved in the extractives sector are included in the government revenue contribution for the mining and oil and gas sectors as specified in the 2022 Budget.

The National budget includes dividends from KPHL and OTML of K700m and K450m, respectively. However, the final dividends received was only K300m from KPHL, The details of these additional sources of revenue are set out in Chapter 8.

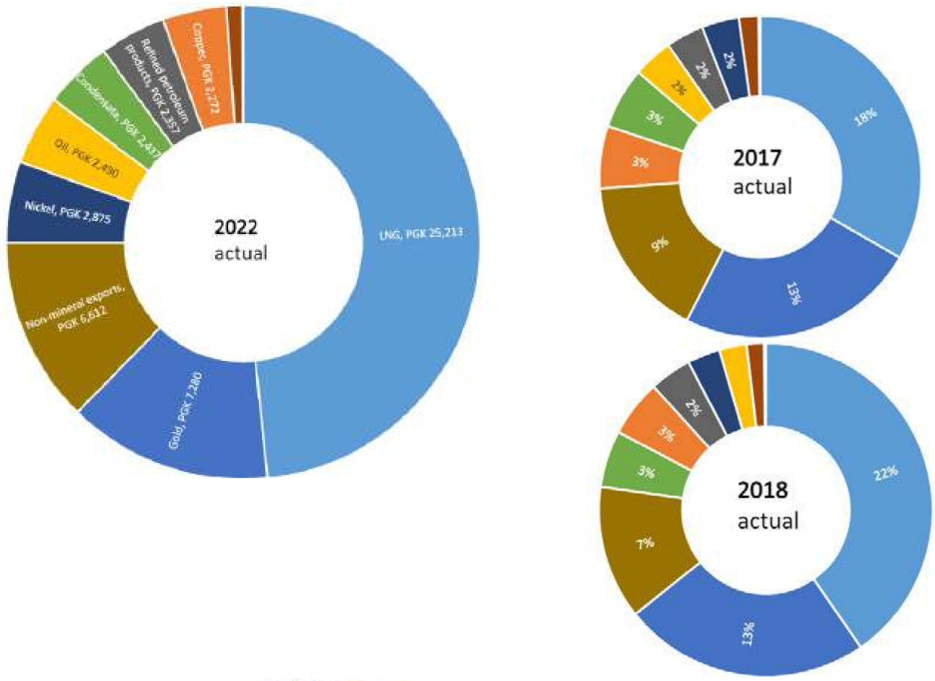
[65] See Chapter 4, p55 onwards at: https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

[66] https://www.treasury.gov.pg/wp-content/uploads/2023/11/2023-Budget-Volume-1-95-161.pdf

6.3 Contribution to exports

Gold and natural gas (in the form of LNG) are PNG's two most significant extractive sector exports, accounting for more than 60% of the value of exports. In 2022, the total value of oil, gas and mineral exports was PGK 45,527.3 million[67]. This represented 87.32%[68] of the PNG's total exports. Gold accounted for PGK 7,279.7 million[69] of exports and LNG for PGK 25,213.4 million[70]. Figure 6-2 gives details of export values for 2016-2022. Details of PNG's extractive sector exports are set out in Section 7.5.1.

Year	Export Value for Mineral and Oil and Gas commodities (PGK million)
2017	26,286
2018	29,854
2019	34,962
2020	32,813
2021	33,602
2022	45,527



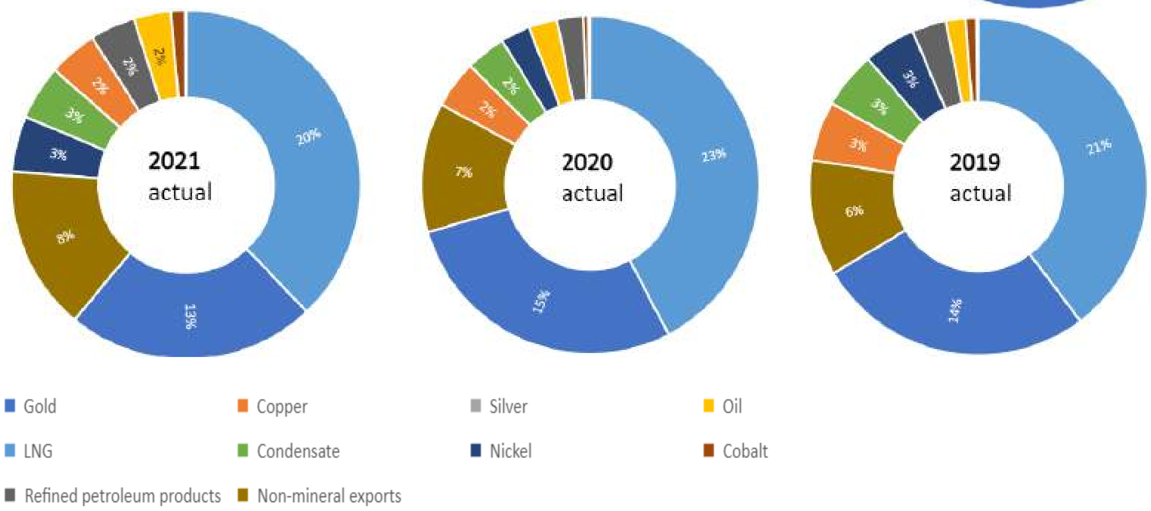


Figure 6-2 PNG extractive sector exports 2016-2022

67 https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf
68 Ibid. Total Mineral export divided by Total Export value. (PGK45,527.3 million / PGK52,138.8 million)
69 Ibid.
70 Ibid.

6.4 Contribution to employment

6.4.1 The extractive sector as part of the economy

The government publishes limited data on employment. The Bank of PNG compiles an employment index based on employment data collected via its Business Liaison Survey of approximately 400 private sector businesses across regions and industries. The most recent data available is from the Bank's Quarterly Economic Bulletin of December 2022.[71] In the year to December 2022, total employment rose by 4.6% (compared to 1.6% in 2021). In the mineral sector (mining), employment increased by 6.1% in 2022 (compared to 16.8% in 2021). The government, including the Bank of PNG, do not publish absolute numbers of people employed and unemployed, either for the whole economy or by sector or region. The government also does not publish data on the proportions of male and female employment in the economy.

6.4.2 Gender data (EITI Requirement 6.3.d)

6.4.2.1 MSG Gender Composition

The PNGEITI MSG gender balance (Primary members) is 24:2 and consists of 24 males and 2 females, (see Annexe A).

6.4.2.2 Disaggregated employment and gender data

As part of the data collection process for this report, the IA included a template to collect data on employment and gender from reporting entities. The template asked for employment data disaggregated by gender, level of seniority and whether employees were PNG nationals or expatriates. A total of 8 private sector companies returned completed templates. Table 6-2 below shows the companies that provided employment and gender data. Data for each company is provided in Annex H.

Table 6-3 Companies providing employment data

	Company name
1	Barrick (Niugini) Limited
2	ExxonMobil PNG Ltd
3	K92 Mining Limited
4	Lihir Gold Limited
5	Morobe Consolidated Goldfields Ltd
6	Ramu Nico Management Ltd
7	Santos
8	TotalEnergies EP PNG Limited
9	Wafi Golpu Services Ltd

The total number of people employed in these companies was 12,176, 86% male and 14% female. Table 6-3 below summarises the data collected.

[71] https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/

Table 6-4 Employment and gender data 2022

Category of employee	Number of employees				Physically challenged persons		
	Total	Male	Female	Other gender	Male	Female	Other gender
Top Management Level							
National employees	257	193	64				
Expatriates	349	323	26				
Middle Management Level							
National employees	1447	1102	345				
Expatriates	606	582	25				
Lower Level							
National employees	9103	7870	1229				
Expatriates	480	453	27				
Total	**12,242**	**10,523**	**1,716**				

Gender diversity in the extractives sector is important to PNGEITI and EITI globally. In 2022 International Women in Mining (IWiM)[72] became an EITI supporting organisation.

In top management, 42.3% were PNG nationals, with PNG national men occupying just under a third of top management positions 31.7%. Women comprised just over 14.9% of top management staff (the bulk of whom were PNG nationals). Expatriate males made up 53.5% of top management.

In middle management, 70.4% were PNG nationals. Men comprised 82% of total middle management (more than half of whom were PNG nationals) and women 18%.

PNG nationals made up 95% of lower-level employees and the gender split was 86.9% men and 13.1% women.

6.4.2.3 Women in leadership roles in the PNG Extractives Sector

In the local energy sector, there are several women in key leadership positions at various organisations. The list below highlights a few individuals:

- Ms. Karo Maha-Lelai, Barrick (Niugini) Limited, Country Manager
- Ms. Lesieli Taviri, PNG Sustainable Development Program Limited, Chief Executive Officer

[72] https://internationalwim.org

6.5 Mandatory and discretionary social expenditure (Requirement 6.1)

Extractive companies generate a direct economic impact through their operations and the employment they create. In addition, many contribute to the communities in which they operate through social expenditure. These payments may be mandated through legislation or contracts with the government, but can also be voluntary, at the discretion of the company. Requirement 6.1 of the EITI Standard requires disclosure of material mandatory social expenditures and encourages disclosure of discretionary social expenditures.

Box 1: Categories of "Social" expenditure listed in original PNG EITI scoping study:

1. Compensation to landowners
    - General compensation
    - Environmental compensation
    - Community asset and relocation compensation
    - Lease fees
2. Education
    - Scholarship
    - University sponsorship
    - Other training cost
3. Infrastructure Development
    - Other infrastructure development programs (as per MOA)
4. Community development programs
5. Business development programs
6. Health programs
7. Township development

6.5.1 Mandatory social expenditure

Requirement 6.1 defines mandatory social expenditure as those social expenditures required by law or the contract with government that governs the extractive activity. In PNG, the only such payments are compensation to landowners according to the provisions of the Mining Act and the Oil and Gas Act. This compensation is typically negotiated between the government, landowners and the extractive companies. The resulting agreement is subject to confidentiality provisions, which create a barrier to disclosing key information including the name of the agreement, the parties, payment details and the entities to which payments are made.

The reporting template issued to reporting companies by the IA included a section for companies to report mandatory payments. A total of 7 companies provided information on such payments. Table 6-4 below sets out a summary of these payments.

There is no single or group of government agencies with responsibility for monitoring, recording and collating mandatory social expenditure data, and so there is no source for government data on this area. As such it is not possible for this to be reconciled and is reported unilaterally.

6.5.2 Discretionary social expenditure

Under Requirement 6.1, an implementing country's MSG is encouraged to develop a reporting and quality assurance process for discretionary social payments, where they are deemed material. EITI has provided guidance on what constitutes a social payment and includes, "donations, grants or other types of cash transfers, the transfer of assets such as the construction of roads or schools, or the provision of services like training and health care."[73] As part of its original scoping study before its first EITI report, PNGEITI determined that such payments were material and therefore in scope. PNGEITI also set out that categories of payments that must be reported (see Box 1).

The reporting template issued to reporting companies by the IA included a section for companies to report discretionary social payments. A total of 12 companies provided information on such payments. Table 6-4 below sets out a summary of these payments.

[73] Guidance note 17 on social expenditures', EITI, https://eiti.org/guidance-notes/social-and-environmental-expenditures

Table 6-5: Summary of mandatory and discretionary social expenditure 2022

Reporting entity	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
Mining		
Barrick (Niugini) Ltd (Porgera mine)	11,912,792	171,199
K92 Mining Ltd (Kainantu)	99,758,370	422,304
Lihir Gold Ltd (Lihir/Luise Caldera mine)	35,700,000	46,157,627
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	42,438,344	17,228,944
Morobe Consolidated Goldfields Ltd (Hidden Valley mine)	8,133,383	150,513,232
Wafi Golpu Services Ltd (Wafi Golpu)	886,473	1,092,450
Simberi Gold Company Ltd (Simberi Mine)	-	-
Oil and gas		
Total E&P PNG Ltd	884,559	1,155,400
Santos (operator oil projects - total oil project figure)	-	-
ExxonMobil Corporation	-	24,744,342
State-owned enterprises		
Kumul Petroleum Holdings Ltd	-	85,152,342
Mineral Resources Development Company Ltd	-	39,266,421
Ok Tedi Mining Limited (Mt Fubilan mine)	-	700,000
Kumul Minerals Holdings Limited	-	73,172
TOTAL	**198,827,448**	**366,677,433**

6.5.3 Detailed social expenditure data - Mining

6.5.3.1 Barrick Niugini Ltd (Porgera mine)

Table 6-6: Mandatory and discretionary social expenditure - Barrick

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various compensation payments for land, damages, underground sewage etc.	Infrastructure	Cash	11,779,792
Porgera Children Trust Fund	Education	Cash	133,000
TOTAL			**11,912,792**
Discretionary			
Porgera Women's in Business Association Inc.	Capacity Building	Cash	51,324

Porgera Paiam Hospital	Health	Cash	51,295
School fees subsidy and professional membership renewal	Education	Cash	56,577
Donations to families of deceased	Other payments	Cash	12,003
TOTAL			**171,199**

Mandatory social expenditure for Porgera Mine includes the following:

- Infrastructure – compensation payment for Land, Damages and Underground sewage
- Education - Payments into the Porgera Children Trust Fund. This fund is used to pay for the education of children from the mine lease area

Mandatory social expenditure in Education paid during the reporting period is noted in table above. This is limited to just payments to the Porgera Children Trust Fund as the mine was in care and maintenance for the past two years.

However, the list below highlights the different educational payments that the mine was able to make when it was in production.

- University sponsorships which refer to the PJV's external sponsorship program for degree students at PNG institutions.
- Sponsorships schools / colleges refer to PNG secondary and technical education sponsorships for external students
- Apprentice intake (Pre-employment technical training student intake in all trades). This occurs in January and February.
- Apprenticeship program replaced with a Porgera trades assistant training programme.
- Graduate intake which refers to final year degree students who enter the PJV's professional development program.
- Courses overseas refers to employees sponsored to overseas institutions for full time study or short-term courses
- Donations for students to supplement our formal sponsorship program and to others for further education, also includes donations to schools for books and other educational material and assistance.

6.5.3.2 K92 Mining Ltd (Kainantu)

Table 6-7: Mandatory and discretionary social expenditure – K92 Mining Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various organisation	Economic	Cash	92,284,213
Chemcare Group Ltd/ GMFlores Hospital/ Lae International Hospital/ Ramu Agri Industries Ltd	Health	Cash	634,495
Various Schools	Education	Cash	435,432
G4S Secure Solutions (PNG) Ltd/ GDK Security Services Ltd/ Guard Dog	Law & Order	Cash	6,404,230

Security Services/ Royal PNG Constabulary – Police			
TOTAL			**99,758,370**
Discretionary			
INNCARE Limited/ SESAGO Healthcare Ltd/ Zuguzampu PNG Limited	Health	Cash	422,304
TOTAL			**422,304**

6.5.3.3 Lihir Gold Ltd (Luise Caldera mine)

Table 6-8: Mandatory and discretionary social expenditure – Lihir Gold Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
Lihir Wide	Economic	Cash	9,072,000
Lihir Wide	Infrastructure	Cash	26,628,000
TOTAL			**35,700,000**
Discretionary			
Lihir Wide	Economic	Cash	6,111,771
Lihir Wide	Infrastructure	Cash	17,576,520
Lihir Wide	Health	Cash	20,429,934
Lihir Wide	Education	Cash	1,218,037
Lihir Wide	Law & Order	Cash	821,365
TOTAL			**46,157,627**

6.5.3.4 MCC Ramu Nico Ltd (Ramu Nickel, Kurumbukari mine)

Table 6-9: Mandatory and discretionary social expenditure - MCC Ramu Nico Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various recipients	Health	Cash	945,453
Various recipients	Education	Cash	890,233
Various recipients	Agriculture & Fisheries	Cash	79,645
Business opportunities to local communities/ Land and environment compensation	Other payments	Cash	40,523,013
TOTAL			**42,438,344**
Discretionary			

Various recipients	Capacity Building	Cash	804,174
Various recipients	Health	Cash	90,756
Various recipients	Education	Cash	176,965
Business opportunities to local communities/ Donations	Other payments	Cash	16,157,049
TOTAL			**17,228,944**

6.5.3.5 Morobe Consolidated Goldfields Ltd (Hidden Valley Mine)

Table 6-10: Mandatory and discretionary social expenditure - Morobe Consolidated Goldfields Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
Landowners	Statutory compensation	Cash	542,744
Local communities	Infrastructure	Cash	788,825
Local communities	Capacity Building	Cash	5,123,454
Local communities	Health	Cash	31,568
Local communities	Education	Cash	2,940
Local communities	Agriculture & Fisheries	Cash	23,910
Landowners	Other payments (Benefit Sharing Agreement)	Cash	1,619,942
TOTAL			**8,133,383**
Discretionary			
Education facilities	Education	Cash	2,305,231
Landowner companies, Landowners	Other payments	Cash	148,208,001
TOTAL			**150,513,232**

The Hidden Valley Mine Memorandum of Agreement defines various social obligations for Morobe Consolidated Goldfields, including annual funding for projects that may include education, training, health (including substance abuse and HIV/Aids awareness), agriculture, water supply and other identified sustainable development programmes. Morobe Consolidated Goldfields Community Affairs Department includes teams responsible for planning and delivering these programs, and other obligations, under the Memorandum of Agreement.

The Hidden Valley Mine Trust was established through a Benefit-Sharing Agreement in return for Mining Lease (ML)151 landowners and provincial government forgoing equity interest in the mine as per an entitlement under the Memorandum of Agreement. The Trust receives quarterly fixed and variable payments for community-initiated and endorsed projects. In 2022, Morobe Consolidated Goldfields paid PGK 1,619,942 to the Trust.

The Memorandum of Agreement also sets out commitments in terms of preferential procurement in PNG, and is inclusive of actions aimed at supporting business development of ML151 landowner companies where feasible. In 2022, procurement from landowner companies amounted to PGK 148,208,201. Under Morobe Consolidated Goldfields landowner contract social performance payment arrangements, a percentage of this expenditure is withheld and paid (less 5% tax) directly

to recipients including ML151 landowners and the Hidden Valley Mine Trust. This payment is further to that which may be received through contractors' salaries and wages. In 2022, PGK 2,521,500 was withheld and distributed.

MCG maintains a program to assist employees' dependents with school fees, with PGK 2,305,231 paid under this program in 2022 directly to educational institutions in PNG.

6.5.3.6 Ok Tedi Mining Limited (Mt Fubilan Mine)

Table 6-11: Mandatory and discretionary social expenditure – Ok Tedi Mining Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			**Nil**
Discretionary			
Community	Other payment	Cash	700,000
TOTAL			**700,000**

OTML provides significant direct and indirect economic benefits for PNG and Western Province through taxes, dividends, royalties, compensation and social expenditure .the company is the largest operating business in the Western Province providing employment and training, national and local business opportunities and economic programs.

6.5.3.7 Wafi Golpu Services Limited (Wafi Golpu)

Table 6-12: Mandatory and discretionary social expenditure – Wafi Golpu Services Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various	Statutory compensation	Cash	886,473
TOTAL			**886,473**
Discretionary			
Various	Education	Cash	16,909
Various	Capacity Building	Cash	327,011
Various	Health	Cash	283,316
Various	Agriculture and fisheries	Cash	465,214
TOTAL			**1,092,450**

6.5.3.8 Simberi Gold Limited (Simberi Mine)

No data provided

6.5.4 Detailed social expenditure data – Oil and gas

6.5.4.1 ExxonMobil (PNG LNG project total)

Table 6-13: Mandatory and discretionary social expenditure - PNG LNG

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			**Nil**
Discretionary			
Social payments	Economic	Cash	4,040,373
Social payments	Capacity Building	Cash	18,084,297
Social payments	Education	Cash	37,050
Social payments	Other payments	Cash	2,582,622
TOTAL			**24,744,342**

6.5.4.2 Total E&P PNG Limited

Table 6-14: Mandatory and discretionary social expenditure - Total E&P PNG Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
PRL 15 Landowners	Statutory compensation	Cash	884,559
TOTAL			**884,559**
Discretionary			
Port Moresby Technical College	Education	Cash	1,155,400
TOTAL			**1,155,400**

6.5.4.3 Oil Search

Table 6-15: Mandatory and discretionary social expenditure – Oil Search

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			**Nil**
Discretionary			
			Nil
TOTAL			**Nil**

6.5.4.4 Kumul Petroleum Holdings (KPH)

Table 6-16: Mandatory and discretionary social expenditure - Kumul Petroleum Holdings (KPH)

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			**Nil**
Discretionary			
Community	Economic	Cash	84,007,075
Community	Education	Cash	1,145,267
TOTAL			**85,152,342**

6.5.4.5 MRDC Ltd (multiple projects)

Table 6-17: Mandatory and discretionary social expenditure - MRDC Ltd

Recipient	Category	Type	Amount (PGK)
Mandatory			
TOTAL			
Discretionary			
Petroleum Resources Kutubu (PRK)	Others	Donations	4,096,108
	Others	Public relations	9,907,339
Petroleum Resources Gobe Ltd (PRG)	Others	Donations	16,545

	Others	Public relations	288,175
Petroleum Resources Moran Ltd (PRM)	Others	Donations	-
	Others	Public relations	517,557
Mineral Resources Star Mountain Ltd (MRSM)	Others	Donations	196,568
	Others	Public relations	1,429,552
Mineral Resources OK Tedi Limited (MROT)	Others	Donations	1,401,185
	Others	Public relations	4,280,629
Mineral Resources Enga Limited (MRE)	Others	Donations	279,940
	Others	Public relations	3,654,029
Gas Resources PNGLNG Plant Limited (GRS)	Others	Donations	596,463
	Others	Public relations	3,449,669
Gas Resources PNGLNG Pipeline Ltd (GRP)	Others	Donations	-
	Others	Public relations	3,695,119
Mineral Resources CMCA Holding Ltd (MR CMCA)	Others	Donations	244,142
	Others	Public relations	1,992,755
Gas Resources Hides No.4 Limited (GRH)	Others	Donations	-
	Others	Public relations	2,677,695
Gas Resources Gigira Limited (GRG)	Others	Donations	-
	Others	Public relations	424,315
Gas Resources Angore Ltd	Others	Donations	-
	Others	Public relations	63,636
Gas Resources Juha No.1 Limited (GRJ)	Others	Donations	-
	Others	Public relations	55,000
TOTAL			**39,266,421**

There is also PGK12,636,557 Landowner meeting expenses reported by MRDC. The Landowners which are usually the ultimate beneficiaries of the companies that MRDC runs in trust often have meetings to resolve issues. The meetings can be for number of different reasons. These meetings can be either in their home province or in Port Moresby or elsewhere. MRDC is usually asked or often expected foot the bill for these meetings which are usually plane tickets, logistics, accommodation, meals and allowances. These are community relations costs

6.6 Subnational payments (Requirement 4.6)

Subnational payments are those payments that extractive companies make to provincial and local governments. Requirement 4.6 obliges the MSG to consider whether such payments are material, and if so, to ensure they are disclosed. In PNG, the subnational payments in scope for disclosure and reconciliation are:

Statutory compensation: Required compensation to landowners and any regulatory compensation.

Economic: Any other social payments made that are not included in the other categories.

Infrastructure: Payments or resource costs towards buildings and roads.

Capacity building: Contributions towards training and upskilling local communities.

Health: Payments to health missions, medical activities and supplies and donations to the health ministry.

Education: Scholarships, university scholarships and education resources.

Law & order: Contributions to policing and security.

Agriculture & fisheries: Payments towards agriculture and fisheries for public consumption.

The reporting template issued to oil, gas and mining companies included a specific section for companies to record subnational payments.

There were various challenges encountered during data collection and reconciliation of data from the reporting entities.

- Various reporting entities and staff changes.
- MSG members and point of contact nominated by secretariat were not necessarily custodians of relevant data.
- Secretariat has no legislative power to enforce reporting and timely reporting.

Collection and reconciliation of subnational payments has proved difficult in PNG due to lack of available data, particularly from provincial governments. However, PNG's October 2022 Validation Report noted that while Requirement 4.6 was "partly met", the country had made "considerable improvements".[74]

Table 6-18: Subnational payments reporting framework

Category/sector	Data to be collected
Social expenditure	
Statutory compensation	• Payer/recipient/mediator - the payer, recipient and any "mediating" entities in case of transfers • Payment type Whether the payment is a government transfer, direct company payment, or social expenditure • Sector - what sector the payment belongs (e.g., education, health, infrastructure).
Economic	
Infrastructure	
Capacity building	
Health	
Education	
Law & order	
Agriculture & fisheries	
Environmental sustainability	
Statutory compensation	
Direct payments and transfers	
Royalties	• Direct/indirect - whether the payment was a directed cash contribution or in-kind goods and services • Mandatory - whether the payment is mandatory (i.e., required under law or an agreement).
Other royalties and taxes	

[74] See p43, https://eiti.org/sites/default/files/2022-11/PNG%20Final%20Validation%20report%202022.pdf

6.6.1 Subnational payments: Mining

The MRA is also the government agency that receives any fee, levy, rent, security, compensation, royalty or other money payable under the Mining Act and other legislation applicable to the mining sector. The most significant regional allocations are for:

Royalty: A royalty benefit of 2% of the FOB value from resource sales is provided by tenement holders to the State. This is then allocted to landowners, affected provincial governments and local level governments.

Equity: The State has the right, but not the obligation, to acquire up to 30% of a mining project, at par value, or 'sunk cost' (Mining Act section 16A). Landowners also hold equity stakes in mining projects such as Porgera and Ok Tedi.

Dividends: Landowners and provincial governments of Ok Tedi and Porgera receive dividends from their equity shares in the respective projects. The companies of these landowners and provincial governments are held in trust by MRDC.

Compensation payments: Landowners such as those on the Fly River receive a percentage of dividends from Ok Tedi as compensation payments.

Special Support Grant (SSG): The State allocates funding for mining projects to hosting provincial governments such as New Ireland and Enga. The SSG is a transfer to provincial governments in accordance with Section 197 of *Organic Law on Provincial and Local Level Governments*. It is calculated by Treasury at a rate of 0.25% of FOB value and its disbursement is administered by DNPM in accordance with its guidelines.

Table 6-19: Subnational payments - Mining

Recipient	Category	Type	Amount (PGK)
Provincial/Local governments/Landowners	Royalties	Cash	4,613,869
MRA	Production levy	Cash	3,915,403
K92 Mining Ltd (Kainantu)			8,529,273
Provincial/Local governments/Landowners	Royalties	Cash	89,032,874
MRA	Production levy	Cash	22,332,839
Lihir Gold Ltd (Luise Caldera mine)			111,365,713
Provincial/Local governments/Landowners	Royalties	Cash	23,424,071
MRA	Production levy	Cash	5,952,055
MCC Ramu Nico Ltd (Ramu Nickel, Kurumbukari mine)			29,376,125
Provincial/Local governments/Landowners	Royalties	Cash	17,419,389
MRA	Production levy	Cash	5,198,875
Hidden Valley Mine Trust	Other payments	Cash	1,538,945
Morobe Consolidated Goldfields Ltd (Hidden Valley Mine)			24,157,209
Provincial/Local governments/Landowners	Royalties	Cash	67,552,558
MRA	Production levy	Cash	17,345,477
Ok Tedi Mining Limited (Mt Fubilan Mine)			**84,898,035**
TOTAL			

6.6.2 Subnational payments – Oil and gas

The Oil and Gas Act 1998 (as amended) (OGA) is the principal legislation that governs petroleum exploration and development and State Entitlement and Benefits in Papua New Guinea. It spells out the role and purpose of the legislation in key areas including the exploration, development, processing, and transportation and makes provisions for grant of benefits to traditional landowners, Local Level Governments and Provincial Governments arising from the production, processing and transportation of petroleum in Papua New Guinea.

Division 14 legislates fees and royalties, and Part IV legislates State equity entitlement and project benefits. As per s. 174, the total of these benefits to provincial governments, local-level governments and landowners shall not exceed 20% of the total net benefit to the State from that petroleum project, as determined by a cost-benefit analysis.

Other benefits as set out in the OGA are:

Royalty: 2% of 'wellhead value' is provided from the tenement holder to the State (OGA s. 159). Royalty benefits are payable monthly by the State (Minister) to affected landowners, local-level governments and provincial governments in proportions agreed by them in a development agreement or determined by the Minister in default of this agreement (s. 168).

Development levy: 2% of wellhead value, calculated in the same manner as royalties, is payable by a development licensee directly to a trust fund, which is then available to the provincial governments and the local level governments (s. 160).

Equity: The State has the right to acquire all or part of a participating interest not exceeding 22.5% in each petroleum project (s. 165). The State grants to the project area landowners and affected local-level governments an equity benefit in that petroleum project (s. 167). These benefits shall be held in trust and shared in proportions agreed upon in a development agreement or, in default of the agreement, as determined by the Minister (s. 167). Governments and landowners are also at liberty to negotiate a participating interest in addition to the interest granted them (s. 175).

Project grants: The State may agree with affected local-level governments and provincial governments of a petroleum project to provide grants in the form of monetary payments or provision of infrastructure, services, or other benefits (s. 173).

Other benefits: Through a development agreement the State may provide project area landowners or people of the region grants, consolidated revenue or otherwise. These agreements made between the State and landowners do not affect any agreements which may be reached between project area landowners and petroleum project developers themselves (s. 171).

https://petroleum.gov.pg/wp-content/uploads/2020/02/Oil-and-Gas-Act-No-49-of-1998-Consolidated-to-No-35-of-2007v090410.pdf

Table 6-20: Subnational payments – Oil and gas

Recipient	Category	Type	Amount (PGK)
PNG Government	Royalties	Cash	337,789,263
PNG Government	Development levy	Cash	146,879,940
ExxonMobil (PNG LNG project)			484,669,203
Landowners	Royalties	Cash	64,000,000

Provincial Government	Development levy	Cash	64,000,000
Kumul Petroleum Holdings (KPH)			128,000,000
Kutubu and Kikori landowners	Royalties	Cash	12,476,920
Western Provincial Government (Major Shareholder)	Royalties	Cash	14,555,060
Papa/Lealea/Porebada/Boera landowners	Royalties	Cash	3,616,812
Seg 2 & 7 landowners	Royalties	Cash	5,149,231
MRDC Ltd (multiple projects)			35,798,023
Landowners	Royalties	Cash	34,604,095
Provincial Governments	Production levy	Cash	11,651,525
Landowners	Other payments	Cash	678,500
Santos Ltd (Multiple projects)			46,934,120
TOTAL			**695,401,346**

6.6.3 Subnational transfers (EITI Requirement 5.2)

The National Economic and Fiscal Commission (NEFC) is an independent Constitutional advisory body of the State. It was established under the Organic Law on Provincial Governments and Local Level Governments (OLGPLLG). Its main role is to provide the Government with advice regarding:

- OLGPLLG grants and other transfers from the National Government to Provincial and Local Level Governments.
- the level of funding that is available to Provincial and Local Level Governments
- how equitably total funding is split between the various Provinces and Local Level Governments
- economic, planning and financial management matters that impact on the system of financial transfer between the levels of government.

The Advisory body is intended to provide information about the NEFC, the system of inter-government financing arrangements in Papua New Guinea and other fiscal matters regarding the 20 Provincial and 350 Local Level Governments.

According to the "Warrant Release Schedule" the NEFC had only released actual transfers to Provinces and Local Level Governments only from January to 31 July 2022. These are listed in Table 6-21 below:[75] Further details of these transfers can be found at: https://www.nefc.gov.pg/sites/default/files/2022-09/Update%20of%202022%20Warrant%20Release%2C%20Jan%20-%20July%2031st.pdf

75 https://www.nefc.gov.pg/sites/default/files/2022-09/Update%20of%202022%20Warrant%20Release%2C%20Jan%20-%20July%2031st.pdf

Table 6-21: Subnational transfers

Province and Local Level Governments	2022 Appropriation (PGK '000)	Funds Release (PGK '000)	% Released
Western	3,613	1,477	41%
Gulf	1.501	613	41%
Central	2,042	846	41%
Milne Bay	2,678	1,095	41%
Oro	2,436	782	32%
Southern Highlands	3,190	1,300	41%
Enga	2,907	1,188	41%
Western Highlands	2,830	974	34%
Simbu	1,920	776	40%
Eastern Highlands	2,994	1,209	40%
Hela	2,489	857	34%
Jiwaka	1,357	467	34%
Morobe	7,146	2,498	44%
Madang	4,272	1,916	57%
East Sepik	4,824	1,678	34%
Sandaun	4,795	1,750	36%
Manus	727	302	42%
New Ireland	1,564	571	37%
West New Britain	2,254	776	34%
East New Britain	3,578	1,232	34%
TOTAL		**22,307**	

6.7 Quasi-fiscal expenditures (Requirement 6.2)

Requirement 6.2 of the EITI Standard 2019 defines quasi-fiscal expenditures (QFE) as, "*arrangements whereby SOE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process*." This also includes providing services at below market rates or other benefits. In May 2021, PNGEITI published a scoping study on SOEs that included a proposed definition of QFE for PNG.[76] The PNGEITI MSG subsequently adopted this definition that reflects the EITI definition, IMF guidance on QFE and PNG's context.

This definition was used as the basis for the QFE section on the reporting templates issued to SOEs to collect data on QFE undertaken during 2022. The data collected is summarised in Table 6-19 below.

[76] https://www.pngeiti.org.pg/pngeiti-reports/

Table 6-22: Quasi-fiscal expenditure

Recipient	Category	Type	Purpose	Amount (PGK)
DPE	Law and Order	Cash	Clan Vetting Exercise with DPE	2,154,274
Community	Economic	Cash	Gas Agreement/SNT	4,865,451
DPE/NEC/NE	Economic	Cash	Government Support - DPE/NEC/NEA	7,878,194
Government/Community	Law and Order	Cash	Government Support - Nation Building Policies	129,900
Community	Infrastructure	Cash	Government Support - Rural Electrification	40,728,047
Government/Community	Law and Order	Cash	Oil and Gas Policy Framework	1,568,376
Port Moresby General Hospital	Health	Cash	PMGH Cardiology Services Support Program	7,395,507
Angau Cancer Services	Health	Cash	ANGAU Cancer Services Support Program	1,556,190
Port Moresby General Hospital	Health	Cash	PMGH Cancer Centre Structural Works Projects	2,746,236
Port Moresby General Hospital	Health	Cash	PMGH Surgical Ward Project	9,151,096
Kumul Petroleum Holdings (KPH) Total				78,188,514
Petroleum Resources Kutubu (PRK)	Economic	Cash	Sponsorships to Sporting Bodies	4,410,000
Petroleum Resources Kutubu (PRK)	Education	Cash	Tertiary Scholarships	3,907,584
Petroleum Resources Gobe Ltd (PRG)	Education	Cash	Tertiary Scholarships	1,425,572
Petroleum Resources Moran Ltd (PRM)	Education	Cash	Tertiary Scholarships	1,165,492
Mineral Resources Star Mountain Ltd	Economic	Cash	Sponsorships to Sporting Bodies	200,000
Mineral Resources Star Mountain Ltd	Education	Cash	Tertiary Scholarships	1,873,724
Mineral Resources OK Tedi Limited	Education	Cash	Tertiary Scholarships	2,928,000
Gas Resources PNGLNG Plant Limited	Economic	Cash	Sponsorships to Sporting Bodies	1,900,000
Gas Resources PNGLNG Plant Limited	Education	Cash	Tertiary Scholarships	144,675

Gas Resources PNGLNG Plant Limited	Education	Cash	Tertiary Scholarships	19,030
Mineral Resources CMCA Holding Ltd	Education	Cash	Tertiary Scholarships	112,674
Gas Resources Hides No.4 Limited	Education	Cash	Tertiary Scholarships	205,390
MRDC Ltd (multiple projects) Total				18,292,141
Community	Infrastructure	Cash	Tabubil Kiunga Road maintenance	29,204,507
Community	Health	Cash	Tabubil & Kiunga Hospital	21,680,860
Community	Health	Cash	Company COVID Cost	3,408,675
Community	Infrastructure	Cash	Kiunga Power Service	14,649,653
Ok Tedi Mining Limited (Mt Fubilan Mine)				**68,943,695**
TOTAL				**165,424,350**

6.8 Beneficial ownership (EITI Requirement 2.5)

The EITI Standard requires the disclosure of the beneficial owners of companies that hold licences to explore for or exploit oil, gas and minerals and those companies that apply for such a licence. The PNGEITI MSG has put in place a beneficial ownership roadmap, has agreed a definition that is in line with the EITI Standard 2023 and in 2020 established a beneficial ownership registry. However, this does not appear to have been updated since it was set up. All documents relevant to beneficial ownership can be found on the PNGEITI website in the reports and publications section under the beneficial ownership tab: https://www.pngeiti.org.pg/pngeiti-reports/

The IA developed a separate beneficial reporting template based on a model successfully used in other EITI implementing countries and in line with EITI guidance. The IA also provided online training to companies on how to complete the template. A total of 18 completed templates were submitted, 12 of these were for oil and gas companies and six for mining companies. This reflects the practice in the oil and gas sector to establish a subsidiary for each exploration or production contract or licence area. In most cases, the templates were completed correctly and in full. In cases, where the template was not completed in full, the errors and omissions were minor in nature. The templates showed that all the companies who returned completed BO templates were ultimately owned by companies who shares are 100% listed on international stock exchanges or on PNG's stock exchange. Table 6-23 provides a summary of the BO information collected. Annex E provides a full collation of the data. In addition, Annexes B and C provide detailed diagrams of the ownership structures of mining and oil and gas companies respectively.

Table 6-23: Summary of Beneficial Ownership Information

Name	Reg in PNG?	Company register number	MOF-IRD tax number	Address	PNGEITI Beneficial owner reporting template submitted?	Legal owner	Beneficial owner(s)	PEP owner?	Notes
Mining									
Barrick (Niugini) Limited	Y	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Y	Barrick (PD) Australia Pty Limited	Barrick Gold Corporation	N	https://www.barrick.com/English/investors/quarterly-reports/default.aspx
Barrick (Niugini) Limited	Y	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Y	Gold Mountains (H.K.) International	Zijin Mining Group	N	https://www.zijinmining.com/investor/invest_cen.htm

						Mining Company Limited			
K92 Mining Limited	Y	1-52231	500016519	HARBOUR CITY, LEVEL 6 PWC HAUS , PORT MORESBY, Moresby South, National Capital District (Port Moresby), 121, Papua New Guinea	Y	K92 Holdings International Limited	K92 Mining Inc.	N	https://k92mining.com/investors/
Lihir Gold Limited	Y	1-23423	500000303	Tower Building, Level 4 Port, Hunter St, Port Moresby	Y	Newcrest Mining Limited	Newcrest Mining Limited	N	https://www.asx.com.au/markets/company/ncm
Morobe Consolidated Goldfields Ltd	Y	1-12047	500067385	Ashurst Lawyers, Level 11, MRDC Haus Cnr Champion Parade and Musgrave Street, Port Moresby	Y	Harmony Gold (PNG Services) Pty Ltd ACN 083 828 853	Harmony Gold Mining Company Ltd	N	https://www.jse.co.za/
Ramu Nico Management (MCC) Ltd	Y	1-54529	500007798	Section 95, Lot 18. Modilon Road P.O.Box 1229 Madang PNG	Y	Metallurgical Corporation of China Ltd	Metallurgical Corporation of China Ltd	N	https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=1618&sc_lang=en
Wafi Mining Ltd	Y	1--11452	500003505	Ashurst Laweyrs, Level 11, MRDC Hause, Cnr. Champion Parade and Musgrave Street Port Moresby	Y	Aurora Gold (Wafi) Pty Ltd ACN 100237 741	Harmony Gold Mining Company Ltd	N	https://www.jse.co.za/
Oil & Gas									
Barracuda Limited	Y	1-14694	50008617	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Santos International Holdings Pty Ltd	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
ExxonMobil PNG Ltd	Y	1-18948		ExxonMobil PNG Limited, ExxonMobil Haus Jacksons Parade, 7 Mile, Port Moresby, NCD, Papua New Guinea	Y	Exxon Mobil Corporation	Exxon Mobil Corp	N	
Lavana Limited	Y	1-32230	500283329	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Santos International Holdings Pty Ltd	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil Search (PNG) Limited	Y	1-6947	5000009028	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil Search (Tumbudu) Limited	Y	1-15949	5002285229	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search (Gas Holdings) Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Assets Limited	Y	1-77584	500036524	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Holdings Limited	Y	1-77585	500036506	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG International Limited	Y	1-79732	50036445	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Investments Limited	Y	1-77583		Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Overseas Limited	Y	1-77586	500036427	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Santos Hides Ltd	Y	1-30340	500283267	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Y	Santos International Holdings Pty Ltd	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
TotalEnergies EP PNG Limited	Y	1-32894	500051686	Deloitte Haus, :Level 7, Macgregor Street, PORT MORESBY	Y	TotalHoldings International BV	TotalEnergies SE	N	

6.9 State participation (EITI Requirement 2.6)

6.9.1 State's equity participation right

The government has the right, but has no obligation, to acquire up to 30% of a mining project and 22.5% participating interest in an oil or gas. It can acquire this right by paying par value, or "sunk cost" i.e. the government can acquire its share in a project by paying its share of the project's historic cost (including exploration cost), and an ongoing share of future costs without having to assume any exploration risk.

In return, the government receives a share of the project profits, paid as dividends,[77] in accordance with its right as a shareholder. As the government does not always have the resources to buy into the project or pay cash calls on resource projects as they incur expenses during the development phase, the resource development agreement may allow for the government to fund all or a part of its participation out of future revenue.

There is currently no set policy guiding the government's investment decisions regarding exercising its rights to acquire its share of mining, oil, and the gas projects. The Tax Review Committee recommended such a policy and the government was expected to issue a policy in 2019. To date, it has yet to do so.

For details of the state's participation in the extractive industries, see Annexe D and the Scoping Study on State Owned Enterprises[78].

6.9.2 Other stakeholder equity participation rights

Where the government takes an equity interest in a project, it has an established practice of granting free equity to landowners from the area in which the project is located. For mining projects, equity of up to 5% is free carried by the State on behalf of the landowners and provincial governments (at 2.5% each) and is controlled by a State nominee company managed by the MRDC.[79] The landowners' share in oil and gas projects is prescribed in section 167 of the OGA.[96]

In addition to the equity benefit granted by the State, project area landowners and affected local-level governments may acquire further participating interests in resource projects by negotiation with tenement holders on commercial terms.[80]

See Annexe D

---

[77] Note that 'dividend' here has a different meaning from shareholder dividends. State entities, like other consortium partners, are paid their share of profits based on equity interests, in line with related agreements.

[96]Oil and Gas Act 1998, Section 167 p. 122, http://www.paclii.org/cgi-bin/sinodisp/pg/legis/num_act/oaga199894/index.html?stem=&synonyms=&query=oil%20and%20gas

[78] https://www.pngeiti.org.pg/pngeiti-reports/

[79] The Papua New Guinea Mining Policy p. 10, http://www.paclii.org/pg/legis/num_act/ma199281.pdf

[80] Oil and Gas Act 1998, Section 176 p. 128, http://www.paclii.org/cgi-bin/sinodisp/pg/legis/num_act/oaga199894/index.html?stem=&synonyms=&query=oil%20and%20gas

7 PNG's extractive industries

This chapter presents information on the country's extractive industries including, reserves, exploration activities, production, exports and related transactions. Annex B sets out details of individual mining projects. Annex C sets out details of current oil and gas projects. Both annexes include historical data as well as data for 2022.

7.0 Reserves

7.0.0 Mining

The MRA publishes limited data on the volume of mineral reserves in PNG. The information that is available can be found on the home page of the MRA's website under the "Resources Estimate" tab: https://mra.gov.pg

7.0.1 Crude oil & natural gas

There is also limited information available about the level of PNG's oil and gas reserves. The DPE does not appear to publish data on reserves. According to the US Energy Information Administration (EIA),[81] in 2021 natural gas reserves stood at 6.5 TCF. The most recent EIA figure for oil reserves is 0.2 billion barrels in 2017.

7.1 Exploration Activities (Requirement 3.1)

This section provides information on exploration activities in both the mining and the hydrocarbons (oil and gas) sectors.

All oil, gas and mineral resources found on or below the surface of PNG's territory belong to the state under the provisions of the relevant legislation governing the mining and the oil and gas sectors. A detailed description of the legislative framework for PNG's extractive sector is set out in Section 5.1.2. As well as large scale exploration and exploitation of oil, gas and minerals, the legislation also allows for alluvial mining (more details see Section 7.3.1).

Section 5 of the Mining Act 1992 states:

"*All minerals existing on, in or below the surface of any land in Papua New Guinea, including any minerals contained in any water lying on any land in Papua New Guinea, are the property of the State*."[82]

Section 6 of the Oil and Gas Act 1998 states:

"Subject to this Act, but notwithstanding anything contained in any other law or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land is and shall be deemed at all times to have been, the property of the State."[83]

In the Oil and Gas Act, the definition of petroleum includes natural gas.

[81] https://www.eia.gov
[82] https://mra.gov.pg/wp-content/uploads/2021/08/2.MINING_ACT-1992.pdf
[83] https://petroleum.gov.pg/wp-content/uploads/2020/02/Oil-and-Gas-Act-No-49-of-1998-Consolidated-to-No-35-of-2007v090410.pdf

7.2 Mining

PNG has a long association with mining, particularly gold mining. Gold was found on archaeological remains in the mid nineteenth century, suggesting its exploitation and use has a long history. The first modern exploration for gold also occurred in the late nineteenth century and production started in the first years of the twentieth century. The current mining industry dates back to the opening of the Panguna mine on Bougainville Island in 1972.[84]

A natural person or a company can only explore for minerals if they hold an Exploration Licence (EL). Part 5, Division 1 of the 1992 Mining Act sets out the legal provisions for the granting of ELs.[85] The MRA provides details of the application process and the fees at: https://mra.gov.pg/investment/miningprojects/

The area over which an EL is granted is usually referred to as a tenement. The MRA maintains a licence, including a searchable map that contains details of ELs. The map and portal can be found at:

https://portal.mra.gov.pg/Site/MapPage.aspx?PageID=e735c534-5f4e-4b2b-a544-89b90357e0f1 (see below figure 5.5).

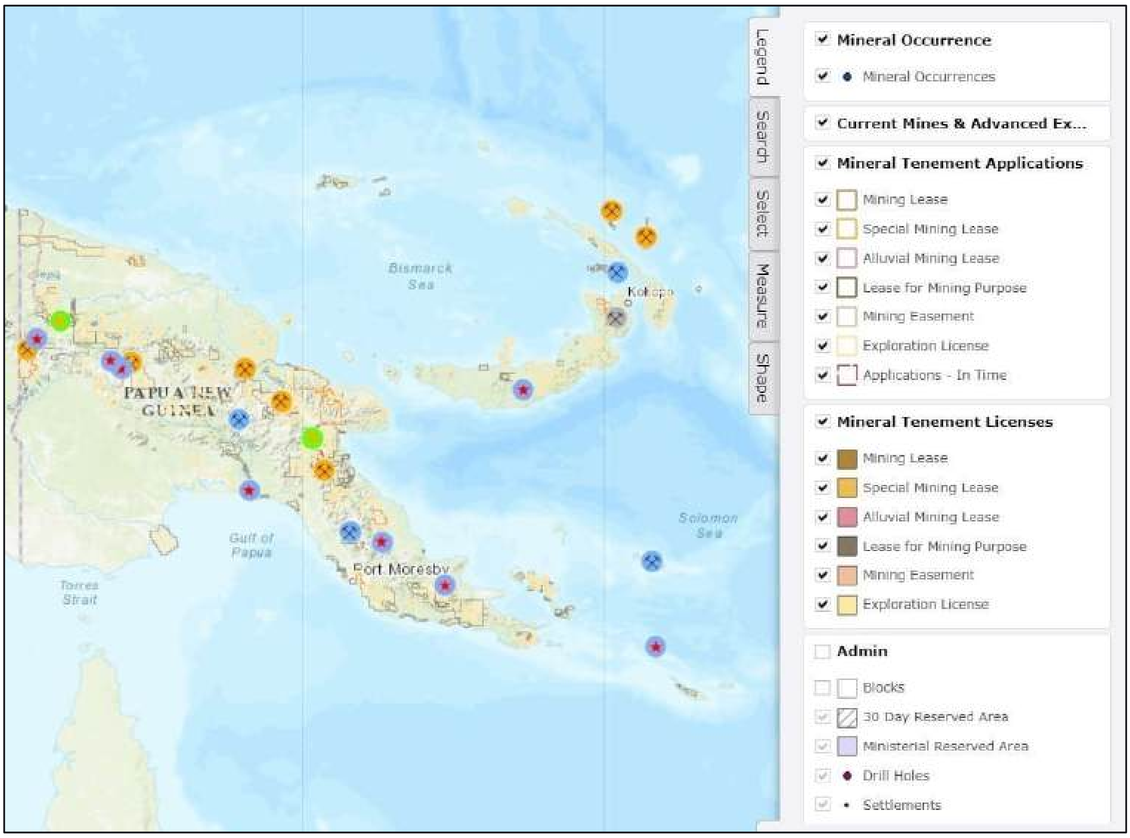


Figure 7-1 Mining projects 2022

According to MRA, there is no bidding for tenements, as the Mining Act 1992 does not allow for that. However there has been cases of raffling. The Act allows for a ballot in special cases where multiple companies come in at the same time and lodge their application. These cases are rare

[84] https://mra.gov.pg/investment/pngminingindustry/
[85] https://mra.gov.pg/wp-content/uploads/2021/08/2.MINING_ACT-1992.pdf

and usually for potentially great prospects or where a company has relinquished a tenement. MRA has conducted some these in the last five years but none in 2022. The usual process is that tenements are awarded on a “first come, first serve” basis as long as the conditions set out in the Mining Act are met.

For a list of mining exploration tenements awarded and renewed in 2022, see Annexe G.

7.2.1 Alluvial Mining Sector

Alluvial mining is one source of gold for PNG. There are two types of alluvial mining allowed under the 1992 Mining Act. Landowners can undertake alluvial mining that does not use any machinery on their own land as along as it is not subject to a mining lease and the activity is conducted in a safe manner. Alluvial mining undertaken using any kind of machinery requires an Alluvial Mining Licence (AML). The MRA grants AMLs for areas up to five hectares of a riverbed and land up to 20 metres from the riverbed. An AML can cover a maximum of 60km^2. There is a threshold of 51% PNG national ownership for an AML.

The MRA estimates that there are 80,000 alluvial miners in the country. However non-mechanised alluvial mining is not monitored, it is difficult to verify the accuracy of this estimate. The MRA operates a small-scale mining centre in Wau, at which around 4000 people have completed training.

Gold produced as a result of alluvial mining is sold to gold traders. They in turn sell it to exporters licensed by the Bank of PNG (the central bank). The list of licensed alluvial gold exporters can be found at: https://www.bankpng.gov.pg/gold-exporters/

The MRA monitors exports and charges duty on these exports. In 2022, revenue from alluvial gold mining was PGK3.2 million.

A list of alluvial mining licences awarded or renewed in 2022 can be found in Annexe G.

7.3 Crude oil and Natural Gas

The existence of oil in PNG has been known at least since the 1920s, when the first exploration activities occurred. However, commercial oil production did not start until 1992. Under the OGA, a natural person or company can only undertake exploration for oil and gas after being granted a Petroleum Prospecting Licence (PPL) by the Minister for Petroleum and Energy. Part 3, Division 2 of the OGA sets out the legal provisions for the granting of a PPL. The DPE provides an overview of PPL terms and details of the fees at: https://petroleum.gov.pg/licensing/

The area over which a PPL is granted is usually referred to as a tenement. A map showing licence areas and a list of PPLs with the names of licence holders and level of interest can be found at: https://petroleum.gov.pg/wp-content/uploads/2020/12/Petroleum-Licence-Tenement-Map-withbasin_November-20-Rev1.3.pdf

The map does not appear to have been updated since November 2020. The list is not searchable.

The list of PPL rewards and applications can be found above in section 5.3.2.3 in tables 5-5 and 5-6.

7.4 Production and export data in the extractives sector (EITI Requirements 3.2 and 3.3)

7.4.1 Mining

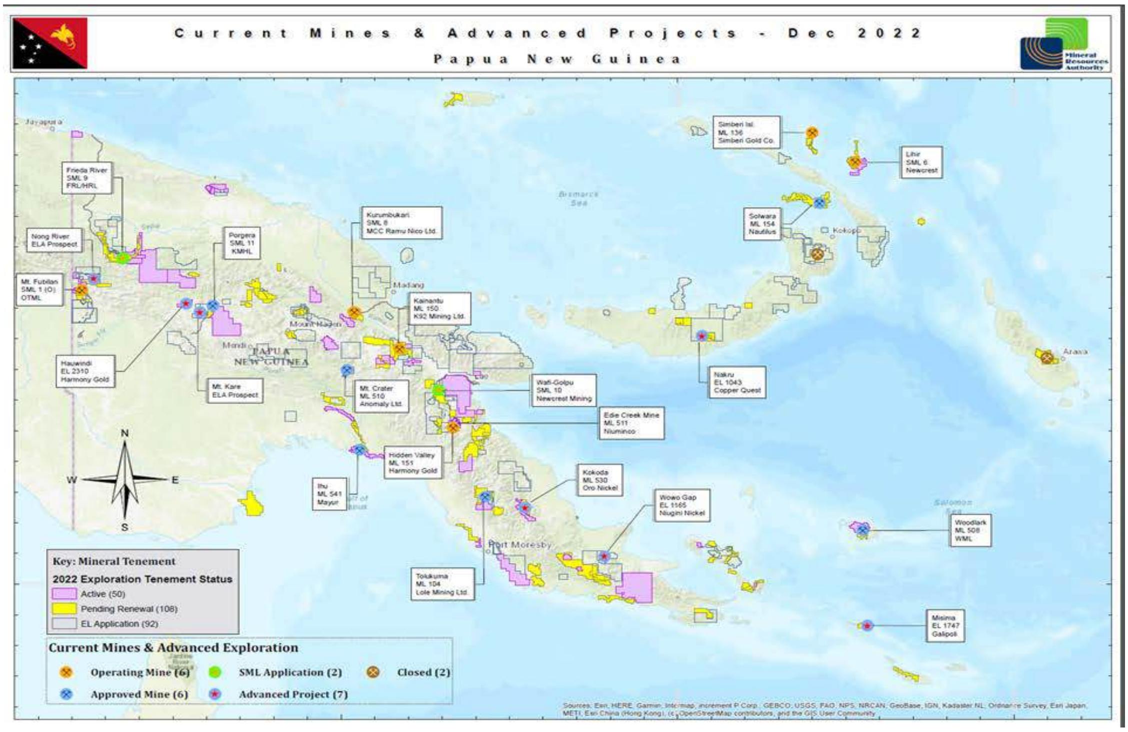


Figure 7-2 Map of mining operations in 2022 provided by MRA

Table 7-1: Mining production and export data

Mine/ Project	Comm-odity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
Porgera - Barrick Niugini Ltd	Gold	Mine under care and maintenance					
	Silver						
Kainantu mine	Gold	Quantity Produced	oz	107,546	107,546	-	0%
		Produced Value	PGK	659,330,684	648,403,339	-10,927,345	-2%
		Quantity Exported	oz	115,253	115,253	-	0%
		Exported Value	PGK	706,586,006	694,869,451	-11,986,555	-2%
	Silver	Quantity Produced	oz	126,043	126,043	-	0%
		Produced Value	PGK	9,357,319	9,342,370	-14,949	0%
		Quantity Exported	oz	127,209	127,209	-	0%
		Exported Value	PGK	9,443,808	9,428,794	-15,014	0%
	Copper	Quantity Produced	tonnes	2,834	2,835	1	0%
		Produced Value	PGK	84,324,234	84,293,627	-30,607	0%
		Quantity Exported	tonnes	2,793	2,795	-2	0%
		Exported Value	PGK	83,104,300	83,104,299	-1	0%
Luise Caldera (Lihir mine)	Gold	Quantity Produced	oz	701,804	701,804	- 0	0%
		Produced Value	PGK	4,469,309,186	4,469,308,103	- 1,083	0%
		Quantity Exported	oz	701,804	701,039	- 765	0%
		Exported Value	PGK	4,469,309,186	4,464,436,343	- 4,872,843	0%
	Silver	Quantity Produced	oz	21,561	21,560	1	0%
		Produced Value	PGK	1,249,153	1,249,098	- 55	0%
		Quantity Exported	oz	21,561	37,249	15,688	42%
		Exported Value	PGK	723,019	1,249,098	526,079	42%
Kurumbukari mine/ Ramu Nickel	Nickel	Quantity Produced	tonnes	34,302	34,302	-	0%
		Produced Value	PGK	2,074,533,155	2,074,533,155	-	0%
		Quantity Exported	tonnes	34,302	37,249	2,947	8%
		Exported Value	PGK	2,074,533,155	2,252,763,265	178,230,109	8%
	Cobalt	Quantity Produced	tonnes	2,987	3,004	17	1%
		Produced Value	PGK	431,526,194	433,982,152	2,455,958	1%
		Quantity Exported	tonnes	2,987	3,289	302	9%
		Exported Value	PGK	431,526,194	475,155,559	43,629,364	9%
	Chromite	Quantity Produced	tonnes	174,095	174,095	-	0%
		Produced Value	PGK	108,637,694	108,637,694	-	0%
		Quantity Exported	tonnes	174,095	108,395	- 65,700	-61%
		Exported Value	PGK	108,637,694	67,639,983	- 40,997,711	-61%

Hidden Valley mine	Gold	Quantity Produced	oz	122,787	122,787	- 0	0%
		Produced Value	PGK	777,020,946	775,729,796	1,291,150	0%
		Quantity Exported	oz	120,454	120,454	0	0%
		Exported Value	PGK	521,604,653	760,990,633	-239,385,980	31%
	Silver	Quantity Produced	oz	2,085,197	2,085,198	1	0%
		Produced Value	PGK	156,994,534	153,389,968	3,604,566	2%
		Quantity Exported	oz	2,019,110	2,055,080	- 35,970	-2%
		Exported Value	PGK	96,140,236	151,174,447	- 55,034,211	-36%
Edie Creek mine	Gold	Quantity Produced	oz	N/A	65	-65	-100%
		Produced Value	PGK	N/A	415,090	-415,090	-100%
		Quantity Exported	oz	N/A	65	-65	-100%
		Exported Value	PGK	N/A	415,090	-415,090	-100%
	Silver	Quantity Produced	oz	N/A	62	-62	-100%
		Produced Value	PGK	N/A	4,885	-4,885	-100%
		Quantity Exported	oz	N/A	62	-62	-100%
		Exported Value	PGK	N/A	4,885	-4,885	-100%
Mt. Fubilan mine/ Ok Tedi mine	Gold	Quantity Produced	oz	238,924	248,102	9,177	4%
		Produced Value	PGK	1,505,000,000	1,527,844,693	22,844,693	1%
		Quantity Exported	oz	246,278	247,032	754	0%
		Exported Value	PGK	1,551,322,115	1,521,258,438	- 30,063,677	-2%
	Silver	Quantity Produced	oz	541,967	542,864	897	0%
		Produced Value	PGK	37,000,000	37,061,241	61,241	0%
		Quantity Exported	oz	546,948	553,589	6,641	1%
		Exported Value	PGK	37,340,032	37,793,392	453,360	1%
	Copper	Quantity Produced	tonnes	70,099	73,301	3,202	4%
		Produced Value	PGK	2,144,000,000	2,114,424,915	- 29,575,085	-1%
		Quantity Exported	tonnes	72,090	72,091	1	0%
		Exported Value	PGK	2,204,893,012	2,079,526,740	- 125,366,271	-6%
Simberi mine	Gold	Quantity Produced	oz	N/A	61,349	- 61,349	-100%
		Produced Value	PGK	N/A	377,659,299	- 377,659,299	-100%
		Quantity Exported	oz	N/A	55,497	- 55,497	-100%
		Exported Value	PGK	N/A	341,634,878	-341,634,878	-100%
	Silver	Quantity Produced	oz	N/A	21,895	- 21,895	-100%
		Produced Value	PGK	N/A	1,670,001	- 1,670,001	-100%
		Quantity Exported	oz	N/A	21,895	- 21,895	-100%
		Exported Value	PGK	N/A	1,670,001	- 1,670,001	-100%

Table 7-2: Comparison of export quantities and values reported by companies, MRA and in the 2022 Budget figures

Commodity	Export amount reported by entities	Export amount reported by MRA	Export value reported by entities (PGK)	Export value reported by MRA (PGK)	Export value reported in Budget (PGK)[86]
Gold (oz)	1,193,342	1,239,340	7,237,105,405	7,783,604,833	7,279,700,000
Silver (oz)	2,713,662	2,795,084	200,795,298	201,320,617	31,700,000
Copper (tonnes)	74,924	74,886	2,289,157,531	2,162,631,039	2,272,200,000
Nickel (tonnes)	34,302	37,249	2,074,533,155	2,162,631,039	2,252,000,000
Cobalt (tonnes)	2,987	3,289	431,526,194	475,155,559	272,800,000
Chromite (tonnes)	174,095	108,395	108,637,694	67,639,983	0

Table 7-3: Export information reported by PNG Customs for the year 2022

Exporter Name	Commodity	Quantity	Units	Value(PGK)
Lihir Gold Limited	Gold	627	KGM	123,914,117
Lihir Gold Limited	Silver	22,562	KGM	56,878
OK Tedi Mining Ltd	Copper Ores and Concentrates	170,094,131	TNE	2,506,985,830
OK Tedi Mining Ltd	Silver Ores and Concentrates	13,092,343	KGM	49,387,571
OK Tedi Mining Ltd	Gold Ores and Concentrates	135,734,390	KGM	1,561,509,751
Simberi Gold Company Limited	Gold/Silver	2,603	KGM	372,558,447
Ramu Nico Management (MCC) Limited	Chrome ore	24,090,800	CN	20,054,828
Ramu Nico Management (MCC) Limited	Nickel Oxide and other	220,604	TNE	1,067,092,624
Ramu Nico Management (MCC) Limited	Cobalt	N/A	N/A	N/A
K92 Mining Limited	Copper Ores and Concentrates	1,079,649	TNE	83,589,491
K92 Mining Limited	Silver Ores and Concentrates	7,299,453	KGM	9,496,248
K92 Mining Limited	Gold Ores and Concentrates	7,258,096	KGM	679,444,445
Morobe Consolidated Goldfields Limited	Silver	29	KGM	152,753,927
Morobe Consolidated Goldfields Limited	Gold Bars	3,899,528	GRM	773,043,435
Morobe Consolidated Goldfields Limited	Gold	N/A	NMB	N/A

[86] 2024 PNG National Budget, https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf, accessed 13 Feb 2024.

7.4.2 Crude oil & natural gas

Figure 7-3 below shows producing and proposed oil and gas projects are shown below. [87]

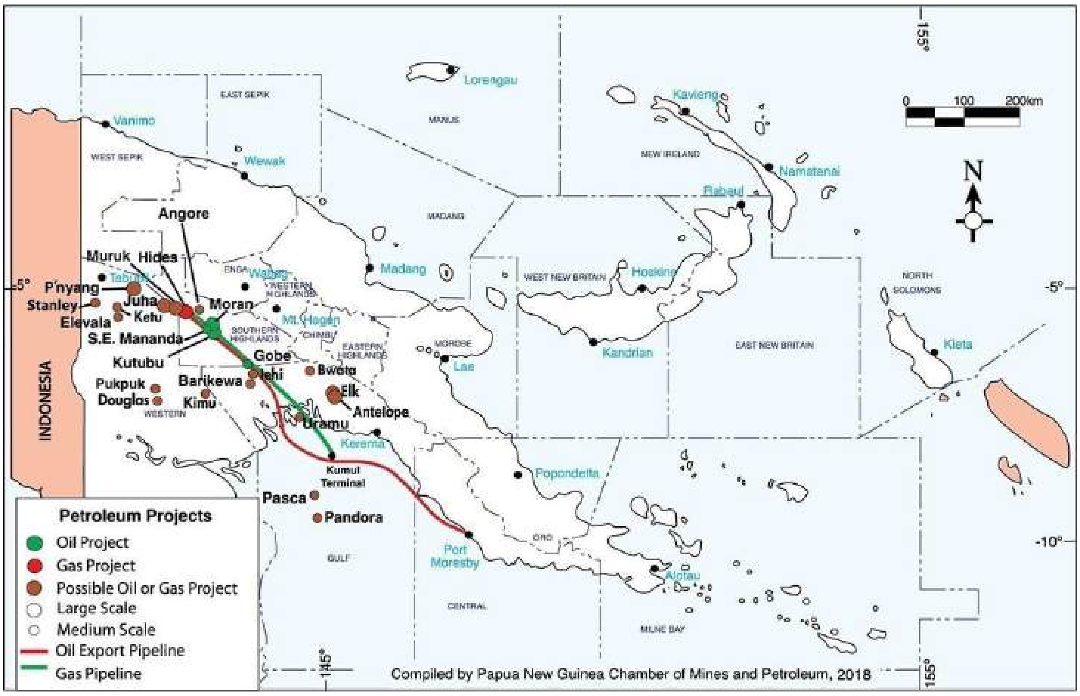


Figure 7-3 Oil and gas projects 2022

Table 7-4: Oil and gas production and export quantities provided by companies

	PNG LNG (ExxonMobil Operated)			Oil and Associated Gas (Santos Operated)		
Commodity quantity	**Produced**	**Exported**	**Unit of Measure**	**Produced**	**Exported**	**Unit of Measure**
Oil (stbo)				7,346,467		Barrels
Hides Condensate (stbop)	20,128		Barrels			
PNG LNG liquids (stbop)	3,876		Barrels	3,825,386		Barrels
	PNG LNG (ExxonMobil Operated)			**Oil and Associated Gas (Santos Operated)**		
Hides Gas (MMscf)	365,023		MCF			
PNG LNG Project LNG (tonnes)	422,634		MCF	479,568		MCF

"Production is oil & gas extracted in PNG either directly or indirectly as a bi-product that is either exported or consumed locally". Production is counted only after the grant of a Petroleum Development License (PDL

[87] http://pngchamberminpet.com.pg/our-resource-industry/petroleum

Table 7-5: Oil and gas production and export quantities reported by DPE

Commodity quantity	Produced	Exported
Oil (stbopd)	11,054	352,697
Hides Liquids (stbopd)	-	-
PNG LNG liquids (stbopd)	21,119	-
Hides Gas (MMscf)/d	1,000	-
PNG LNG Project LNG (tonnes)	8,227,255	8,008,081

Table 7-6: Oil and gas export quantities and values as reported by Customs

Exporter Name	Commodity	Quantity	Units	Value (PGK)
Exxon Mobil PNG Limited	Naphthalene	12,377,921	LTR	132,814,057
Exxon Mobil PNG Limited	Other	215	KGM	333
Exxon Mobil PNG Limited	Liquified National Gas	16,568,487	TNE	13,099,735,750
Oil Search (PNG) Limited	Crude Oil	77,759,336	LTR	2,931,051,577

7.5 Sale of the state’s share of production or other revenues kind (EITI Requirement 4.2)

PNG currently does not have a production sharing regime both in the Mining and Petroleum sectors. However, it does receive share of production where the state through one of it's nominee companies or through MRDC on behalf of the landowners participates as a Joint Venture Partner. This share of production is in accordance with their respective JV participation percentage.

Each JV partner including the state nominees and MRDC enter into commercial arrangements for the sale of their share of production. In some instances, the project through the operator sells into long term contracts and distributes net proceeds in accordance with JV partnership percentage.

7.6 Transactions related to state-owned enterprises (EITI Requirement 4.5)

For detailed information on the role of SOEs in PNG’s extractive sector, including the legislative framework and their role, see the SOE Scoping Study published by PNGEITI in May 2021.[88] As far as the IA is aware, there have been no material changes in the legislative framework and the role of SOEs since publication.

SOE's in the mining sector have long standing commercial sales contracts with various buys that they supply production to. However, most of the SOE's in the Oil and Gas sector receive net proceeds from the sale of production from the project.

[88] https://www.pngeiti.org.pg/pngeiti-reports/

7.7 Distribution of extractive revenues (EITI Requirement 5.1)

Section 5.6 above sets out the budget process. Extractive revenues are consolidated in the national budget. There is no ring-fencing of extractive revenues for specific spending priorities.

7.8 Infrastructure and barter arrangements in the extractive sector (EITI Requirement 4.3)

The MSG has determined that Requirement 4.3 is not applicable in PNG as there are no infrastructure or barter arrangements.

Specific consideration has been given as to whether the infrastructure tax credit scheme (see 5.5.4) is relevant here, and concluded that it is not. It does not involve the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities.

7.9 Transport of minerals (EITI Requirement 4.4)

Extractive companies in PNG do not pay separate fees to a government entity for transport of their products. So this section is not relevant for PNG.

7.10 Auditing and accounting (EITI Requirement 4.9)

There are still several SOEs and the majority of government departments and agencies without audited financial statements for the reporting period. We asked for proof of payments in several situations where the reconciliation revealed notable discrepancies, or the other party failed to submit data.

To verify or validate the accuracy of the data, no quality assurance, audit, verification, or review procedure has been offered aside from the reconciliation process. The discrepancies found throughout the reconciliation process, some of which were fixed after more research, are a sign of procedural and/or record-keeping errors on their own. These included tax payments made by reporting entities under one tax category were classified by the IRC under another tax category. If further included differing treatment of non-cash/ tax credits by IRC and tax payer/reporting entities.

Table 7-7: Availability of audited financial statements

Parent entity	Operator in PNG	Year audited	Qualifications / emphasis of matter / comments	Source
Mining				
Crater Gold	Anomaly Ltd	FY2022	Audited by RSM. No qualifications noted.	http://www.cratergold.com.au/irm/file/9/view/2446026.pdf
Barrick Gold Corporation	Porgera Mine – Barrick (Niugini) Ltd	FY2022	Audited by PWC. No qualifications noted.	https://s25.q4cdn.com/322814910/files/doc_financial/annual_reports/2022/Barrick_Annual_Report_2022.pdf
Newcrest Mining Ltd	Lihir Gold Ltd	FY2022	Audited by EY. No qualifications noted.	https://www.newcrest.com/sites/default/files/2022-10/Newcrest%20AR%202022_0.pdf
Metallurgical Corporation of China Ltd. (MCC)	MCC Ramu NiCo Ltd	FY2022	Audited by EY. No qualifications noted.	http://www.mcc.com.cn/mcc_en/investorrelations/AshareAnnouncement/202304/W020231213575219858861.pdf

Parent entity	Operator in PNG	Year audited	Qualifications / emphasis of matter / comments	Source
Kainantu	K92 Mining Limited	FY2022	Audited by PWC. No qualifications noted	https://k92mining.com/site/assets/files/6173/k922022-12-31financials.pdf
Harmony Gold Mining Ltd	Harmony Gold td and Morobe Consolidated Goldfield Ltd	FY2022	Audit by PwC. No qualifications noted.	https://www.har.co.za/22/download/HAR-FR22.pdf
	Ok Tedi Mining Limited	2022	Audit by PwC. No qualifications noted.	https://oktedi.com/who-we-are/annual-performance/
St Barbara Ltd	Simberi Gold Co. Ltd	FY2022	Audit by PwC. No qualifications noted.	https://stbarbara.com.au/wp-content/uploads/2022/09/2022.09.16-asx-2022-annual-report.pdf
Oil and gas				
Santos	Santos (and subsidiaries)	2021	Audited by EY. No qualifications noted.	https://www.santos.com/wp-content/uploads/2023/02/2022-Annual-Report.pdf
JX Nippon Oil and Gas Exploration Corporation	JX Nippon Oil and Gas (and subsidiaries)	Year ending March 31, 2023	ENEOS Holdings, Inc. and Consolidated Subsidiaries – Audited by EY. No qualifications noted.	https://ssl4.eir-parts.net/doc/5020/ir_material_for_fiscal_ym11/138991/00.pdf
ExxonMobil	ExxonMobil PNG Ltd (PNGLNG project operator)	2022	SEC filings Form 10K Financial statements audited by PWC. No qualifications noted.	https://investor.exxonmobil.com/sec-filings/annual-reports?form_type=&year=2022##document-1965-0000034088-22-000011-2
State-owned enterprises: audits by the Auditor-General's Office of Papua New Guinea				
Ok Tedi Mining Limited		Refer to above details for Ok Tedi Mining Limited	https://oktedi.com/who-we-are/annual-performance/	Ok Tedi Mining Limited
Kumul Petroleum Holdings Ltd	2020	No qualifications noted. 2022 Not able to obtain copy of financial statements.	https://kumulpetroleum.com/wp-content/uploads/2023/10/KPHL-2020-Annual-Report-low-res.pdf	Kumul Petroleum Holdings Ltd
Mineral Resources Development Company Ltd	2022	Not able to obtain copy of financial statements.		Mineral Resources Development Company Ltd
Conservation and Environment Protection Authority	2022	Not able to obtain copy of financial statements.		Conservation and Environment Protection Authority
Internal Revenue Commission	2022	Not able to obtain copy of financial statements.		Internal Revenue Commission
Minerals Resource Authority	2022	Not able to obtain copy of financial statements.		Minerals Resource Authority
Department of Treasury	2022	Not able to obtain copy of financial statements.		Department of Treasury
Department of Finance	2022	Not able to obtain copy of financial statements.		Department of Finance
Department of Petroleum and Ener				Department of Petroleum and Ener

Parent entity	Operator in PNG	Year audited	Qualifications / emphasis of matter / comments	Source
Department of National Planning & Monitoring	2022	Not able to obtain copy of financial statements.		Department of National Planning & Monitoring
PNG Customs	2022	Not able to obtain copy of financial statements.		PNG Customs

The status of each of the government agencies and SOEs for which the audit of financial statements is administered through the Auditor General's Office. The link below provides the Comparative Audit opinions issued between 2013 and 2022.

https://ago.gov.pg/wp-content/uploads/2024/02/Part-IV-Report-2022.pdf

7.11 Environmental impact of extractive activities (EITI Requirement 6.4)

The two key pieces of legislation setting out environmental obligations in PNG are the Environment Act 2000: http://www.paclii.org/pg/legis/consol_act/ea2000159/ and the Environment (Amendment) Act 2014:

https://policy.asiapacificenergy.org/node/3826#:~:text=PAPUA%20NEW%20GUINEA%3A%20Environment%20(Amendment,10%20of%202014)&text=Overall%20Summary%3A,of%20the%20Environmental%20Act%202000.

As noted above in section 4.2.6.5, the government agency responsible for overseeing implementation of this legislation is the Conservation and Environmental Protection Authority (CEPA): https://png-data.sprep.org/group/1. See section 8.3.8 for environmental permit fees paid to CEPA.

The process for obtaining environmental permits is set out above in Section 5.2

As part of mining, oil and gas licensing process each developer is required to submit an environmental impact study. CEPA is the government agency that coordinates the assessment of submissions. At the time of publication, the IA could not verify and confirm the process As noted in section 4.7, CEPA did not participate in this report.

Oil spill contingency plans

Each resource company/project is required to have environmental emergency plans including contingency plans around oil spillage and protection of water ways. These are available on their respective websites.

The Oiled Wildlife Response Plan has to be developed by the Conservation and Environment Protection Authority (CEPA). All wildlife is protected under the Fauna Act 1982 and CEPA has responsibility for the collection, assessment, cleaning and rehabilitation of wildlife impacted by marine pollution. The IA could not confirm this at the time of publication.

Oil and Chemical Industry coastal facilities and commercial ports and jetties are required to have a current emergency plan (ref: Marine Pollution (Preparedness & Response) Act 2013). Facility emergency plans should be regularly reviewed and audited by the relevant Company and approved by National Maritime Safety Authority (NMSA).[89]

NMSA has overall oversight of these areas.

[89] https://nmsa.gov.pg/wp-content/uploads/2018/06/National-Marine-Pollution-Contingency-Plan-2017-Rev-1-With-Signed-Copy.pdf

8 Reconciliation results 2022

8.0 Introduction

This chapter presents a reconciliation between the government-reported receipts and the amounts reported as paid to government agencies by extractive industry companies. The reconciliation includes all SOEs and government bodies that received payments, as well as significant revenue streams from mining and oil and gas businesses. Furthermore, certain revenue sources have been unilaterally proclaimed by government agencies as an aggregate amount. It has been highlighted where sums have not been reconciled.

8.1 The reporting process

The reporting entities were provided with data templates to complete and sign by authorized representative. Procedures for completion of the data templates was documented and was also sent to reporting entities representative and briefed on requirements via phone and email.

The IA conducted an initial reconciliation after the deadline for data collection and found any differences. A variance of more than 2% was considered significant.

In the course of follow-up conversations and ensuing correspondence with reporting entities, these discrepancies were gradually corrected by one of the reconciling entities revised their own record and submit the revised signed data template. In several cases, though, it was challenging to find appropriate contacts, or the IA's messages were not returned. Information was not received by IA promptly either.

8.1.1 Data requested

To request and gather data for every income stream, one of two methods was used:

1. Reconciled revenue streams - data gathered from the paying and receiving government body/entity
2. Unilateral revenue streams – data gathered only from the paying or receiving government body/entity

The data supplied by the receiving entity for each income stream is compared with the data received from each reporting entity in this portion of the report.

In the remarks column beneath each income stream provides an explanation for any significant differences that remain after the reconciliation process.

This section also includes reported amounts for revenue sources that were unilaterally declared.

8.1.2 Reporting compliance

Key to tables below

Data provided	
	Provided in full
	Substantially provided
	Partially provided

Status of reconciliation	
	Fully reconciled
	Partially reconciled
	Not reconciled

Table 8-1: Reporting by mining companies

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Subnational payments	Status of reconciliation
Barrick Niugini Ltd (Porgera mine)						
Barrick Niugini Limited	Yes	Yes				
Mineral Resources Enga Ltd	No	No				Not required
K92 Mining Ltd (Kainantu)						
K92 Mining Ltd	Yes	Yes				
Lihir Gold Ltd (Luise Caldera mine)						
Lihir Gold Ltd	Yes	No				
MCC Ramu Nico Ltd (Ramu Nickel, Kurumbukari mine)						
MCC Ramu Nico Limited	No	No				
Ramu Nickel Limited	No	No				Not required
Mineral Resources Madang Limited	No	No				Not required
Mineral Resources Ramu Limited	No	No				Not required
Morobe Consolidated Goldfields Ltd (Hidden Valley Mine)						
Morobe Consolidated Goldfields Limited	No	Yes				
Niuminco Edie Creek Ltd (Edie Creek mine)						
Niuminco Edie Creek Limited	No	No				Not required
Niuminco EC Limited	No	No				Not required
Ok Tedi Mining Limited (Mt Fubilan mine)						
Ok Tedi Mine Limited	Yes	Yes				
Simberi Gold Company Ltd (Simberi mine)						
Simberi Gold Company Limited	Yes	No	Not provided	Not provided	Not provided	**N/A**

Table 8-2 Reporting by oil and gas companies

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Subnational payments	Status of reconciliation
SE Gobe						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A
Ampolex (Highlands) Ltd	No	Yes				
Petroleum Resources Gobe Ltd	No	Yes				
Southern Highlands Petroleum Co. Ltd	No	Yes				Not required
Cue PNG Oil Company P/L	No	No				
Barracuda Limited	No	Yes				Not required
Kutubu						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A

Ampolex (Highlands) Ltd	No	Yes				
Petroleum Resources Gobe Ltd	No	Yes				
Barracuda Limited	No	Yes				Not required
Moran						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A
Esso PNG Moran Ltd	No	Yes				
Eda Oil Ltd	No	Yes				
Ampolex (PNG Petroleum) Inc.	No	Yes				
Ampolex (Highlands) Ltd	No	Yes				
Petroleum Resources Kutubu Ltd	No	Yes				
Merlin Pacific Oil. Co. Limited	No	Yes				
Petroleum Resources Moran Ltd	No	Yes				
Hides GTE						
Santos Ltd	Yes	Yes				
PNG LNG Project						
ExxonMobil PNG Ltd	Yes	Yes				
Esso PNG Juha Ltd	No	Yes				
Ampolex (PNG) Limited	No	Yes				
Santos Ltd	Yes	Yes				
Kumul Petroleum Holdings Limited	No	Yes				
JX Nippon Oil and Gas Exploration Company	No	No				Not required
MRDC	No					
PDL 1						
ExxonMobil PNG Ltd	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Lavana Ltd	No	Yes				
Kumul Petroleum (Kroton) Ltd	No	Yes				
Gas Resources Gigira Ltd	No	No				
Santos (Hides) Ltd	No	Yes				
PDL 7						
ExxonMobil PNG Ltd (formerly known as Esso Highlands)	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Gas Resources Hides No. 4 Ltd	No	No				
PDL 8						
ExxonMobil PNG Ltd (formerly known as Esso Highlands)	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Gas Resources Hides No. 4 Ltd	No	No				
PDL 9						
Esso PNG Juha Ltd	No	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Ampolex (PNG) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Nippon Papua New Guinea LNG LLC	No	Yes				Not required
Gas Resources Juha No. 1 Ltd	No	No				

Table 8-3 Summary of information provided by government reporting entities

Reporting entity	2022 Financial Statements Audited	Signed reporting template	Sent by Authorized Representative in protected format	Financial information	Non-financial and subnational information
Internal Revenue Commission	N	N	N	Y	N
Mineral Resources Authority	N	Y	N	Y	Y
Department of Treasury	N	Y	N	Y	Y
Department of Petroleum and Energy	N	Y	N	Y	Y
Department of National Planning and Monitoring	N	Y	N	Y	Y
PNG Customs	N	Y	N	Y	N

Table 8-4 Summary of information provided by state-owned entities

Reporting entity	2022 Financial Statements Audited	Sent by Authorized Representative in protected format	Financial information	Non-financial and subnational information
Kumul Petroleum Holdings Ltd	N	Y	Y	Y
Ok Tedi Mining Ltd	Y	Y	Y	Y
Kumul Minerals Holdings Ltd	Y	Y	Y	Y
Mineral Resources Development Company	N	Y	Y	Y

IA was not able to obtain 2022 audited financial statements for some government agencies and SOE as prior year audit have not been finalised by the Auditor-General Office. The status of audit for the financial statements of the reporting government agencies and SOEs can be accessed by the link, https://ago.gov.pg/wp-content/uploads/2024/02/Part-IV-Report-2022.pdf

8.1.3 Reconciliation overview

The proportional size of each revenue stream that the State received in 2022 is depicted in the following graph. All material and non-material payments are included and the government receipts are disclose in the figure below.

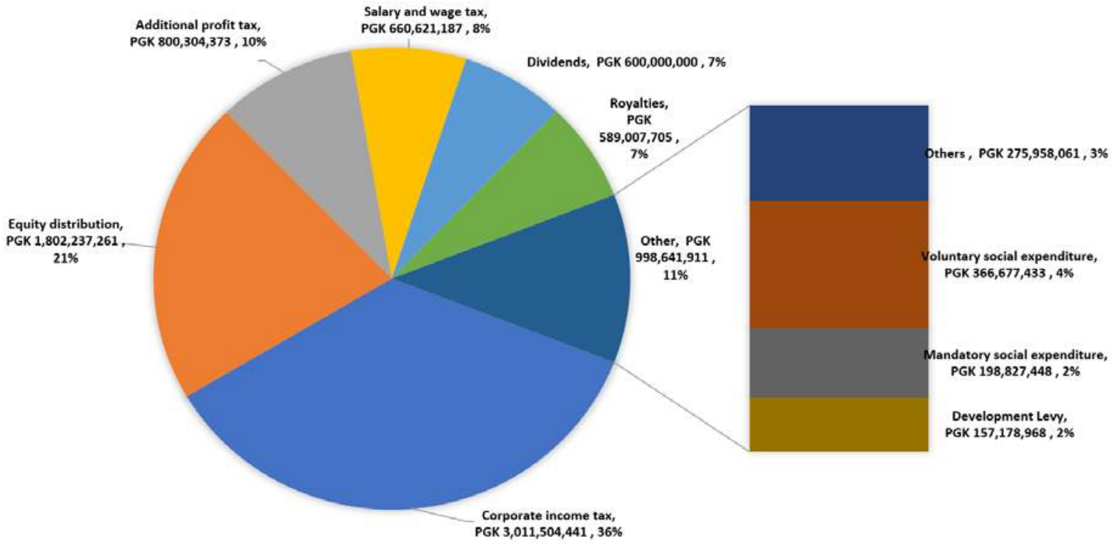


Figure 8-1 Revenue streams received and reported by State based on scope of PNGEITI reporting

Table 8-5 Summary of revenue streams reported and reconciled

Revenue stream	Reconciled/ Unilateral	Receiving entity	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance
Production levy	Reconciled	MRA	54,084,522	55,189,975	1,105,453	2.00%
MRA fees	Unilateral (MRA)	MRA	N/A	6,262,553	N/A	N/A
Development levy	Reconciled	Finance (thru DPE)	157,618,937	157,178,968	(439,969)	(0.28%)
Licence fees	Unilateral (DPE)	DPE	N/A	2,433,000	N/A	N/A
Additional profits tax	Reconciled	IRC	799,892,312	800,304,373	412,061	0.05%
Equity distribution	Reconciled	SOEs	1,802,237,261	1,802,237,261	-	0.00%
Mandatory social expenditure	Unilateral (Entities)	See section 6.5	197,207,505	N/A	N/A	N/A
Voluntary social expenditure	Unilateral (Entities)	See section 6.5	217,376,982	N/A	N/A	N/A
Dividends	Reconciled	State and Landowners	600,000,000	600,000,000	-	0.00%
Salary and wage tax	Reconciled	IRC	630,672,941	660,621,187	29,948,245	4.53%
Corporate income tax	Reconciled	IRC	3,079,443,491	3,065,471,863	(13,971,629)	(0.46%)
Foreign contractor withholding tax	Reconciled	IRC	75,502,860	70,714,795	(4,788,065)	(6.77%)

Infrastructure tax credit – 2. ITC offset from tax paid in reporting period	Reconciled	IRC	480,708,503	480,637,146	(71,357)	(0.01%)
Infrastructure tax credit – 1. ITC actually spent on projects in reporting period	Reconciled	DNPM	52,607,103	52,607,103	0	0.00%
Business payments tax	Reconciled	IRC	4,161,821	4,208,566	46,746	1.11%
Dividend withholding tax	Unilateral (IRC)	IRC	N/A	N/A	N/A	N/A
Interest withholding tax	Reconciled	IRC	8,651,404	9,127,062	475,658	5.21%
Management fee withholding tax	Reconciled	IRC	9,089,303	10,644,439	1,555,136	14.61%
Royalty withholding tax	Reconciled	IRC	2,715,594	2,815,379	99,785	3.54%
Goods and services tax	Reconciled	IRC	6,374,919	6,270,086	(104,833)	(1.67%)
Environmental permit fees	Unilateral (Entities)	CEPA	8,825,298	N/A	N/A	N/A
Royalties - Mining	Reconciled	MRA landowners and subnational governments	194,782,830	218,179,062	23,396,233	10.72%
Royalties – Oil and Gas	Reconciled	DPE, landowners and subnational governments	372,393,358	370,828,643	(1,564,715)	(0.42%)
Import and Excise duty	Reconciled	Customs	42,586,293	47,402,975	4,816,683	10.16%

Note: Table 85 shows only the actual cash payments made by the reporting entities. Application of GST credits or Tax refund were exluded but included in the detailed reconciliation in the next sections of this report.

8.2 Mining and oil gas payments 2022

8.2.1 Corporate income tax (mining and petroleum tax)

Corporate income tax is paid by extractive companies to the IRC.

Corporate income tax reported by companies is reconciled with data reported by the IRC in the table below.

Table 8-6 Reconciliation of corporate income tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Ltd	0	0	0	0.00%	
Ok Tedi	Ok Tedi Power Ltd	507,189	507,189	0	0.00%	
Kainantu	K92 Mining Ltd	47,924,087	47,924,087	0	0.00%	
Simberi	Simberi Gold Co. Ltd	N/A	0	0	0.00%	
Lihir	Lihir Gold Ltd	70,191,846	63,598,102	(6,593,744)	(10.37%)	Note A

PDL 1	Lavana Ltd	113,874,434	113,875,300	865	0.00%	
Oil Projects	Oil Search (LNG) Ltd	418,762,176	418,765,359	3,183	0.00%	
Oil Projects	Oil Search (Tumbudu) Ltd	617,907,605	617,912,301	4,696	0.00%	
PDL 1	Santos (Hides) Ltd	462,656,918	462,660,434	3,516	0.00%	
Oil Projects	Ampolex (Highlands Inc)	54,810	54,838	28	0.05%	
PNG LNG	Ampolex (Papua New Guinea) Ltd	52,083,880	52,110,711	26,831	0.05%	
Moran	Ampolex (PNG Petroleum) Inc	12,751,583	12,597,243	(154,340)	(1.23%)	
PNG LNG	Esso PNG Juha Ltd	54,282,708	53,967,423	(315,285)	(0.58%)	
Oil Projects	Esso PNG Moran Ltd	24,650,052	24,662,750	12,698	0.05%	
Oil Projects	ExxonMobil PNG Ltd	1,131,527,123	1,124,882,331	(6,644,792)	(0.59%)	
Moran	Merlin Pacific Oil Co.NL	2,986,373	2,986,373	0	0.00%	
SE Mananda	Petroleum Resources Kutubu Ltd	15,000,000	15,000,000	0	0.00%	
Total		**3,079,443,491**	**3,065,471,863**	**(13,971,629)**	**(0.46%)**	

Remarks:

A. Reconciling item represents application of tax refund.

8.2.2 Tax credit scheme (TCS)

Mining and oil and gas businesses can deduct their expenditures on approved infrastructure projects from their taxable income.

The Department of National Planning and Monitoring (DNPM) receives reports from enterprises on the annual amount spent on TCS initiatives that are prescribed. Following that, these sums may be claimed as a credit against taxes payable. Any credits not utilized during that reporting period are carried over to the next income year until they are used up completely. The IRC records the sums that are utilized as a credit against the annual tax due. The tables below reconcile each of these.

Table 8-7 Reconciliation of ITCs actually spent on projects in 2022 reported by companies and DNPM

Project	Company	Amount reported paid (PGK)	Amount reported by DNPM (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	52,607,103	52,607,103	0	0.00%	
Oil Projects	ExxonMobil PNG Ltd	31,673,662	0	-31,673,662	-100.00%	Note A
Total		**52,607,103**	**52,607,103**	**0**	**0.00%**	

Note:

A. As per ExxonMobil, the variance is the ITC spend through Department of Work and Highways

Table 8-8 Reconciliation of ITC offsets reported by companies as credit against tax payable and values provided by IRC

Project	Company	Amount reported offset by companies (PGK)	Amount reported offset by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Ltd	12,972,961	12,972,961	0	0.00%	
Lihir	Lihir Gold Ltd	70,160,329	70,160,329	0	0.00%	
PDL 1	Lavana Ltd	8,970,466	8,968,888	(1,578)	(0.02%)	
Oil Proiects	Oil Search (LNG) Ltd	81,560,883	81,546,534	(14,349)	(0.02%)	
Oil Proiects	Oil Search (PNG) Ltd	13,942,584	13,940,130	(2,454)	(0.02%)	
Oil Proiects	Oil Search (Tumbudu) Ltd	139,106,489	139,082,016	(24,473)	(0.02%)	
Moran	PDL5 Moran	7,875,599	7,874,215	(1,384)	(0.02%)	
PDL 1	Santos (Hides) Ltd	37,319,507	37,312,942	(6,566)	(0.02%)	
Oil Proiects	Ampolex (Highlands Inc)	23,880	23,880	0	0.00%	
PNG LNG	Ampolex (PNG) Ltd	4,908,121	4,907,194	(927)	(0.02%)	
Moran	Ampolex (PNG Petroleum) Inc	1,857,700	1,857,349	(351)	(0.02%)	
PNG LNG	Esso PNG Juha Ltd	4,881,768	4,880,846	(922)	(0.02%)	
Oil Proiects	Esso PNG Moran Ltd	4,381,546	4,380,718	(828)	(0.02%)	
Oil Proiects	ExxonMobil PNG Ltd	92,347,790	92,330,341	(17,449)	(0.02%)	
Moran	Merlin Pacific Oil Co. NL	405,277	405,200	(77)	(0.02%)	
Total		**480,714,902**	**480,643,544**	**(71,357)**	**(0.01%)**	

8.2.3 Salary and wage tax (group tax)

The tax withheld on employee salaries, known as salary and wage tax (or group tax), is due by businesses that paid wages in PNG during the reporting period. These businesses were mostly facility operators.

The table below reconciles data supplied by the IRC with salary and wage tax recorded by material entities.

Table 8-9 Reconciliation of salary and wage tax 2022

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Ltd	134,573,343	134,573,343	0	0.00%	
Ok Tedi	Ok Tedi Power Limited	261,555	261,555	0	0.00%	

Ok Tedi	Ok Tedi Development Foundation	1,376,507	1,376,507	0	0.00%	
Porgera	Barrick (Niugini) Ltd	40,414,520	40,403,047	(11,473)	(0.03%)	
Porgera	Mineral Resources Enga Ltd	307,033	460,550	153,517	33.33%	Note A
Hidden Valley	Morobe Consolidated Goldfield Ltd	34,193,164	34,193,164	0	0.00%	Note B
Wafi Golpu	Wafi Golpu Services Ltd	1,794,283	1,794,283	0	0.00%	
Kainantu	K92 Mining Ltd	32,537,157	32,537,157	0	0.00%	
Ramu Nickel	Ramu Nico Management (MCC) Limited	49,727,299	49,707,264	(20,035)	(0.04%)	
Lihir	Lihir Gold Ltd	143,413,323	143,413,323	0	0.00%	
Simberi	Simberi Gold Co. Ltd	N/A	25,407,351	N/A	N/A	Note C
Oil Projects	Oil Search (PNG) Ltd	69,145,073	69,145,073	0	0.00%	
Oil Projects	ExxonMobil PNG Ltd	119,854,376	119,854,376	0	0.00%	
	Kumul Petroleum Holdings Limited	18,784,892	18,600,777	(184,115)	(0.99%)	
Gobe	Petroleum Resources Gobe Ltd	120,183	120,183	0	0.00%	
SE Mananda	Petroleum Resources Kutubu Ltd	517,574	474,803	(42,771)	(9.01%)	Note A
Moran	Petroleum Resources Moran Ltd	120,182	120,183	1	0.00%	
Oil Projects	Gas Resources Hides No 4 Ltd	123,000	160,762	37,762	23.49%	Note A
Papua LNG	Total Energies EP PNG Ltd	14,446,470	14,446,470	0	0.00%	
	Kumul Minerals Holdings Ltd	2,290,900	2,290,900	0	0.00%	
	Mineral Resources Star Mountains Ltd	259,294	232,762	(26,532)	(11.40%)	Note A
	Mineral Resources CMCA Ltd	280,458	214,796	(65,662)	(30.57%)	Note A
	Gas Resources LNG PNG plant	178,667	161,873	(16,795)	(10.38%)	Note A
	Gas Resources LNG Pipeline	146,850	146,850	0	0.00%	
	Mineral Resources Development Company	0	4,716,997	4,716,997	100.00%	Note A
Total		**664,866,105**	**694,814,351**	**29,948,245**	**4.31%**	

Notes:

A. Ongoing reconciliation with MRDC.
B. Application of GST credits.
C. Simberi Gold Co. Ltd is yet to provide data template.

8.2.4 Foreign Contractor Withholding Tax

Foreign contractor withholding tax (FCWT) applies to non-residents performing contracted roles within PNG.

Foreign contractor withholding tax reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-10 Reconciliation of Foreign Contractor Withholding tax 2022

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	17,663,554	17,319,018	(344,535)	(1.99%)	
OK Tedi	Ok Tedi Development Foundation	3,783	3,783	0	0.00%	
Porgera	Barrick Niugini Ltd	625,662	625,662	0	0.00%	
Hidden Valley	Morobe Consolidated Goldfields Ltd	1,070,335	1,070,335	0	0.00%	Note A
Ramu Nickel	Ramu Nico Management (MCC) Ltd	1,440,197	1,440,197	0	0.00%	
Lihir	Lihir Gold Ltd	17,697,851	17,990,361	292,510	1.63%	
Simberi	Simberi Gold Co. Ltd	N/A	403,275	N/A	N/A	Note B
Oil Projects	Oil Search Ltd	15,823,472	10,684,157	(5,139,315)	(48.10%)	Note C
Oil Projects	ExxonMobil PNG Ltd	17,008,326	17,008,326	0	0.00%	
	SPI (220) Ltd	2,012,596	2,012,596	0	0.00%	
Papua LNG	Total Energies EP PNG Ltd	3,227,420	3,227,420	0	0.00%	
Total		**76,573,195**	**71,785,130**	**(4,788,065)**	**(6.67%)**	

Remarks:

A. Application of GST credits.
B. Simberi Gold Co. Ltd is yet to provide data template.
C. Reconciling item represents application of GST credit.

8.2.5 Goods and Service Tax

Goods and Service Tax (GST) is a tax, which is imposed on the sale of goods and services in Papua New Guinea or the importation of goods into Papua New Guinea. GST is imposed at a rate of 10% of the value of the goods and services sold (or goods imported).

GST tax reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-11 Reconciliation of Goods and Service Tax reported in 2022

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
OK Tedi	Ok Tedi Power Limited	361,777	361,777	0	0.00%	
Oil projects	Oil Search (Drilling) Ltd	129,808	24,975	(104,833)	(419.74%)	Note A
Oil Projects	ExxonMobil PNG Ltd	1,222,587	1,222,587	0	0.00%	
	Kumul Petroleum Holdings Ltd	4,660,747	4,660,747	0	0.00%	
	Kumul Minerals Holdings Ltd	768,401	768,401	0	0.00%	Note B
Total		**7,143,320**	**7,038,488**	**(104,833)**	**(1.49%)**	

Remarks:

A. Variance represents application of GST credit.
B. Refundable position.

8.2.6 Management fee withholding tax (MFWT)

This tax applies to the management fees of non-residents performing management services outside of PNG. The tax rate is dependent on whether the country in which they are a resident has a Double Tax Agreement with PNG. If there is no applicable Double Tax Agreement the gross management fee is subject to 17% withholding tax.

MFWT tax reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-12 Reconciliation of management fee withholding tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported received By IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Porgera	Barrick Niugini Limited	277,965	277,975	10	0.00%	
Oil Projects	ExxonMobil PNG Ltd	47,386	47,386	0	0.00%	
Oil Projects	Merlin Petroleum Company	N/A	1,555,126	(1,555,126)	(100.00%)	Note A
Papua LNG	Total Energies EP PNG Ltd	8,763,951	8,763,951	0	0.00%	
Total		**9,089,303**	**10,644,439**	**1,555,136**	**14.61%**	

Remarks:

A. Merlin Petroleum Company no data obtained.

8.2.7 Additional profit tax (APT)

The purpose of APT is to continue to provide a progressive instrument to tax economic rents of highly profitable resource projects.

The application of APT is subject to the terms of an applicable fiscal stability agreement.

The mandatory income tax returns do not require the taxpayer to file details of the net cash flow, which goes into the calculation of the additional profits tax.

APT reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-13 Reconciliation of additional profit tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Oil project	Kumul Petroleum (Kroton) Ltd	799,892,312	800,304,373	412,061	0.05%	
Total		**799,892,312**	**800,304,373**	**412,061**	**0.05%**	

8.2.8 Interest withholding tax (IWT)

Interest payments generally attract a withholding tax of 15%. Certain entities and assets are exempted, including interest earned on long-term bonds, BPNG-authorised foreign currency deposits, and the participants and lenders to the PNG LNG project.

IWT reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-14 Reconciliation of interest withholding tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Porgera	Barrick Niugini Ltd	6,051,934	6,053,872	1,937	0.03%	
Lihir	Lihir Gold Ltd	838,757	838,757	0	0.00%	
Simberi	Simberi Gold Ltd	N/A	524,683	N/A	N/A	
Oil Projects	Oil Search (PNG) Ltd	501,003	501,003	0	0.00%	
Oil Projects	Oil Search Ltd	452,329	412,373	(39,956)	(9.69%)	Note A
Oil Projects	Oil Search (Drilling) Ltd	5,488	5,034	(454)	(9.02%)	Note A
	Markham Valley Renewables Ltd	12,842	11,775	(1,067)	(9.06%)	Note A
	Oil Search Power Holdings Ltd	80,025	73,327	(6,698)	(9.13%)	Note A
	PNG Biomass Ltd (formerly Markham Valley Biomass Ltd)	30,775	27,988	(2,787)	(9.96%)	Note A
Moran	Ampolex (PNG Petroleum) Inc	251,356	251,356	0	0.00%	
PNG LNG	Esso PNG Moran Ltd	371,856	371,856	0	0.00%	
Moran	Merlin Pacific Oil Co. Ltd	55,038	55,038	0	0.00%	
Total		**8,651,404**	**9,127,062**	**475,658**	**5.21%**	

Remarks:

Timing difference. As per IRC, reconciling item was for the month of December 2022 paid in January 2023.

8.2.9 Business income payment tax (BPT)

Companies without a "Certificate of Compliance" incur a 10% tax on certain specified business payments. A credit may be provided by the IRC after a review of the payer's tax return.

BPT reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-15 Reconciliation of business income payment tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Power Ltd	10,666	10,666	0	0.00%	
Ok Tedi	Ok Tedi Development Foundation	16,421	16,421	0	0.00%	
Porger	Barrick Niugini Ltd	554,572	554,624	52	0.01%	
Lihir	Lihir Gold Ltd	3,539,792	3,539,792	0	0.00%	
Simberi	Simberi Gold Ltd	N/A	46,694	N/A	N/A	
Hidden Valley	Morobe Consolidated Goldfield Ltd	1,466,138	1,466,138	0	0.00%	Note A
Wafi Golpu	Wafi Golpu Services Ltd	40,370	40,370	0	0.00%	
Total		**5,627,959**	**5,674,704**	**46,745.74**	**0.82%**	

Remarks:

A. Application of GST Credits.

8.2.10 Royalty withholding tax (RT)

Royalties paid to non-residents (for the provision of technical know-how, trademarks, patents, design or model or copyrights etc.) are subject to a 10% tax, or 30% if paid to an associate. However, if the person is a resident of a country with which PNG has a Double Tax Agreement, then this is generally reduced to 10%.

RT reported by material companies is reconciled with data reported by the IRC in the table below:

Table 8-16 Reconciliation of business income payment tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	1,732,117	1,732,117	0	0.00%	
Lihir	Lihir Gold Ltd	890,035	890,035	0	0.00%	
Simberi	Simberi Gold Ltd	N/A	193,227	N/A	N/A	
Oil Projects	Oil Search (PNG) Ltd	93,442	0	(93,442)	(100.00%)	Note A
Total		**2,715,594**	**2,815,379**	**99,785**	**3.54%**	

Remarks:

A. Application of GST credits. As per IRC, reconciling item was paid by GST credits. As per Santos, the tax is called prescribed royalty withholding tax (5% withholding tax on landowners)

8.2.11 Dividend and Return of Capital

Dividends are payments made by SOEs to the State in line with its rights as a shareholder, signifying the State's portion of the project's earnings for the purposes of this report. Dividend payments are made to the Treasury.

Below is a summary of the data that reporting entities and the entity that will receive dividend payments in 2022 submitted.

Table 8-17 Reconciliation of dividends payments

Company (Dividends)	Paid to	Total Project Paid (PGK)	Reported received by SOEs / Landowners (PGK)	Variance (PGK)	Variance (%)
Ok Tedi Mining Limited	Kumul Minerals Ok tedi Ltd	201,000,000	201,000,000	0	0.00%
Ok Tedi Mining Limited	Mineral Resources OK Tedi Star No.2 Ltd	36,000,000	36,000,000	0	0.00%
Ok Tedi Mining Limited	Mineral Resources Star Mountains Ltd (MRSM)	27,000,000	27,000,000	0	0.00%
Ok Tedi Mining Limited	Mineral Resources CMCA Ltd	36,000,000	36,000,000	0	0.00%
Kumul Petroleum Holdings Limited	Treasury	300,000,000	300,000,000	0	0.00%
Total		**600,000,000**	**600,000,000**	**0**	**0.00%**

8.2.12 Environment permit fees and user charges (not reconciled)

Data was reported by reporting entities and IA was not able to reconcile due to nil obtained data from CEPA.

Table 8-18 Reported environment permit fees and user charges payments

Project	Reporting Entitiy	Amount reported paid (PGK)
Ok Tedi	Ok Tedi Mining Ltd	263,340
Porgera	Barrick Niugini Ltd	1,089,991
Hidden Valley	Morobe Consolidated Goldfield Ltd	608,443
Kainantu	K92 Mining Ltd	279,895
Lihir	Lihir Gold Ltd	578,029
Oil Projects	Oil Search (PNG) Ltd	694,210
Oil Projects	ExxonMobil PNG Ltd	1,472,813
Oil Projects	Esso PNG P'Nyang Ltd	543,170
Oil Projects	ExxonMobil PNG Antelope Ltd	37,760

Papua LNG	Total Energies EP PNG Ltd	3,257,647
Total		**8,825,298**

8.3 Mining payments 2022

8.3.1 Production Levy

The production levy is paid by mining companies to the MRA.

The production levy applicable to mining projects is calculated at 25% (or up to 50% at the Mining Minister's discretion) of Free on Board (FOB) production sales.

Table 8-19 Reconciliation of production levy payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by MRA (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	17,345,477	17,345,475	(2)	0.00%	
Hidden Valley	Morobe Consolidated Goldfield Ltd	5,198,875	5,198,875	0	0.00%	
Kainantu	K92 Mining Ltd	3,812,872	3,915,403	102,531	2.62%	
MCC-JJJ Mining	Ramu Nico Management (MCC) Ltd	5,952,055	5,952,055	0	0.00%	
Lihir	Lihir Gold Ltd	21,775,242	21,775,242	0	0.00%	
Simberi	Simberi Gold Ltd	N/A	1,002,924	N/A	N/A	Note A
Total		**54,084,522**	**55,189,975**	**1,105,453**	**2.00%**	

Remarks:

A. Simberi Gold Co. Ltd is yet to provide data template.

8.3.2 Mining Royalties

Mining royalties are calculated and paid directly by mine operators to beneficiaries monthly and are also reported to the MRA.

Table 8-20 Reconciliation of royalty payments

Project	Reporting company	Amount reported paid to landowners and beneficiaries (PGK)	Amount reported to MRA (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	69,284,674	55,764,687	(12,169,678)	(21.31%)	Note A

Hidden Valley	Morobe Consolidated Goldfield Ltd	17,419,389	17,741,176	321,788	1.81%	
Kainantu	K92 Mining Ltd	4,613,869	13,758,494	9,144,625	66.47%	Note A
MCC-JJJ Mining	Ramu Nico Management (MCC) Ltd	23,424,071	34,906,859	11,482,789	32.90%	Note A
Lihir	Lihir Gold Ltd	89,032,874	87,949,381	(1,083,493)	(1.23%)	
Simberi	Simberi Gold Ltd	N/A	6,708,155	N/A	N/A	Note B
Total		**203,774,877**	**218,179,062**	**14,404,185**	**6.60%**	

Remarks:

A. Royalty data are received and recorded by MRA through a Monthly Royalty Return document that is attached with the Form 25 (Monthly Mineral Return) by the reporting entity. The reporting entity pays the royalty's directly to the recipients such as landowners and . Based on IA's observations, MRA has no visibility of when the actual payments of Royalties eventuate. Variances represent timing difference of payments since the reporting entities declared the actual royalty payments during the 2022 calendar year.
B. Simberi Gold Co. Ltd is yet to provide data template.

8.3.3 MRA Tenement fees (not reconciled)

Fees collected from mining companies by the MRA have been reported in the table below. These amounts were unilaterally disclosed by the MRA.

Table 8-21 Reported tenement fees paid to MRA

Fee reported	Amount reported received (PGK)
Alluvial levies	3,225,452
Mine security deposits	180,000
Exploration security deposits	126,000
Mining lease rentals	482,950
Exploration license	1,616,726
Data sale fees	
Applications, extension, renewal, transfer and dealings fees (related to exploration)	453,000
Applications, extension, renewal, transfer and dealings fees (related to mining)	178,425
Total	**6,262,553**

8.4 2022 Oil and Gas Payments

8.4.1 Equity distribution and Share of sales

Equity distribution amounts were provided by KPHL and MRDC, participants of PNG LNG project, which was confirmed by ExxonMobil in its capacity as operator of PNG LNG project.

MRDC provided a break-up of the equity distribution receipts per landowner.

Table 8-22 Reconciliation of Equity distribution

Company	Amount reported paid (PGK)	Amount reported received by SOEs / Landowners (PGK)	Variance (PGK)	Variance (%)	Remarks
KPHL	1,470,471,219	1,470,471,219	0	0.00%	
MRDC	0	331,766,042	331,766,042	100.00%	
Gas Resources Gigira	154,438,967	0	(154,438,967)	(100.00%)	
Gas Resources Gobe	9,143,381	0	(3,246,454)	(100.00%)	
Gas Resources Angore	25,824,502	0	(18,186,482)	(100.00%)	
Gas Resources Hides	43,836,020	0	(30,918,779)	(100.00%)	
Gas Resources Juha	25,717,519	0	(18,151,271)	(100.00%)	
Gas Resources Kutubu	308,973,766	0	(104,006,252)	(100.00%)	
Gas Resources Moran	7,701,836	0	(2,746,458)	(100.00%)	
Gas Resources North West Moran	118,403	0	(71,380)	(100.00%)	
Total	**1,802,237,261**	**1,802,237,261**	**0**	**0.00%**	

8.4.2 Development levy

DPE receives the cheque payments for development levies, calculated at a rate of 2.0% of the wellhead value, annually in arrears on or before 31 January in the year following the year of production to which the development levy relates and deposits directly to a trust fund in accordance with the Public Finances (Management) Act 1995., Development levies are then disbursed from the trust account only in accordance with an appropriation approved by Parliament. The benefits are calculated as stipulated under Section 160 of the Oil & Gas Act 1998. The beneficiaries are 1) Provincial Government (2) Local Level Government.

The table below summarises the development levy information provided by the operators and DPE for the reporting period.

Table 8-23 Reconciliation of development levy payments

Project	Company	Amount reported paid (PGK)	Amount reported received by DPE (PGK)	Variance (PGK)	Variance (%)	Remarks
PNG LNG	Santos	10,738,997	10,738,997	0	0.00%	
PNG LNG	ExxonMobil PNG Ltd	146,879,940	146,439,971	(439,969)	0.30%	
Total		**157,618,937**	**157,178,968**	**(439,969)**	**(0.28%)**	

8.4.3 Oil and gas Royalties

Royalties are paid in accordance to Section 168 of the Oil and Gas Act 1998 which requires the Developer to pay 2% of wellhead value on a monthly basis. There are three stakeholders who benefit from this legislative benefits. 1) Provincial Govt. (2) Local Level Govt, (3) Project Area Landowners. The royalty benefit paid to the State, received by DPE, is deposited into the respective trusts managed by MRDC for distribution. The Royalty is shared between the Landowners, the affected Local level Government and the Provincial Government in the proportions agreed between them in the development agreement.

Santos pays royalties to DPE by cheque. ExxonMobil PNG Ltd pays royalties monthly to Bank of PNG via electronic transfer and sends transmittal reports to DPE. ExxonMobil PNG state that they have been directed by the PNG Government to pay in this way.

Table 8-24 Reconciliation of royalty payments

Project	Company	Amount reported paid (PGK)	Amount reported received by DPE (PGK)	Variance (PGK)	Variance (%)	Remarks
PNG LNG	Santos	34,604,095	34,365,664	(238,431)	(0.69%)	
PNG LNG	ExxonMobil PNG Ltd	337,789,263	336,462,979	(1,326,284)	(0.39%)	
Total		**372,393,358**	**370,828,643**	**(1,564,715)**	**(0.42%)**	

8.4.4 DPE fees (not reconciled)

The oil and gas sector pays DPE fees and other application expenses. Fees to DPE include different licenses and the application of each licenses.

Table 8-25 Reported fees paid to DPE

Type licenses	No. of Licenses	Fees (PGK)
Petroleum Prospecting License (PPL)	29	923,000
Petroleum Retention License (PRL)	6	270,000
Petroleum Development License (PDL)	10	1,000,000
Petroleum Pipeline License (PPL)	4	140,000
Petroleum Processing Facility License (PPFL)	1	100,000
		2,433,000

8.4.5 Import and Export duties

Table 8-26 Import and export duties

Reporting Company	Amount reported paid (PGK)	Import Duty Amount reported received by PNG customs (PGK)	Excise Taxes Amount reported received by PNG customs (PGK)	Variance (PGK)	variance (%)
Lihir Gold Limited	23,494,001	5,704,413	17,787,680	(1,908)	(0.01%)
OK Tedi Mining Ltd	8,044,927	7,005,371	1,039,556	0	0.00%
Simberi Gold Company Limited	N/A	384,078	1,466,178	1,850,256	100.00%
Mineral Resources Development Limited	0	215	0	215	100.00%
Exxon Mobil PNG Limited	2,409,133	2,205,269	245,242	41,377	1.69%
Barrick Niugini Ltd	2,899,564	981,422	1,868,713	(49,430)	(1.73%)
Ramu Nico Management (MCC) Limited					
Santos		1,474,742	436,959	1,911,702	100.00%
K92 Mining Limited	121,979	1,378,347	139,803	1,396,171	91.97%
Kumul Petroelum Holdings Limited	9,096	17,954	0	8,858	49.34%
Morobe Consolidated Goldfield Limited	5,282,121	723,751	4,543,273	(15,097)	(0.29%)
Total	**42,260,822**	**19,875,562**	**27,527,403**	**5,142,144**	**10.85%**

8.5 Production data 2022

8.5.1 Mining production 2022

Table 8-27 Mining production reconciliation 2022

Mine/Project	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
Porgera - Barrick Niugini Ltd	Gold	Mine under care and maintenance					
	Silver						
Kainantu mine	Gold	Quantity Produced	oz	107,546	107,546	-	0%
		Produced Value	PGK	659,330,684	648,403,339	-10,927,345	-2%
		Quantity Exported	oz	115,253	115,253	-	0%
		Exported Value	PGK	706,586,006	694,869,451	-11,986,555	-2%
	Silver	Quantity Produced	oz	126,043	126,043	-	0%
		Produced Value	PGK	9,357,319	9,342,370	-14,949	0%
		Quantity Exported	oz	127,209	127,209	-	0%
		Exported Value	PGK	9,443,808	9,428,794	-15,014	0%
	Copper	Quantity Produced	tonnes	2,834	2,835	1	0%
		Produced Value	PGK	84,324,234	84,293,627	-30,607	0%
		Quantity Exported	tonnes	2,793	2,795	-2	0%
		Exported Value	PGK	83,104,300	83,104,299	-1	0%
Luise Caldera (Lihir mine)	Gold	Quantity Produced	oz	701,804	701,804	-0	0%
		Produced Value	PGK	4,469,309,186	4,469,308,103	-1,083	0%
		Quantity Exported	oz	701,804	701,039	- 765	0%
		Exported Value	PGK	4,469,309,186	4,464,436,343	- 4,872,843	0%
	Silver	Quantity Produced	oz	21,561	21,560	-1	0%
		Produced Value	PGK	1,249,153	1,249,098	-55	0%
		Quantity Exported	oz	21,561	37,249	15,688	42%
		Exported Value	PGK	723,019	1,249,098	526,079	42%
	Nickel	Quantity Produced	tonnes	34,302	34,302	-	0%

Kurumbukari mine/ Ramu Nickel		Produced Value	PGK	2,074,533,155	2,074,533,155	-	0%
		Quantity Exported	tonnes	34,302	37,249	2,947	8%
		Exported Value	PGK	2,074,533,155	2,252,763,265	178,230,109	8%
	Cobalt	Quantity Produced	tonnes	2,987	3,004	17	1%
		Produced Value	PGK	431,526,194	433,982,152	2,455,958	1%
		Quantity Exported	tonnes	2,987	3,289	302	9%
		Exported Value	PGK	431,526,194	475,155,559	43,629,364	9%
	Chromite	Quantity Produced	tonnes	174,095	174,095	-	0%
		Produced Value	PGK	108,637,694	108,637,694	-	0%
		Quantity Exported	tonnes	174,095	108,395	- 65,700	-61%
		Exported Value	PGK	108,637,694	67,639,983	- 40,997,711	-61%
Hidden Valley mine	Gold	Quantity Produced	oz	122,787	122,787	0	0%
		Produced Value	PGK	777,020,946	775,729,796	1,291,150	0%
		Quantity Exported	oz	120,454	120,454	0	0%
		Exported Value	PGK	521,604,653	760,990,633	-239,385,980	31%
	Silver	Quantity Produced	oz	2,085,197	2,085,198	1	0%
		Produced Value	PGK	156,994,354	153,389,968	3,604,386	2%
		Quantity Exported	oz	2,019,110	2,055,080	-35,970	2%
		Exported Value	PGK	96,140,236	151,174,447	-55,034,211	36%
Edie Creek mine	Gold	Quantity Produced	oz	N/A	65	-65	N/A
		Produced Value	PGK	N/A	415,090	-415,090	N/A
		Quantity Exported	oz	N/A	65	-65	N/A
		Exported Value	PGK	N/A	415,090	-415,090	N/A
	Silver	Quantity Produced	oz	N/A	62	-62	N/A
		Produced Value	PGK	N/A	4,885	-4,885	N/A
		Quantity Exported	oz	N/A	62	-62	N/A
		Exported Value	PGK	N/A	4,885	-4,885	N/A
Mt. Fubilan mine/ Ok Tedi mine	Gold	Quantity Produced	oz	238,924	248,102	9,177	4%
		Produced Value	PGK	1,505,000,000	1,527,844,693	22,844,693	1%
		Quantity Exported	oz	246,278	247,032	754	0%
		Exported Value	PGK	1,551,322,115	1,521,258,438	-30,063,677	-2%
	Silver	Quantity Produced	oz	541,967	542,864	897	0%
		Produced Value	PGK	37,000,000	37,061,241	61,241	0%
		Quantity Exported	oz	546,948	553,589	6,641	1%
		Exported Value	PGK	37,340,032	37,793,392	453,360	1%
	Copper	Quantity Produced	tonnes	70,099	73,301	3,202	4%
		Produced Value	PGK	2,144,000,000	2,114,424,915	-29,575,085	-1%
		Quantity Exported	tonnes	72,090	72,091	1	0%
		Exported Value	PGK	2,204,893,012	2,079,526,740	-125,366,271	-6%
Simberi mine	Gold	Quantity Produced	oz	N/A	61,349	-61,349	N/A
		Produced Value	PGK	N/A	377,659,299	-377,659,299	N/A
		Quantity Exported	oz	N/A	55,497	-55,497	N/A
		Exported Value	PGK	N/A	341,634,878	-341,634,878	N/A
	Silver	Quantity Produced	oz	N/A	21,895	-21,895	N/A
		Produced Value	PGK	N/A	1,670,001	-1,670,001	N/A
		Quantity Exported	oz	N/A	21,895	-21,895	N/A
		Exported Value	PGK	N/A	1,670,001	-1,670,001	N/A

*N/A indicates that data has not been made available for reconciliation and so a variance percentage is not meaningful

8.5.2 Oil and gas production 2022

	PNG LNG (ExxonMobil Operated)			Oil and Associated Gas (Santos Operated)		
Commodity quantity	**Produced**	**Exported**	**Remarks**	**Produced**	**Exported**	**Remarks**
Oil (stbo)				7,346,467		Barrels
PNG LNG Condensate (stbop)	7,346,628		Barrels Barrels for the whole year. PNGL LNG condensate from Hides HGCP that goes by pipeline to the OSL operated Central processing			

			facility at Kutubu			
PNG LNG liquids/Plan Naphtha (stbop)	1,414,720	1,345,971	Barrels for the whole year. Naphtha produced and exported from the PNG LNG Plant.	-	-	
Crude Oil				3,825,386		Barrels for the whole year
	PNG LNG (ExxonMobil Operated)			**Oil and Associated Gas (Santos Operated)**		
Hides Gas (MMscf)	365,023		MMscfGross PNG LNG gas produced from HGCP			
PNG LNG Associated Gas (MMscf)				479,568		MMCF. Associated Gas from Kutubu, Gobe main, SEG – goes to the PNG LNG plant
PNG LNG Project LNG (tonnes)	8,599,686	8,498,802	tonnes			
Domestic Gas (mmscf)		4,036	Mmscf PNG LNG domestic gas sold from LNGP to Niupower (including dirio) to generate electricity for POM			
Electricity sales to PNG Power (mmscf)		168	PNG LNG gas converted to electricity and sold to PNG Power at LNGP (-14MW)			
PNG LNG Project Naptha (stbopd)						

9 Recommendations

This section provides the following:

4. The update and assessment on the implementation of Recommendations from prior years' EITI Reports,
5. The update on implementation of the Corrective Actions and Recommendations from PNG's 2022 Validation Report,
6. New recommendations i.e. those arising from the 2022 EITI Report. These are divided into the following categories:
    a. For the MSG and the National Secretariat,
    b. For government agencies
    c. For reporting companies
    d. For civil society organizations

Table 9-1 below provides a summary of all these Recommendations and Corrective Actions. The full text of prior year Recommendations and of the Validation Report Corrective Actions and Recommendations can be found the relevant EITI Report referenced in the table. The table provides a reference to the relevant section of this report, the subject of the Recommendation or Corrective Action, its current status, the EITI Report in which it originally appeared and the relevant reference in that report. Previous EITI reports can be found at: https://www.pngeiti.org.pg/pngeiti-reports/

The current status of each Recommendation or Corrective Action is based on the following scale:

- Little/no progress: there has been no significant developments since the publication of the 2021 EITI Report,
- Some progress: actions to address the Recommendation have been completed since publication of the FY2021 report but further actions are required to close out the Recommendation or Corrective Action,
- Cleared: the Recommendation has been fully addressed since publication of the 2021 EITI Report
- New: Recommendation made in the 2022 EITI Report.

9.0 Summary of recommendations and progress

Table 9-1: Summary of Recommendations and Corrective Actions

See sub-section below	Subject of Recommendation	Status	Source
Prior year Recommendations			***EITI Report***
1	2016 Validation Report Corrective Actions and Recommendations	Superseded by 2022 Validation	Pre 2021
2	Data collection from reporting entities – timeliness and accuracy	Little/no progress	Pre 2021
3	Definition of government revenue - inconsistency	Some progress	Pre 2021
4	Reconciliation of mandatory and social expenditures	Superseded by new recommendation below, 8.3.1.m	Pre 2021

5	Increase data availability through PNG government web portals for licence allocation	Some progress	Pre 2021
6	Assurance and compliance reviews over royalties and levies	Some progress	Pre 2021
7	Improve comprehensiveness of data	Little/no progress	Pre 2021
8	Improve consistency of data reported	Little/no progress	Pre 2021
9	Co-ordinated reconciliation of sub-national payments and transfers	Little/no progress	Pre 2021
10	Address findings of the PNG Beneficial Ownership Report 2020	Some progress	Pre 2021
11	Availability of Financial Reports	Some progress progress	Pre 2021
Validation Report Corrective Actions and Recommendations			*Validation Report 2022*[90]
	Requirement 1.5: EITI work plans	Some progress	p15
	Requirement 7.2: EITI data is available in open format online	Some progress	p15
	Requirement 7.3, the MSG should regularly consider findings and recommendations from the EITI process	Some progress	p15
	Requirements 7.1 and 7.4, the MSG is encouraged to consider how EITI implementation could have an increased impact on extractive sector governance through analysis and other use of data	Some progress	p15
	Requirement 1.1: Reinvigorate high-level political leadership in the EITI process	Little/no progress	p20
	Requirement 1.2: Extractive companies engagement in the reporting process.	Little/no progress	p20
	Requirement 1.3: Strengthening civil society engaged in the EITI	Little/no progress	p20
	Requirement 6.3: Systematic disclose on government websites	Some progress	p22
	Requirement 2.1: Publish a summary description of the fiscal regime	Some progress	p24
	Requirement 2.4: Contract and licence transparency	Little/no progress	p24
	Requirement 6.4: Disclosures on environmental management and monitoring	Some progress	p25
	Requirement 2.2: Awarding and transferring of licences	Some progress	p27
	Requirement 2.3: Publicly disclose information on all active oil and gas licences	Some progress	p27
	Requirement 2.5: Beneficial ownership	Some progress	p31
	Requirements 2.6, 4.5 and 6.2: State-owned enterprises	Some progress	p35
	Requirement 3.2: Value of oil and gas production disaggregated by commodity	Some progress	p38
	Requirement 3.3: Value of oil and gas exports disaggregated by commodity	Some progress	p38
	Requirement 4.3: regularly review the existence of infrastructure and barter agreements in the extractive sector	Not applicable	p40

[90] https://eiti.org/sites/default/files/2022-11/PNG%20Final%20Validation%20report%202022.pdf

	Requirement 4.4: annually disclose pipeline fees collected by the government	Not applicable	p40
	Requirement 4.7: Project level reporting and substantially interconnected agreements	Cleared	p40
	Requirement 4.8: Improve the timeliness of disclosures of extractive sector data, through systematic disclosures and timelier EITI reporting	Cleared	p40
	Requirement 4.9: Ensure that reporting entities comply with the data quality assurances agreed by the MSG	Some progress	p40
	Requirement 5.1: Clearly document for each fiscal year which extractive revenues are recorded in the national or subnational budgets, including the volume of these revenues	Some progress	p42
	Requirement 5.3: disclose information that will further public understanding and debate around issues of revenue sustainability and resource dependence	Some progress	p42
	Requirements 4.6 and 5.2: agree on materiality and classification of direct subnational payments and transfers	Superseded by new recommendation below, 8.3.1.n	p47
	Requirement 6.1: ensure that all social expenditures are clearly categorised and that material mandatory social expenditures are comprehensively disclosed	Superseded by new recommendation below, 8.3.1.m	p47
Recommendations arising from 2022 EITI Report			
For the MSG and the National Secretariat			
8.3.1.a.	Familiarize themselves with the 2023 Standard and develop action plan to address new requirements and priorities for expected and encouraged provisions of the Standard		New
8.3.1.b.	Ensure 2024 workplan and subsequent workplans address the Validation recommendations		New
8.3.1.c.	Put in place a process to keep its beneficial ownership registry up to date, including asking companies to make an annual confirmation that their beneficial ownership data is accurate as part of the annual reporting process.		New
8.3.1.d.	Consider establishing a separate page on its website for the beneficial ownership registry so that it is easier to locate.		New
8.3.1.e.	Continue to advocate for beneficial ownership legislation in the country.		New
8.3.1.f.	Implement a strategic plan for communications and outreach including a plan for the production of the next and future annual reports targeted at companies and government agencies including issuing an invitation/launch document in the name of the Minister, giving as much advance warning as possible for the data collection period, encouraging companies and government agencies to engage early		New
8.3.1.g.	Arrange training for company and government agency staff with responsibility for completing and approving EITI reporting templates		New
8.3.1.h.	Continue to advocate for an EITI law to place PNGEITI on a statutory basis and create legal obligation on companies, government agencies and SOEs to provide relevant data for EITI reporting.		New
8.3.1.i.	Ensure key contact list for all reporting companies, government agecnies and CSOs is maintained with named point of contact for each entity.		New
8.3.1.j.	Encourage company and government stakeholders to provide as much data sa possible through their own websites and update the information on a timely basis.		New
8.3.1.k.	Ensure the IA is appointed before the conclusion of quarter one in the year subsequent to reporting year. E.g. March 2024 for the 2023 PNGEITI report.		New

8.3.1.l.	The secretariat should always ensure that the IA gives the templates and the source documents, table and graphs etc to them at the conclusion of each year's report in a machine readable format.	New
8.3.1.m	Develop a clear definition of mandatory and voluntary social expenditure and investigate the scope for reconciling this data given that there may be no government agency involved in collecting or monitoring such expenditures.	New
8.3.1.n	Develop clear guidance on the materiality and classification of subnational payments and transfers	New
For government agencies		
8.3.2.a.	Familiarize themselves with the 2023 Standard and in particular any new reporting requirements or other obligations for government agencies	New
8.3.2.b.	Provide data when requested during the EITI data collection process	New
8.3.2.c.	Engage early, especially to signal any potential delays or other challenges to providing requested data	New
8.3.2.d.	Review what information required by the EITI Standard could be provided through the agency's website on a regular basis and implement an action plan to make that information available	New
8.3.2.e.	Develop a solution to the burdensome process for the reconciliation of Royalty and Development Levy payments by oil and gas companies due to current multiple cross departmental data/information custody and responsibilities.	New
8.3.2.f.	Where possible for the key reporting government entities like, DPE, IRC, Customs, MRA and CEPA there must be back up point of contact. This is important for continuity and timely and accurate return of templates.	New
For reporting companies		
8.3.3.a	Familiarize themselves with the 2023 Standard and particularly the new provisions directly applicable to companies	New
8.3.3.b	Provide data when requested during the EITI data collection process	New
8.3.3.c	Engage early, especially to signal any potential delays or other challenges to providing requested data	New
8.3.3.d	Ensure all staff who are responsible for supplying information to, completing and approving EITI reporting templates are familiar with EITI and its requirements	New
8.3.3.e	Maintain records of the company's beneficial owners and ensure it is kept up to date	New
8.3.3.f.	Implement the relevant recommendations in the contract transparency report	New
8.3.3.g.	For SOEs, implement the relevant recommendations in the SOE Scoping Study Report	New
8.3.3.h.	Ensure all members of staff responsible for providing data for EITI reporting and approving the submission of data to the IA receive training on the EITI requirements, incliding attending any training provided by PNGEITI or the IA.	New
For civil society organizations		
8.3.4.a.	Familiarize themselves with the 2023 Standard and engage with the MSG and Secretariat to understand which expected and encouraged issues will receive focus	New
8.3.4.b.	Identify opportunities to increase awareness of EITI and the information provided through EITI reports. In particular, identify opportunities to use the information to increase understanding of the contribution that the extractive industries make to PNG's socio-economic development	New
8.3.4.c.	Advocate with government to increase the amount of information that is made available through government websites on a regular basis	New
8.3.4.d.	Advocate for beneficial ownership legislation in PNG	New
8.3.4.e.	Advocate for the removal of barriers to contract transparency in PNG	New
8.3.4.f.	Implement the relevant recommendations in the contract transparency report	New

PNGEITI, 2022 REPORT

PNGEITI

KTK
Kuna Taberia Kiruwi
ACCOUNTANTS & ADVISORS

engaged

MICHAEL BARRON
Consulting

PNGEITI

PNGEITI 2022 REPORT
ANNEXES

RELEASED: JUNE 2024

KTK Kuna Taberia Kiruwi ACCOUNTANTS & ADVISORS | engaged | MICHAEL BARRON Consulting

Annex A – PNG MSG voting members and alternates for 2022

Type	Primary	Alternate 1	Alternate 2	Organisation
GoPNG	Hon. Ian Ling-Stuckey, CMG, MP MP Treasurer & PNGEITI Chairman	Dairi Vele Secretary	Andrew Oaeke -Acting Deputy Secretary, Economic Policy Division Donald Hehona -First Assistant Secretary - Sectoral Policy Division	Department of Treasury
GoPNG	NIL	NIL	Jeffrey Murley- Senior Policy Officer Bruce Java	Department of Prime Minister * National Executive Council (PMNEC)
GoPNG	Sam Koim Commissioner General	NIL	Ketty Masu- Director Resource Policy and Advice	Internal Revenue Commission
GoPNG	Jerry Garry - Managing Director	NIL	Arnold LakamangaManager - GIS Mineral Information	Mineral Resources Authority
GoPNG	Gunther Joku - Managing Director	Michael Wau - Deputy Director - Environmental Regulation Division	Robert Sine - Manager - Mining Industry Compliance	Conservation & Environment Protection Authority (CEPA)
GoPNG	David Manau Secretary Channan Kumalau Director, Special Projects	NIL	NIL	Department of Petroleum & Energy (DPE)
GoPNG	Dr. Ken Ngangan Secretary	Samuel Penias Deputy Secretary Support Wing	Margaret Tenakanai Acting Deputy Secretary - Support Services Wing	Department of Finance (DoF)
GoPNG	Koney Samuel Secretary	Sanja Pepae Assistant Secretary - Economic Policy Division	Langa Kopio Assistant Secretary - Social &General Policy Branch Marie Pais - First Assistant Secretary Economic Sector Division	Department of National Planning & Monitoring (DNPM)
GoPNG	Harry Kore Secretary	Winterford Eko Acting Deputy Secretary	Asavi KenduaActing Director - Mineral Policy & Legislation Division	Department of Mineral Policy & Geohazards Management
GoPNG	Gordon Kega, CPA Acting Auditor General	Albert Kimisi Acting Deputy Auditor General - Corporate Services Division	Lemeki Ila Deputy Auditor General - Statutory Bodies Audit Division	Auditor General's Office
Industry	Prof. Albert Mellam Executive Director	Leah Warupi-Morlin Project Coordinator	Jimmy Yareba Project Coordinator	PNG Chamber of Mines & Petroleum
Industry	Stanley Komunt Country Manager	Stanley Komunt Manager - Government Relations & Country Office	Anna Madgwick Manager - Social Investment & National Engagement	Newcrest Mining Limited

ANNEX - A

Type	Primary	Alternate 1	Alternate 2	Organisation
Industry	Musje Werror Managing Director	Roberto Justo Acting Finance Manager	NIL	Ok Tedi Mining Limited (OTML)
Industry	Karo Maha-Lelai, Country Manager	George Koi, Head of Legal	Shane Kennedy, Superintendent – Tax & Compliance	Barrick (Niugini) Limited
Industry	Kepas Wali Executive General Manager Stakeholder Relations and Corporate Affairs PNG	Mary McKinlay Manager - Tax and Technical Accounting	Aubrey Testa Chief Financial Officer - EXCO	Harmony Gold (PNG) Exploration Limited
Industry	Philip Samar - Vice President - External	NIL	NIL	Kainantu Gold Mine
Industry	Peter Larden - Lead Country Manager	Hitesh Lal - General Manager, External Affairs	Maui Alaluku - Government Relations Lead	Exxon Mobil PNG Limited
Industry	Gerea Aopi PNG Country Chairman	Wayne Kasou General Manager Government Affairs	Cornelius Soagai Government Affairs Lead	Oil Search (PNG) Limited
Industry	Jean-Marc Noiray Managing Director	Richard E. Kassman Manager-Exploration / Production, and PNG Chamber of Mines & Petroleum Chairman	Fiona-Opal Pagla Manager - Government Relations	Total E&P Limited
SOE	Isikeli Taureka Managing Director	Judith Kuk - Chief Financial Officer	Executive Manager SOEs & Projects	Kumul Consolidated Holdings (KCH)
SOE	Wapu Sonk Managing Director	Luke Liria Executive Manager - Corporate Services	Greg Heaney - Chief Financial Officer	Kumul Petroleum Holdings Limited (KPHL)
SOE	Peter Graham Chairman & Acting Managing Director	Francis M. Lola Company Secretary & Manager, Legal	NIL	Kumul Mineral Holdings Limited (KMHL)
SOE	Augustine Mano Managing Director	Imbi Tagune General Manager - External Affairs	Steven Evekone Manager -External Affairs	Mineral Resources Development Company (MRDC)
CSO	Interim CSO Coordinator	NIL	NIL	PNG Resource Governance Coalition (PNG RGC) (c/- CIMC)
CSO	Peter Aitsi Chairman	Arianne Kassman Executive Director	Yuambari Haihuie Deputy Director, Policy and Advocacy Barbra Ruin Advocacy Liaison Officer Michael Arnold Communications Officer	Transparency International PNG (TIPNG)
CSO	Paul Barker Executive Director	Deputy Director	Steven Goie Research Officer	Institute of National Affairs (INA)

Type	Primary	Alternate 1	Alternate 2	Organisation
CSO	Wallis Yakam Executive Officer	Henry Yamo Deputy Executive Officer	Elizabeth Avaisa Snr. Project Officer - Public Budgets & Expenditure	Consultative Implementation & Monitoring Council (CIMC)
CSO	Executive Director	Harrison Owage Program Manager	Baru Amenu - Project Coordinator	PNG Mining Watch Association
CSO	Bishop Denny Guka Chairman	Isu Aluvula, MBE ML General Secretary	NIL	PNG Council of Churches (PNGCC)
CSO	NIL	Alois Sinen - Legal Intern	NIL	Centre for Environmental Law & Community Rights (CELCOR)

Annex B – Mining projects 2022

1 Mining projects operating in 2022

Details on the mining projects that will be underway in PNG in 2022 are provided in this section. The ownership arrangements are indicated with any modifications that took place throughout the 2022 reporting period. Free on board (FOB) numbers supplied by the MRA are the export values included in summary. The values that customs records when mining goods are exported are known as FOB values.

Ownership information

In the ownership structure figures, the orange boxes identify the operator of the mine, (or dark orange in some cases the owner of the operator). This is the reporting entity that provides the majority of EITI reporting information. The other joint venture owners were also asked to provide contextual information and to notify the amount of tax paid for the data reconciliation process. Beneficial ownership (to the extent known) is shown in grey and the mine site in blue.

Data compliance and reconciliation

An overview of the completeness of the data supplied for each project is included in the discussion of projects that follows, as shown by the legend below. In cases when organizations gave us insufficient details, we asked the respective entities and conduct research for clarification.

As shown in the legend below, we have also provided the state of reconciliation. Chapter 8: Reconciliation results 2022 goes into further detail on revenue reconciliation.

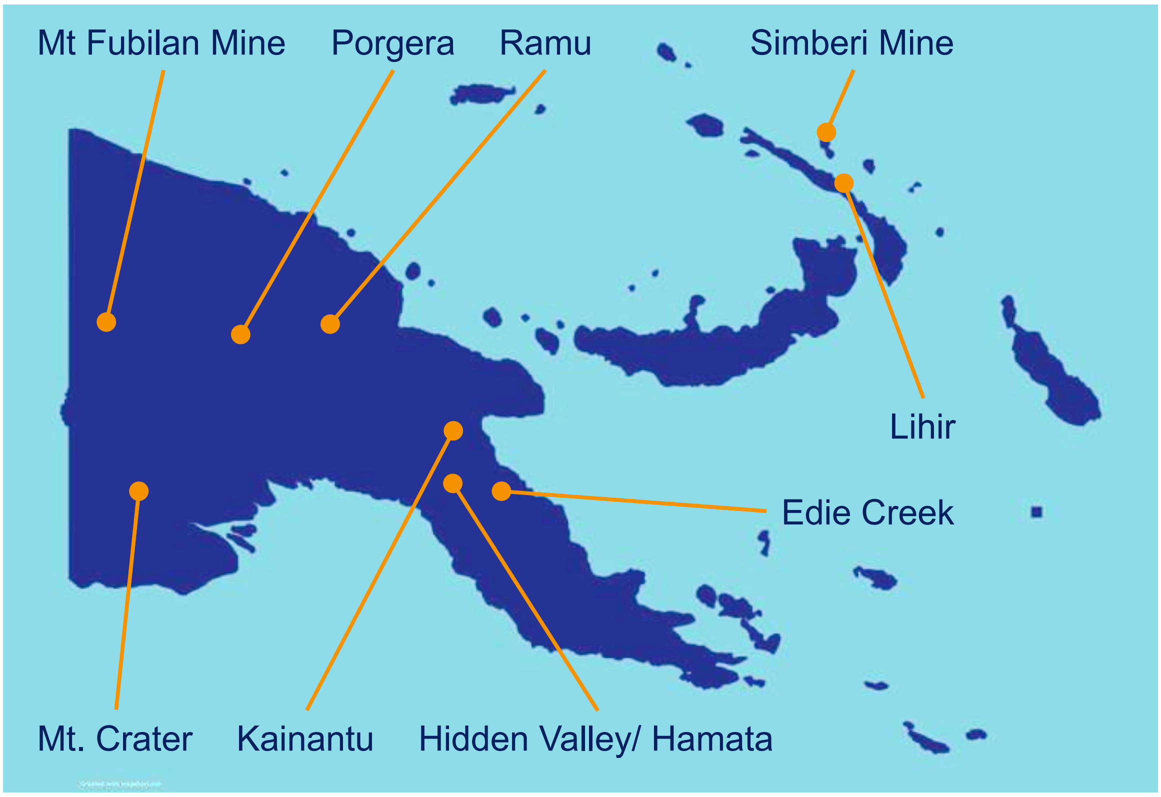
Data provided	
	Provided in full
	Substantially provided
	Partially provided

Status of reconciliation	
	Fully reconciled
	Partially reconciled
	Not reconciled

Table 1-1 Reporting by mining companies

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Subnational payments	Status of reconciliation
Barrick Niugini Ltd (Porgera mine)						
Barrick Niugini Limited	Yes	Yes				
Mineral Resources Enga Ltd	No	No				Not required
K92 Mining Ltd (Kainantu)						
K92 Mining Ltd	Yes	Yes				
Lihir Gold Ltd (Luise Caldera mine)						
Lihir Gold Ltd	Yes	No				
MCC Ramu Nico Ltd (Ramu Nickel, Kurumbukari mine)						
MCC Ramu Nico Limited	No	No				
Ramu Nickel Limited	No	No				Not required
Mineral Resources Madang Limited	No	No				Not required
Mineral Resources Ramu Limited	No	No				Not required
Morobe Consolidated Goldfields Ltd (Hidden Valley Mine)						
Morobe Consolidated Goldfields Limited	No	Yes				
Niuminco Edie Creek Ltd (Edie Creek mine)						
Niuminco Edie Creek Limited	No	No				Not required
Niuminco EC Limited	No	No				Not required
Ok Tedi Mining Limited (Mt Fubilan mine)						

Ok Tedi Mine Limited	Yes	Yes				
Simberi Gold Company Ltd (Simberi mine)						
Simberi Gold Company Limited	Yes	No	Not yet provided	Not yet provided	Not yet provided	**N/A**



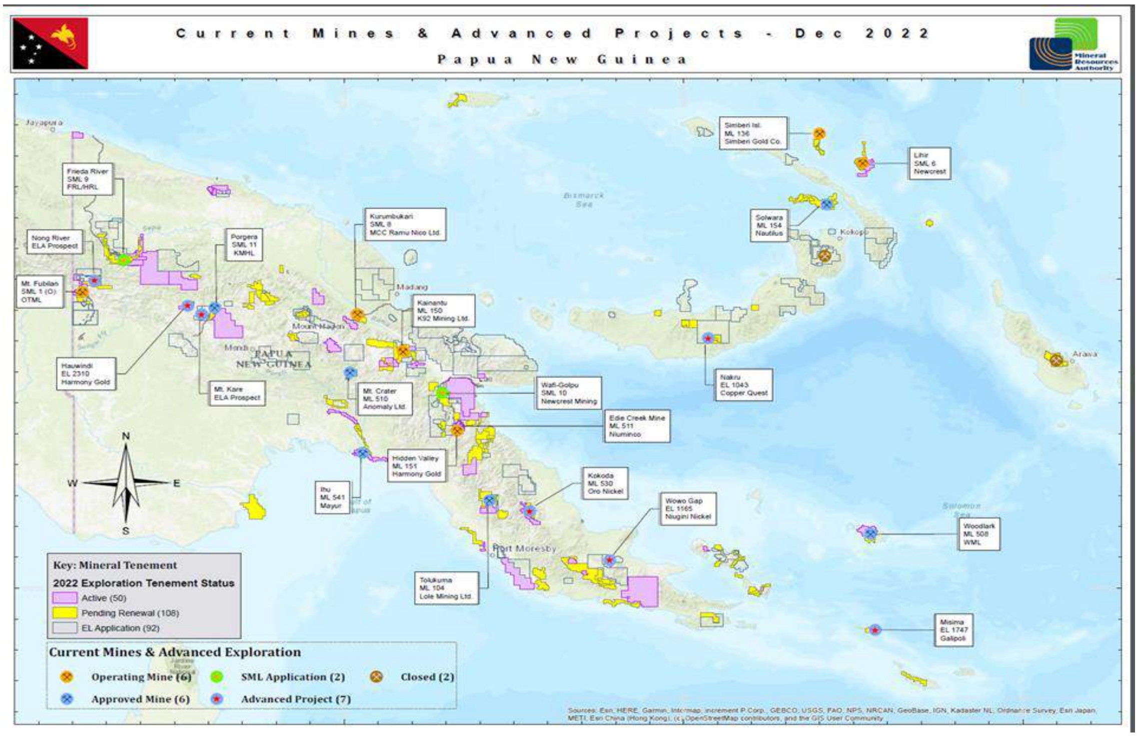


Figure 1-1 Maps of mining operations in 2022 provided by MRA

1.1 Barrick Niugini Ltd (Porgera mine)

Table 1-2 Porgera mine facts

Minerals	Gold and silver
Province	Enga
Mine opened	1989
Mine life (years)	License Expired last 16 Aug 2019 But aiming to restart operations in 2023[1]
Tenement	SML1 (P), ML101, SML13
2022 export value	Mine under care and maintenance

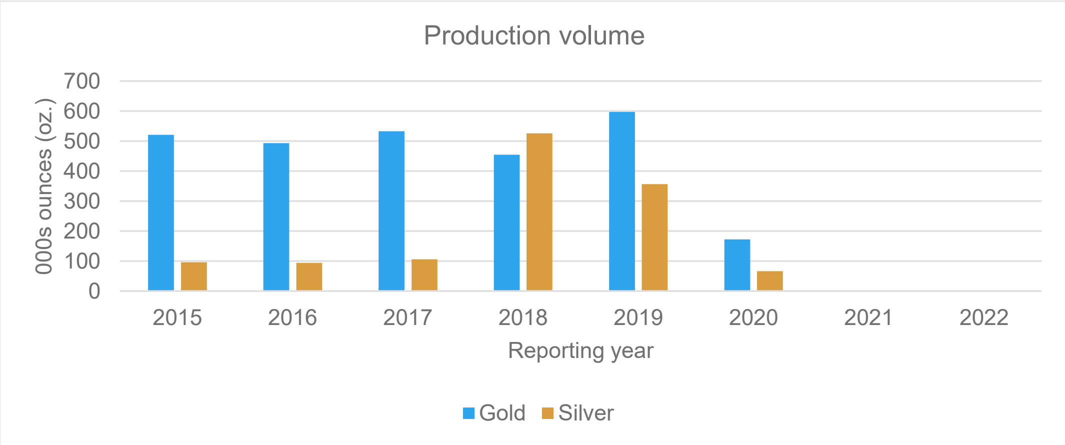


Figure 1-2 Porgera mine production volumes

The Porgera Gold Mine in Enga Province, Papua New Guinea (PNG), is an open pit and underground gold mine located at an altitude of 2,200-2,600 meters in the Enga Province of PNG, about 600 kilometres north-west of Port Moresby.

The Old Porgera that used to operate under Special Mining Lease (SML1) as an unincorporated Joint Venture Porgera. The new Porgera which has restarted the mine in late 2023 now operates under Special Mining Lease (SML13) as an incorporated company called "NEW PORGERA LIMITED".

The bullet points below set out chronology of key events that have transpired to the point of mine re-commencement:

- June 2017 – Application for 20 years extension of SML1
- 2nd August 2019 – National Court of PNG ruled that the provisions of the country's 1992 Mining Act applied to the Porgera gold mine, thus allowing it to continue operating while the application to extend its SML was being considered
- 16th August 2019 - SML1 Terminated
- 25 April 2020 – Porgera Gold Mine put on "Care and Maintenance"
- 9th April 2021 – Framework Agreement Signed for New Porgera with the Independent State of PNG and Kumul Minerals Holdings Limited (Kumul Minerals), a state-owned mining company, setting out the terms and conditions for the reopening of the Porgera mine.
- 15th October 2021 - The PPCA was signed by PNG, Kumul Minerals, BNL and its affiliate Porgera (Jersey) Limited.

[1] Mining Data Solutions, https://miningdataonline.com/property/611/Porgera-Mine.aspx

- 3 February 2022 - the Framework Agreement was replaced by the more detailed Porgera Project Commencement Agreement (the “PPCA”).
- February 2022 - PPCA became effective following signature by (MRE), the holder of the remaining 5% of the original PJV.[2]
- 21 April 2022, the PNG National Parliament passed legislation to provide, among other things, certain agreed tax exemptions and tax stability for the new Porgera joint venture. This legislation was certified on 30 May 30 2022
- 22 September 2022 – New Porgera Limited (NPL) was incorporated
- On 31 March 2023, BNL, the State and the NPL signed the New Porgera Progress Agreement.
- 13 June 2023, in accordance with the PPCA, NPL lodged an application with the Mineral Resources Authority for a new SML.
- 13 October 2023, the Governor General Sir Bob Dabae granted Special Mining Lease (SML) 13 to NPL, following the signing of the Mining Development Contract by the State and NPL. The State and NPL also executed the Fiscal Stability Agreement for the New Porgera project.
- 22 December 2023 – Completion of all registration and readiness activities
- 23 December 2023 – Re-Start of the mine under New Porgera Limited

Papua New Guinea stakeholders own 51% of New Porgera with BNL, which will operate the mine, holding 49%. Economic benefits will be shared 53% by the PNG stakeholders and 47% by Barrick.[3]

Table 1-3 Share of owners and consolidated payments on Porgera mine

Owners	Share from joint venture				Consolidated receipts reported by government agencies
	Percentage	Gross sales	Profit/(Loss) from operating activities	Net income/(loss)	
Barrick Niugini Limited	95.00%	nil	(519,154,505)	(377,444,315)	49,014,644
Mineral Resources Enga Ltd	5.00%	N/A	N/A	N/A	N/A

** Extracted from Barrick (Niugini) Limited signed 2022 financial statement[4]*

+ Converted using BPNG Average USD exchange rate (USD1: PGK3.5211) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

***Mineral Resources Development Company advised that the financial statements for the years ended 31 December 2021 and 31 December 2022 of Mineral Resources Enga Ltd are still not yet available.*

SWT, IWT, FCWT, BPT and MFWT are the main disbursements made to government.

[2] PNGEITI 2021 report, page 101
[3] Barrick press release dated 13 Oct 2023.
[4] Barrick (Niugini) Limited, 31 December 2022 Financial Statements, page 5.

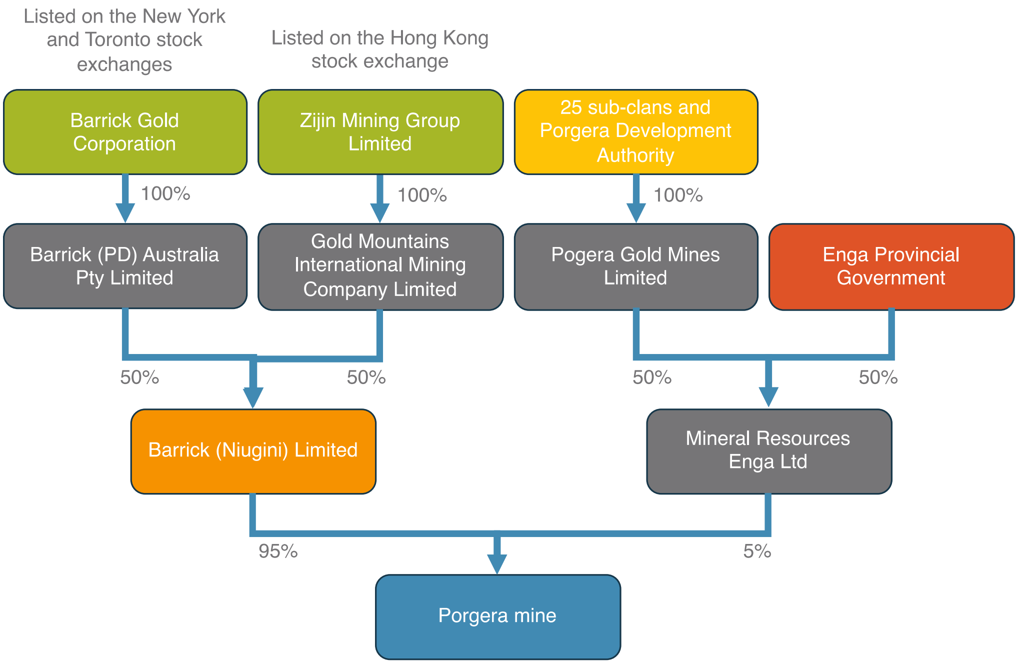


Figure 1-3 Porgera mine ownership structure during 2022

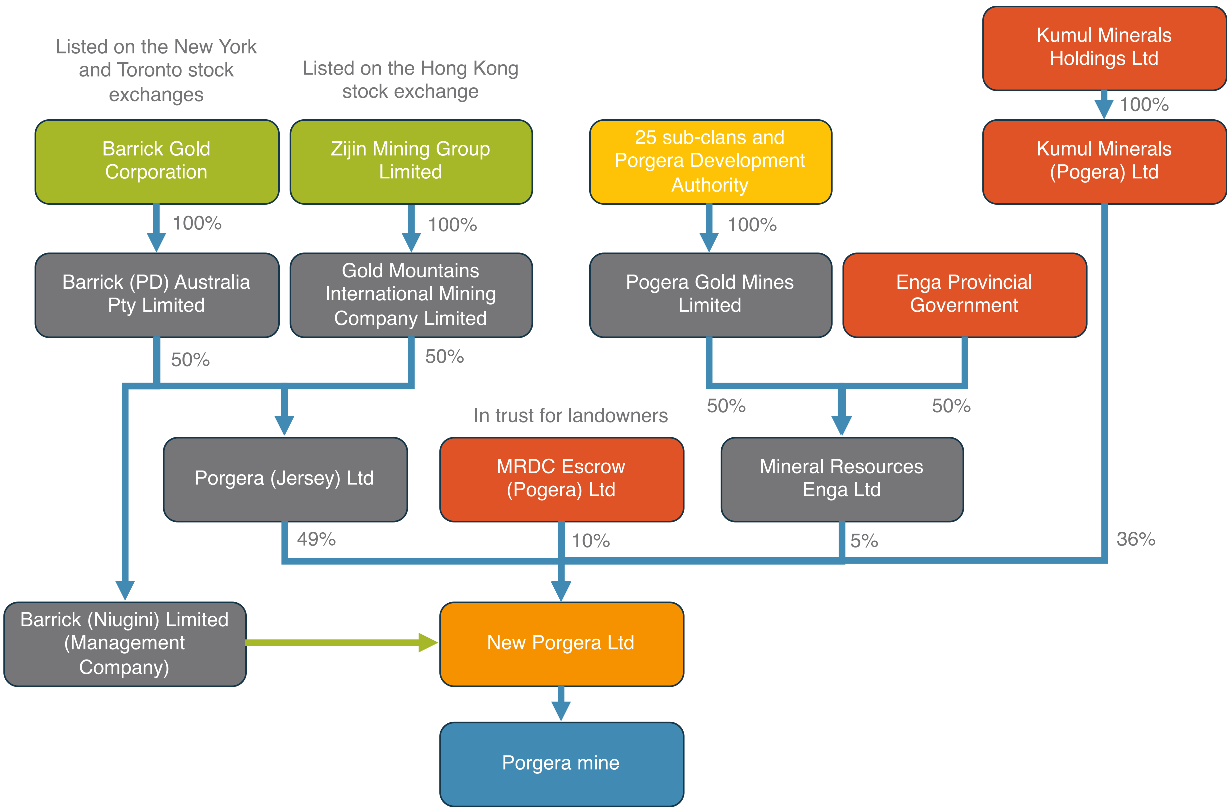


Figure 1-4 Porgera mine ownership structure post 2022

1.2 K92 Mining Ltd (Kainantu)

Table 1-4 Kainantu mine facts

Minerals	Gold, silver and copper
Province	Eastern Highlands
Mine opened	2005
Mine life (years)	7 years until 2029[5] (+5 years extension until June 2034)[6]
Tenement	ML150
2022 export value	PGK 833,889,083[7]

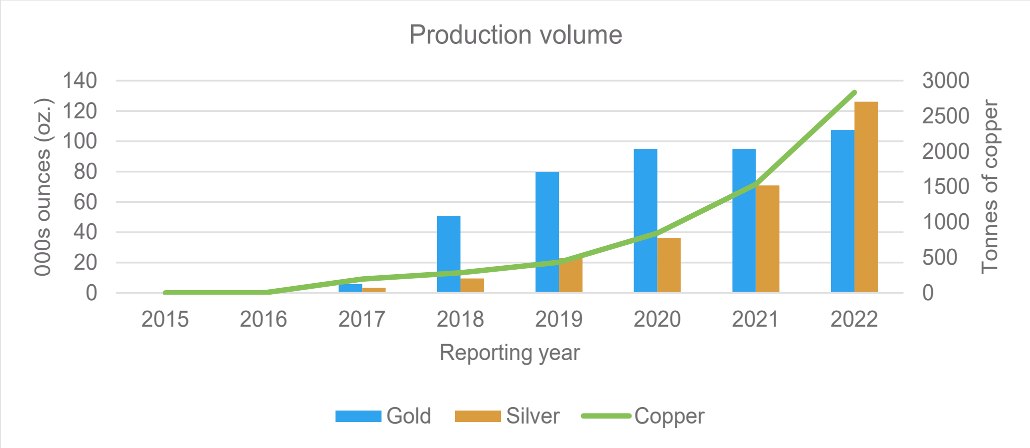


Figure 1-5 Kainantu mine production data, as reported by MRA

The Kainantu Mine, located in the Eastern Highlands province of PNG, is a high-grade, low-cost underground mine within a land package of approximately 701 square kilometres ("sq km") (under application to increase to 837 sq km) in a region known for Tier 1 deposits. The Company declared commercial production from Kainantu in February 2018 and has continued expanding its production and mineral resources since then.[8]

Following the renewal of Mining Lease 150 in December 2022, the Company is also advancing towards Stage 3 and Stage 4 Expansions to a production run-rate of over 291,000 oz of gold equivalent per year and 470,000 oz of gold equivalent per year, respectively. A new twin incline development is underway, to provide the major mine access infrastructure for increased production capability required for the Stage 3 and Stage 4 Expansions and potentially beyond to further expansions. Drilling to support potential further expansions is underway with eleven to thirteen drill rigs on site in 2023.[9]

This represents a significant turnaround in the fortunes of the K92 Mining Inc since it acquired the Kainantu Gold Mine in 2015 when it was under "Care and Maintenance" and had a designed throughput of 150,000 tpa

[5] Mining Data Solutions, https://miningdataonline.com/property/656/Kainantu-Mine.aspx,.
[6] K92 website, https://k92mining.com/kainantu-mine/, accessed on 28 November 2023 and MRA 2022 data template.
[7] PNG Customs 2022 data template.
[8] K92 Mining Inc. Annual Information Form for the year ended December 31, 2022, page 7.
[9] K92 Mining Inc. Annual Information Form for the year ended December 31, 2022, page 29.

Table 1-5 Financial highlights K92 mining project

Statement of Comprehensive Income Year ended 31 December 2022	US$ thousands*	PGK thousands+
Revenue	188,186	662,621
Cost of sales	96,272	338,983
Expenses	28,559	100,559
Others	6,024	21,211
Income tax expense	24,248	85,379
Income for the year	**35,523**	**662,621**
Geographic segmentation		
PNG	47,223	166,276
Canada	(11,700)	(41,196)
Income for the year	**35,523**	**125,080**

* *Extracted from K92 Mining Inc Annual Report*[10]

+ Converted using BPNG Average USD exchange rate (USD1: PGK3.5211) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Table 1-6 Project revenue and consolidated payments on Kainantu project

Project	Revenue	Income for the year	Consolidated receipts reported by government agencies
Kainantu	662,621,000	125,080,000	89,167,881
Total	**662,621,000**	**125,080,000**	**89,167,881**

CIT, SWT, CIT, Production levy and Royalties are the main disbursements made to government.

On 24 January 2022, the Company provided its operational outlook for 2022, announcing the Company expected a significant, year-over-year, increase in gold equivalent production of up to 34% to 115,000 to 140,000 oz, while also delivering low-cost production with an estimated cash cost of $560-$640 per oz gold and all-in sustaining cost (“AISC”) of $890-$970 per oz gold. Additionally, the Company announced plans to increase exploration activities.[11]

On 23 February 2022, the Company announced results from the maiden mineral resource estimate of the Judd deposit at the Kainantu Project. with measured and indicated resources of 0.13 million oz at 11.00 g/t AuEq and inferred resources of 0.18 million oz at 5.66 g/t AuEq. The resource is net of mining depletion of 64 kt at 12.2 g/t AuEq or 25 koz AuEq. The Judd deposit remains open in all directions. The maiden resource estimate at Judd follows the discovery of high-grade underground mineralization in the fourth quarter of 2020. The technical report containing the maiden resource estimate and titled, “Independent Technical Report Mineral Resource Estimate Update Kora and Judd Gold Deposits, Kainantu Project, Papua New Guinea” dated 31 March 2022, with an effective date of 20 January 2022, was filed on 4 April 2022.

On 9 August 2022, the Company announced a maiden mineral resource estimate at the Blue Lake porphyry copper-gold project, located approximately 4 km southwest of the high-grade goldcopper Kora and Judd intrusion-related deposits at the Kainantu Mine.

The resource declaration is the fifth largest known mineralized porphyry in Papua New Guinea in terms of pre-mined contained gold equivalent ounces, after the notable Golpu, Panguna, Ok Tedi

[10] K92 Mining Inc., 31 December 2021 Annual Report https://k92mining.com/investor/#filings,
[11] K92 Mining Inc. Annual Information Form for the year ended December 31, 2022, page 18.

Figure 1-6 Kainantu mine ownership structure

and Frieda River porphyry deposits. A technical report containing details of the maiden resource estimate, titled, "Independent Technical Report, Mineral Resource Estimate Blue Lake Porphyry Deposit, Kainantu, Papua New Guinea" dated 20 September 2022, with an effective date of 1 August 2022, was filed on 23 September 2022.[12]

On 6 December 2022, the Company announced that the Government of Papua New Guinea granted an extension of Mining Lease 150 (ML150) for the Kainantu Mine for a period of 10 years to 13 June 2034, well in advance of the original expiry date of 13 June 2024, highlighting the significant support of various levels of PNG Government and stakeholders of the Kainantu Mine.[13]

[12] K92 Mining Inc. Annual Information Form for the year ended December 31, 2022, page 18-20.
[13] K92 Mining Inc. Annual Information Form for the year ended December 31, 2022, page 20.

1.3 Lihir Gold Ltd (Luise Caldera mine)

Table 1-7 Luise Caldera mine facts

Minerals	Gold and silver
Province	New Ireland
Mine opened	1997
Mine life (years)	13 year until 2035[14] (+10 years until 2045)[15]
Tenement	SML6, ML125, 126
2022 export value	PGK 5,029,245,635[16]

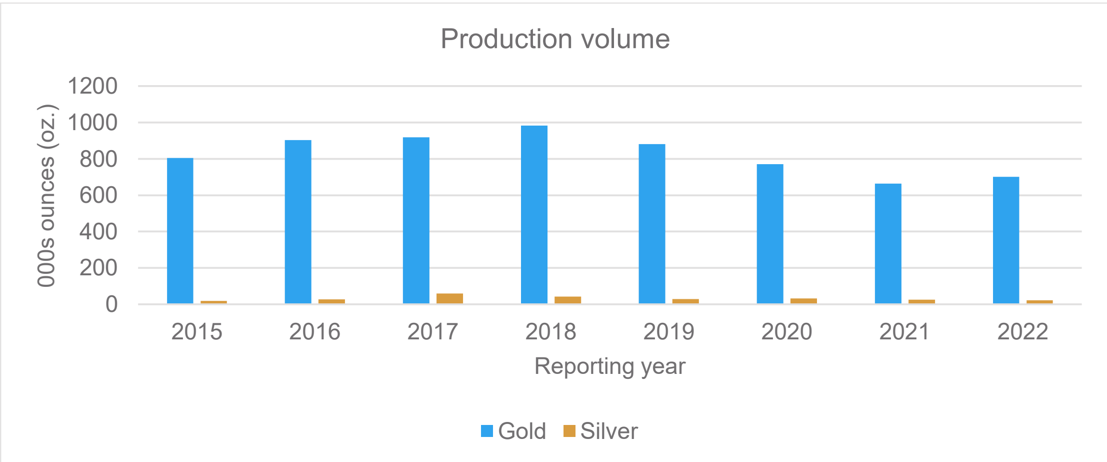


Figure 1-7 Luise Caldera mine production volumes

[14] MRA 2022 data template.
[15] Mining Data Solutions, https://miningdataonline.com/property/187/Lihir-Mine.aspx.
[16] PNG Customs 2022 data template.

Lihir is located on Niolam Island, 900km from Port Moresby, Papua New Guinea. Lihir is one of the world's largest producing gold mines, with Ore Reserves of 22Moz gold and Measured and Indicated Mineral Resources of 42Moz gold.[17]

Newcrest Mining Limited took over Lihir Gold Limited in August 2010 until it was acquired by Newmont on the 6th of November 2023 creating the world's leading gold mining company with robust copper production.

Table 1-8 Financial highlights Lihir Gold Limited

Statement of Comprehensive Income Year ended 30 June 2022	US$ millions*	PGK millions+
Revenue	1,222.5	4,304.5
Cost of sales	1,071.7	3,773.6
Expenses	10.3	36.3
Others	4.5	15.8
Income tax expense	35.5	125
Income for the year	100.5	353.9

**Extracted from Lihir Gold Limited 30 June 2022 Annual Report[18]*

+ Converted using BPNG Average USD exchange rate (USD1: PGK3.5211) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Lihir's lower operating and financial performance in FY22 reflects the impacts of major maintenance activity, lower autoclave availabilities and unplanned downtime. In FY22, Newcrest commenced its mining improvement program at Lihir which improved mining rates and culminated in a record for total material movements in the June 2022 quarter. The higher mining rates are expected to continue in FY23 in line with this improvement program.[19]

Table 1-9 Project revenue and consolidated payments on Lihir Mine

Project	Revenue	EBITDA	EBIT	Consolidated receipts reported by government agencies
Lihir (USD)	1,222,500,000	446,000,000[20]	145,000,000	
Total in Kina	**4,304,500,000**	**1,570,400,000**	**510,560,000**	**347,957,749**

SWT, CIT, FCWT, BPT, IWT, Production Levy and Royalties are the main disbursements made to government.

[17] Newcrest Annual Report 2022, page 18.
[18] Lihir Gold Limited Annual Financial Report for the year ended 30 June 2022, page 1.
[19] Newcrest Annual Report 2022, page 18.
[20] Newcrest Annual Report 2022, page 50.

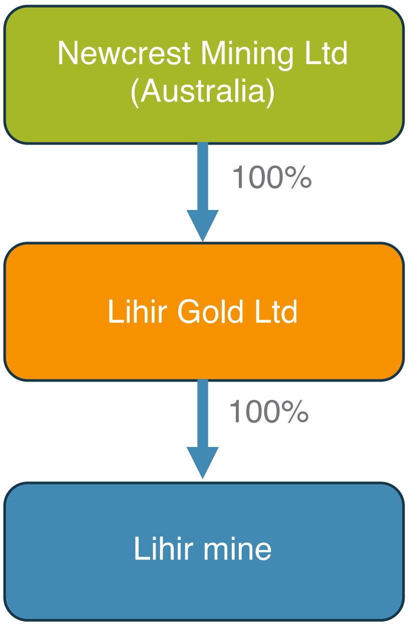


Figure 1-8 Lihir mine ownership structure (this will change in 2023 with the acquisition by Newmont)

1.4 MCC Ramu Nico Ltd (Ramu Nickel, Kurumbukari mine)

Table 1-10 Kurumbukari mine facts

Minerals	Nickel, cobalt and chromite
Province	Madang
Mine opened	2012 (construction completed)
Mine life (years)	11 years until 2033[21] (+7 years until 2040)[22]
Tenement	SML8
2022 export value	PGK 1,088,291,558[23]

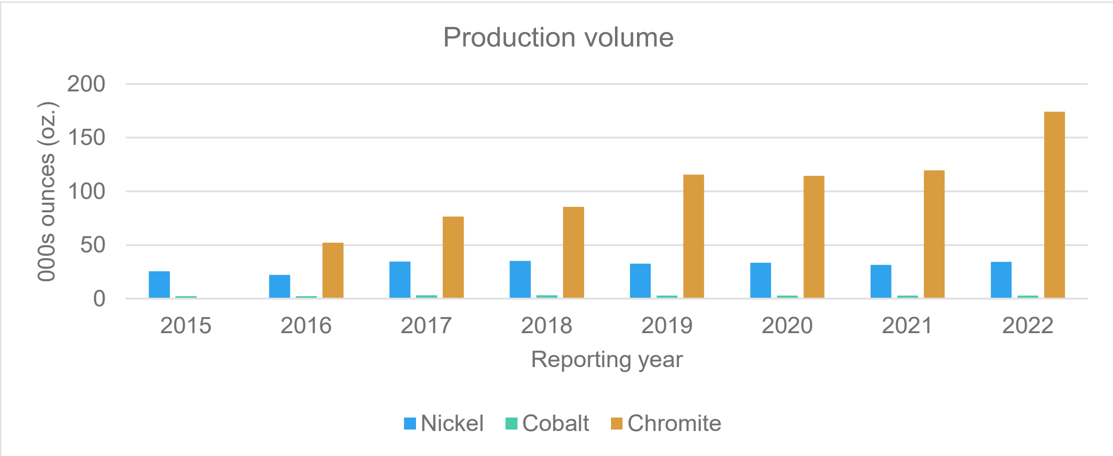


Figure 1-9 Kurumbukari mine production volumes

The US$2.1bn world class Ramu nickel project that integrates mining, beneficiation and refining is located near Madang, on the north coast of PNG. It is one of the largest and most ambitious mining and processing projects to have been successfully brought into production in PNG. It is composed of laterite open-pit mining, 135km slurry pipeline, high pressure acid leaching, deep sea tailings placement (DSTP) as well as a number of supporting facilities. The Project produces nickel/cobalt intermediate product, in which the aggregate nickel metal accounts for 31,000 tons per year and cobalt 3,000 tons per year.[24]

Table 1-11 Financial highlights Ramu Nickel project

Statement of Comprehensive Income **For the thirteen months ended 31 January 2023**	**Ramu Nickel Ltd** **US$***	**Recalculated gross balances for Ramu Nickel Project** **US$**	**Recalculated gross balances for Ramu Nickel Project** **PGK⁺**
Revenue	70,453,679	823,056,998	2,642,836,021
Production costs	34,375,628	401,584,439	1,414,018,968
Other costs	4,885,867	57,077,886	200,976,944
Depreciation and amortization	8,492,082	99,206,565	349,316,236
Net income	22,700,102	265,188,107	933,753,844

[21] Mining Data Solutions, https://miningdataonline.com/property/3323/Ramu-Mine.aspx
[22] MRA 2022 data template.
[23] PNG Customs data template.
[24] MRDC Website, https://www.mrdc.com.pg/ramu-nickel-cobalt-project.html#

* Extracted from Nickel 28 Capital Corporation page 15 (13 months ended) Annual Report[25]
^ Recalculated based on share percentage by Ramu Nickel Limited (Wholly-owned subsidiary of Nickel 28 Capital Corporation) (8.56%)
+ Converted using BPNG Average USD exchange rate (USD1: PGK3.5211) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Table 1-12 Share of joint venture partners and consolidated payments on Ramu Nickel project

Owners	Share from Joint Venture^			Consolidated receipts reported by government agencies PGK*
	Percentage	Gross sales PGK*	Share of profits PGK*	
MCC Ramu Nico Limited	85.00%	2,246,410,618	Not derived*	80,273,656
Ramu Nickel Limited	8.56%	226,226,763	79,929,329	Reported by Operator
Mineral Resources Madang Limited	2.50%	66,070,901	Not derived*	Reported by Operator
Mineral Resources Ramu Limited	3.94%	104,127,739	Not derived*	Reported by Operator
Total		2,642,836,021		

^ Share amounts are recalculated based on percentage share
** Per MCC Ramu Nico, the major Joint Venutrer in Ramu Nickel Project, the project is an unincorporated Joint Venture, which is contract based, and the Joint Venturers' intention is not to derive net income jointly as a result of the operation, but rather have right to take, deal with its individual share of product separately. Each party benefit from its share of Product other than Net Income. Not all items of Operating Costs are split between Joint Venturers according to their percentage share, especially the Depreciation of Fixed Assets. In addition, each party manage their own financing, hence, it is not possible to use Income Statement of MCC Ramu Nico to recalculate for the whole Project and other minor shareholders.* [26]

The main payments to Government agencies are SWT, FCWT, Production Levy and Royalties.

Nickel 28 Capital Corporation, Annual Report, https://www.nickel28.com/_resources/financials/Nickel-28-FS-uary-31-2023.pdf?v=0.974
Response by MCC Ramu in 2019 PNG EITI Report.

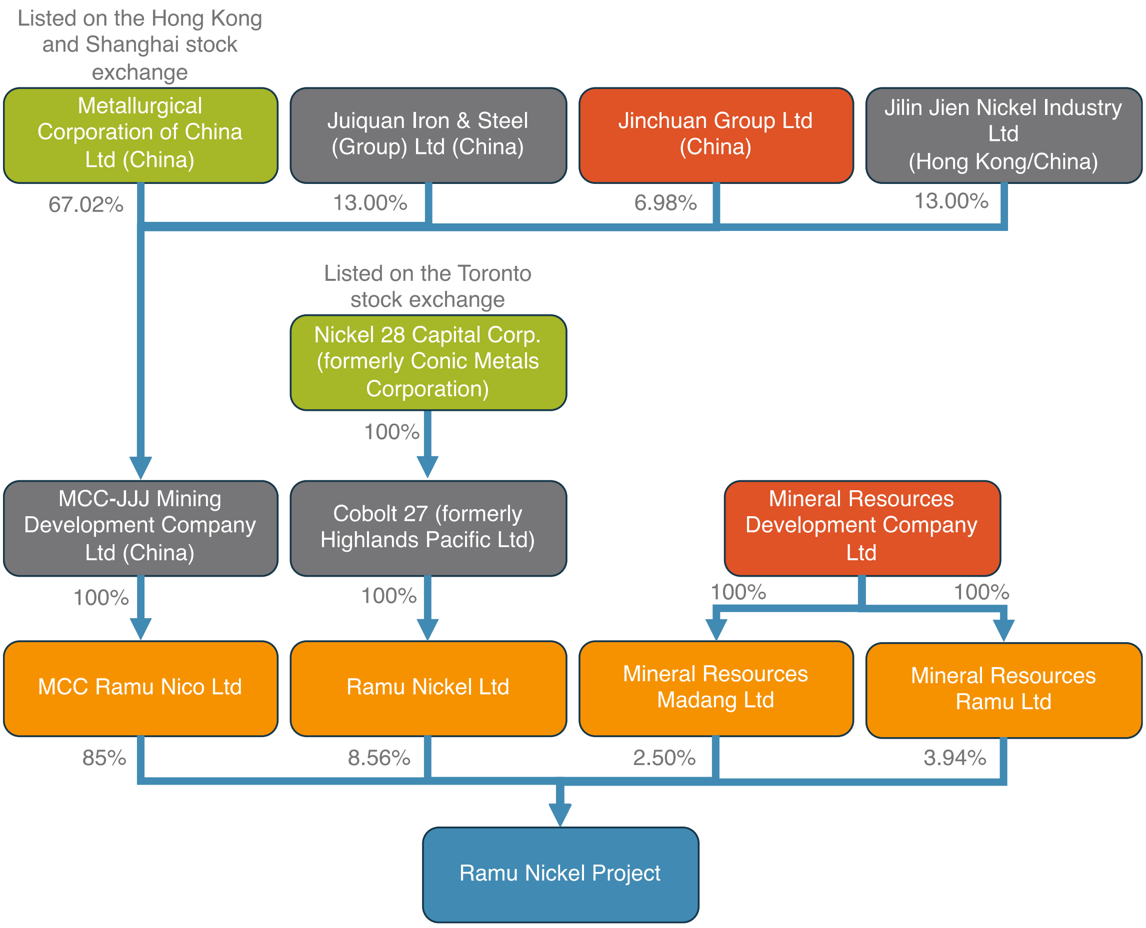


Figure 1-10 Ramu Nickel Project ownership structure

The project is an unincorporated joint venture between MCC Ramu (85%); Ramu Nickel Limited (8.56%), Mineral Resources Madang Limited (MRML 2.5%) and Mineral Resources Ramu Limited (MRRL 3.94%).

MRML and MRRL are two subsidiaries of Mineral Resource Development Company Limited (MRDC). MRML is the equity vehicle for the landowners from the SML, Pipeline, Coastal and Processing areas whilst MRRL is MRDC's investment vehicle in the project. Although MRDC is the registered shareholder of MRML, any dividend declared by MRML will be distributed to the landowners.

Ramu Nickel Limited is a subsidiary of Cobalt 27 (formerly Highland Pacific Ltd).

Ramu NiCo Management (MCC) Limited is the manager/operator of the project, appointed by all JV parties and was fully responsible for construction and development of the Project.[27]

[27] MRDC website, https://www.mrdc.com.pg/ramu-nickel-cobalt-project.html,

1.5 Morobe Consolidated Goldfields Ltd (Hidden Valley Mine)

Table 1-13 Hidden Valley mine facts

Minerals	Gold and silver
Province	Morobe
Mine opened	2009 (commenced production)
Mine life (years)	5 years (+3 years until 2030)[28]
Tenement	ML151
2022 export value	PGK 617,744,890[29]

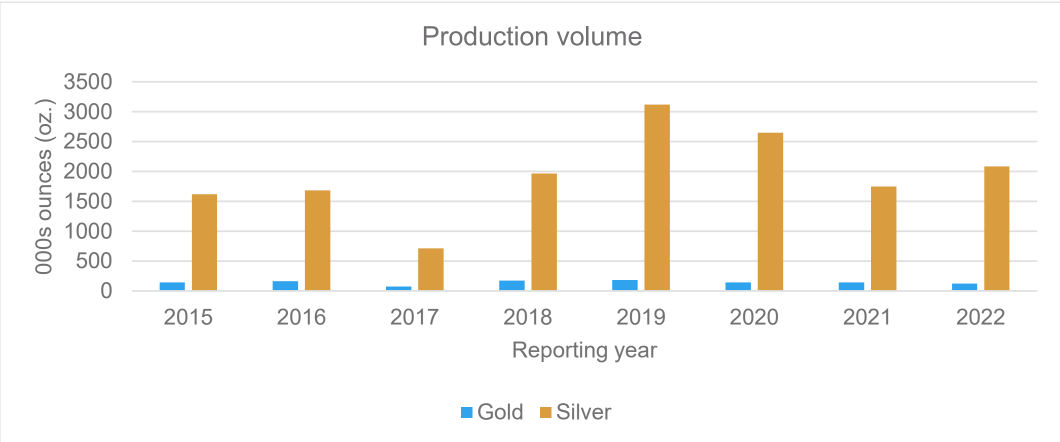


Figure 1-11 Hidden Valley mine production volumes

**As per MCG, there was an expansion project which resulted in lower production during 2017.*

The Hidden Valley mine is an open-pit gold and silver operation in Morobe Province, Papua New Guinea, some 210km north-west of Port Moresby. The mine is located at elevations of 2,800m to 1,700m above sea level in steep mountainous and forested terrain with high annual rainfall. The major gold and silver deposits of Hidden Valley are in the Morobe Granodiorite of the Wau Graben.

Crushed ore is conveyed from the pit via a 5.5km overland pipe conveyor and treated at the Hidden Valley processing plant using a two-stage crushing circuit followed by a semi-autogenous grinding mill, gravity, counter current decantation/Merril Crowe circuit for silver and a carbon-in-leach circuit for gold.[30]

Table 1-14 Financial highlights Hidden Valley

Accounts **Year ended 30 June 2022**	**South African Rand millions***	**PGK millions+**
Revenue	3,159	15,773
Production cost	(2,122)	(10,595)
Production profit	**1,037**	**5,178**
Mining assets	4,141	20,676
Capital expenditure	1,249	6,236

[28] Mining Data Solutions, https://miningdataonline.com/property/186/Hidden-Valley-Mine.aspx,
[29] Morobe Consolidated Goldfield Ltd's data.
[30] Harmony website, https://www.harmony.co.za/operations/png/hidden-valley/,

** Extracted from Harmony Gold Mining Annual Financial Report[31] (30 June 2022) Segment Reporting, page 118*

+ Converted using BPNG Mid-Range (30 June 2022) Rand (South Africa) exchange rate (1PGK: ZAR4.9931)[32] – this is for presentation only. Actual results may differ due to use of exchange rate translation.

At 30 June 2022, Hidden Valley accounted for 29% of Harmony Group Mineral Resources and 46% of Harmony Group Mineral Reserves, both inclusive of gold and gold equivalent ounces.

Table 1-15 Project revenue and consolidated payments on Hidden Valley

Project	Revenue PGK*	Production profit PGK*	Consolidated receipts reported by government agencies PGK*
Hidden Valley	15,773,000,000	5,178,000000	59,956,344
Total			

The main payments to Government agencies are SWT, FCWT, Production Levy and Royalties

OPERATING PERFORMANCE FY22

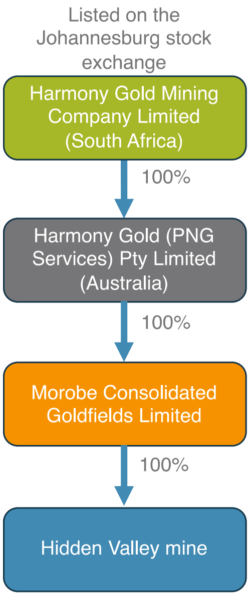


Figure 1-12 Hidden Valley ownership structure

After experiencing damages to the overland conveyor belt in early 2022, the plant was unable to process ore for an extended period. Volumes milled were supplemented by the processing of stockpiles and, despite the failure, only decreased by 6% to 3.2 million tonnes for the year. However, the lower grade ore processed affected the recovered grade, which decreased 16% to 1.15g/t. As a result, gold production declined 21% to 3,707kg (119,182oz) and revenue was down by 22% to R3 158 million. The all-in sustaining cost, which was also largely impacted by the overland conveyor failure, rose 49% to R1,007,986/kg.[33]

The main payments to Government agencies are SWT and royalties. The project did not pay corporate income taxes in 2022.

[31] Harmony Gold Mining Company Limited, page 118 Notes to Financial Statements, https://www.har.co.za/22/download/HAR-FR22.pdf,
[32] Bank of PNG website, https://www.bankpng.gov.pg/financial-markets/foreign-exchange-market-andreserves-management/exchange-rates/,
[33] Harmony website, https://www.harmony.co.za/operations/png/hidden-valley/,

1.6 Niuminco Edie Creek Ltd (Edie Creek mine)

Table 1-16 Edie Creek mine facts

Minerals	Gold and silver
Province	Morobe
Mine opened	2014 (current operation)
Mine life (years)	9 years until 2031[34]
Tenement	ML144, 380, 384-392, 402-410, 444-446, 462
2022 export value	PGK

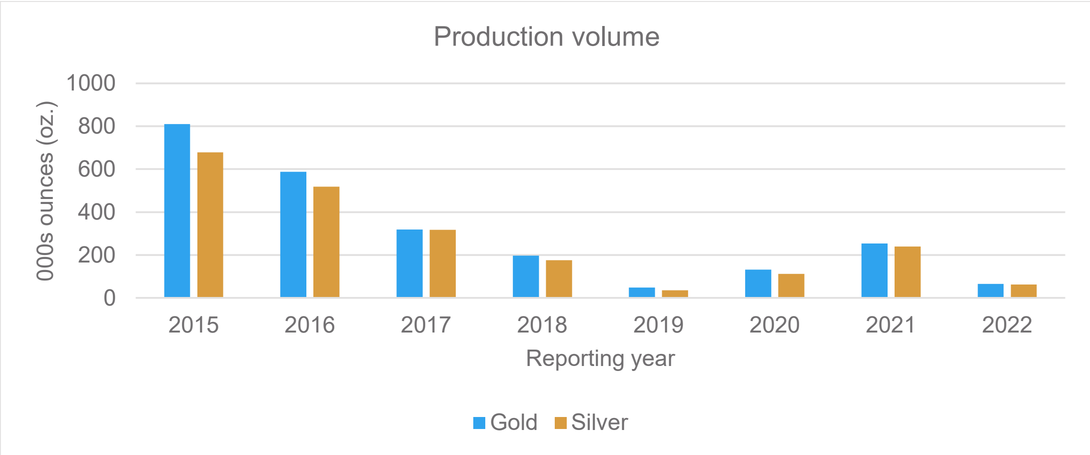


Figure 1-13 Edie Creek mine production volumes

EDIE CREEK MINE

The Edie Creek mine lies within the Bulolo gold mining province in the New Guinea highlands. The project shares a common boundary with the Harmony Gold Mining Co. Ltd mine at Hidden Valley which is currently producing over 200,000 ounces of gold and 2,000,000 ounces of silver per year.[35]

The Niuminco Group Ltd says its application for an extension to Edie Creek mining lease (ML 511) in Morobe, Papua New Guinea has been approved for 10 years from Oct 5, 2021 to Oct 5, 2031.[36] ML 511 covers 3.89 square kilometers, around five kilometres from Harmony Gold's Hidden Valley Mine.

Mining and Production

During the December Quarter the Company focused on development works in the Ingopae vein area with limited mining also taking place in that area. This mining and processing resulted in 15.8 tonnes of wet material being processed at an average recovered gold grade of 98.9g/t, producing 1,562.4grams (50.2 ounces) of gold and 1,564.8g (50.3 ounces) of silver. This resulted in sales of AUD$124,295 (PGK295,871) Further repairs on the Company's mining fleet were undertaken during the quarter. This is part of an ongoing program to repair and upgrade all the existing mobile mining fleet.

[34] MRA 2022 data template.
[35] Niuminco website, https://www.niuminco.com.au/history.html,
[36] PNG extends Edie Creek Mining Lease article, https://mine.onepng.com/2022/09/png-extends-edie-creek-mining-lease.html

EDIE CREEK EXPLORATION

Drill-plan preparation work for the Enterprise diatreme and the Karuka-Enterprise vein systems/stock-work areas was again put on hold for the quarter but preparations have now begun to commence the proposed 62 shallow hole diamond drilling program in the first quarter of calendar 2023. This drilling program, with a 9-month budget of $100,000, aims to achieve two objectives: - 1. It will form part of the mine grade control program and assist in prioritising the mining of higher-grade vein material as feed for the processing circuit; and, - 2. Delineating a JORC 2012 Inferred Resource by October 2023[37]

In April 2013, Niuminco commenced the first stage of a potential three stage drilling program to test two defined potential bulk tonnage, lower grade targets, with the drilling of two diamond core drillholes to a combined depth of up to 650m. These two holes were completed in May 2013; the first hole to a depth of 313m and the second to a depth of 314m (after abandoning an earlier attempt at 91m).

To ensure continuity (and expansion) of ore supply, extensions of existing mined vein systems (Alpha South, Alpha North and Mounts) and the unmined Enterprise vein system are being developed.[38]

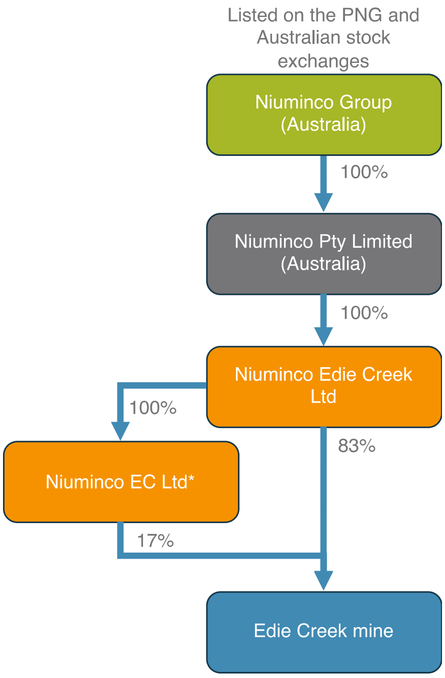


Figure 1-14 Edie Creek ownership structure

**The Group executed an agreement to purchase the remaining 17% interest in the Edie Creek mining leases held by their former JV partner, Mincor PNG Limited. The purchase price is $150,000. This is included as a current payable within trade creditors at 30 June 2022[39]*

[37] Niuminco Group Limited's December 2022 Quarterly Activities Report.
[38] Niuminco website, https://www.niuminco.com.au/current-operations.html.
[39] Niuminco 2020 Annual Report, https://www.niuminco.com.au/Niuminco%202020%20Annual%20Report.pdf

Table 1-17 Mt Fubilan mine facts

Minerals	Gold and silver
Province	Western
Mine opened	1984
Mine life (years)	2050
Tenement	ML151
2022 export value	PGK 3.525B

Figure 1-15 Mt Fubilan mine production volumes

Ok Tedi Mining Limited (OTML) is 100% PNG owned entity where 67% shareholding interests is held by the Independent State of PNG and 33% shareholding interests is held by the people of Western Province. OTML operates the longest running open-pit copper, gold and silver mine in PNG. OTML also holds are number of exploration licenses in the Western Province.

In a OTML Board meeting held in Tabubil on 13 September 2023, the Board approved in principle a further mine life extension from 2033 to 2050, marking a significant milestone for OTML, its shareholders and for PNG in general. Below is a brief company overview of OTML.

Ok Tedi Mining Limited was established in 1981 to mine the Mt. Fubilan copper-gold ore-body discovered in the Star Mountains in the Western Province of PNG just 16km east of the Indonesian border. OTML is a major producer of copper concentrate for the world smelting and refinery market in Germany, India, Japan, South Korea and the Philippines. The mine exports copper as a concentrate with contained gold and silver.

From the start of operations in 1984 to the end of 2022, Ok Tedi has produced 5.17 Mt of copper, 15.9 Moz of gold and 36.4 Moz of silver. Since 1984, OTML has contributed on average 6.2% of PNG's annual Gross Domestic.

In addition to the Special Mining Lease (SML), OTML holds a portfolio of several Exploration Leases (ELs), other Leases for Mining Purposes (LMPs) under the PNG Land Act. A total 29,067.84 ha of leased land is held by OTML, including 27,984.24 ha under the Mining Act and 1,083.6 ha held under the Land Act.

OTML generated PGK3.525 billion in total sales revenue in 2022 against PGK3.378B in 2021. The 4% increase in sales from 2021 was attributable to increase in coper and gold production of 12% and 17% respectively, offset slightly by lower metal prices.

Table 1-18 Financial highlights Ok Tedi Mining Limited

Year ended 31 December 2022	
Revenue	3,524,833
Mining, processing, Genral & Admin, Other Costs	(2,522,038)
Other gains (losses)	(35,022)
Depreciation	(445,046)
Finance income	11,747
Finance expense	(81,920)
Income tax expense	(151,283)
Net income	**301,271**

* *Extracted from Ok Tedi Mining Limited Annual Report*[40]

Based on its Annual Report, OTML generated a consolidated after-tax profit of PGK301M which was K75M lower than 2021. This reflected the after-tax impact of higher sales revenue PGK146M offset by additional PGK175M of operating costs and increase in finance costs associated with borrowings (PGK28M).

Based on its Annual Report, OTML retains a strong balance sheet with total assets exceeding total liabilities by PGK4.2 billion. The Company is comfortably solvent with current assets exceeding current liabilities by PGK959 million and a consistent record of profitability.

Table 1-19 Project revenue and consolidated payments on Ok Tedi Mining Limited

Project	Revenue PGK*	Production profit PGK*	Consolidated receipts reported by government agencies PGK*
Mt Fubilan	3,524,833,000	301,271,000	531,870,457
Total			

The main payments to Government agencies are SWT, FCWT, RT, Production Levy, Royalties and Dividends.

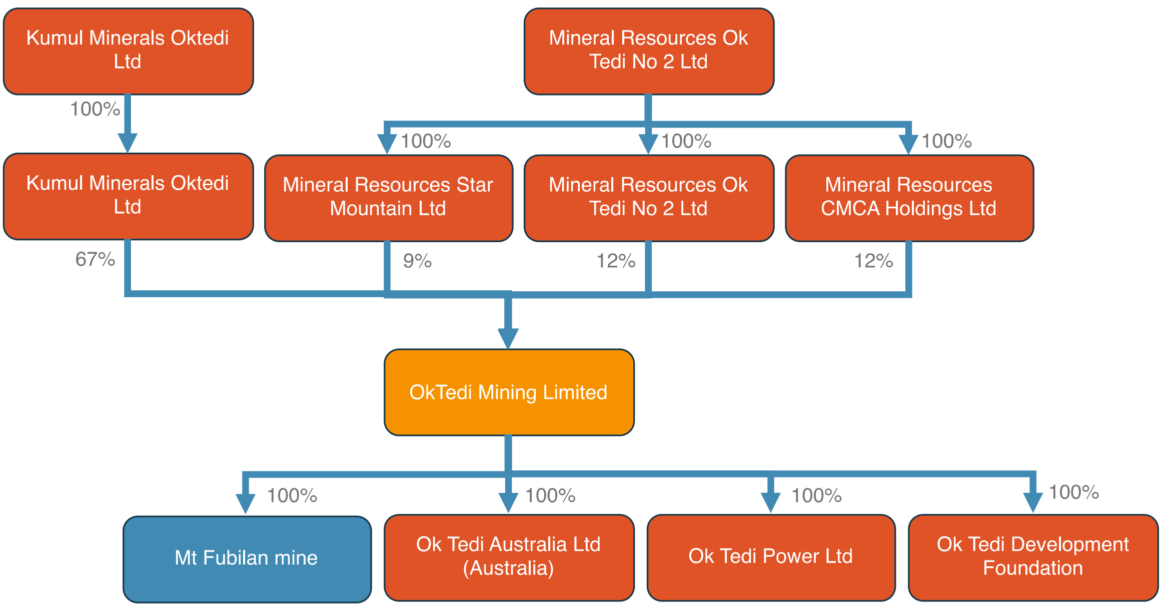


Figure 1-16 Mt Fubilan ownership structure

[40] Ibid

Ok Tedi Mining Limited has a number of subsidiaries that deliver products and services to the communities and people of the Western Province. OTML's subsidiaries are: Ok Tedi Australia, Ok Tedi Power Limited, and Ok Tedi Development Foundation.

1. Ok Tedi Australia Pty Ltd is providing marketing and logistics services to OTML. A 100% subsidiary of Ok Tedi Mining Limited located at Northgate, Brisbane, Australia.
2. Ok Tedi Power Ltd OTPL) is supplying and distributing power to the Western Province. OTPL manages the Tabubil and Kiunga retail power supply and distribution, Ningerum and Balimo retail power supply and distribution, and 38 mini-grids in Tutuwe, Middle Fly and South Fly.
3. Ok Tedi Development Foundation is improving self-sustainability and the quality of life of Western Province communities. A non-profit, legal entity established to manage the development benefits and delivery of projects to the 157 villages in the Community Mine Continuation Agreement (CMCA) area of the Western Province and with consideration for the peoples of the Telefomin District, Sandaun Province.[41]

[41] Oktedi Mining website, https://oktedi.com/who-we-are/our-subsidiaries/

1.8 Simberi Gold Company Ltd (Simberi mine)

Table 1-20 Simberi mine facts

Minerals	Gold and silver
Province	New Ireland
Mine opened	2008 (commenced production)
Mine life (years)	6 years until I2028[42]
Tenement	ML136
2022 export value	PGK 383,410,557[43]

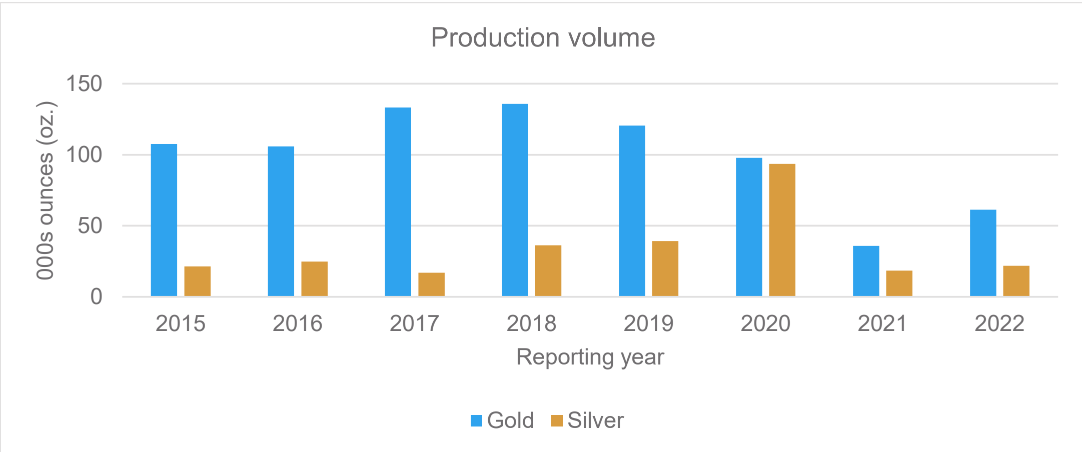


Figure 1-17 Simberi mine production volumes

Table 1-21 Financial highlights Simberi Mine

Accounts **Year ended 31 December 2022**	**Australian $ thousands***	**PGK thousands+**
Revenue	59,367	208,972
Mining, processing, and inventory costs	(87,573)	(308,257)
Royalties	(1,632)	(5,745)
Depreciation	(13,068)	(45,999)
Profit from the operations	**(42,906)**	**(151,029)**

** Extracted from St. Barbara Limited Annual Report 2022.[44] Excludes corporate costs, exploration expenses, interest, and tax.*
+ Converted using BPNG Average USD exchange rate (AUD1: PGK3.52) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

The Simberi Gold project is located on Simberi Islands Group situated in the New Ireland Province of Papua New Guinea (PNG), approximately 80 km north-west of Lihir Island. Simberi is the oldest and northernmost island of the Tabar Group. It measures approximately 10km east-west, 8 km north-south and rises to over 300 m above sea level. The currently known gold prospects (Sorowar, Pigiput, Pigibo, Botlu, Pigicow, Samat, Bekou and Monun Creek) on Simberi Island are located in the eastern half of the island within the central volcanic core. They are contained within a sub-

42 MRA 2022 data template.
43 PNG Customs 2022 data template.
44 St. Barbara Limited Annual Report, https://stbarbara.com.au/wp-content/uploads/2022/09/2022.09.16-asx-2022-annual-report.pdf,

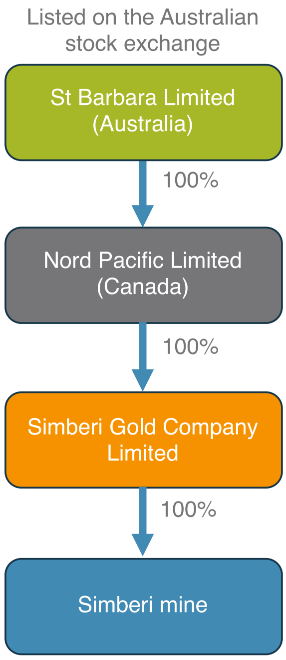


Figure 1-18 Simberi mine ownership structure

cropping epithermal alteration system and structural corridor extending 4km north-south and 2km east-west.

The mining method for all deposits is open pit, using 5m flitches and 20m benches. The principal pieces of digging equipment are four Hitachi 1200 excavators, matched with a mixed fleet of CAT 740 and BELL 50D articulated dump trucks.[45]

Simberi return to operations in January 2022. The highlight was the safe and successful replacement of the deep sea tailings pipeline. With the pipeline replaced, the team delivered 28,136 ounces of gold production, which was in line with revised guidance. Simberi had a milled grade of 1.07g/t.

In June 2022, The company commenced a strategic review for its investment in Simberi operations and have deferred the Final Investment Decision in the Sulphide Expansion project. The strategic review of Simberi Operations is underway, and this is an important step in realising a future for Simberi where the Sulphide Expansion project can be delivered, thus adding more than ten years to Simberi mine's life.

Another achievement was receiving Social & Environmental Impact Statement approval for the Simberi Sulphide project from the Conservation & Environment Protection Authority last August 2022.[46]

Table 1-22 Project revenue and consolidated payments on Simberi Mine

Project	Revenue PGK*	Profits from operations PGK*	Consolidated receipts reported by government agencies PGK*
Simberi Mine	208,971,840	(151,029,000)	N/A
Total			

[45] Mining Data Solutions, https://miningdataonline.com/property/525/Simberi-Mine.aspx,
[46] St. Barbara Limited Annual Report, https://stbarbara.com.au/wp-content/uploads/2022/09/2022.09.16-asx-2022-annual-report.pdf,

2 New mining projects

The Mineral Resources Authority (MRA) is processing and monitoring over K45 million worth of new capital investments in mining projects, and about K10 billion worth of investments in sustaining capital expenditure on existing mines.

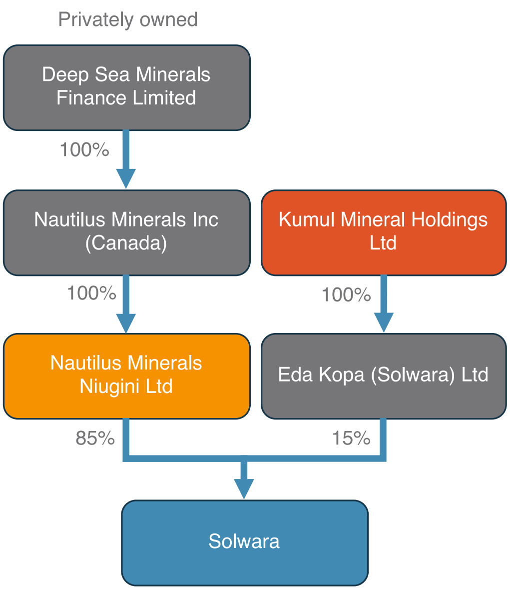
During the 16th PNG Chamber of Mines & Petroleum Conference, Mining Minister Honourable Sir Ano Pala (MP) revealed that some very important mining projects had already been permitted whilst others are currently going through the permitting process. These projects are worth a total of K13 billion of potential new capital investment. Projects going through the permitting process are the K5.3 billion Wafi Golpu Copper project, comprising K 2.5 billion sustaining capital expenditure, - and the K7.2 billion Freda River copper and gold project.

Projects that have been permitted are the Woodlark Gold Project, and the K3.331 billion Central Lime Cement project. Ramu Nickel Cobalt mine will be undertaking a K1.5 billion expansion program.

The Minister said the government had granted the approvals for the conversion from oxide to sulphide ore processing for the Simberi project adding that the government had also granted the extension of the Mining Lease for the Hidden Valley Project.[47]

2.1 Nautilus Minerals Niugini Ltd (Solwara)

Because they still had three valid exploration licenses, Nautilus was returning to Papua New Guinea to work under a new corporation, the Papua New Guinea Mining Minister informed the Parliament. Three exploration licenses, or ELs, held by Nautilus are presently undergoing term extensions.



A Mining Lease ML154, a new mining lease ML 512 known as Solwara II under application.

Nautilus was placed under Canadian courts supervised liquidation in 2019 that resulted in Deep Sea Mining Finance Limited (DSM) – a private company acquiring 100% shares in Nautilus.

Nautilus is now a subsidiary of this company, Deep Sea Mining Finance Limited.

DSM plans to return to Solwara project through its three-phased programme. One of which is initially planned to commence later this year, the concept testing would be followed by trial mining which DSM planned to commence also later this year, trial mining would be followed by commercial production which DSM plans to commence next year, right through to ML 20-year lease agreement.[48]

Figure 2-1 Solwara ownership structure

**Nautilus has entered into a joint venture with Eda Kopa (Solwara) Limited, Petromin PNG Holdings Limited's subsidiary, holding its Solwara 1 mining interest. Full payment for the State's 15% interest in the Solwara 1 Project up to production.* [49]

[47] Minister Ano Pala speech at the conference, https://mra.gov.pg/2022/12/07/16th-png-png-chamber-of-mines-petroleum/
[48] Nautilus to return to PNG article, https://islandsbusiness.com/news-break/nautilus-to-return-to-png/
[49] NautilusMinerals 2014 Annual Report, https://www.annualreports.co.uk/HostedData/AnnualReportArchive/n/TSX_NUS_2014.pdf

2.2 Woodlark Mining Ltd (Woodlark)

The Woodlark gold project is an open-pit mine being developed on Woodlark Island in the Milne Bay Province of Papua New Guinea (PNG).

Environmental approval for the gold project was granted in 2014, and the definitive feasibility study (DFS) was completed in November 2018. The project is expected to produce 967,117oz of gold over its mine life of 13 years, while the average production during the first five years is estimated to be 104,000oz of gold.[50]

The Project's continuous community relocation program and infrastructure construction were the main areas of attention throughout the 2021 reporting year. The first activity they undertook was the relocation of Kulumadau hamlet, which is located in the ML region. Important long-lead components were ordered, including the SAG and ball mills, and engineering and design work was advanced, mostly for the processing facilities.

The Company declared in November 2021 that bad weather, deteriorating ground conditions, and the effect of COVID-19 restricting site access and worker productivity rates had caused a delay in earthwork activities related to the development of the Project. Furthermore, a decision was made to reconsider the initial wharf design and investigate the possibility of modernizing the current wharf facilities in order to lower construction costs and provide prospects for local community involvement in the project. Additionally, there were delays in the local community relocation program and the offshore tailings line construction tender issuing. The Company decided to postpone all non-essential activity at the Project due to the impact of the delays.[51]

Geopacific Resources Limited is pleased to provide an update on corporate and project activities conducted at the Woodlark Gold Project together with an outline of planned future work programs for 2023.

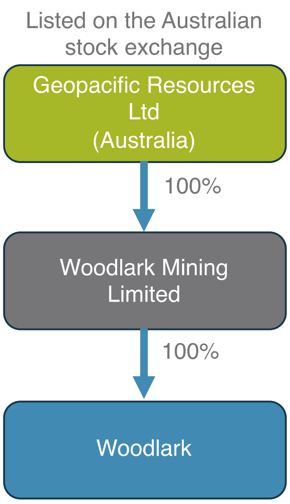


Figure 2-2 Woodlark ownership structure

2.3 Outcomes from 2022

In February 2022 Geopacific announced suspension of development activities at the Project due to a significant capital cost increase which impacted on available project funding. Geopacific provided a corporate update in May 20221 outlining a business transformation plan with a clear focus on re-evaluating the future pathways for the Project including clearing residual contractual matters and maintaining the Company's social licence to operate.

The following are key outcomes from activities undertaken in 2022 which included execution of the business transformation plan.

- The completion of 23km of resource infill, extension and exploration drilling. This drilling improved confidence in high grade areas and identified new zones of mineralisation adjacent to the existing deposits.
- The completion of an updated Mineral Resource Estimate for the Woodlark Project. The update improved confidence in the 1.5Moz Mineral Resource with 94% now in the Measured and Indicated categories2 .
- The community relocation project continued to progress, with the project now 66% overall complete. This provided access to largely untested areas of the Kulumadau deposit within the footprint of the open pits delineated by past studies.

[50] Woodlark Gold Project article, https://www.mining-technology.com/projects/woodlark-gold-project/?cf-view
[51] Woodlark Annual Report, https://wcsecure.weblink.com.au/pdf/GPR/02505977.pdf

- The community relocation program has been well received by the Papua New Guinea ('PNG') government and regulators resulting in a letter of commendation from the Mineral Resource Authority of PNG and positive press coverage within PNG.
- Continuing community engagement and provision of services maintained the Company's social licence.
- A strategic review was conducted following unsolicited approaches to the Company. This resulted in the identification of potential development partners and dialogue is ongoing.

2.4 Outlook for 2023

Following receipt of the Mineral Resource Update in December 2022, the Company has been busy preparing a work program for 2023, with the aim of maximising value in a cost-effective manner. The initial planning of the work program for 2023 is now complete, and subject to available funding, it is the Company's intention to execute the following work streams during the course of 2023:

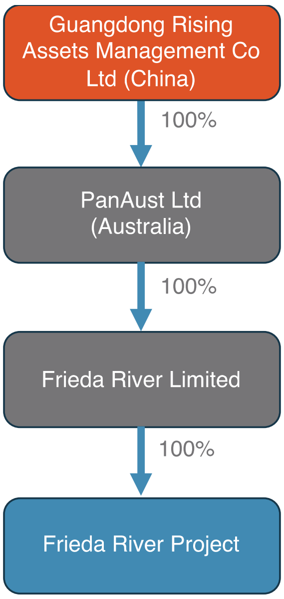
- Complete a geological and targeting review focused on high grade opportunities.
- Update of Project operating and capital cost estimates to reflect the current economic environment.
- Assess the potential to optimise the Project via relocation of the processing plant and associated project infrastructure, along with the potential for staged development with an initial focus on the high-grade core of the Mineral Resource.
- Update of open-pit designs and production schedules based on the Mineral Resource Update.
- Preparation of a Pre-Feasibility level study, taking into account the above, and subject to study outcomes enabling the re-statement of Ore Reserves for the Project.
- Continue with the community relocation project on a cost effective 'self-perform' basis. This will initially target houses which are near completion.[52]

[52] Woodlark gold project update article, https://www.pngbusinessnews.com/articles/2023/2/woodlark-gold-project-update

3 Advanced exploration mining projects

There were several major projects that had mining leases during 2022 but were still in development stage. The list of all active mining leases and special mining leases for 2022 provided by the MRA are included in Annex D.

3.1 Advanced exploration reporting entities



The Frieda River Project represents a nation building opportunity for Papua New Guinea and a transformative sustainable development opportunity for the Sepik region.

The Project will help build stronger and more viable communities by establishing necessary public infrastructure, generating skilled employment, and creating business opportunities for local people.

The Frieda River Project comprises the Frieda River Copper-Gold Project (FRCGP), Frieda River Hydroelectric Project (FRHEP), Sepik Infrastructure Project (SIP) and Sepik Power Grid Project (SPGP).[53]

Frieda River Limited is a Papua New Guinea incorporated company and is the Project proponent. Frieda River Limited has been operating in Papua New Guinea since 2015 and is a wholly-owned subsidiary of Australian headquartered company, PanAust Limited. PanAust Limited, Frieda River Limited's parent company has been operating Frieda River Limited since 2014 following acquiring the company from Xstrata Frieda River Limited.

Figure 3-1 Frieda River project ownership structure

In 2015, the name change from Xstrata Frieda River Limited to Frieda River Limited took effect[54]

Also in 2015, the development pathway for the Frieda River Project was announced and in 2016 a Special Mining Lease application for the Project was registered with the Mineral Resources Authority of Papua New Guinea.

In 2018, Frieda River Limited submitted an addendum to the 2016 Special Mining Lease application following feedback from the East and West Sepik Provincial Governments and communities and aligned with the Government of Papua New Guinea's development vision.

Since then, Frieda River Limited has pursued the Frieda River Project in full compliance with the required project approvals and stakeholder engagement legislative processes in Papua New Guinea, as well as its policies, standards and procedures.

Frieda River Limited operates under the laws of Papua New Guinea, paying Government levies and taxes as applicable for the current pre-development stage of the Project.

Frieda River Limited is a part of the Australian headquartered PanAust Group, an international copper and gold producer.[55]

In early 2022, the Independent Peer Review Process for the large dam design was completed. In August 2022 after the COVID-19 induced hiatus ceased, CEPA recommenced regulatory

[53] Frieda River website, https://www.friedariver.com/
[54] Frieda River website, https://www.friedariver.com/about-us/
[55] Frieda River website, https://www.friedariver.com/about-us/

stakeholder activities to complete the assessment for the permit application. It is anticipated that these activities will continue throughout 2022.[56]

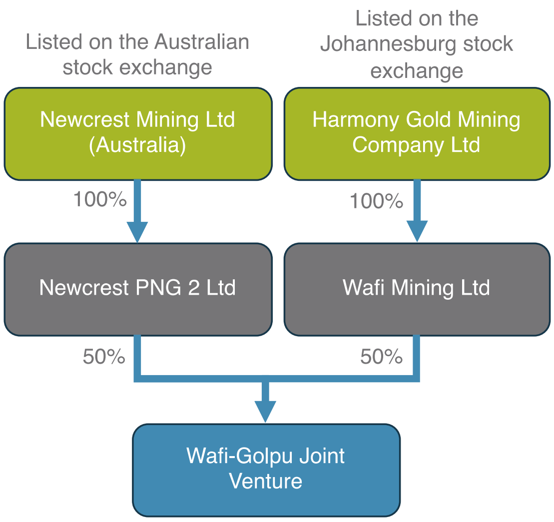


Figure 3-2 Wafi-Golpu Joint Venture ownership structure

Wafi-Golpu Joint Venture reported the following payments and social expenditures.

Table 3-1 Payments reported by Wafi-Golpu Joint Venture

Revenue stream	Paid to	PGK
Group tax	IRC	1,794,283
Total		**1,794,283**

Social Expenditures

Table 3-2 Social expenditures reported by Wafi-Golpu Joint Venture

Revenue stream	Category	Type	Amount (PGK)
Mandatory			
Landowner groups	Statutory compensation	Cash	886,473
Total			**886,473**
Discretionary			
Local community	Education	Cash	16,909
Local community	Capacity building	Cash	327,011
Local community	Health	Cash	283,316
Local community	Agriculture and fisheries	Cash	465,214
Total			**1,092,450**

Newcrest Mining Limited and Harmony Gold Mining Company Limited each own 50% of the Wafi-Golpu Project through the Wafi-Golpu Joint Venture. The Wafi-Golpu Project is an advanced exploration project located in the Morobe Province of Papua New Guinea, 65 kilometres south-west of Lae City.[57]

In December 2020, the Conservation and Environment Protection Agency concluded its assessment of the Wafi-Golpu project's environment permit application and granted an environment permit approving deep-sea tailings placement as the project's tailings management method. In March 2021, the governor of Morobe Province and the Morobe Provincial Government commenced legal

[56] Frieda River website, https://www.friedariver.com/about-us/
[57] Wafi Golpu website, https://www.wafigolpujv.com/

proceedings seeking judicial review of the grant of the environment permit, and for interim orders to stay the environment permit and restrain the State of PNG from granting a special mining lease for the Wafi-Golpu project.

The legal proceedings are continuing, but do not prevent the conduct of the SML 10 negotiations, which resumed in early 2022 and are ongoing. In the interim, no mining has occurred in the project area.[58]

In April 2023, Newcrest and its Wafi-Golpu Joint Venture partner Harmony Gold signed a Framework Memorandum of Understanding (MOU) with the Independent State of Papua New Guinea. The MOU represents a substantial step forward in progressing towards the signing of a Mining Development Contract for Wafi-Golpu and confirms the parties' intent to proceed with the project, subject to finalising the permitting process and approvals of both Newcrest and Harmony Gold Boards. The MOU is a pivotal milestone towards the development of one of the world's premier undeveloped copper/gold deposits.

6 November 2023, Newmont Corporation completed the acquisition of Newcrest Mining Limited to create the world's leading gold company with robust copper production.[59]

3.2 Advanced exploration non-reporting entities

The following advanced exploration projects have not been identified as material based on quantitative or qualitative considerations under the current definition for reporting entities.

Table 3-3 Non-material advance exploration project extended in 2022s[60]

Project	Tenement	Detail	Renewal Date
Kili Teke	EL 2310	Gold and copper (Kainantu Resources Ltd)[61]	24 May 2022
Ihu	EL 2305	Gold and iron sand (Mayur Iron PNG Ltd)	14 May 2022
Nakru Copper Quest	EL 1043	Copper (Coppermoly Ltd and wholly owned subsidiary Copper Quest (PNG) Ltd)	8 Dec 2022
Wowo Gap (Safia Embessa & Obea)	EL 1165	Nickel (Niugini Nickel Pty Ltd, a wholly owned subsidiary of Resource Mining Corporation Ltd)	1 Mar 2022
Kili Teke	EL 2310	Gold and copper (Harmony Gold (PNG) Exploration Ltd)	24 May 2022
Ihu	EL 2305	Gold and iron sand (Mayur Iron PNG Ltd)	1 May 2022

[58] Harmony website, https://www.harmony.co.za/operations/png/wafi-golpu-project/
[59] Mining Data Solutions, https://miningdataonline.com/property/1100/Wafi-Golpu-Project.aspx
[60] 2022 List of Tenements provided by MRA
[61] Sold to Kainantu from Harmony Gold (PNG) Exploration Ltd https://www.mining-technology.com/news/kainantu-full-control-gold-project/

4 Mines not in operation in 2022

4.1 Tolukuma

Tolukuma was discovered in 1986 by Newmont and the mine was developed as an operating mine in 1995 to exploit the high-grade epithermal gold/silver zones within a large structural zone. The mine operated until 2015 producing approximately 1 million ounces of gold at an average recovered grade of 14g/t gold, peaking at 21.3 g/t and averaging about 50 g/t silver in the form of a gold/silver doré.

Production ceased because of high operating costs in the latter years of operation largely due to the operators failing to complete a 70km road to connect the mine to the main North South highway, increasing reliance on diesel generated power because of poor maintenance of the 3MW hydroelectric facility and high pumping costs due to the failure to complete a bottom access to the mine.

The operator was put into liquidation in 2018 despite having a large historical resource and huge exploration potential on the mining lease and the broader Tolukuma structure.

Tolu Minerals completed the 100% unencumbered acquisition of Tolukuma and the associated land holdings and secured the transfer of all the existing operating and environmental permits in September 2022[62]

In 2023, Tolu Minerals Limited, the new developer of the Tolukuma Gold Mine in Central Province developed an initial public offering (IPO) to be listed on the Australian Stock Exchange.[63]

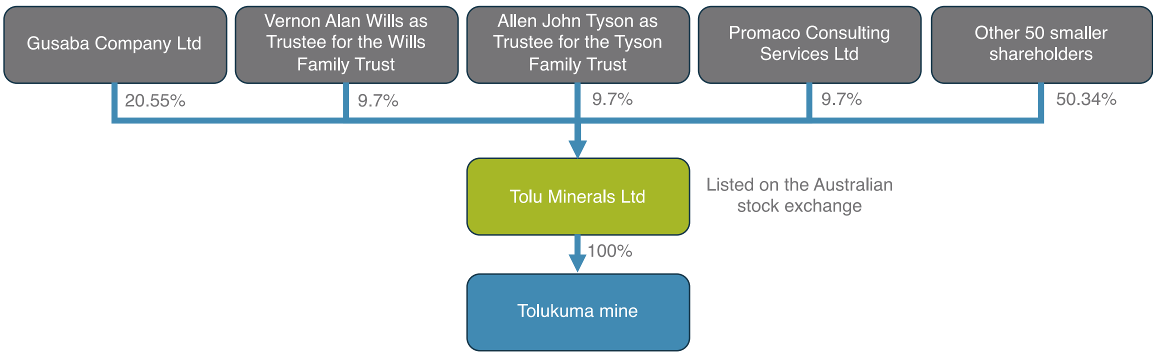


Figure 4-1 Tolukuma ownership structure

62 https://www.toluminerals.com/our-business/projects/tolukuma-gold-mine/,.
63 https://www.pngbusinessnews.com/articles/2023/3/lole-mining-develops-ipo-for-tolukuma-gold-mine-asx-listing,.

4.2 Mt Crater

Table 4-1 Mt Crater mine facts

Minerals	Gold
Province	Eastern Highlands
Mine opened	2015
Mine life (years)	7 year until 2029[64]
Tenement	ML 510, EL 1115, ELA 2643, ELA
2022 export value	N/A

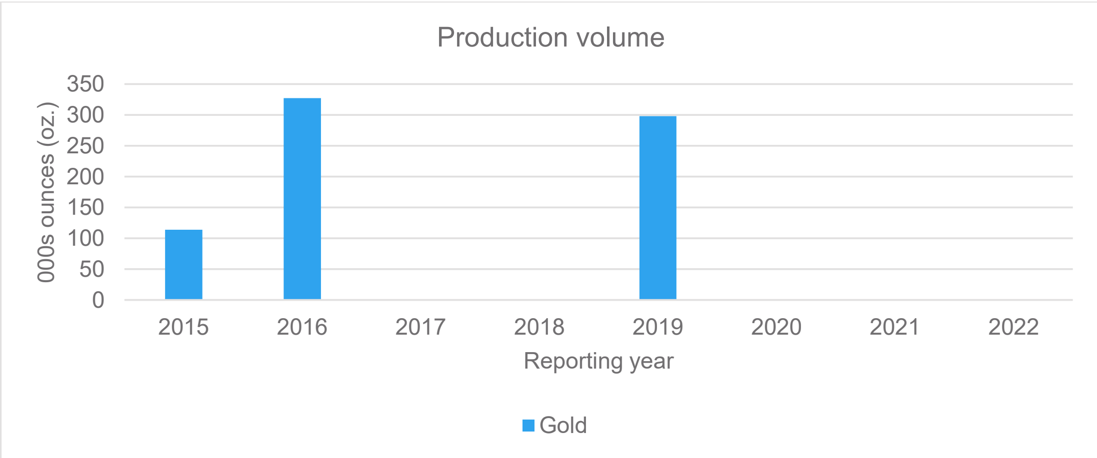


Figure 4-2 Mt Crater production volumes

Crater Gold Mining Limited ("the Company"), a company targeting Graphite and Gold in Croydon, North Queensland, and developing Gold Projects in Papua New Guinea. In Australia the Company has Graphite projects at Croydon, Queensland.

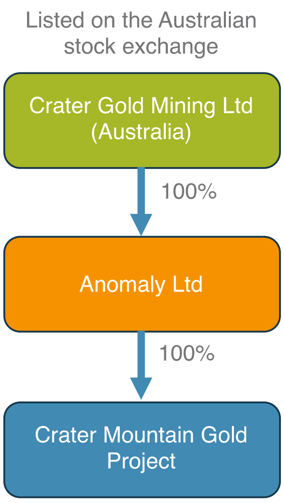
The Company has a project in Papua New Guinea: Crater Mountain. Papua New Guinea is a resource rich country which is one of the richest gold and copper provinces in the world. It boasts a number of giant world class copper and gold deposits including Grassberg, Ok Tedi, Porgera,Wafi-Golpu, Hidden Valley, Bougainville and Lihir Island as well as a number of large deposits currently being brought into production.[65]

Crater Mountain Gold project is located approximately 50 km southwest of Goroka, the regional centre for the Eastern Highlands Province, PNG. It comprises 3 contiguous exploration licences, straddling the border between the Chimbu and Eastern Highland Provinces.

This region is in the centre of the New Guinea Orogen, an extensive geological zone that makes up the mountainous spine of Papua New Guinea. The western portion of this zone encompasses the world class mining operations of Porgera, OK Tedi, Wafi-Golpu and Grasberg.[66]

Operations to mine this prospective gold resource with millions of ounces started in 2015. In order to determine if the mine could provide the cash flow that the board of Crater Gold Mining Ltd. had anticipated, an internal assessment was carried out in 2017, causing production to be suspended. The company generated around 110 oz of gold from mining activities in the High-Grade Zone ("HGZ") at Crater Mountain, according to its June 2020 annual report. Three stages of mining continued: 1960RL, 1950RL, and 1930RL. The company is still committed to completing the EL1115

[64] MRA 2022 data template.
[65] Crater Gold mining website, http://www.cratergold.com.au/irm/content/company-profile.aspx?RID=206
[66] Crater Gold mining website, http://www.cratergold.com.au/irm/content/crater-mountain.aspx?RID=211



and ML510 renewal process, and it is collaborating closely with the Mineral Resources Authority (MRA) to get a new ten-year mining license, in addition to concurrently pursuing the Company's Crater Mountain Gold Project's exploration license award and renewal.

In 2022, Crater Gold Mining Limited remains focused on the renewal process of EL1115 and ML510 and is working closely with the Mineral Resources Authority (MRA) to secure a new ten (10) year mining licence, in addition to working in parallel for the renewal and grant of exploration licenses at the Company's Crater Mountain Gold Project.[67]

Figure 4-3 Crater Mountain Gold Project ownership structure

[67] Crater Gold Mining Limited's Annual Report for the year ended June 2022, page 3.

Annex C – Oil projects 2022

1 Oil projects operating in 2022

This section of the report presents details on the oil and gas projects active in PNG during 2022. Any changes that occurred to the ownership structures during the 2022 reporting period are noted.

In the ownership structure figures, the orange boxes identify the operator of the mine, (or in some cases the owner of the operator). This is the reporting entity that provides the majority of EITI reporting information. The other joint venture owners were also asked to provide contextual information and to notify the amount of tax paid for the data reconciliation process. Beneficial ownership (to the extent known) is shown in blue.

Data compliance and reconciliation

The following discussion of projects includes an overview of the completeness of the data provided for each project, as indicated in the legend below. Where entities provided incomplete information, we requested an explanation.

We have also included the status of reconciliation, as indicated in the legend below. Reconciliation of revenue is further discussed in Chapter 8 Reconciliation of revenue streams.

Table 1- 1 Reporting by oil and gas companies

Data provided	
	Provided in full
	Substantially provided
	Partially provided

Status of reconciliation	
	Fully reconciled
	Partially reconciled
	Not reconciled

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Subnational payments	Status of reconciliation
SE Gobe						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A
Ampolex (Highlands) Ltd	No	Yes				
Petroleum Resources Gobe Ltd	No	Yes				
Southern Highlands Petroleum Co. Ltd	No	Yes				Not required
Cue PNG Oil Company P/L	No	No				
Barracuda Limited	No	Yes				Not required
Kutubu						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A
Ampolex (Highlands) Ltd	No	Yes				
Petroleum Resources Gobe Ltd	No	Yes				
Barracuda Limited	No	Yes				Not required
Moran						
Santos Ltd	Yes	Yes				
Merlin Petroleum Company	No	Yes	Not provided	Not provided	Not provided	N/A
Esso PNG Moran Ltd	No	Yes				
Eda Oil Ltd	No	Yes				
Ampolex (PNG Petroleum) Inc.	No	Yes				
Ampolex (Highlands) Ltd	No	Yes				

Petroleum Resources Kutubu Ltd	No	Yes				
Merlin Pacific Oil. Co. Limited	No	Yes				
Petroleum Resources Moran Ltd	No	Yes				
Hides GTE						
Santos Ltd	Yes	Yes				
PNG LNG Project						
ExxonMobil PNG Ltd	Yes	Yes				
Esso PNG Juha Ltd	No	Yes				
Ampolex (PNG) Limited	No	Yes				
Santos Ltd	Yes	Yes				
Kumul Petroleum Holdings Limited	No	Yes				
JX Nippon Oil and Gas Exploration Company	No	No				Not required
MRDC	No					
PDL 1						
ExxonMobil PNG Ltd	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Lavana Ltd	No	Yes				
Kumul Petroleum (Kroton) Ltd	No	Yes				
Gas Resources Gigira Ltd	No	No				
Santos (Hides) Ltd	No	Yes				
PDL 7						
ExxonMobil PNG Ltd (formerly known as Esso Highlands)	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Gas Resources Hides No. 4 Ltd	No	No				
PDL 8						
ExxonMobil PNG Ltd (formerly known as Esso Highlands)	Yes	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Gas Resources Hides No. 4 Ltd	No	No				
PDL 9						
Esso PNG Juha Ltd	No	Yes				
Oil Search (Tumbudu) Limited	No	Yes				
Ampolex (PNG) Limited	No	Yes				
Kumul Petroleum (Kroton) Ltd (formerly known as Kumul Petroleum (PNG LNG) Ltd)	No	Yes				
Nippon Papua New Guinea LNG LLC	No	Yes				Not required
Gas Resources Juha No. 1 Ltd	No	No				

1.1 Oil Search (PNG) Ltd projects

Oil Search operates all projects that are currently producing oil in PNG, outlined below.[1]

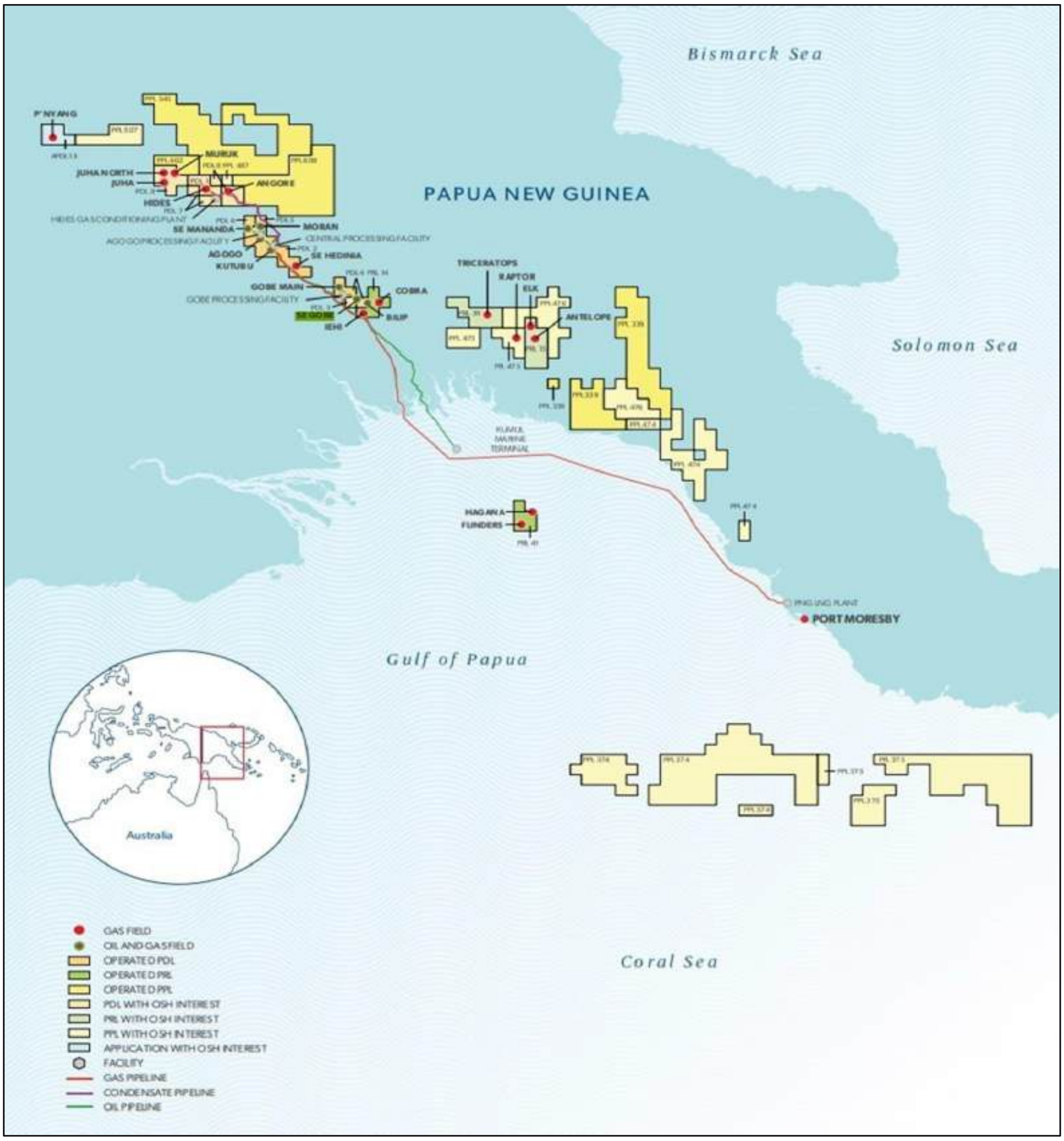


Figure 1-1 Oil Search licence interests, processing and distribution routes

[1] Oil Search – Operated Production, https://www.oilsearch.com/our-business/png/operated-production,

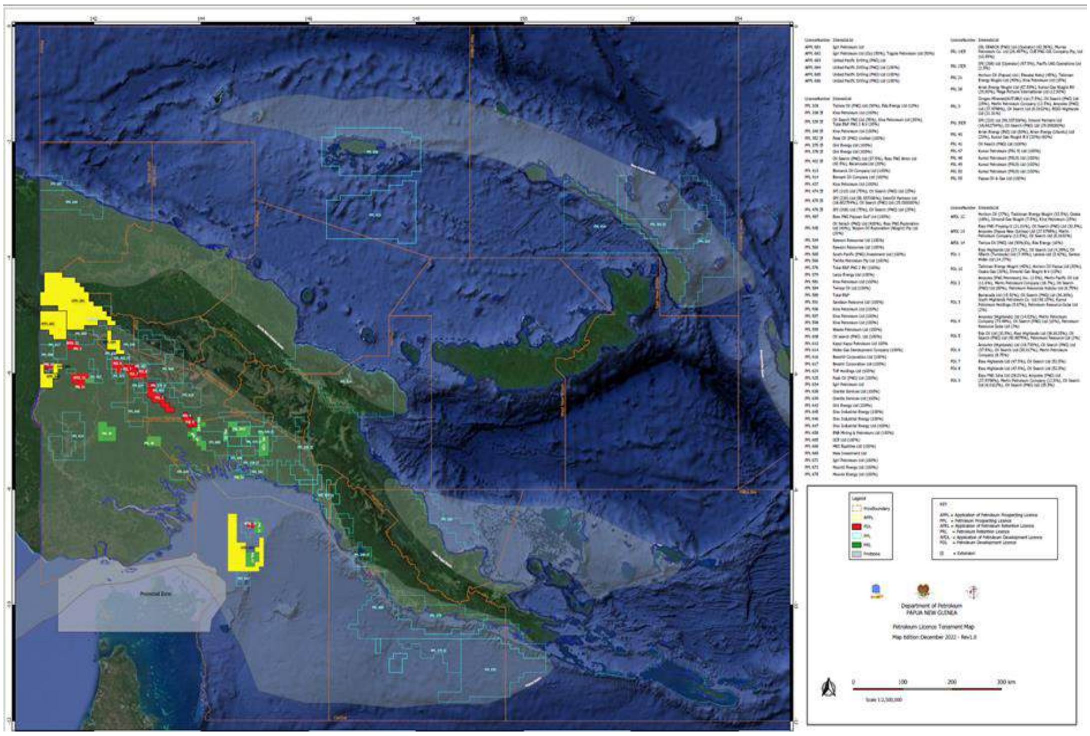


Figure 1-2 Petroleum License Tenement Map 2022

Santos completed a merger with Oil Search Limited (Oil Search) following approvals by Oil Search shareholders and the National Court of Papua New Guinea (PNG) in December 2021. The merger combined two industry leaders to create a company with a diversified portfolio of assets and cash flows to successfully navigate the transition to a lower carbon future. The Oil Search assets are included in the results of the consolidated group from 11 December 2021.

The scheme allowed for each Oil Search shareholder to receive 0.6275 new Santos shares for each Oil Search share held. The merger with Oil Search, substantially increased Santos' asset position in PNG. Santos' interest in the PNG LNG project increased to 42.5%, and the merger also added interests in the proposed Papua LNG project and PRL3 (P'nyang) to the portfolio. Santos also became operator of all of PNG's oil fields. Following the merger with Oil Search, Santos operates the Kutubu, Agogo, Moran and Gobe fields, which produce all of PNG's oil and supply raw gas to PNG LNG. The following are the material joint operations in which the Santos Ltd has an interest:

Table 1-1 Material joint operations of Santos Limited

Joint operation	Area of interest	Principal activities	2022 % interest	2021 % interest
Oil and gas assets – Producing assets				
PNG LNG	PNG LNG	Gas and liquids production		42.5
Exploration and evaluation assets				
Muruk 1	PNG	Gas and liquids exploration		57.5
PRL-9	PNG	Gas and liquids exploration		40.0
PRL-15 (Papua LNG Project)	PNG	Gas exploration		22.8
PRL-3	PNG	Gas exploration		38.5

On 1 September 2023, Santos has agreed to divest a 2.6% stake in its PNG liquefied natural gas (LNG) project to Papua New Guinea (PNG) state-owned Kumul Petroleum in a deal worth $736m (A$1.1bn).

As per the deal, Kumul Petroleum will acquire the minority stake in the PNG LNG project by making a cash payment of $576m and undertaking project finance debt of $160m.

The transaction is subject to approval by the PNG competition regulator on or before 31 December 2023.

In a separate statement, Kumul said it has also secured a call option to acquire a further stake of 2.4% in the project.

In exchange, Kumul is required to make a $524m cash payment and take on a $145m proportionate share of project debt.[2]

[2] https://www.offshore-technology.com/news/santos-stake-png-lng-kumul/

1.2 SE Gobe

Located in the Gulf and Southern Highlands Province, Gobe Oil Projects comprises of three discoveries; South-east Gobe discovered in 1991 and Gobe Main in 1993 and Gobe 3X blocks

The Gobe Main field is wholly located within Petroleum Development Licence 4 (PDL 4), while SE Gobe straddles the boundary of PDL 4 (41%) and adjoining PDL 3 (59%). The Gobe 3X block is in PDL3.

Commercial production commenced in 1998. Production has declined since and is now producing at an average of 700- 800 bbls/day.

Oil Search Limited operates the Gobe Main and SE Gobe fields and is operator of PDL 4 as well as PDL 3.[3]

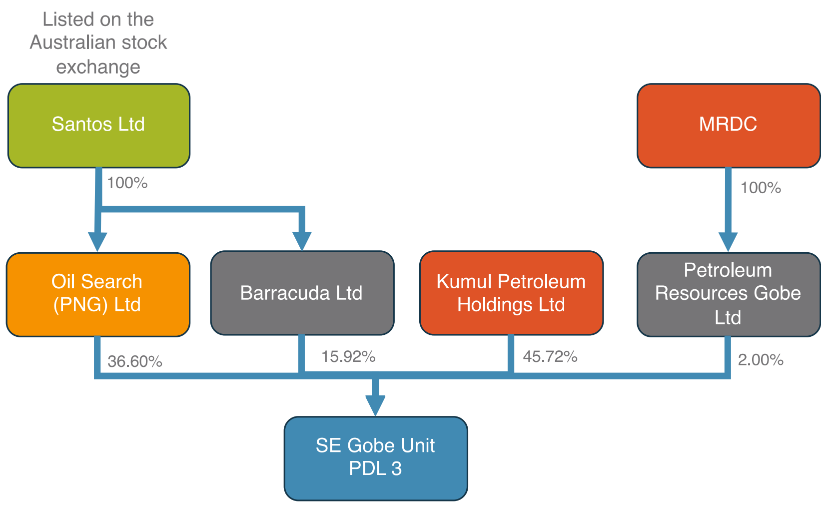


Figure 1-3 SE Gobe Unit interests after sale of Southern Highlands Petroleum

1.3 Kutubu

Papua New Guineas first commercial oil project. Discovered in 1986 in the Southern Highlands Province.

Commercial production commenced in 1992 with maximum production of 139,000 bbls/day in 1993.

Production has since declined and is now producing at an average of 6,000 bbls / day.

Projects consists of oil producing wells from the Iagifu-Hedinia, Usano and Agogo fields , a Central processing facility , a 265 kilometre export pipeline to the coast and a marine loading terminal in the Gulf of Papua (Kumul Terminal). The pipeline operates under Pipeline Licence 2 (PL-2), while the oilfield operates under Petroleum Development Licence 2 (PDL-2)

The Project is operated by Oil Search Limited (60.04%) in Joint Venture partnership, with Ampolex (PNG Petroleum) Inc (11.61%) and Merlin Pacific Oil Company (18.69%), Merlin Petroleum Company (2.91%) and Petroleum Resources (Kutubu) Ltd (6.75%).[4]

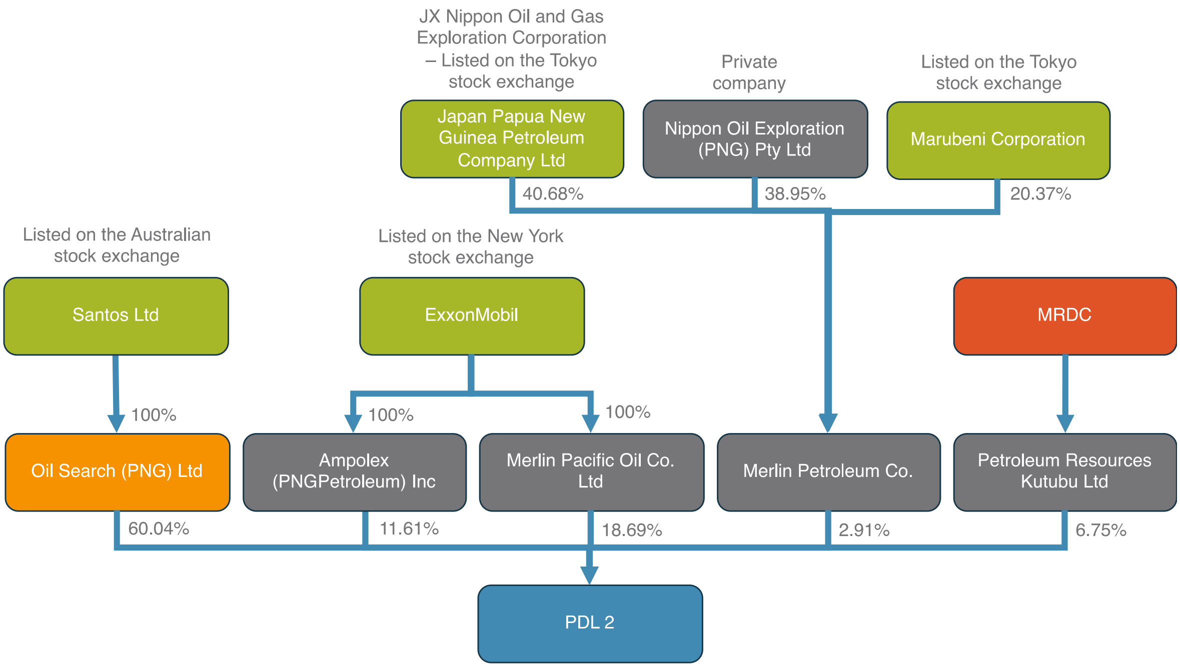


Figure 1-4 PDL 2 (Kutubu Field Complex, Iagifu, Hedinia, Usano, Agogo) interests

1.4 Moran Unit

Located in the Hela Province, The Moran Project comprises of three license areas; PDL 2, PDL 5 and PDL 6 which is collectively known as the Greater Moran Unit.

First discovery was made in 1996 in PDL 2. Commercial production commenced in 1998 with initial production at an average of 45 000 bbls/day. Moran 4 located in PDL 5 (PPL 138) commenced production in April 2000. In 2002, a unitized agreement was signed between licensees of PDL 2 and PDL 5 resulting in the Central Moran Project.

In late 2003 North-west Moran (PPL 219) was discovered. In 2006 all Joint Venture partners in PDL2, PDL5 and PPL219 establish a single Greater Moran Unit across the Moran and NW Moran fields. Petroleum Development License for PPL 219 was granted in 2008 resulting in PDL6.

Production has since declined and is now producing at an average of 700 bbls/day

Oil Search (PNG) Limited now Santos is the Operator of PDL-2 and the Moran Unit.

Following the merger with Oil Search, Santos operates the Kutubu, Agogo, Moran and Gobe fields. These fields produce oil and raw gas, with the gas being sent to PNG LNG, delivering 14% in 2022 of PNG LNG gas supply. Net production from the operated fields was higher than the previous year due to the Oil Search merger.

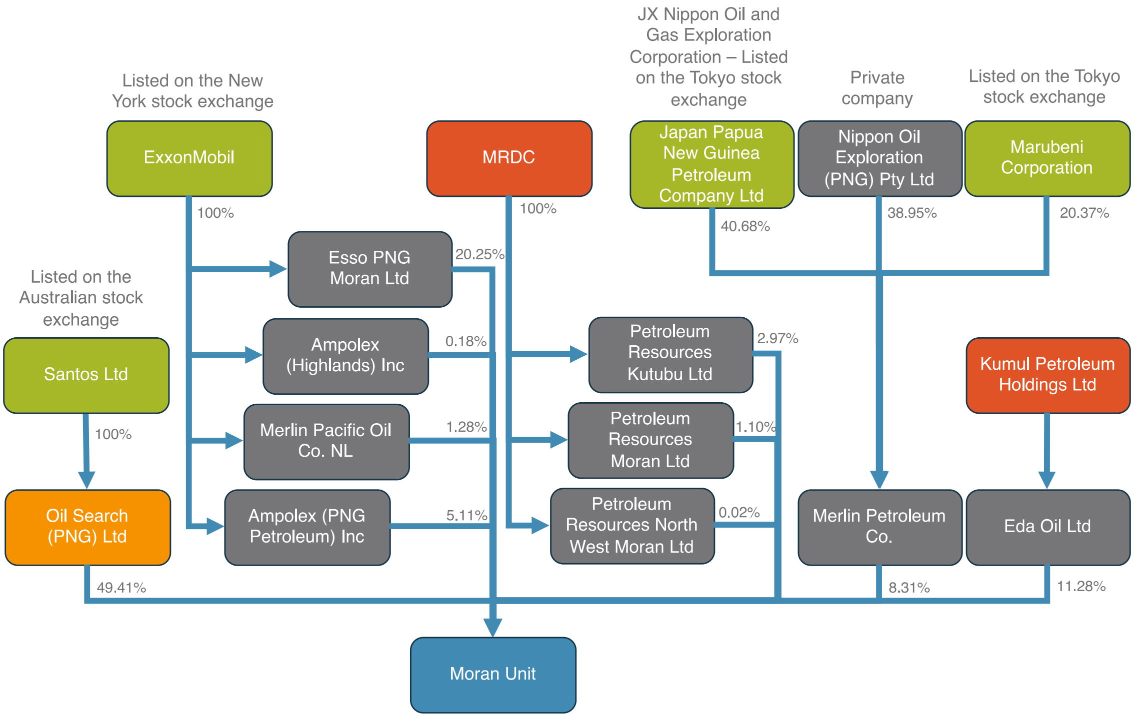


Figure 1-5 Moran unit interests

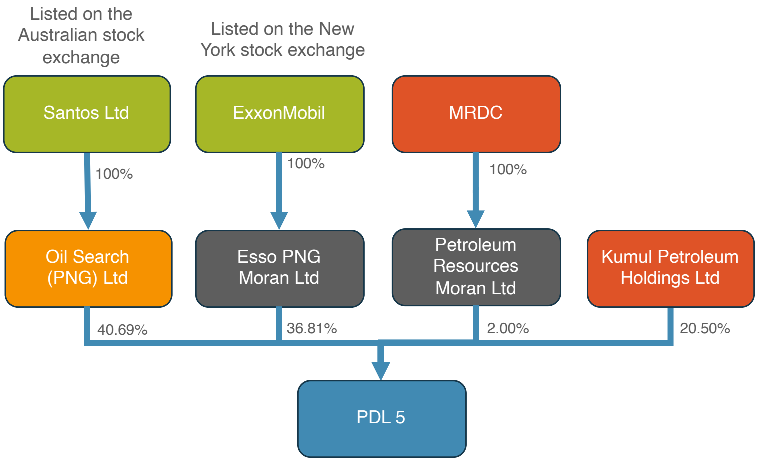


Figure 1-6 PDL5

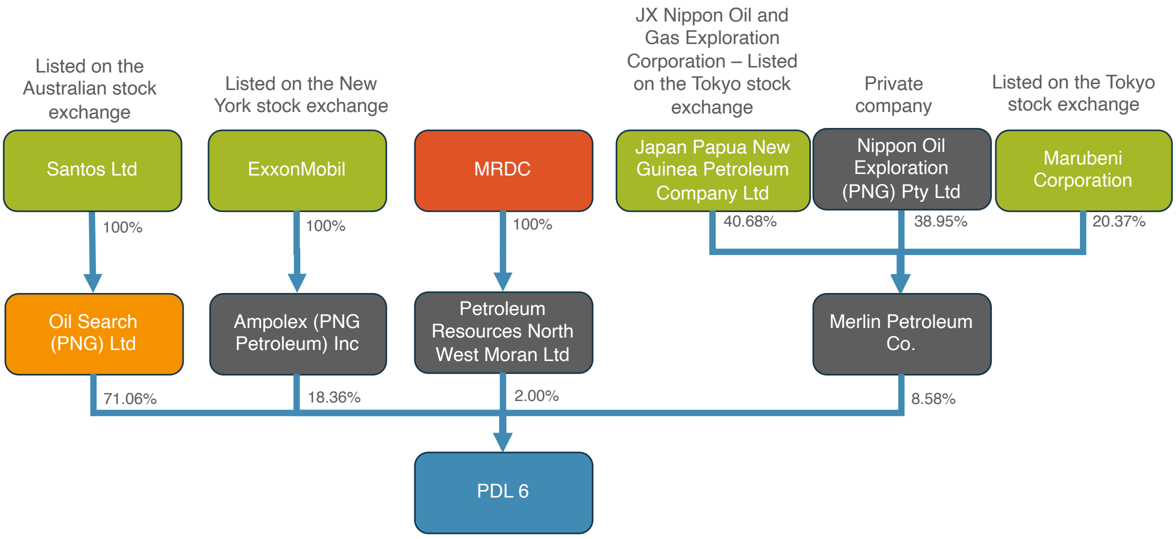
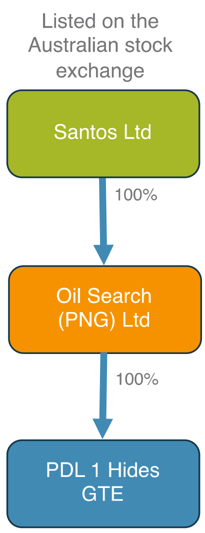


Figure 1-7 PDL6

1.5 Hides GTE



Located in the Hela Province and utilizing Gas from the Hides gas fields .

The Hides GTE project consists of a pipeline connecting the Hides 1 and Hides 2 wells to a small gas conditioning plant at the Hides Production Facility.

An average of 13-15 mscf/d is supplied to Pogera for electricity for the Porgera Gold Mine and surrounding communities.

The gas is sold under a long-term gas supply contract. As of 2011 a new agreement was executed to continue supplying for the next 15 years.

Gas supply to Porgera was affected between 2020 and 2023 as a result of the shutdown of the Porgera Gold Mine.

Santos is the Operator and owner of the Hides Gas to Electricity Project.

The Hides GTE is located in the Hela Province and utilizing Gas from the Hides gas fields. As of 2011, a new agreement was executed to continue supplying for the next 15 years. Oil Search Limited is the Operator and owner of the Hides GTE Project.

Figure 1-8 PDL1 Hides GTE

1.6 PNG LNG Project

Figure 1-9 PNG LNG Project Location and Pipeline[5]

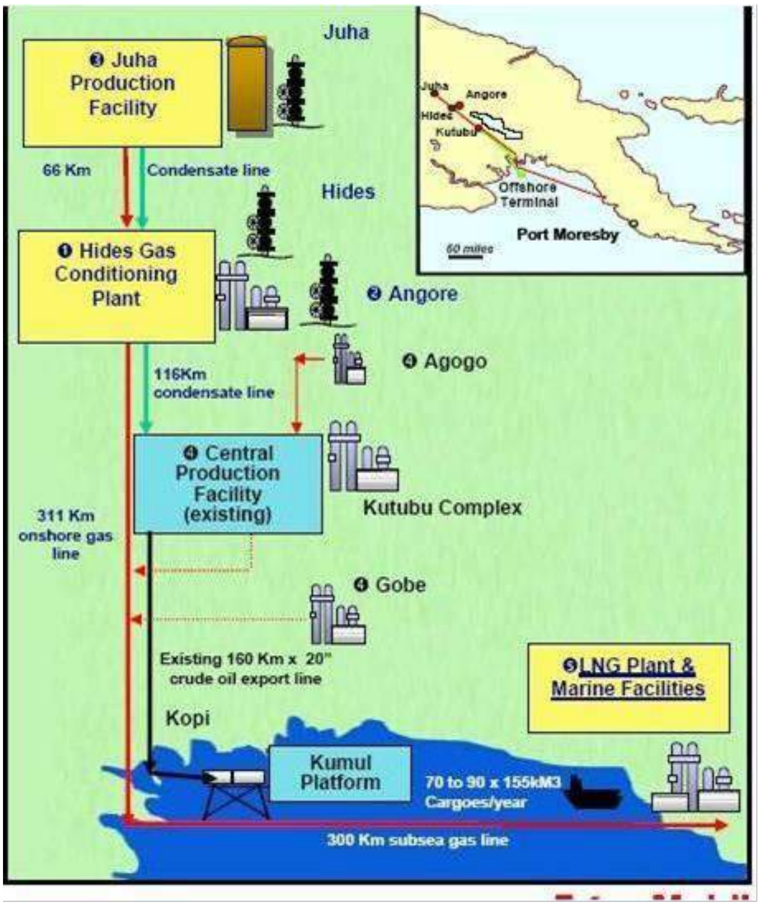


Figure 1-10 PNG LNG Project description

[5] PNG LNG Map https://www.pnglng.com/;, accessed 26 December 2022

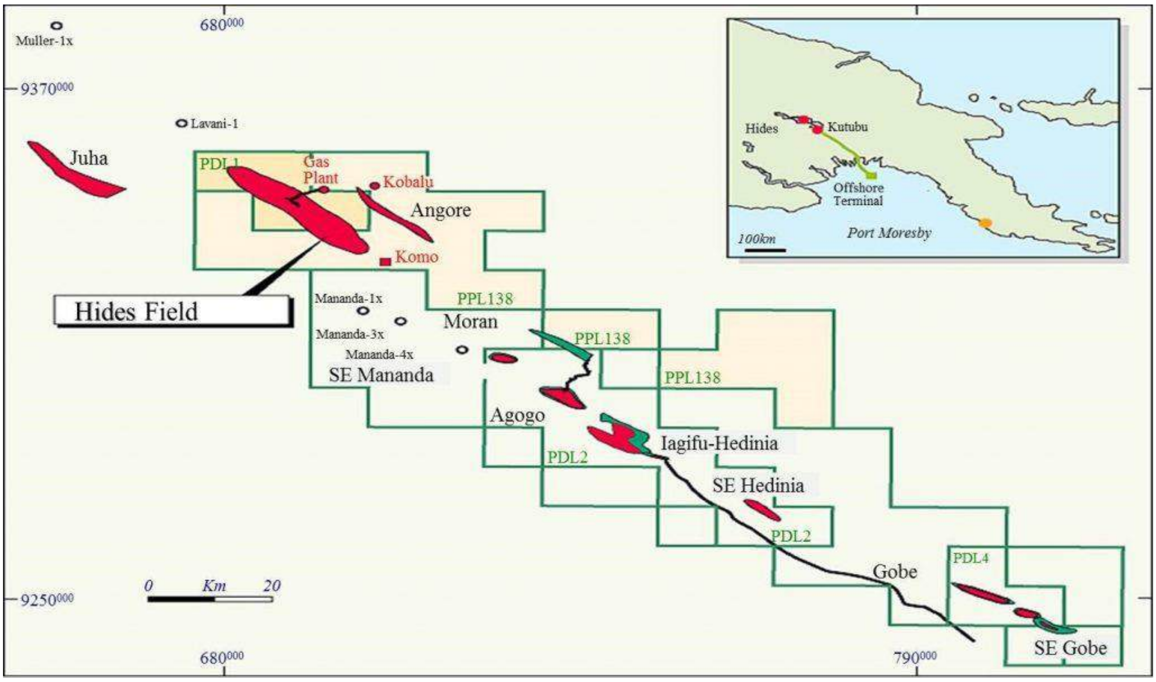


Figure 1-11 PNG LNG Project fields

PNG LNG Project is an integrated development that includes gas production and processing facilities that extend from Hela, Southern Highlands, Western and Gulf Provinces to Port Moresby, the capital city of PNG.

ExxonMobil PNG Limited (33.2 percent Interest) is the operator of PNG LNG on behalf of its co-venture partners. Co-venture partners are; Santos 42.5 percent interest, Kumul Petroleum Holdings Limited 16.8 percent interest, JX Nippon Oil & Gas Exploration 4.7 percent interest and Mineral Resource Development Company Limited (MRDC) with 2.8 percent interest.

The LNG facilities are connected by over 700 kms of onshore and offshore pipeline and include a gas conditioning plant in Hides and a liquefaction and storage facility near Port Moresby. LNG production began in April 2014, and since then the operator has been supplying LNG to four long-term major customers in the Asia region. The customers include; 1. China Petroleum and Chemical Corporation (Sinopec), 2. Osaka Gas Company Ltd, 3. The Tokyo Electric Power Company Inc, and 4. CPC Corporation. [6]

PNG LNG continues to optimise production operations through the ‘Big value, Small Changes’ focus that was introduced in 2021. This helped the Production team achieve even greater plant efficiencies in 2022, resulting in 8.6 million tonnes of LNG produced (design specification 6.9milion tonnes per annum) and 114 LNG cargoes loaded during the year.

Since the start of production, more than 69 million tonnes of LNG have been produced, with 920 LNG cargoes and 86 naphtha cargoes loaded for customers in Asia.

In July 2022, a new daily LNG production record of 9.4 million tonnes per year equivalent was achieved, and the highest daily level of naphtha production was also recorded at 722 cubic metres per day on average compared to the previous record of 579 cubic metres per day on average.

[6] https://petroleum.gov.pg/exxonmobil-png-lng-project/

More than 96 percent uptime was sustained throughout the year, which included both scheduled and unscheduled maintenance.[7]

Project will produce an estimate of more than 11 trillion cubic feet of LNG over the life (20 plus years) of the project.

PNG LNG benefits at a glance

- Production workforce of over 2,700, 91 percent are Papua New Guinean and 20 percent are women
- Around 1 billion cubic feet of natural gas turned into LNG every day at the LNG Plant
- Capacity to produce over 8 million tonnes of LNG each year
- 220 Papua New Guinean Operations and Maintenance technicians trained to run facilities - 25 percent women
- More than K15 billion spent on services provided by Papua New Guinean companies since 2010
- 196 PNG businesses and 15 landowner companies providing services to PNG LNG
- More than 20,000 Papua New Guinean entrepreneurs assisted by the ExxonMobil established Enterprise Centre to help develop their business
- K1 billion invested in community and infrastructure programs focused on education, health, women's empowerment, environment and agriculture

The PNG LNG Global Company LDC ("GloCo") is a joint marketing and financing company. All proceeds from sales to third parties are received by GloCo, and payment of all financing, marketing, ship chartering, and operating costs are made from GloCo. GloCo is owned by the PNG LNG project partners in proportion to their equity interests (as illustrated in Figure 51). It is operated by ExxonMobil, but it is not an ExxonMobil affiliate or subsidiary. Net proceeds from sales are periodically distributed to each of the project partners in accordance with the financing.

Although GloCo is a pass-through entity, to ensure transparency, reporting by GloCo is required under the EITI Standard. The IA has requested, via ExxonMobil, that GloCo report on PNG LNG distributions; however, we understand that this requires agreement from all owners of the project. In its capacity as the operator of PNG LNG, ExxonMobil does provide confirmation of the reported share of sales and equity distributions by Kumul Petroleum Holdings Limited and landowner companies that are partners in the PNG LNG project (where they have submitted a reporting template)

Figure 1-12 illustrates the ownership structure of the PNG LNG project, while the subsequent figures illustrate the license interests associated with each PDL within the PNG LNG Project. The operating entities are shown in yellow.

[7] https://pnglng.com/media/PNG-LNG-Media/Files/Environment/Environment%20and%20Social%20reports/2022-Annual-ES-Report-FULL-REPORT-(ENG-WEB)-v1.pdf

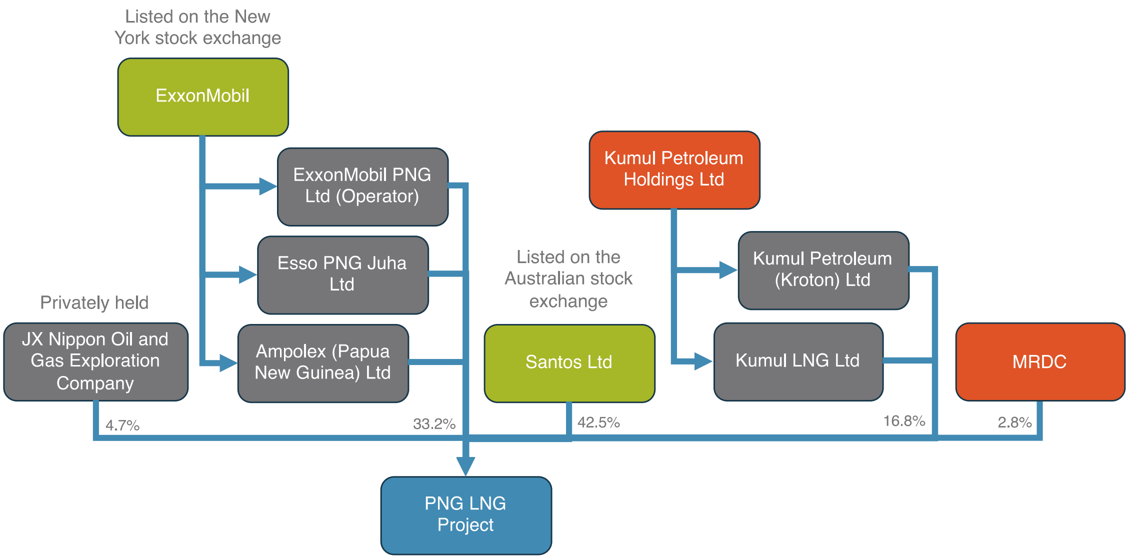


Figure 1-12 Interests in the PNG LNG project

The PNG LNG Project is an integrated development that includes gas production and processing facilities that extend from Hela, Southern Highlands, Western and Gulf Provinces to Port Moresby, the capital city of PNG. The PNG LNG Project will produce an estimate of more than 11 trillion cubic feet of LNG over the life (20 plus years) of the project.[8]

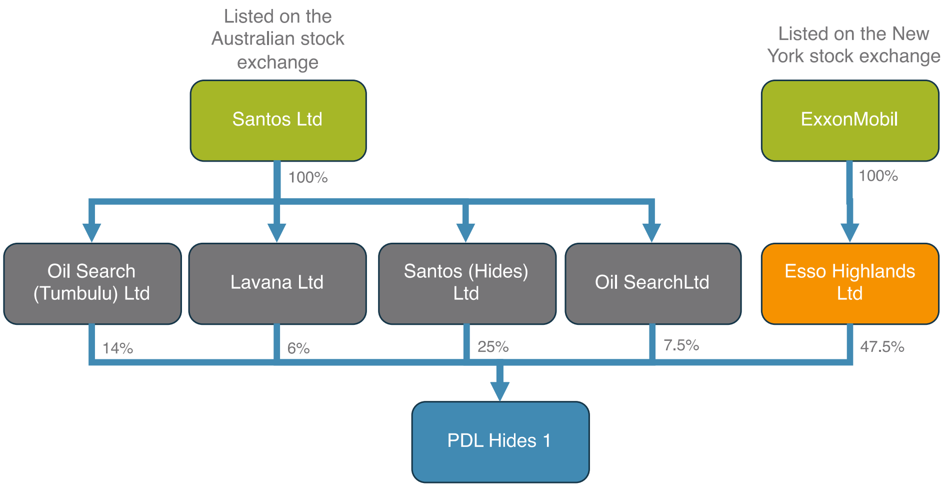


Figure 1-13 PDL Hides 1

[8] PNG LNG Project, https://petroleum.gov.pg/exxonmobil-png-lng-project/,

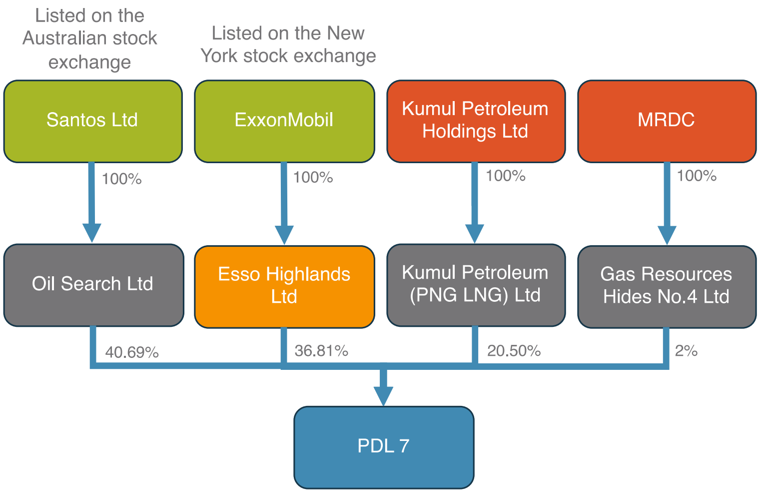


Figure 1-14 PDL 7 (Hides)

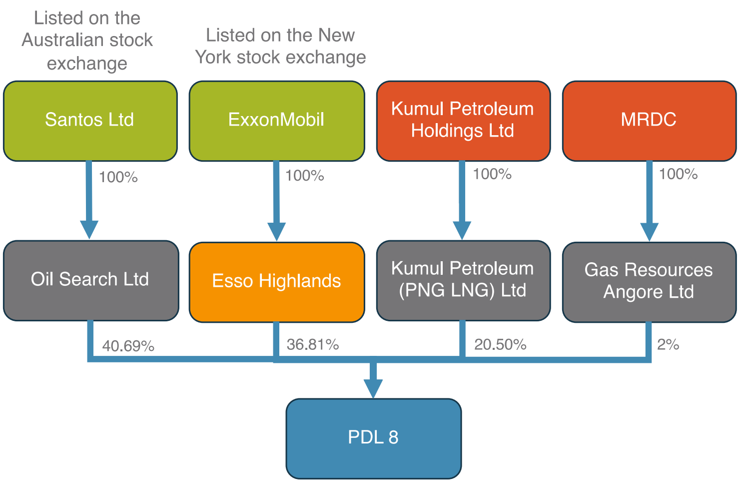


Figure 1-15 PDL 8 (Angore)

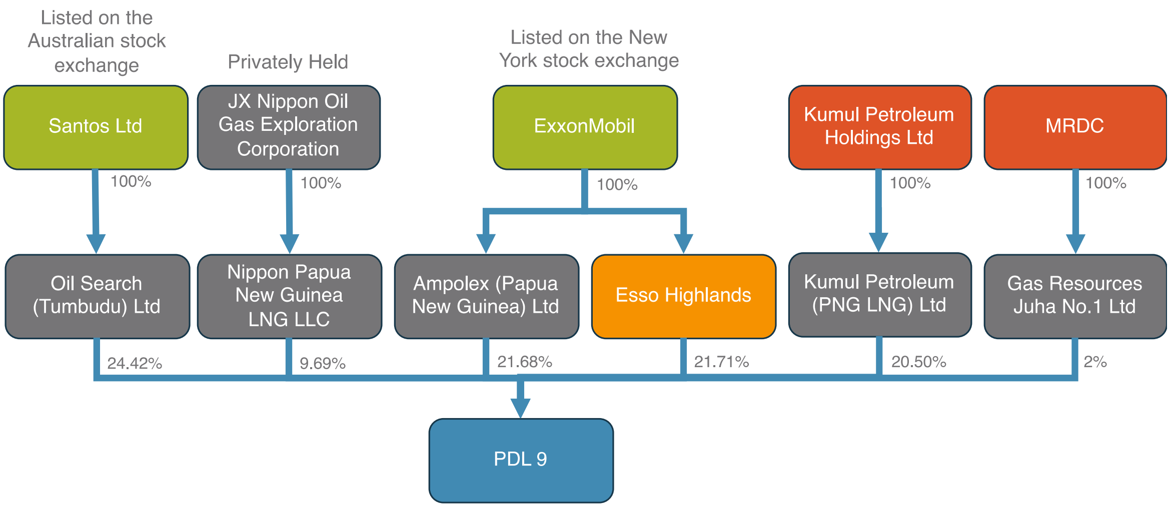


Figure 1-16 PDL 9 (Juha)

1.6.1 PNG LNG Revenue

To satisfy the PNG LNG Loan conditions, all revenue from the exports of PNG LNG come in via PNG LNG Global Company LDC (GloCo). As illustrated in Figure 1-17 below, after project payments including loan repayments, the balance of proceeds cascades down to the various JV Partners. . Payment streams from KPHL are detailed in Annex D, and payment streams from other participating entities are detailed in Annex C.

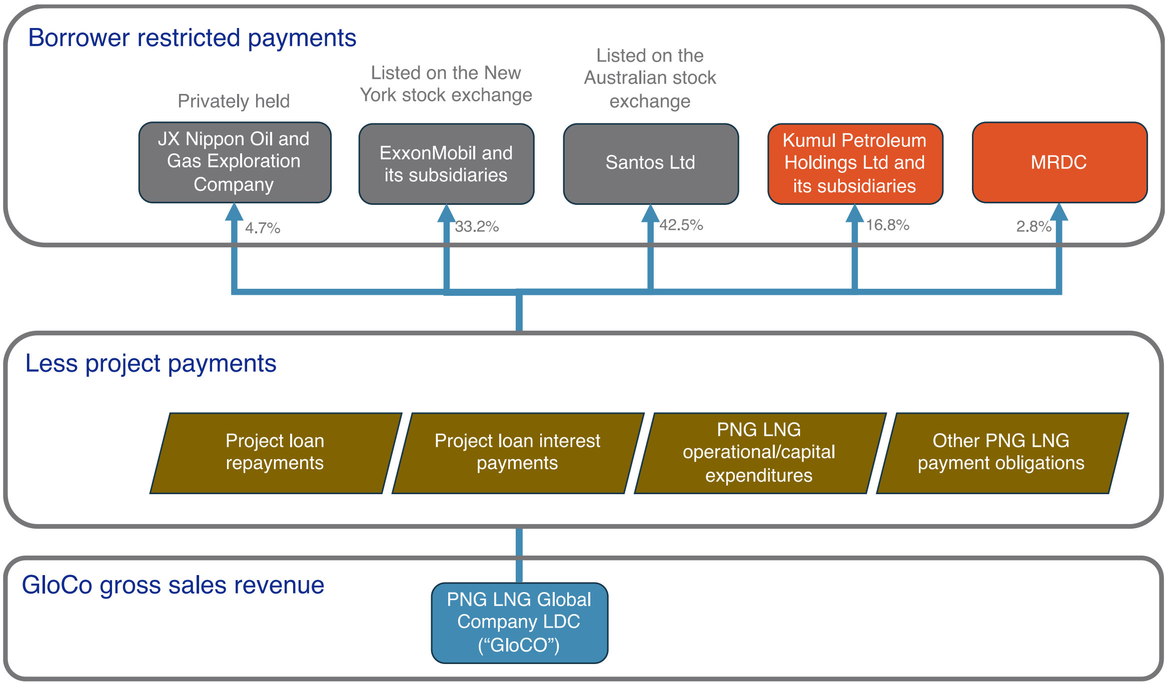


Figure 1-17 Payment flows from GloCo

1.6.2 PNG LNG Borrowings

The total PNG LNG Project was about USD$20 Billion. 30% of this which equates to USD6 Billion was funded by each JV partner in accordance with their JV holdings. The balance of 70% or USD$14 Billion was debt finance by the project itself via a consortium as follows:

1. Six Export Credit Agencies which financed USD$8.3B.
2. Seventeen Commercial banks from European, Asian & Australian which financed USD$1.95B.
3. ExxonMobil financed as a Co-loan the balance of USD$3.75B.

The secured loan from joint operation PNG LNG Global Company LDC (GloCo), a limited duration company incorporated under the laws of the Commonwealth of the Bahamas (the "Borrower") was organised to conduct certain activities of the PNG LNG Project outside of PNG, including the borrowing and on-lending to the Project participants of the Project Finance Debt Facility, and the purchase and re-sale of PNG LNG Project liquids and LNG. The Borrower is owned by each Project participant in a percentage equal to its interest in the PNG LNG Project.

Interest and principal on the Project Finance Debt Facility is payable on specified semi-annual dates, which commenced in June 2015, with the principal being repayable over 11.5 years based on a customised repayment profile and with 4.5 years remaining on the facility as of 31 December 2021.

The liquids and LNG sales proceeds from the PNG LNG Project are received into a sales escrow account from which agreed expenditure obligations and debt servicing are firstly made and, subject to meeting certain debt service cover ratio tests, surpluses are distributed to the Project participants.

The Borrower granted to the security trustee for the Project Finance Debt Facility:

- A first-ranking security interest in all of its assets, with a few limited exceptions
- A fixed and floating charge over existing and future funds in the offshore accounts; a deed of charge (and assignment) over the sales contracts, LNG charter party agreements, rights under insurance policies, LNG supply and sales commitment agreements, on-loan agreements and the sales, shipping and finance administration agreements, collectively known as “Borrower Material Agreements”
- A mortgage of contractual rights over Borrower Material Agreements.

The Project Finance Debt Facility is subject to various covenants and a negative pledge restricting further secured borrowings, subject to several permitted lien exceptions. Neither the covenants nor the negative pledge have been breached at any time during the reporting period. Financial Completion for the PNG LNG Project was achieved on 5 February 2015. From that date, the completion guarantee that was provided by the Company for its share of the Project Finance Debt Facility was released.

The IA could not confirm the secured loan amounts owed by KPHL and MRDC.

2 New oil and gas projects

2.1 Stanley project (under DPE supervision)

Petroleum Development License (PDL) 10, comprising the Stanley gas-condensate field located 40km northwest of Kiunga town in the Western Province of PNG, was awarded to Horizon Oil (Papua) Limited on 30th May 2014.

The field has a total recoverable gas volume of 355 Bcf and condensate volume of 11.3 MMbbl (P50), as certified.

In 2018, the PNG Government gave notice that it intended to cancel PDL 10 and PL 10, allegedly for failure to construct, commission and commence production operations. To date, the planned engineering, procurement and construction of the project has not progressed. Discussions are ongoing to resolve this matter in the interests of both the state and the developer(s).[9]

In January 2020, Repsol sold its interests to Arran Energy Investments Pty Ltd, a privately owned Australian company, whose subsidiary Arran Energy Niugini Pty Limited then became the operator.

In October 2020, Osaka Gas Pty Ltd sold Osaka Gas Niugini to Arran Energy.[10] Further, in December 2020, Horizon Oil also sold its PNG assets to Arran Energy.[11]

In September 2023, locally owned TWL Energies took over Arran Energy's interest in Stanley Gas.

IA could not confirm at what stage this project currently sits.

In 2018, the PNG Government gave notice that it intended to cancel PDL 10 and PL 10, allegedly for failure to construct, commission and commence production operations. To date, the planned engineering, procurement and construction of the project has not progressed. Discussions are ongoing to resolve this matter in the interests of both the state and the developer(s).[12]

In January 2020, Repsol sold its interests to Arran Energy Investments Pty Ltd, a privately owned Australian company, whose subsidiary Arran Energy Niugini Pty Limited then became the operator. In October 2020, Osaka Gas Pty Ltd sold Osaka Gas Niugini to Arran Energy. [13] Further, in December 2020, Horizon Oil also sold its PNG assets to Arran Energy.[14]

The project is currently in feasibility stage and is expected to start commercial production in 2025. The Stanley conventional gas development will involve the drilling of approximately three wells.[15]

---

[9] Stanley Gas Condensate Project, https://petroleum.gov.pg/stanley-gas-condensate-project/
[10] PNG EITI 2021 Report, pg 143.
[11] Ibid.
[12] Stanley Gas Condensate Project, https://petroleum.gov.pg/stanley-gas-condensate-project/,
[13] Osaka sale to Arran, https://www.argusmedia.com/en/news/2154235-osaka-gas-spins-off-papua-new-guinea-gas-assets, 18 July 2022
[14] Horizon asset sale to Arran, https://www.oilandgastoday.com.au/horizon-departs-png-with-asset-sale/, 18 July 2022
[15] Stanley Conventional Gas Field, Papua New Guinea, https://www.offshore-technology.com/marketdata/stanley-conventional-gas-field-papua-new-guinea/?cf-view&cf-closed,

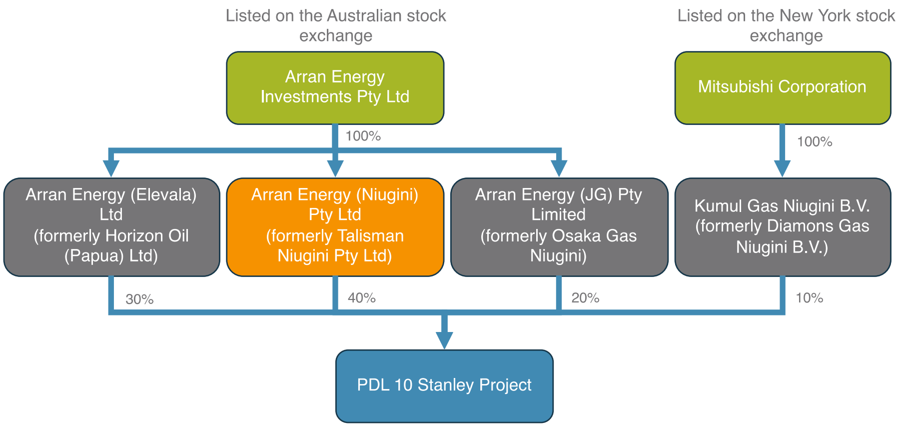


Figure 2-1 PDL 10 Stanley Project

2.2 Papua LNG Project (Elk-Antelope gas discoveries) (under DPE supervision)

PRL 15 Elk-Antelope Gas field is located in the Gulf Province. Major Developer is Total E&P \ with Joint Venture Partnership with ExxonMobil and Oil Search Limited (OSL). Soon to be another milestone LNG Project, Papua LNG is estimated to have 6.2 TCF of gas and 98 million barrels of condensate. Plans are under way to utilize the same facilities at the Foundation PNGLNG Plant at Caution Bay (PPFL2).

The participants under PRL 15 in 2018 were (post the State back-in right of 22.5%.):[16]

Total (operator)	31.1%
ExxonMobil	28.7%
Santos	17.7%
Papua New Guinea	22.5%

Upon completion of the farm-in, deal interests in PRL 15 will be Total E&P (37.55%), ExxonMobil (37.04%), Santos (22.83%), and JX Nippon (2.58%). The PNG Government has the right to back in for up to 22.5% interest in the project.[17]

In November 2018, the partners in the Papua LNG Project entered a Memorandum of Understanding (MoU) with the government of Papua New Guinea for the development of the Papua LNG Project.[18] The Gas Agreement, which allocates project benefits and returns among stakeholders, was finalised in April 2019. However, necessary implementing legislation and agreements are still needed.

The Papua LNG project (Santos 22.8% interest before PNG government back-in) is a proposed LNG project that would share certain midstream infrastructure with PNG LNG. In 2022, the project continued to progress technical, commercial, regulatory, social and environmental planning activities. The operator, Total E&P, announced the launch of the first phase of front-end

[16] Papua New Guinea government, partners sign LNG agreement, https://www.ogj.com/pipelines-transportation/lng/article/17279091/papua-newguinea-government-partners-sign-lng-agreement,
[17] JX Nippon farms into Elk-Antelope gas field in PNG, https://www.ogj.com/general-interest/companies/article/14294810/jx-nippon-farms-into-elkantelope-gas-field-in-png,
[18] Oil Search, 'Papua LNG JV signs MoU with PNG Government', https://www.oilsearch.com/__data/assets/pdf_file/0018/27135/181116-PapuaLNG-JV-signs-MOU-with-Government.pdf

engineering and design (FEED) studies in June 2022. A decision to enter integrated FEED for the project is planned for 2023.[19]

On 4 December 2023, Papua LNG announced the first project engineering and procurement contract for the upstream early works and infrastructure package. The announcement of contract awardee, Vinci Construction Terrassement SpieCapag Niugini Limited (VCTSC) was made at an inaugural supplier forum in Port Moresby. Under the arrangement, VCTSC will engage contractors and subcontractors to do the work. The VCTSC contract was part of the overall project cost of US$10billion (about K37 billion) package for Papua LNG. This is part of the four or five contract packages Total E&P has for the Papua LNG project. There will be other project contact, construction for oil production wells, contract onshore and offshore pipeline, and then contract for construction of the conditioning plant in PRL 15 and different EPC contractor will be appointed by Exxon Mobil to build the liquification facility.[20]

2.3 Pasca A (under DPE supervision)

Pasca A (Twinza Oil) is a gas condensate discovery (PPL 328 (APDL14)) located at the Gulf of Papua, Offshore Papua New Guinea. The field type is liquids-rich gas-condensate accumulation in carbonate pinnacle reef. The reserves have been proven, the development plan has been completed and the production license in pending approval.[21] The operator is Twinza Oil (PNG) Ltd, which currently holds 100% interest in the Pasca A project. The State has the right to acquire a 22.5% working interest if it chooses.[22]

Twinza Oil is all set to proceed with front-end engineering and design for the first phase of its Pasca A gas condensate development offshore PNG when it receives the remaining regulatory approvals including for its Petroleum Development Licence (PDL) application.[23]

2.4 P'nyang Gas Project

ExxonMobil and the Independent State of PNG signed the P'nyang gas agreement for the proposed development of the P'nyang LNG project on 22 February 2022.[24] The P'nyang gas field, licensed under PRL 3, is located in the Western Province of PNG. The gas field was first discovered in the 1990s by then operator Chevron Niugini Ltd. Currently operated by ExxonMobil Limited, the joint venture partners are Ampolex (PNG) Pty Ltd, Oil Search (PNG) Ltd, Merlin Petroleum Company and Oil Search Ltd.[25]

The P'nyang proposed development concept based on preliminary studies conducted is such that the gas and condensate export pipelines will connect to the existing facilities of the foundation project (PNG LNG) at the Kutubu Central Processing Facility (CPF). The field is intended to expand the PNG LNG Project as well as provide natural gas for power generation. The APDL review process has been completed.[26]

It is understood that the development forum, development, and construction of the P'nyang gas project in the Western Province will come after the completion of the construction phase of the

[19] Santos Annual Report 2022, pg 23
[20] PNG LNG contract announced, https://www.thenational.com.pg/papua-lng-contract-announced/,
[21] Pasca A - Twinza Oil, https://www.twinzaoil.com/what-we-do/papua-new-guinea-pasca-a, accessed 07th September 2022
[22] Ibid; Pasca A Gas Project, https://petroleum.gov.pg/pasca/,
[23] Papua New Guinea offshore gas project finally set for FEED lift-off, https://www.upstreamonline.com/field-development/papua-new-guinea-offshore-gas-project-finally-set-for-feed-lift-off/2-1-1431603,
[24] Major gas project agreement signed in Papua New Guinea, https://www.upstreamonline.com/lng/major-gas-project-agreement-signed-in-papua-new-guinea/2-1-1172113l & Exxon Mobil and Papua New Guinea sign P'nyang gas agreement, https://corporate.exxonmobil.com/news/news-releases/2022/0221_exxonmobil-and-papua-new-guinea-sign-pnyang-gas-agreement,
[25] P'nyang Gas Project, https://petroleum.gov.pg/pnyang-gas-project/,
[26] Ibid.

Papua LNG project. There are two similar projects within the same region, the Elk Antelope in Gulf and the P'nyang in the Western Province, and they share the same geographical region.[27]

The government has sequenced the two projects, by firstly starting off with the development and the construction of the Papua LNG project by 2024 and then move over to P'nyang, running back-to-back within the space of four years. This means that the Development Forum for P'nyang is expected to take place in 2027 and the construction and the development would start in 2028.[5]

[27] P'nyang gas project after development, construction-phase, https://www.postcourier.com.pg/pnyang-gas-project-after-development-construction-phase/,

Annex D – State-owned enterprises

1 Legal basis

Based on the 2023 EITI Standard, State-Owned Enterprise (SOE) is defined as a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government.[1] The PNGEITI Scoping Study on SOE transparency, published in May 2021, set out a definition specific to PNG.[2]

In Papua New Guinea, the State is entitled to purchase a portion of any mining or petroleum enterprise at par value, sometimes known as "sunk cost." In exchange, the State may get dividends in line with its rights as a stakeholder, representing a portion of the project's income (see section [x]).

Kumul Mineral Holdings Ltd (KMHL) absorbed all government mining holdings in 2015, with the exception of Ok Tedi Mining Limited (OTML), while Kumul Petroleum Holdings Ltd (KPHL) absorbed all government petroleum interests.

[1] 2023 EITI Standard, page 21.
[2] SOE Study report, page 8, https://www.pngeiti.org.pg/pngeiti-reports/.

2 Kumul Petroleum Holdings Ltd

2.1 Creation, ownership, and structure

The National Government has always held shareholding in large resource projects in the country. In past years this involved entities including, Treasury Department, MRDC, Orogen Minerals, Eda Oil, NPCP and Petromin.

Kumul Petroleum Holdings Ltd (KPHL) as it is now called has been through a series of changes of structure and name since it was first incorporated in June 2009 as Kroton No.2 Limited. After the development of the PNG LNG Project in 2014, the state decided that it would consolidate its commercial equity positions in three “Kumul” companies; Kumul Consolidated Holdings Limited (KCHL), Kumul Minerals Holdings Limited (KMHL) and Kumul Petroleum Holdings Limited (KPHL).

The Kumul Petroleum Holdings Limited Authorisation Act 2015 gave rise to KPHL. This Act outlines KPHL’s role as the country’s national petroleum company. The legislation mandates KPHL’s possible participation in the petroleum exploration, development, production, processing, marketing as well as related upstream, midstream and downstream activities such as petrochemicals, gas supply and power generation.

All the State’s petroleum assets and interests are consolidated under KPHL and it it the exclusive State Nominee in any future petroleum developments such as Papua, P’nyang and Wildebeest LNG.

Through a subsidiary called Kumul Petroleum (Kroton) Limited, KPHL holds 16.57% interest in the PNG LNG Project, operated by ExxonMobil. This is inline with the provisions of the Oil & Gas Act.

Other KPHL subsidiaries hold interests in other petroleum licences, including four petroleum retention licenses (PRL 47, 48, 49 and PRL 50) where KPHL is operator.

KPHL’s data template for 2022 lists the following holdings:

- Kumul Petroleum (Kroton) Limited
- NPCP Oil Company Pty Ltd
- Eda Oil Limited
- Kumul LNG Limited
- Kumul Energy Limited

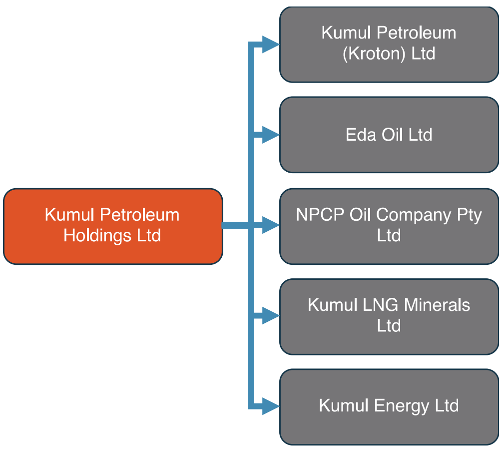
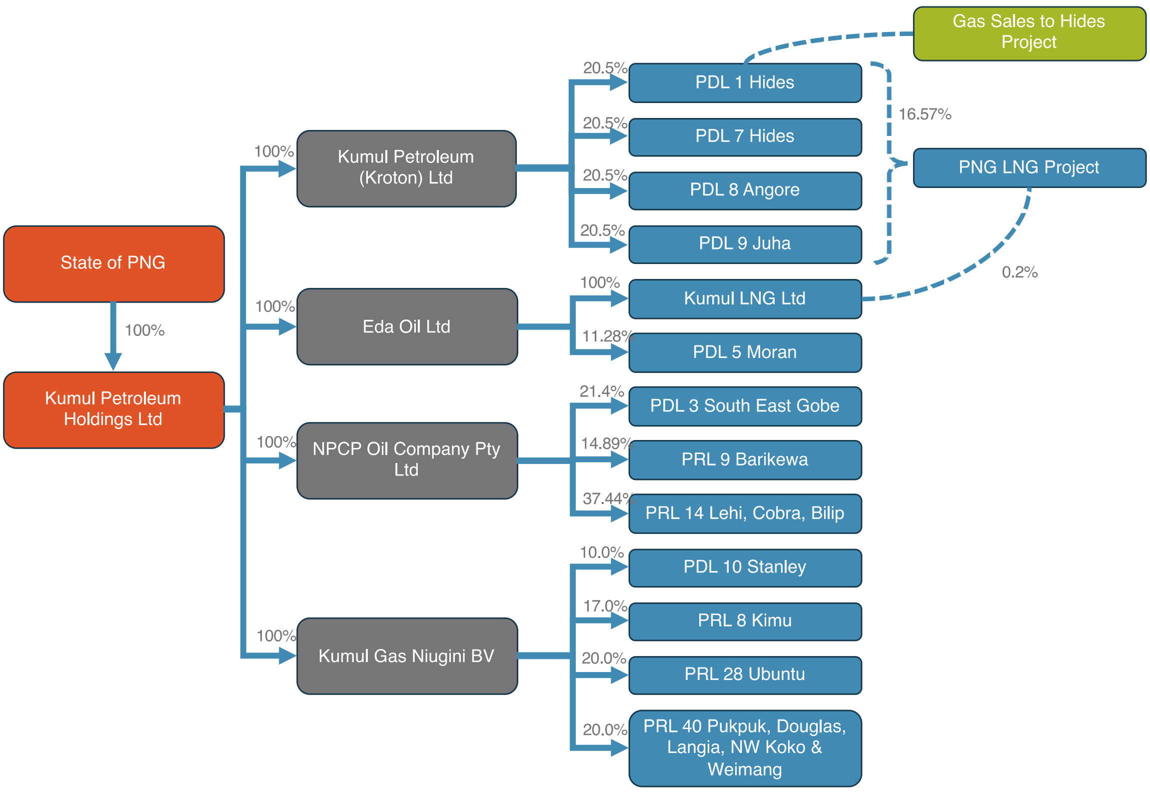


Figure 2-1 KPHL holdings as reporting in template

However, KPHL's website lists a broader set of interests, together with an interactive map.[3][4] These are outlined below.



The ownership % of PDL 3 has been confirmed by KPHL to be 45.72%, though on the KPHL website it lists ownership percentages of 21.4% and 45.72%. We also note that information from the MSG indicated an 8.85% ownership.

NPCP Oil Company Pty Ltd is also sometimes referred to as Cue Oil.

Figure 2-2 KPHL holdings as reported on KPHL website

As outlined above, KPHL's subsidiary Kumul Petroleum (Kroton) Ltd holds a 20.50% interest in four petroleum development licenses which together represent a 16.57% interest in the PNG LNG project. KPHL's participating interest is determined by the amount of gas committed to the project from a defined area within each of the four PDLs. KPHL participates in the management of the PNG LNG project through representation on the operating, technical, and sales and marketing committees.[5]

KPHL, through its co-ownership in PDL 1, also jointly sells gas to the Santos owned and operated gas to electricity plant (the Hides Project). The Hides Project buys gas from the PDL 1 partners, which it conditions and sells to the Barrick-operated Porgera gold mine.[6]

During 2023, The Kumul Petroleum Holdings Limited (KPHL) is set to acquire an additional 5% project interest in the PNG LNG from Santos Limited, according to the Independent Consumer and Competition Commission (ICCC). KPHL's current project interest in the total project (including 0.2% from Eda Oil is 16.8%. This will increase to 21.8% after the completion of the acquisition.

[3] Petroleum Retentions, http://kumulpetroleum.com/-interests/
[4] Information from KPHL website (ibid) and from information submitted for previous EITI reports.
[5] PNGEITI 2021 Report, page 153.
[6] PNGEITI 2021 Report, page 153.

The submission of proposed acquisition will be treated as public information unless confidentiality is sought. The proposed transaction will follow 2 steps.

1. KPHL will acquire a 2.62% project interest in the PNG LNG project from Santos pursuant to a share sale and purchase agreement between KPHL and Santos. The completion of the share SPA is not subjected to finance and conditional only on KPHL obtaining clearance from the ICCC on or before 31 December 2023.
2. A call option deed under which Santos will grant KPHL an option to acquire a further 2.38% project interest in the PNG LNG project on the conditions set out in the call option deed. The call option is to be exercised on or before 30 June 2024. Upon the exercise of the call option, Santos and KPHL will execute and complete the asset SPA to deliver a further 2.38% project interest in the PNG LNG project to KPHL. [7]

2.2 Revenue and payment streams

The gas produced by PNG LNG is jointly marketed through the PNG LNG Global Company LDC ("GloCo") (see further section 8.5).

KPHL reported the following payment streams for 2022:

Table 2-1 KPHL payment streams

Payment stream	Recipient	PGK
Dividends	Treasury	300,000,000
Group tax	IRC	18,784,892
Goods and service tax	IRC	4,660,747
Licences	DPE	nil
Total		**323,445,639**

KPHL also reported the following payments by PNG LNG on behalf of the Company.

Table 2-2 KPHL reported payments (Paid by PNG LNG on behalf of the Company)

Payment stream	Recipient	PGK
Royalties – Paid to Landholders	MRDC	64,000,000
Group tax	IRC	28,154,510
Additional profits tax	IRC	807,318,233
Development levy	State	64,000,000
Total		**963,472,743**

Refer to Chapter [x] for other payments made by KPHL.

KPHL provided a process flow of payments from GloCo; this is illustrated below in Figure 3-3, with amendments by the IA for clarity.

[7] KPHL eyes additional 5% in PNG LNG project, https://www.thenational.com.pg/kphl-eyes-additional-5pc-in-png-lng-project/

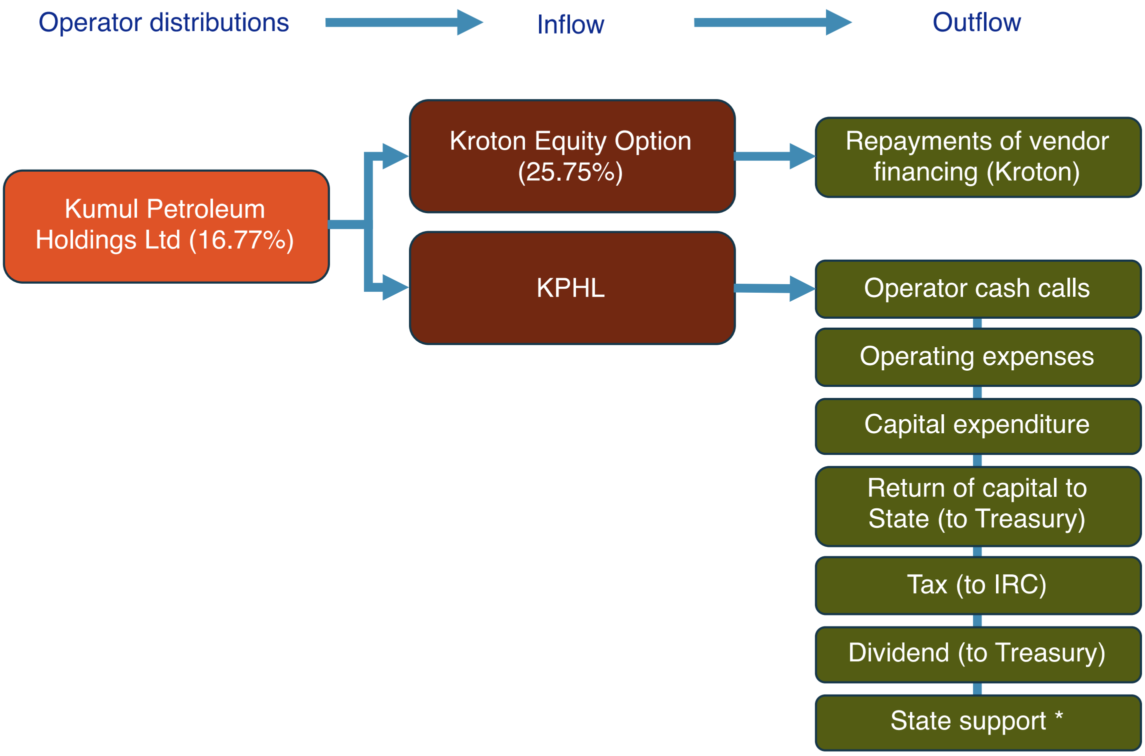


Figure 2-3 KPHL payment streams from PNG LNG project

The PNG LNG Project Umbrella Benefits Sharing Agreement (UBSA) signed by the State and other stakeholders in 2009 determined the distribution of statutory benefits to the various stakeholders in line with the Oil & Gas Act.

The UBSA also provided for a commercial option that enabled nominated project- impacted provincial governments and landowners to acquire additional indirect equity in the project through purchasing a 25.75% shareholding in the company holding the State's interest in the PNG LNG Project, within a certain opportunity window.

The nominated provincial governments and landowners failed to secure finance to acquire these shares within the allotted opportunity time window; however, NEC considered that these stakeholders should still participate in and receive benefits from the PNG LNG Project. Kumul Petroleum Holdings organised vendor finance in 2016 for this purpose, known as the Kroton Equity Option.[8]

[8] KPHL website, https://kumulpetroleum.com/who-we-are/

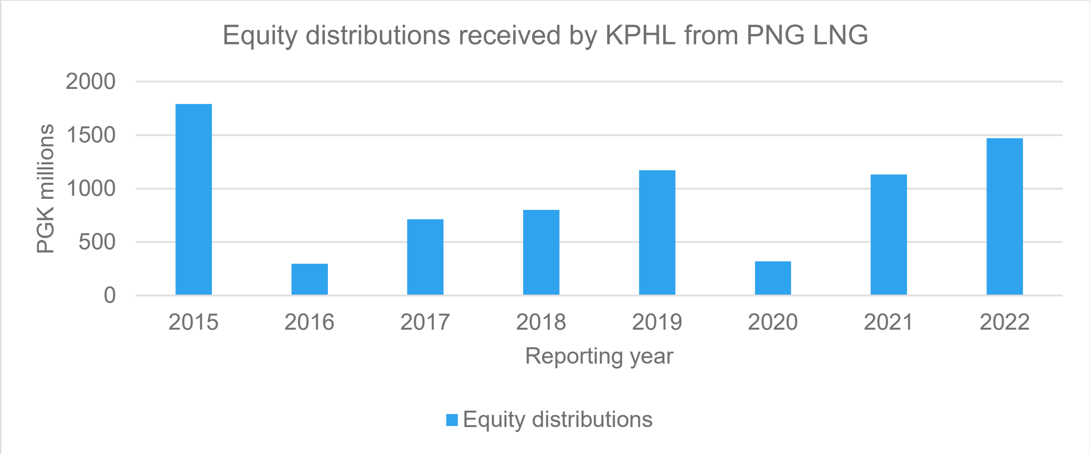


Figure 2-4 Equity distributions received by KPHL from PNG LNG

Average annual equity distribution received by KPHL over the past 8 years amounted to PGK962m. Highest collections were recorded in 2015 amounting to PGK1,790m. Lowest receipts, on the other hand, were recorded in 2016 amounting to PGK297m.

As at 31 December 2022, all beneficiaries including provincial governments and landowner groups had accepted to take up their options using KPHL's vendor financing.

The IA understands that some beneficiaries have already finalised their arrangements with KPHL. Consequently, payments due to them under their respective vendor financing terms have already been made.

2.3 Social and quasi-fiscal expenditure

For the KPHL's disclosure on social and quasi-fiscal expenditures, see Chapter [x].

When it comes to quasi-fiscal expenditures, KPHL's data template mentions "Government support" but doesn't go into greater detail.

According to KPHL, there were no infrastructure tax credits available for the given reporting period.

KPHL revealed that there will be no mandated social expenditures for 2022, although it did include PGK85.2 million in discretionary social expenditures for different programs and PGK78.2 million in quasi-fiscal expenditures.

Table 2-3 KPHL social expenditure

Description of Social Expenditure	2022 Value (PGK)
Community Projects Support	40,003,804.40
Corporate Social Responsibility	44,003,271.07
Student Sponsorship Program	1,145,266.28
TOTAL	**85,152,341.75**

Table 2-4 KPHL reported payments (Paid by PNG LNG on behalf of the Company)

Description of Quasi-fiscal Expenditure	2022 Value (PGK)
Clan Vetting Exercise with DPE	2,154,274
Gas Agreement/SNT	4,865,451
Government Support - DPE/NEC/NEA	7,878,194
Government Support - Nation Building Policies	129,900
Government Support - Rural Electrification	40,728,047
Oil and Gas Policy Framework	1,568,376
PMGH Cardiology Services Support Program	7,395,507
ANGAU Cancer Services Support Program	1,556,190
PMGH Cancer Centre Structural Works Projects	2,746,236
PMGH Surgical Ward Project	9,151,096
TOTAL	**78,173,271**

3 Kumul Minerals Holdings Ltd

3.1 Creation, ownership, and structure

Kumul Minerals Holdings Limited (Kumul Minerals) is a company established and incorporated under the Companies Act 1997. Under the Kumul Minerals Holdings Limited Authorization Act 2015 (Kumul Act):

- We are authorised to operate as a commercial enterprise that principally participate in the mineral sector in Papua New Guinea and abroad.
- We are not an instrumentality of the State and our assets are not public assets.
- We are the nominee of the State to exercise the State option in new mining projects.[9]

The Prime Minister is the Trustee Shareholder (may also be called the legal owner) of the sole issued ordinary share in Kumul Minerals holding that share on trust for the benefit of the State as Beneficial Shareholder. The Trustee Shareholder has all the powers of a shareholder[10]

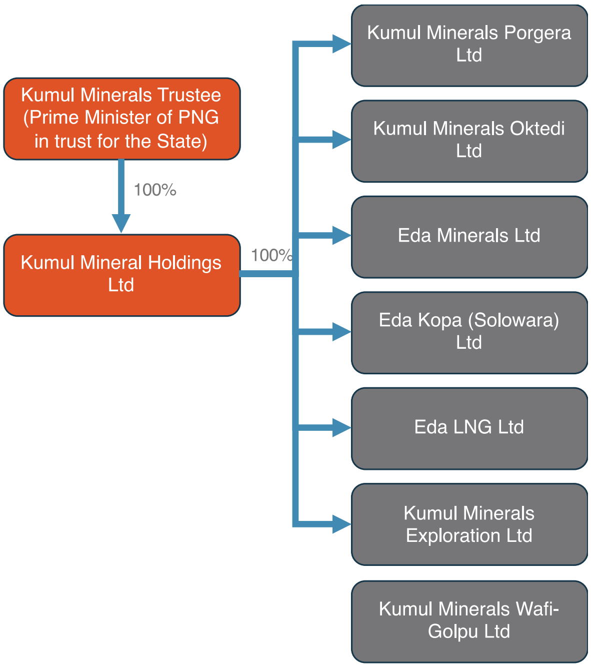


Figure 3-1 KMHL holdings

During the reporting period, KMHL did not hold any subsidiaries with interests in active resource projects. For this reason, KMHL is not a material reporting entity for 2021 (or the previous four years). Information for this report has been drawn from KMHL's 2016 reporting template, and from a copy of KMHL's audited financial statements for 2016, which were previously provided to the IA.

Kumul Minerals is the parent or holding company for a number of subsidiaries. Those subsidiaries are below: [11]

[9] Kumul Minerals website, https://kumulminerals.com.pg/, accessed on 2 December 2023.
[10] Kumul Minerals website, https://kumulminerals.com.pg/kmhl-corporate-structure/, accessed on 2 December 2023.
[11] Kumul Minerals website, https://kumulminerals.com.pg/kmhl-subsidiaries/, accessed on 2 December 2023.

- **Eda Minerals Limited** holds the 17.04% State interests in the Bougainville Copper Limited. That share would be transferred to the Autonomous Region of Bougainville per the Prime Minister's commitment when all necessary conditions are ready. On transfer, this company will be available for all other mineral project investments that are brought on board. This subsidiary has a three directors Board system for its management and operations.
- **Eda Kopa Limited** - Solwara 1 Project is managed under this subsidiary. Kumul Minerals' predecessor, Petromin made an investment of US$120 million to secure a fifteen percent (15%) interest stake in the Solwara 1 Deep Sea Mining. Kumul Minerals plans to exit the project by selling the held stocks to any interested parties of interest as part of its Business Plan. This subsidiary could be retained for Copper Projects Investments in Frieda, Yandera and the Copper Smelter Refinery business concept. As at reporting date, Eda Kopa Limited has two directors who report to Kumul Minerals.
- **Eda LNG Limited** - Once US$9 million outstanding of the investment is settled, this subsidiary will be de-registered. There is one director in charge of its name.
- **Eda Energy Limited** is a carry-over from Petromin. A cash call was made for 10% equity in Pasca Gas Project by Twinza to Petromin. The sale of ten percent (10%) equity in Pasca will be made once PDL is issued. However, through the Kumul Authorization Act, all Petroleum assets were transferred to Kumul Petroleum Holdings Limited in 2016. For that decision Kumul Minerals Holdings Limited formerly Petromin was to be paid its investments, less outstanding cash calls. The subsidiary will be deregistered and cease to be a subsidiary of Kumul Minerals upon closure of the transaction.
- **Kumul Minerals Ok Tedi Limited** holds the majority share of sixty seven percent (67%) in Ok Tedi Mine and is the only income earning subsidiary (through dividend) to date. The subsidiary is represented by three directors (who are also directors of Kumul Minerals Board) who make representations to the Ok Tedi Mining Limited Board.
- **Kumul Minerals Porgera Limited** is a partner to the New Porgera incorporated joint venture arrangement for the soon to be re-opened Porgera Gold Mine. It holds thirty six percent (36%) stake in the new structure. It has three (3) directors on New Porgera Limited, the incorporated joint venture company.
- **Kumul Minerals Exploration Limited** is responsible for the mineral exploration business of Kumul Minerals and is represented by four directors. It will not have direct field exploration but will apply for and secure target exploration tenements and farm-out those prospects to experienced explorers to partner in developing the mineral resource.
- **Kumul Minerals Wafi Golpu Limited** is only a proposed company and will be incorporated once all negotiations are completed. It will be the joint venture partner in the Wafi Golpu Copper Gold Project.

KMHL's 2022 financial statements noted that, the financial statements have been prepared on a going concern basis, on the following reasons:

- The company will continue to operate under Kumul Minerals Holdings Ltd and it will be nominated to hold all the State's participating interests in mineral projects and assets;
- The company will continue to explore cost reduction and restructuring measures and pursue other investment income generating activities to manage its cash flow requirements.
- The National Executive Council at its meeting on 22 April 2021 (Decision No. 105/2021), approved the transfer of shares held by PNG Treasury in Ok Tedi Mining Limited to an investment entity of the Kumul Mineral Holdings Limited and that no consideration will be paid by the Company for this transfer.[12]

No further information was obtained at the time of writing.

[12] KMHL Financial Statements for the year ended 31 December 2022, page 11.

3.2 Revenue and payment streams

The State is paid a dividend as and when a dividend is declared by the Board. Dividends are paid to the Department of Treasury. For 2022, KMHL stated that they paid PGK100.5 million dividend to the Stat.

The dividend was initially declared at PGK 201 million from OTML. In line with the NEC decisions NG30/2019 and 105/2020 on dividend sharing, 50% of the dividend (PGK100.5 million) was payable to the State, through the Company and the other 50% of the dividend was payable to KMHL upon resolution of the directors of Kumul Minerals (Ok Tedi) Limited (KMOTL).[13]

Table 3-1 KMHL payment streams

Payment stream	Recipient	PGK
Dividends	Treasury	100,500,000
Group tax	IRC	1,005,946
Goods and service tax	IRC	nil
Licences	MRA	nil
Total		**101,505,946**

3.3 Social and quasi-fiscal expenditure

As per KMHL data template, it revealed that there will be no mandated and discretionary social expenditures for 2022, same as quasi-fiscal expenditures.

[13] KMHL Financial Statements for the year ended 31 December 2022, page 22.

4 Ok Tedi Mining Limited (OTML)

4.1 Creation, ownership, and structure

Below is a brief company overview of OTML.

Ok Tedi Mining Limited was established in 1981 to mine the Mt. Fubilan copper-gold ore-body discovered in the Star Mountains in the Western Province of PNG just 16km east of the Indonesian border. OTML is a major producer of copper concentrate for the world smelting and refinery market in Germany, India, Japan, South Korea and the Philippines. The mine exports copper as a concentrate with contained gold and silver.

From the start of operations in 1984 to the end of 2022, Ok Tedi has produced 5.17 Mt of copper, 15.9 Moz of gold and 36.4 Moz of silver. Since 1984, OTML has contributed on average 6.2% of PNG's annual Gross Domestic.

The Shareholding structure of OTML at 15 December 2023 is shown below with Kumul Minerals Ok Tedi Ltd (State of PNG) holding 67% and Western Province entities 33%.

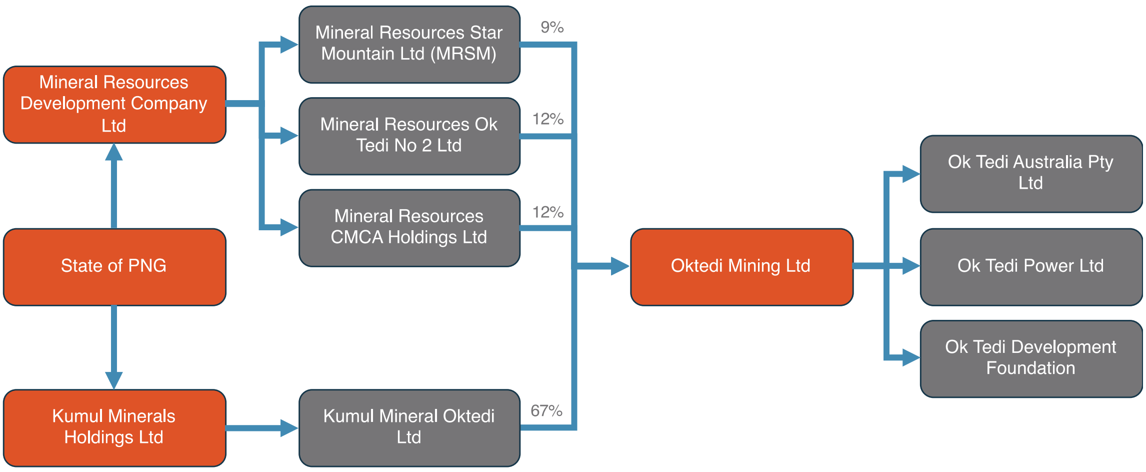


Figure 4-1 Ok Tedi Mining Ltd structure

OTML operates the longest running open-pit copper, gold and silver mine in PNG. OTML also holds are number of exploration licenses in the Western Province.

In a OTML Board meeting held in Tabubil on 13 September 2023, the Board approved in principle a further mine life extension from 2033 to 2050, marking a significant milestone for OTML, its shareholders and for PNG in general.

In addition to the Special Mining Lease (SML), OTML holds a portfolio of several Exploration Leases (ELs), other Leases for Mining Purposes (LMPs) under the PNG Land Act. A total 29,067.84 ha of leased land is held by OTML, including 27,984.24 ha under the Mining Act and 1,083.6 ha held under the Land Act.

Ok Tedi Mining Limited has a number of subsidiaries that deliver products and services to the communities and people of the Western Province, as well as OTML

1. Ok Tedi Australia Pty Ltd is providing marketing and logistics services to OTML. A 100% subsidiary of Ok Tedi Mining Limited located at Northgate, Brisbane, Australia.
2. Ok Tedi Power Ltd OTPL) is supplying and distributing power to the Western Province. OTPL manages the Tabubil and Kiunga retail power supply and distribution, Ningerum and Balimo retail power supply and distribution, and 38 mini-grids in Tutuwe, Middle Fly and South Fly.

3. Ok Tedi Development Foundation is improving self-sustainability & the quality of life of Western Province communities. A non-profit, legal entity established to manage the development benefits and delivery of projects to the 157 villages in the Community Mine Continuation Agreement (CMCA) area of the Western Province and with consideration for the peoples of the Telefomin District, Sandaun Province.[14]

4.2 Revenue and payment streams

Table 4-1 OTML reported material revenue streams

Payment stream	Recipient	PGK
Corporate income tax	IRC	nil
Tax credit scheme - ITC actually spent on projects	DNPM	52,607,103
Tax credit scheme - ITC offset from tax paid	IRC	12,972,952
Group tax	IRC	134,573,343
Foreign contractor withholding tax	IRC	17,663,554
Royalty tax	IRC	1,732,117
Dividends	Treasury	nil
Production levy	MRA	17,345,477
Royalty	Fly River Provincial Government	34,642,337
Royalty	Mine Villages Land- owners	32,910,220
Total		**304,447,103**

Total revenue and profit from operations in 2022 amounted to PGK3.5 billion and PGK301 million, respectively.[15]

Ok Tedi disclosed the following dividend payments in 2022:

Table 4-2 OTML dividend payments 2022

Payee	PGK millions
Kumul Minerals Ok Tedi Limited (paid 50% to Treasury, 50% to KMHL)	201.00
Mineral Resources Ok Tedi No.2 Ltd (via MRDC)*	36.00
Mineral Resources CMCA Holdings Ltd (CMCA Peoples Dividend Trust account)	36.00
Mineral Resources Star Mountain Ltd (Mine Villagers)	27.00

[14] Ok Tedi website, https://oktedi.com/who-we-are/our-subsidiaries/, accessed on 2 December 2023.
[15] Based on Annex B, 1.7

5 Mineral Resources Development Company Ltd

5.1 Creation, ownership, and structure

A parliamentary act created the Mineral Resources Development Company Ltd. (MRDC). The Chief Secretary chairs the MRDC board, which is directly under the Prime Minister's office.

MRDC acts as a trustee shareholder for beneficiary landowners and provincial governments. Under the definition of the EITI Standard (2.6)[16].

The corporate trustees under MRDC management have an investment mandate by utilizing a certain percentage of the trust funds to investment. The Board of each corporate trustee has the sole authority to make the investment decisions based on proper considerations. MRDC's role is to implement the investment decisions and then monitor the performance of the investment and make appropriate recommendations to the Board. MRDC also provides other corporate and financial management services to the corporate trustees.[17]

MRDC has three mechanisms by which it holds or manages interests on behalf of the government of PNG:

- Management of landowner / provincial government interests in resources projects, as trustee, under a management agreement.
- Direct equity in resource projects, including the following:
  - 3.94% in the Ramu Nickel Project
  - 2.50% in the McArthur River Mine
  - 2.80% in the PNG LNG Project
- Subsidiary companies that hold equity interests in trust for landowners. The boards of these companies are chaired by landowners.[18]

MRDC Group of Companies hold the following interests of Landowners and Provincial Governments in Mining and Petroleum Projects in PNG. [19]

Table 5-1 MRDC subsidiaries and ownership

Company	Ownership structure	Underlying asset	% Ownership of asset	Beneficiary
Interest in Mining Projects				
Mineral Resources Star Mountains Ltd (MRSM)	Wholly owned subsidiary of MRDC	Ok Tedi	9.00	10 Ok Tedi landowning communities
Mineral Resource Ok Tedi No. 2 Ltd (MROT)	Wholly owned subsidiary of MRDC	Ok Tedi	12.00	Fly River Provincial Government
Mineral Resource CMCA Holdings Ltd	Wholly owned subsidiary of MRDC	Ok Tedi	12.00	CMCA regions – Western Province

[16] EITI Standard 2023, https://eiti.org/eiti-requirements
[17] MRDC website, https://www.mrdc.com.pg/our-profile.html#
[18] 2021 PNGEITI report, page 161.
[19]MRDC website, https://www.mrdc.com.pg/our-profile.html#

Company	Ownership structure	Underlying asset	% Ownership of asset	Beneficiary
Mineral Resource Enga Ltd (MRE)	Managed by MRDC on behalf of the shareholders	Porgera	5.00	Porgera Landowners and Enga Provincial Government
Mineral Resources Ramu Ltd	Equity held directly by MRDC	Ramu Nickel Project	2.50	MRDC
Mineral Resource Madang Ltd (MRM)	Wholly owned subsidiary of MRDC	Ramu Nickel Project	2.50	Ramu landowners
Interest in Oil Projects				
Petroleum Resources Kutubu Ltd (PRK)	Wholly owned subsidiary of MRDC	PDL 2	6.75	Southern Highlands Provincial Government (1.1575%) Gulf Provincial Government (1.125%) Southern Highlands landowners: Fasu (1.1553%) and Foe (0.696%) Gulf landowners (Kikori (1.8%)
Petroleum Resources Gobe Ltd (PRG)	Wholly owned subsidiary of MRDC	PDL3 and PDL 4 Gobe Oil fields	2.00	Landowners in the Southern Highlands Province and Gulf Province – Erave and Kikori
Petroleum Resources Moran Ltd (PRM)	Wholly owned subsidiary of MRDC	PDL 5	2.00	Landowners in the Southern Highlands Province – Moran Huli (90%), Moran Fasu (10%)
Interest in Gas Projects				
Gas Resources Gigira Ltd	Wholly owned subsidiary of MRDC	PDL 1	1.13	Hela Provincial Government and Landowners of PDL 7
Gas Resources Hides 4 Ltd	Wholly owned subsidiary of MRDC	PDL 7	0.23	Southern Highlands Government
Gas Resources Juha Ltd	Wholly owned subsidiary of MRDC	PDL 9	0.13	Western (Fly River Provincial Government)
Gas Resources Angore Ltd	Wholly owned subsidiary of MRDC	PDL 8	0.13	Southern Highlands and Hela Provincial Governments
Gas Resources Kutubu Ltd	Wholly owned subsidiary of Petroleum Resources Kutubu	PDL 2	1.13	Southern Highlands Government
Gas Resources Gobe Ltd	Wholly owned subsidiary of Petroleum Resources Gobe	PDL 3 & 4	1.13	Gulf, Hela Provincial and Southern Highlands Governments

Company	Ownership structure	Underlying asset	% Ownership of asset	Beneficiary
Gas Resources Moran Ltd	Wholly owned subsidiary of Petroleum Resources Moran	PDL 5	1.13	Southern Highlands Government
Gas Resources North West Moran Ltd	Wholly owned subsidiary of MRDC	PDL 6	1.13	Moran Huli, Moran Fasu landowners, Southern Highlands Provincial Government, Hela Provincial Government
Gas Resources Pipeline Ltd	Wholly owned subsidiary of MRDC	PPL 4	0.13	Landowners living in areas where the LNG pipeline runs through from Hela to Central Province
Gas Resources PNG LNG Plant Ltd	Wholly owned subsidiary of MRDC	PPFL 2	1.13	Papa, Lealea, Boera, Porebada (Central Province), Central Provincial Government

The OGA (s. 176) sets out in some detail the structure and functions of landowner trusts. The activities and management of each trust are set out in a trust deed that specifies who the beneficiaries are, rules under which the trust is operated, and who the trustee is. Petroleum trusts specify the composition of the board of directors for the trusts, which includes the Managing Director of MRDC, the Secretary of DPE and three landowner representatives.[20]

The beneficiaries are incorporated land groups (ILGs)[21] - legal entities recognised by the State as representing the local landowners. These are established before a lease is granted through a process of social mapping and a development forum that brings together the landowners, local and national government with the prospective leaseholder to agree the distribution of benefits. In some cases, there are ongoing disputes or uncertainties regarding the correct identification of beneficiaries.[22]

MRDC manages the assets on behalf of these beneficiaries. It is responsible for managing receipts and payments for each subsidiary company and ensuring liquidity, managing legal and administrative requirements, managing the administration of sales for entities which are entitled to a share of production (e.g., Porgera and PNG LNG), and administration of the landowner trust fund accounts.[23]

MRDC itself is maintained by management fees from each subsidiary company. MRDC disclosed that although there is no set fee, management fees increase relative to the size of the trustee, and

[20] PNGEITI 2021 Report, page 163.

[21] ExxonMobil as operator of the PNG LNG Project confirmed that the project opted not to use or incorporate landowning clans as ILGs. They dealt directly with clans and not ILGs because the Land Groups Incorporation Act (LGIA) was amended which required are number of things that were practically difficult to undertake. Consequently, the decision was made to proceed with identification of clans which were vetted Landowner Beneficiary Identification (LOBID) exercise and then put forward for Ministerial Determinations under the OGA.

[22] PNGEITI 2021 Report, page 163.

[23] PNGEITI 2021 Report, page 163.

all fees are approved at a Board level. The fees received are disclosed in Table 111 below. Royalty payments from oil and gas projects go from extractive industry companies to DPE and/or the Department of Finance,[24] and from there to MRDC.

Royalty and equity distribution payments for each project are divided as follows:

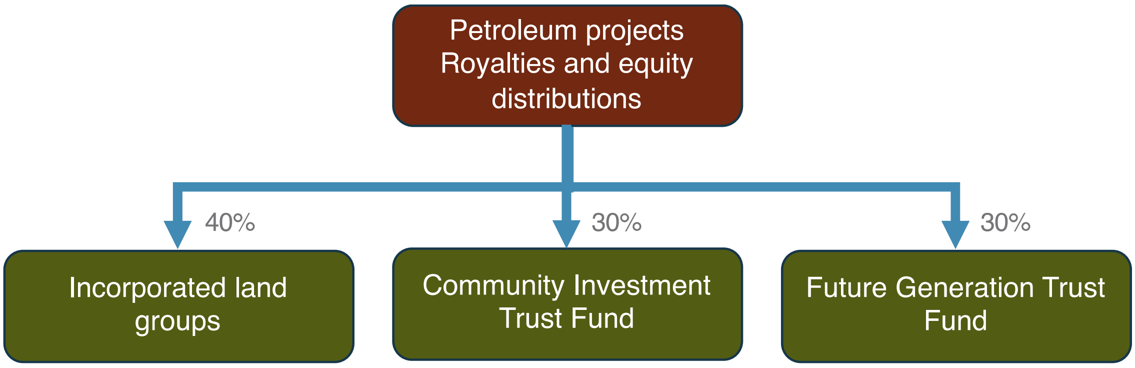


Figure 5-1 MRDC revenue distribution

The Community Investment Trust Fund is to be applied to “(a) the general health, welfare, education and wellbeing of the project area landowners; (b) the provision or maintenance of community projects in the area of the petroleum project; (c) such other purpose for the benefit of the project area landowners as is approved by the Minister.”[25] This is intended to ensure that “some of the revenue is invested in infrastructure for the whole community to improve quality of life”. Decisions on when and how to allocate these funds are made by the board of the subsidiary company. [26]

The Future Generation Trust Fund is intended to provide landowner groups with a flow of benefits after the life of the project, “for future generations of project area landowners.” [27] During 2022, no FGTF monies have been spent, in accordance with legal requirements.

Benefit Sharing Agreements may specify payments to relevant provincial and local governments as well as to landowners (Incorporated Land Groups).[28]

During 2022, MRDC Board has welcomed the passing of the MRDC Authorization (Amendment) Bill 2021 by Parliament

This piece of legislation now:

- Allows MRDC to commence the elections of project landowner representative directors on their respective Company Boards, as mandated by their various company constitution, and
- Provides clear arrangements on the appointments of directors on the MRDC Board.[29]

5.2 Revenue and payment streams

MRDC provided the information in Table 6-2 below, in relation to their subsidiary entities and the associated trusts for the year 2022.

Table 5-2 MRDC subsidiaries reported receipts 2022

[24] PNGEITI 2021 Report, page 163.
[25] PNGEITI 2021 Report, page 164.
[26] PNGEITI 2021 Report, page 164.
[27] PNGEITI 2021 Report, page 164.
[28] PNGEITI 2021 Report, page 164.
[29] MRDC website, https://www.mrdc.com.pg/news/mrdc-board-welcomes-mrdc-authorisation-bill.html

Table 5-3 MRDC subsidiaries reported payments 2022

Subsidiary/ trust entity	Share of Sales (PGK)	Received from	Dividends Received (PGK)	Received from
Petroleum Resources Kutubu Ltd (PRK)	76,327,944.90	Oil Search Ltd	80,520,467.67	BSP/PIH/PPT/Hevilift/PBF
Petroleum Resources Gobe Ltd (PRG)	-	-	2,298,397.88	BSP/PPT/Credit Corp/Hevilift/PBF
Petroleum Resources Moran Ltd (PRM)	8,741,620.10	Oil Search Ltd	1,564,330.89	BSP/PPT/Credit Corp/Hevilift/PBF
Petroleum Resources North West Moran Ltd	66,613.43	Oil Search Ltd	-	-
Mineral Resources Star Mountains Ltd (MRSM)	-	-	31,849,281.97	OTML / BSP/City Pharmacy/PPT/Hevilift/Kina Asset Mgt/PBF
Mineral Resource Ok Tedi No. 2 Ltd (MROT)	-	-	43,168,792.79	OTML /BSP/ PIH/City Pharmacy/Kina Asset/PBF/Credit Corp
Mineral Resources CMCA Ltd	-	-	37,866,096.19	OK Tedi Mine/Kina Security/BSP
Gas Resources Gigira	219,079,730.55	Exxon Mobil	-	-
Gas Resources Gobe	9,143,380.50	Exxon Mobil	-	-
Gas Resources Angore	25,824,501.99	Exxon Mobil	-	-
Gas Resources Hides	43,836,020.06	Exxon Mobil	-	-
Gas Resources Juha	25,717,518.71	Exxon Mobil	-	-
Gas Resources Kutubu	308,973,765.52	Exxon Mobil	-	-
Gas Resources Moran	7,701,836.19	Exxon Mobil	-	-
Gas Resources North West Moran	118,403.17	Exxon Mobil	-	-
Gas Resources LNG PNG plant	63,611,835.71	Exxon Mobil	616,042.66	Kina Security
Gas Resources LNG Pipeline	58,718,617.46	Exxon Mobil	268,000.00	BSP
Total	**847,861,788.29**		**198,188,638.85**	

Petroleum Resources Gobe Ltd (PRG)	-	120,183	-
Petroleum Resources Moran Ltd (PRM)	-	120,182	-
Mineral Resources Star Mountains Ltd (MRSM)	-	259,294	1,515,152
Mineral Resource Ok Tedi No. 2 Ltd (MROT)	-	-	2,219,697
Mineral Resources CMCA Ltd	-	280,458	666,666
Mineral Resource Madang Ltd (MRM)	-	-	-
Gas Resources Gigira	-	-	1,416,667
Gas Resources Gobe	-	-	-
Gas Resources Angore	-	-	485,527
Gas Resources Hides	-	123,000	1,233,527
Gas Resources Juha	-	-	316,860
Gas Resources Kutubu	-	-	-
Gas Resources Moran	-	-	-
Gas Resources LNG PNG plant	-	178,667	1,088,333
Gas Resources LNG Pipeline	-	146,850	1,541,667
Total	**15,000,000**	**2,053,242**	**18,628,034**

Table 5-4 Total value held in MRDC trusts for oil and gas projects

Subsidiary/trust entity	Community Investment Trust Fund (PGK)	Future Generations Trust Fund (PGK)	CITF Expenditures on Community Based Projects
Petroleum Resources Kutubu Ltd (PRK)	51,193,916	121,081,610	19,195,134
Petroleum Resources Gobe Ltd (PRG)	20,805,990	29,182,255	46,049,313
Petroleum Resources Moran Ltd (PRM)	21,664,823	28,582,525	3,544,766
Gas Resources LNG PNG plant	-	-	17,259,062
Gas Resources LNG Pipeline	-	-	12,490,168
Total	**93,664,729**	**178,846,390**	**98,538,442**

The table above reflects data as provided by MRDC. However, since payments into these funds have been disclosed for 2014–22 an accrued amount would be expected for all.

MRDC also reported the following interests, investments, and other subsidiaries.

Table 5-5 MRDC interest, investments and other subsidiaries

Name of Subsidiary, JV, or Investment	Country of registration	Nature of Holding	Terms of Interest	Percentage Interest	Names of Projects or Activities
Pearl Resort Ltd- Suva	Fiji	Subsidiary Company	Full-paid equity	100%	Hospitality
Star Mountain Plaza (Operated by Hilton)	PNG	Subsidiary Company	Full-paid equity	80%	Hospitality
Taumeasina Resort - Apia	Samoa	Subsidiary Company	Full-paid equity	50%	Hospitality
Coleman Properties- Cairns	Australia	Subsidiary Company	Full-paid equity	100%	Real Estate
Hevilift	PNG	Investment Company	50% -paid equity	50%	Aviation and Logistics
Dirio Gas and Power Company Ltd	PNG	Subsidiary Company	Full-paid equity	100%	Energy
Ramu Nickel Ltd	PNG	Investment Company	Share Equity	6.94%	Mining
Ok Tedi Mines	PNG	Investment Company	Share Equity	33%	Mining
Pacific Property Trust	PNG	Subsidiary Company	Full-paid equity	100%	Property Trust
Queental Ltd	PNG	Subsidiary Company	Full-paid equity	100%	Land Development
Credit Corporation Ltd	PNG	Investment Company	Share Equity	4%	Finance
Pacific International Hospital	PNG	Investment Company	Share Equity	28%	Medical
Pacfic Balanced Fund	PNG	Investment Company	Share Equity	5%	Fund Management
Bank of South Pacific	PNG	Investment Company	Share Equity	12%	Banking

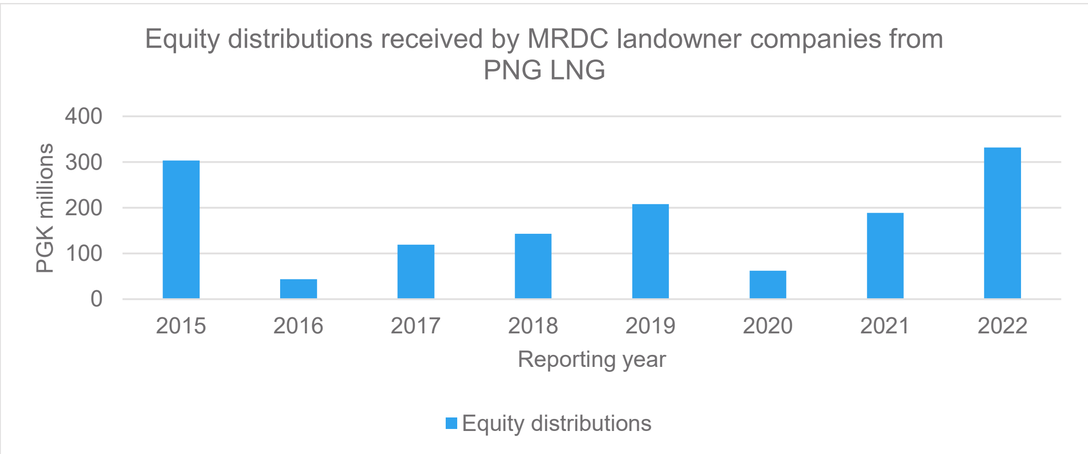


Figure 5-2 Equity distributions received by MRDC landowner companies from PNG LNG

5.3 Social and quasi-fiscal expenditure

MRDC's social and Quasi-fiscal expenditure can be found in Chapter 5.

Table 5-6 MRDC social expenditure

Subsidiary/Trust entity	Description of Social Expenditure	2022 Value (PGK)
Petroleum Resources Kutubu (PRK)	Donations	4,096,108
	Public Relations	9,907,339
	Landowner Meeting Expenses	628,776
Petroleum Resources Gobe Ltd (PRG)	Donations	16,545
	Public Relations	288,175
	Landowner Meeting Expenses	91,215
Petroleum Resources Moran Ltd (PRM)	Donations	517,557
	Public Relations	130,773
	Landowner Meeting Expenses	
Mineral Resources Star Mountain Ltd (MRSM)	Donations	196,568
	Public Relations	1,429,552
	Landowner Meeting Expenses	969,243
Mineral Resources OK Tedi Limited (MROT)	Donations	1,401,185
	Public Relations	4,280,629
	Landowner Meeting Expenses	329,706
Mineral Resources Enga Limited (MRE)	Donations	279,940
	Public Relations	3,654,029
	Landowner Meeting Expenses	3,152,934
Gas Resources PNGLNG Plant Limited (GRP)	Donations	244,142
	Public Relations	1,992,755
	Landowner Meeting Expenses	268,012
Gas Resources Hides No.4 Limited (GRH)	Donations	-
	Public Relations	2,677,695
	Landowner Meeting Expenses	3,302,113
Gas Resources Gigira Limited (GRG)	Donations	-
	Public Relations	424,315
	Landowner Meeting Expenses	2,172,441

Gas Resources Angore Ltd (GRA)	Donations	-
	Public Relations	63,636
	Landowner Meeting Expenses	61,590
Gas Resources Juha No.1 Limited (GRJ)	Donations	-
	Public Relations	55,000
	Landowner Meeting Expenses	13,900
	TOTAL	**51,902,978**

Table 5-7 MRDC quasi-fiscal expenditure

Subsidiary/Trust entity	Description of Quasi-fiscal Expenditure	2022 Value (PGK)
Petroleum Resources Kutubu (PRK)	Sponsorships to Sporting Bodies	4,410,000
	Tertiary Scholarships	3,907,584
Petroleum Resources Gobe Ltd (PRG)	Tertiary Scholarships	1,425,572
Petroleum Resources Moran Ltd (PRM)	Tertiary Scholarships	1,165,492
Mineral Resources Star Mountain Ltd	Sponsorships to Sporting Bodies	200,000
	Tertiary Scholarships	1,873,724
Mineral Resources OK Tedi Limited	Tertiary Scholarships	2,928,000
Gas Resources PNGLNG Plant Limited	Sponsorships to Sporting Bodies	1,900,000
	Tertiary Scholarships	144,675
Gas Resources PNGLNG Plant Limited	Tertiary Scholarships	19,030
Mineral Resources CMCA Holding Ltd	Tertiary Scholarships	112,674
Gas Resources Hides No.4 Limited	Tertiary Scholarships	205,390
	TOTAL	**18,292,141**

ANNEX - E

PNGEITI Beneficial Ownership Registry

Name	Registered in PNG?	Company register number	PNG IRC TIN	Address	Legal owner(s)	% ownership /control	Country of reg/nationality	Beneficial owners	% ownership /control2	Method of ownership/ control	Nationality	Country of residence	Service address	PEP?	National ID member
ExxonMobil PNG Ltd	Y	1-18948		ExxonMobil PNG Limited, ExxonMobil Haus Jacksons Parade, 7 Mile, Port Moresby, NCD, Papua New Guinea	Exxon Mobil Corporation	100	USA	Exxon Mobil (	100	Shares	USA			N	
K92 Mining Limited	Y	1-52231	500016519	HARBOUR CITY, LEVEL 6 PWC HAUS , PORT MORESBY, Moresby South, National Capital District (Port Moresby), 121, Papua New Guinea	K92 Holdings International Limited	100	British Virgin Islands	K92 Mining Ir	100	Shares	Canada			N	
Lihir Gold Limited	Y	1-23423	500000303	Tower Building, Level 4 Port, Hunter St, Port Moresby	Newcrest Mining Limited	100	Australia	Newcrest Mir	100	Shares	Australia			N	
Barrick (Niugini) Limited	Y	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Barrick (PD) Australia Pty Limited	50	Australia	Barrick Gold (	100	Shares	Canada			N	
Barrick (Niugini) Limited	Y	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Gold Mountains (H.K.) International Mining Company Limited	50	Hong Kong	Zijin Mining G	100	Shares	China			N	
TotalEnergies EP PNG Limited	Y	1-32894	500051686	Deloitte Haus, :Level 7, Macgregor Street, PORT MORESBY	TotalHoldings International BV	100	Netherlands	TotalEnergies	100	Shares	France			N	
Barracuda Limited	Y	1-14694	50008617	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Ltd	100	Australia	Santos Limite	100	Shares	Australia			N	
Lavana Limited	Y	1-32230	500283329	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Ltd	100	Australia	Santos Limite	100	Shares	Australia			N	
Oil Search (PNG) Limited	Y	1-6947	5000009028	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Oil Search (Tumbudu) Limited	Y	1-15949	5002285229	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search (Gas Holdings) Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Pac LNG Assets Limited	Y	1-77584	500036524	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	

Name	Registered in PNG?	Company register number	PNG IRC TIN	Address	Legal owner(s)	% ownership /control	Country of reg/nationality	Beneficial owners	% ownership /control2	Method of ownership/ control	Nationality	Country of residence	Service address	PEP?	National ID member
Pac LNG Holdings Limited	Y	1-77585	500036506	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Pac LNG International Limited	Y	1-79732	50036445	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Pac LNG Investments Limited	Y	1-77583		Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Pac LNG Overseas Limited	Y	1-77586	500036427	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	100	PNG	Santos Limite	100	Shares	Australia			N	
Santos Hides Ltd	Y	1-30340	500283267	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Ltd	100	Australia	Santos Limite	100	Shares	Australia			N	
Morobe Consolidated Goldfields Ltd	Y	1-12047	500067385	Ashurst Lawyers, Level 11, MRDC Haus Cnr Champion Parade and Musgrave Street, Port Moresby	Harmony Gold (PNG Services) Pty Ltd ACN 083 828 853	100		Harmony Gold Mining Company Ltd	100	Shares	South Africa			N	
Wafi Mining Ltd	Y	1--11452	500003505	Ashurst Laweyrs, Level 11, MRDC Hause, Cnr. Champion Parade and Musgrave Street Port Moresby	Aurora Gold (Wafi) Pty Ltd ACN 100237 741	100		Harmony Gold Mining Company Ltd	100	Shares	South Africa			N	
Ramu Nico Management (MCC) Ltd	Y	1-54529	500007798	Section 95, Lot 18. Modilon Road P.O.Box 1229 Madang PNG	Metallurgical Corporatation of China Ltd	100	China	Metallurgical Corporatatio n of China Ltd	100	Shares	Hong Kong			N	

Annex F - Employment and gender

Company	Oil & Gas	Mining	Mandatory data: Total employees	Total Male employees	Total Female employees	Total other gender employees	Top management: M Local	F Local	M expat	F expat	Total
1 ExxonMobil PNG Ltd	1		3,770	3,115	655		170	60	245	20	495
2 K92 Mining Limited		1	955	884	71		1	1	3	-	5
3 Lihir Gold Limited		1	2,422	2,084	338		5	2	19	1	27
4 Barrick (Niugini) Limited		1	1,155	1,045	110		6	1	8	1	16
5 TotalEnergies EP PNG L	1		136	96	40		1		6	3	10
6 Santos	1		763	573	190		2		1		3
7 Morobe Consolidated Goldfields Ltd		1	1,444	1,227	213		-	-	-	-	-
8 Ramu Nico Management Ltd		1	1,535	1,444	91		5		39		44
Total	**3**	**5**	**12,180**	**10,468**	**1,708**	**-**	**190**	**64**	**321**	**25**	**600**
% of total				85.9	14.0		31.7	10.7	53.5	4.2	4.9
% nationals			88.2								42.3
% expats			11.8								
										M%	
											85.2
										F%	
											14.8

KTK Kuna Taberia Kiruwi | engaged | MICHAEL BARRON Consulting

Annex F - Employment and gen

Company	Middle management					Lower					Physically challenged		
	M Local6	F Local7	M expat8	F expat9	Total10	M Local12	F Local13	M expat14	F expat15	Total16	M	F	other
1 ExxonMobil PNG Ltd	425	180	142	3	750	2,086	392	47	-	2,525			
2 K92 Mining Limited	1	-	7	1	9	812	69	60	-	941			
3 Lihir Gold Limited	434	71	152	8	665	1,434	251	40	5	1,730			
4 Barrick (Niugini) Limited	7	8	10	1	26	1,002	99	12	-	1,113			
5 TotalEnergies EP PNG L	1	5	13	1	20	52	30	23	1	106			
6 Santos	178	69	46	3	296	319	116	27	2	464			
7 Morobe Consolidated Go	4	-	4	-	8	1,196	212	23	1	1,432			
8 Ramu Nico Management	46	11	208	7	272	925	55	221	18	1,219			
Total	**1,096**	**344**	**582**	**24**	**2,046**	**7,826**	**1,224**	**453**	**27**	**9,530**	**-**	**-**	**-**
% of total	53.6	16.8	28.4	1.2	16.8	82.1	12.8	4.8	0.3	78.2			
% nationals					70.4					95.0			
% expats													
					M%					M%			
					82.0					86.9			
					F%					F%			
					18.0					13.1			

Annex G – Mining tenements awarded/extended in 2022

1. Grants 2022

AML tenements granted in 2022

Code	Name	Parties	Status Group	Application Date	Grant Date	Expiry Date	Area	Map Reference
AML 1015	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.96 Ha	Western Highlands, Dei, Dei Rural
AML 1016	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	5.00 Ha	Western Highlands, Dei, Dei Rural
AML 1017	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	5.00 Ha	Western Highlands, Dei, Dei Rural
AML 1018	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	3.40 Ha	Western Highlands, Dei, Dei Rural
AML 1020	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.98 Ha	Western Highlands, Dei, Dei Rural
AML 1021	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.93 Ha	Western Highlands, Dei, Dei Rural
AML 1022	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.71 Ha	Jiwaka, Western Highlands, Dei, Dei Rural; Jimi, Jimi Rural
AML 1023	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.46 Ha	Jiwaka, Western Highlands, Jimi, Jimi Rural
AML 1024	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.35 Ha	Jiwaka, Western Highlands, Jimi, Jimi Rural
AML 1025	Menjim	Christopher Mel	Active	11/06/2021 14:00	08/11/2022	07/11/2027	4.24 Ha	Jiwaka, Western Highlands, Jimi, Jimi Rural
AML 1035	Sambio	John Giasa	Active	30/08/2021 11:20	08/11/2022	07/11/2027	4.99 Ha	Morobe, Bulolo, Mumeng Rural
AML 920	Sambio	Peter Baleng	Active	20/08/2020 8:00	28/07/2022	27/07/2027	5.00 Ha	Morobe, Bulolo, Mumeng Rural

AML 921	Pine Top, Bulolo, Morobe Province	David Yaku	Active	20/08/2020 8:00	09/05/2022	08/05/2027	2.15 Ha	Morobe, Bulolo, Wau Rural
AML 910	Pinetop	Pius Moi	Active	17/06/2020 11:00	04/02/2022	03/02/2027	2.07 Ha	Morobe, Bulolo, Wau Rural
AML 929	Sambio	Gelinde Membang	Active	04/11/2020 15:10	04/02/2022	03/02/2027	5.00 Ha	Morobe, Bulolo, Mumeng Rural
AML 930	Sambio	Bui Kipuae	Active	04/11/2020 15:10	04/02/2022	03/02/2027	5.00 Ha	Morobe, Bulolo, Mumeng Rural
AML 931	Ekopa - Wau	James Sakalus	Active	05/11/2020 11:00	04/02/2022	03/02/2027	2.96 Ha	Morobe, Bulolo, Wau Rural
AML 937	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.99 Ha	Western, North Fly, Star Mountains Rural
AML 938	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 939	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 940	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.94 Ha	Western, North Fly, Star Mountains Rural
AML 941	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 942	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 943	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 944	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 945	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 946	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.98 Ha	Western, North Fly, Star Mountains Rural
AML 947	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 948	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.99 Ha	Western, North Fly, Star Mountains Rural
AML 950	Upper Ok Tedi River	Tonny Itulam	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.92 Ha	Western, North Fly, Star Mountains Rural
AML 951	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.98 Ha	Western, North Fly, Star Mountains Rural

AML 953	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 954	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.96 Ha	Western, North Fly, Star Mountains Rural
AML 955	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 956	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 957	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 958	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.94 Ha	Western, North Fly, Star Mountains Rural
AML 959	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 960	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 961	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 962	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.93 Ha	Western, North Fly, Star Mountains Rural
AML 963	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 964	Upper Ok Tedi River	Bini Abip	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 965	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.96 Ha	Western, North Fly, Star Mountains Rural
AML 967	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 968	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.98 Ha	Western, North Fly, Star Mountains Rural
AML 969	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 970	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 971	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural

AML 973	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 974	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 975	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.94 Ha	Western, North Fly, Star Mountains Rural
AML 976	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 977	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	5.00 Ha	Western, North Fly, Star Mountains Rural
AML 978	Upper Ok Tedi River	Borok Pitalok	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.96 Ha	Western, North Fly, Star Mountains Rural
AML 992	Upper Ok Tedi River	Amos Kiki	Active	24/12/2020 9:00	04/02/2022	03/02/2027	4.96 Ha	Western, North Fly, Star Mountains Rural
AML 906	Maus Box	Willie Yasa	Active	24/04/2020 9:30	26/01/2022	25/01/2027	4.91 Ha	Morobe, Bulolo, Wau Rural
AML 907	Maus Box	Bodia Yasa	Active	24/04/2020 9:30	26/01/2022	25/01/2027	5.00 Ha	Morobe, Bulolo, Wau Rural
AML 915	Wau Rural, Morobe Province	Dick Koromeng; Hubert Koromeng	Active	28/07/2020 9:00	26/01/2022	25/01/2027	4.93 Ha	Morobe, Bulolo, Wau Rural
AML 916	Wau Rural	Dick Koromeng; Hubert Koromeng	Active	28/07/2020 9:00	26/01/2022	25/01/2027	4.88 Ha	Morobe, Bulolo, Wau Rural
AML 917	Wau, Morobe Province	Dick Koromeng; Hubert Koromeng	Active	28/07/2020 9:00	26/01/2022	25/01/2027	5.00 Ha	Morobe, Bulolo, Wau Rural
AML 919	Sambio, Bulolo, Morobe Province	Yasasa Geamiti	Active	20/08/2020 8:00	26/01/2022	25/01/2027	5.00 Ha	Morobe, Bulolo, Mumeng Rural
AML 933	Wau Airstrip	Raymond Wally	Active	26/11/2020 9:00	26/01/2022	25/01/2027	5.00 Ha	Morobe, Bulolo, Wau/Bulolo Urban, Wau Rural

EL tenements granted in 2022

Code	Name	Parties	Status Group	Application Date	Grant Date	Expiry Date	Area	Map Reference
EL 2535	Fane Station	Tolu Minerals Limited (100%)	Active	30/05/2017 10:30	26/01/2022	25/01/2024	8.00 SB	Central, Goilala, Woitape Rural

EL 2536	Fane Station	Tolu Minerals Limited (100%)	Active	30/05/2017 10:30	26/01/2022	25/01/2024	37.00 SB	Central, Goilala, Tapini Rural, Woitape Rural
EL 2538	Woitape Station	Tolu Minerals Limited (100%)	Active	13/06/2017 9:00	26/01/2022	25/01/2024	14.00 SB	Central, Goilala, Woitape Rural
EL 2539	Belevista	Tolu Minerals Limited (100%)	Active	13/06/2017 9:00	26/01/2022	25/01/2024	58.00 SB	Central, Goilala, Tapini Rural, Woitape Rural
EL 2575	Magarima	ESDA PETROMINING LIMITED	Active	12/03/2018 8:00	11/02/2022	10/02/2024	530.00 SB	Enga, Kandep, Kandep Rural, Wage Rural; Lagaip/Porgera, Lagaip Rural, Paiela/Hewa Rural, Porgera Rural; Hela, Komo/Margarima, Hulia Rural, Magarima Rural; Tari/Pori, Tagali Rural, Tebi Rural; Southern Highlands, Mendi/Munihu, Lai Valley Rural
EL 2646	Alexander Range	Fairbanks PNG Limited	Active	21/10/2019 13:30	26/01/2022	25/01/2024	57.00 SB	East Sepik, Maprik, Yamil/Tamaui Rural; Wewak, Boikin/Dagua Rural; Yangoro Saussia, West Yangoru Rural; West Sepik, Aitape/Lumi, East Aitape Rural
EL 2648	Waratau	Jin Gui Jin Ye (PNG) Reality Co. Limited	Active	29/10/2019 9:00	07/03/2022	06/03/2024	577.00 SB	East Sepik, Hela, Koroba/Kopiago, Lake Kopiago Rural; West Sepik, Telefomin, Oksapmin Rural
EL 2649	Layauwep	Zhong Rui Jin Ye (PNG) Reality Co. Limited	Active	29/10/2019 9:00	07/03/2022	06/03/2024	291.00 SB	East Sepik, Angoram, Karawari Rural; Enga, Lagaip/Porgera, Paiela/Hewa Rural; Hela, Koroba/Kopiago, Lake Kopiago Rural
EL 2671	Tifalmin	Camp Administration Limited	Active	19/06/2020 15:10	04/02/2022	03/02/2024	72.00 SB	Western, North Fly, Star Mountains Rural; West Sepik,

								Telefomin, Telefomin Rural, Yapsie Rural
EL 2680	Simbai	Andriago Limited	Active	23/10/2020 11:00	09/05/2022	08/05/2024	110.00 SB	Jiwaka, Madang, Middle Ramu, Arabaka Rural; Usino Bundi, Usino Rural; Western Highlands, Jimi, Jimi Rural
EL 2681	Kau Creek	Footprint Resources Pty Ltd	Active	05/11/2020 11:40	09/05/2022	08/05/2024	145.00 SB	Central, Goilala, Guari Rural; Morobe, Bulolo, Waria Rural
EL 2690	Magi Highway	Torrens Mining (PNG) Limited	Active	11/01/2021 12:00	26/01/2022	25/01/2024	348.00 SB	Central, Kairuku - Hiri, Hiri Rural, Koiari Rural; Rigo, Rigo Central Rural, Rigo Coastal Rural, Rigo Inland Rural
EL 2695	Purutu Island	Mayur Iron PNG Limited	Active	22/02/2021 8:30	04/02/2022	03/02/2024	278.00 SB	Western, South Fly, Kiwai Rural
EL 2703	Salamaua	Morobe Alluvial Mining Limited	Active	29/03/2021 8:04	26/01/2022	25/01/2024	611.00 SB	Morobe, Bulolo, Mumeng Rural, Watut Rural, Wau Rural; Huon, Salamaua Rural, Wampar Rural
EL 2704	Buso	Solway Group Mining (PNG) Limited	Active	29/03/2021 13:33	09/05/2022	08/05/2024	60.00 SB	Morobe, Huon, Morobe Rural, Salamaua Rural
EL 2706	Awala River	Footprint Resources Pty Ltd	Active	22/04/2021 11:20	04/02/2022	03/02/2024	307.00 SB	Central, Abau, Cloudy Bay Rural; Northern, Ijivitari, Afore Rural
EL 2719	Oenake Mountains	Sinowon Group PNG Limited	Active	29/07/2021 14:00	09/05/2022	08/05/2024	51.00 SB	West Sepik, Vanimo/Green River, Bewani/Wutung Onei Rural
EL 2723	Tolukuma	Tolu Minerals Limited (100%)	Active	09/08/2021 10:00	08/11/2022	07/11/2024	108.00 SB	Central, Goilala, Woitape Rural
EL 2724	Kwembu	Harmony Gold (PNG) Exploration Limited	Active	13/08/2021 11:51	08/11/2022	07/11/2024	5.00 SB	Morobe, Bulolo, Wau Rural
EL 2730	Buso	Solway Group Mining (PNG) Limited	Active	03/09/2021 10:00	08/11/2022	07/11/2024	22.00 SB	Morobe, Huon, Salamaua Rural

EL 2736	Telefomin	Kainantu Resources Limited	Active	04/10/2021 8:00	28/07/2022	27/07/2024	15.00 SB	East Sepik, West Sepik, Telefomin, Telefomin Rural
EL 2738	Sengi, Oro Province	LogiKon Corporation Pty Ltd	Active	08/10/2021 10:40	26/10/2022	25/10/2024	85.00 SB	Northern, Sohe, Kokoda Rural
EL 2740	LeaLea, Hiri West, Central Province	Salt Baker Limited	Active	22/10/2021 14:15	11/02/2022	10/02/2024	9.00 SB	Central, Kairuku - Hiri, Hiri Rural
EL 2741	Maprik, East Sepik Province	E-Port Limited	Active	25/10/2021 8:04	19/12/2022	18/12/2024	42.79 SB	East Sepik, Maprik, Albiges/Mablep Rural, Maprik/Wora Rural, Yamil/Tamaui Rural; Wewak, Boikin/Dagua Rural; West Sepik, Aitape/Lumi, East Aitape Rural
EL 2742	MOMBUK – YANGORU – EAST SEPIK PROVINCE	E-Port Limited	Active	25/10/2021 8:04	08/11/2022	07/11/2024	13.00 SB	East Sepik, Wewak, Boikin/Dagua Rural; Yangoro Saussia, East Yangoru Rural, West Yangoru Rural
EL 2743	Mombuk , Yangoru, East Sepik Province	E-Port Limited	Active	25/10/2021 8:04	08/11/2022	07/11/2024	17.00 SB	East Sepik, Maprik, Yamil/Tamaui Rural; Wewak, Boikin/Dagua Rural; Yangoro Saussia, West Yangoru Rural
EL 2749	Murru	Orizon Construction Limited	Active	31/01/2022 13:30	08/11/2022	07/11/2024	114.00 SB	Chimbu, Gumine, Bomai/Gumai Rural, Gumine Rural, Mt Digine Rural; Kerowagi, Kup Rural; Kundiawa/Gembogl, Waiye Rural; Sina Sina/Yonggomugl, Suai Rural; Jiwaka, Anglimp/South Waghi, South Waghi Rural
EL 2751	Wau, Morobe Province	Harmony Gold (PNG) Exploration Limited	Active	24/02/2022 14:10	09/05/2022	25/08/2024	61.34 SB	Morobe, Bulolo, Watut Rural, Wau/Bulolo Urban, Wau Rural
EL 2757	Salt Baker	Salt Baker Limited	Active	09/05/2022 8:13	22/10/2022	21/10/2024	10.00 SB	Central, Kairuku - Hiri, Hiri Rural

LMP tenements granted in 2022

Code	Name	Parties	Status	Application Date	Grant Date	Expiry Date	Map Reference
LMP 129	Huruta	Mayur Iron PNG Limited	Active	14/12/2020 14:40	26/01/2022	06/12/2041	Gulf, Kikori, Baimuru Rural
LMP 130	Huruta	Mayur Iron PNG Limited	Active	14/12/2020 14:40	26/01/2022	06/12/2041	Gulf, Kikori, Ihu Rural

ME tenements granted in 2022

Code	Name	Parties	Status	Application Date	Grant Date	Expiry Date	Area	Map Reference
ME 112	Huruta	Mayur Iron PNG Limited	Active	14/12/2020 14:40	26/01/2022	06/12/2041	11.81 Ha	Gulf, Kikori, Ihu Rural
ME 113	Huruta	Mayur Iron PNG Limited	Active	14/12/2020 14:40	26/01/2022	06/12/2041	0.55 km²	Gulf, Kikori, Baimuru Rural, Ihu Rural

ML tenements granted in 2022

Code	Name	Parties	Status	Application Date	Grant Date	Expiry Date	Area	Map Reference
ML 252	Bulolo River	Kivi Kavare	Active	15/07/1994	08/11/2022	07/11/2027	1.08 Ha	Morobe, Bulolo, Watut Rural
ML 416	Iroa Creek	Charles Anani	Active	01/09/1994	08/11/2022	07/11/2027	6.27 Ha	Morobe, Bulolo, Watut Rural
ML 165	Maus Box	Barnabas Lepan	Active	14/01/2021 10:00	28/07/2022	27/07/2027	10.00 Ha	Morobe, Bulolo, Wau Rural
ML 166	Wara Muli	Leah Chris & Wabu Alluvials Ltd.	Active	09/02/2021 9:00	28/07/2022	27/07/2027	8.63 Ha	Morobe, Bulolo, Wau/Bulolo Urban
ML 180	Bena, Eastern Highlands Province	Pacific Building Industries Limited	Active	15/11/2021 8:00	28/06/2022	27/06/2027	151.83 Ha	Eastern Highlands, Unggai/Benna, Unggai/Benna Rural
ML 281	Eddie Merri Creek	Isakao Were	Active	27/07/1994	09/05/2022	08/05/2027	48.50 Ha	Morobe, Bulolo, Wau Rural
ML 159	Little Wau Creek	Lopa Jonsangu Supeto	Active	09/11/2020 10:00	08/02/2022	07/02/2027	10.18 Ha	Morobe, Bulolo, Wau Rural
ML 240	Sumsum	Frank Kinok	Active	14/07/1994	04/02/2022	03/02/2027	3.08 Ha	Morobe, Bulolo, Mumeng Rural
ML 339	Bulolo	Arus Philip Kaiak	Active	29/07/1994	04/02/2022	03/02/2027	3.02 Ha	Morobe, Bulolo, Watut Rural

ML 533	Maprik Town, ESP	Mineral Sand Niugini Limited; West Coast Mining Limited	Active	18/12/2019 11:00	04/02/2022	03/02/2027	413.71 Ha	East Sepik, Maprik, Maprik/Wora Rural, Yamil/Tamaui Rural
ML 536	Wau Rural, Morobe Province	Masar Funumari; Yanda Funumari	Active	07/07/2020 10:18	04/02/2022	03/02/2027	4.98 Ha	Morobe, Bulolo, Wau Rural
ML 537	Wau Rural, Morobe Province	Masar Funumari; Yanda Funumari	Active	07/07/2020 10:47	04/02/2022	03/02/2027	5.00 Ha	Morobe, Bulolo, Wau Rural
ML 540	Maus Bokis	Meka Yamo & Wabu Alluvial Ltd.	Active	28/10/2020 10:30	04/02/2022	03/02/2027	0.79 Ha	Morobe, Bulolo, Wau Rural
ML 161	Wara Muli / Bulolo River	Savil Nako	Active	15/12/2020 11:00	26/01/2022	25/01/2027	14.70 Ha	Morobe, Bulolo, Watut Rural
ML 162	Little Wau Creek	Wayang Kawa	Active	16/12/2020 11:00	26/01/2022	25/01/2027	11.66 Ha	Morobe, Bulolo, Wau Rural
ML 260-269	Upper Watut	Nick Wami	Active	26/07/1994	26/01/2022	25/01/2027	87.84 Ha	Morobe, Bulolo, Mumeng Rural

2. Renewals 2022

Code	Name	Parties	Status Group	Application Date	Grant Date	Expiry Date	Last Renewal Date	Area	Map Reference
EL 2302	Bulolo	Canterbury Resources (PNG) Limited	Active	19/08/2013	25/02/2014	24/02/2024	25/02/2022	30.00 SB	Morobe, Bulolo, Watut Rural; Menyamya, Aseki Rural
EL 2623	Hotmin	Hardrock Limited	Active	28/02/2019 15:20	14/01/2020	13/01/2024	14/01/2022	92.00 SB	East Sepik, West Sepik, Telefomin, Telefomin Rural
EL 1165	Safia Embessa & Obea	Niugini Nickel Pty Ltd	Active	31/10/1995	01/03/1996	28/02/2024	01/03/2022	28.00 SB	Northern, Ijivitari, Afore Rural, Cape Nelson Rural

EL 1748	Mumeng	Newcrest PNG Exploration Limited	Active	20/08/2009	27/09/2012	26/09/2024	27/09/2022	2.00 SB	Morobe, Huon, Wampar Rural
EL 440	Wafi	Newcrest PNG 2 Limited; Wafi Mining Limited	Active	29/03/1978	11/03/1980	10/03/2024	11/03/2022	28.00 SB	Morobe, Bulolo, Mumeng Rural; Huon, Wampar Rural
EL 485	Londolovit	Lihir Gold Limited	Active	02/02/1983	19/06/1983	31/03/2024	01/04/2022	69.70 SB	New Ireland, Namatanai, Nimamar Rural
EL 2603	May River - East/West Sepik	Hardrock Limited	Active	01/10/2018 9:25	14/01/2020	13/01/2024	14/01/2022	75.00 SB	East Sepik, West Sepik, Telefomin, Telefomin Rural
EL 1744	Iniok	Frieda River Limited	Active	13/08/2009	21/06/2010	20/06/2024	21/06/2022	3.00 SB	East Sepik
EL 1745	Magleri	Frieda River Limited	Active	13/08/2009	21/06/2010	20/06/2024	21/06/2022	6.00 SB	East Sepik
EL 1746	Magleri	Frieda River Limited	Active	13/08/2009	21/06/2010	20/06/2024	21/06/2022	6.00 SB	East Sepik, West Sepik, Telefomin, Telefomin Rural
EL 1895	Wabia	Frieda River Limited	Active	29/09/2010	15/05/2012	14/05/2024	15/05/2022	29.00 SB	East Sepik, West Sepik, Telefomin, Oksapmin Rural, Telefomin Rural
EL 1956	Ok Isai	Frieda River Limited	Active	11/03/2011	15/05/2012	14/05/2024	15/05/2022	56.00 SB	West Sepik, Telefomin, Oksapmin Rural, Telefomin Rural
EL 1957	Paupe	Frieda River Limited	Active	11/03/2011	15/05/2012	14/05/2024	15/05/2022	75.00 SB	East Sepik, West Sepik, Telefomin, Oksapmin Rural, Telefomin Rural
EL 2432	Sinua	Footprint Resources Pty Ltd	Active	18/01/2016 11:00	11/07/2016	10/07/2024	11/07/2022	47.00 SB	Northern, Ijivitari, Afore Rural

EL 2504	Sehulea	WNB Resources Limited	Active	03/11/2016 8:00	04/04/2018	03/04/2024	04/04/2022	7.00 SB	Milne Bay, Esa'Ala, Duau Rural
EL 2548	April River	Footprint Resources Pty Ltd	Active	06/09/2017 10:00	29/08/2018	28/08/2022	29/08/2022	30.00 SB	East Sepik, Angoram, Karawari Rural
EL 2549	Wapolu	Pacific Arc Aurum (Niugini) Limited	Active	15/09/2017 8:00	04/04/2018	03/04/2024	04/04/2022	30.00 SB	Milne Bay, Esa'Ala, West Ferguson Rural
EL 2751	Wau, Morobe Province	Harmony Gold (PNG) Exploration Limited	Active	24/02/2022 14:10	09/05/2022	25/08/2024	26/08/2022	61.34 SB	Morobe, Bulolo, Watut Rural, Wau/Bulolo Urban, Wau Rural
EL 2310	Hauwindi	Harmony Gold (PNG) Exploration Limited	Active	25/10/2013	24/05/2014	23/05/2024	24/05/2022	74.00 SB	Enga, Lagaip/Porgera, Paiela/Hewa Rural; Hela, Koroba/Kopiago, Awi/Pori Rural, Lake Kopiago Rural
EL 2625	Sankwep	Bungamba (Sankwep) Investments Limited	Active	05/03/2019 13:45	15/06/2020	14/06/2024	15/06/2022	24.00 SB	Morobe, Nawae, Nabak Rural
EL 2650	Avaniofi	Pacific Energy Consulting Limited	Active	05/11/2019 10:08	14/08/2020	13/08/2024	14/08/2022	42.00 SB	Eastern Highlands, Henganofi, Henganofi Rural; Kainanatu, Kainantu Rural
EL 2376	Basamuk	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral	Active	31/03/2015 15:00	26/05/2016	25/05/2024	26/05/2022	14.40 SB	Madang, Rai Coast, Rai Coast Rural

		Resources Ramu Limited; Ramu Nickel Limited							
EL 1369	Kainantu	Newcrest PNG Exploration Limited	Active	25/05/2004	23/11/2004	22/11/2022	23/11/2022	20.36 km²	Morobe, Bulolo, Mumeng Rural; Huon, Wampar Rural
EL 1465	Kulumadau	Woodlark Mining Limited	Active	28/09/2006	22/12/2008	21/12/2024	22/12/2022	75.00 SB	Milne Bay, Samarai-Murua, Murua Rural
EL 1877	Lihir South	Bismarck Mining Corporation (PNG) Limited	Active	17/08/2010	08/10/2012	07/10/2024	08/10/2022	75.00 SB	
EL 2156	Tabubil	Ok Tedi Mining Limited	Active	16/02/2012	20/12/2012	19/12/2024	20/12/2022	46.91 SB	Western, North Fly, Star Mountains Rural
EL 2396	Manus	Cheroh Mining PNG Limited	Active	28/07/2015 11:00	09/03/2016	08/03/2024	09/03/2022	75.00 SB	Manus, Manus, Bisikani / Soparibeu, Pobuma, Pomutu/Kurti/Andra
EL 2651	Aiyura	Ontaga Resources Limited	Active	05/11/2019 16:00	12/11/2020	11/11/2024	12/11/2022	51.00 SB	Eastern Highlands, Kainanatu, Kainantu Rural; Morobe, Markham, Onga/Waffa Rural
EL 1761	Esa!ala	Pure Minerals Limited	Active	02/11/2009	12/03/2012	11/03/2024	12/03/2022	48.00 SB	Milne Bay, Esa'Ala, Dobu Rural, Duau Rural
EL 1875	Wabo	Waterford Limited	Active	16/08/2010	15/05/2012	14/05/2024	15/05/2022	75.00 SB	Gulf, Kikori, Baimuru Rural, East Kikori Rural
EL 2150	Gulf South	Mayur Iron PNG Limited	Active	20/12/2011	18/12/2012	17/12/2024	18/12/2022	39.00 SB	Gulf, Kikori, Ihu Rural
EL 2303	Pinu Village	Mayur Industrials PNG Limited	Active	22/08/2013	14/05/2014	13/05/2022	14/05/2022	75.00 SB	Central, Kairuku - Hiri, Hiri Rural, Kairuku Rural
EL 2305	Ihu	Mayur Iron PNG Limited	Active	22/08/2013	14/05/2014	13/05/2024	14/05/2022	75.00 SB	Gulf, Kikori, Baimuru Rural, Ihu Rural

EL 2619	Yonki	K92 Mining Limited	Active	15/02/2019 10:30	23/01/2020	22/01/2024	23/01/2022	47.00 SB	Eastern Highlands, Kainanatu, Kainantu Rural, Kainantu Urban
EL 2652	Tapo	Pacific Energy Consulting Limited	Active	14/11/2019 11:00	14/08/2020	13/08/2024	14/08/2022	37.00 SB	Eastern Highlands, Henganofi, Henganofi Rural; Kainanatu, Kainantu Rural; Okapa, Okapa Rural
EL 2655	Lae, Morobe	Pacific Energy Consulting Limited	Active	23/01/2020 13:00	12/11/2020	11/11/2024	12/11/2022	26.00 SB	Eastern Highlands, Kainanatu, Kainantu Rural; Morobe, Markham, Umi/Atzera Rural
EL 2660	Sonofi	Pacific Energy Consulting Limited	Active	24/02/2020 11:40	12/11/2020	11/11/2024	12/11/2022	30.00 SB	Eastern Highlands, Henganofi, Henganofi Rural; Kainanatu, Kainantu Rural
EL 1043	Nakru	Copper Quest PNG Limited	Active	03/08/1992	08/12/1992	07/12/2022	08/12/2022	14.00 SB	West New Britain, Kandrian/Gloucester, Gasmata Rural; Talasea, Mosa Rural
EL 2558	Kainantu	Kainantu Resources Limited	Active	16/11/2017 13:40	29/08/2018	28/08/2022	29/08/2022	12.00 SB	Eastern Highlands, Kainanatu, Kainantu Rural; Morobe, Markham, Umi/Atzera Rural
EL 2624	Wau	Sharah Limited	Active	05/03/2019 10:15	14/08/2020	13/08/2022	14/08/2022	36.00 SB	Morobe, Bulolo, Wau Rural; Huon, Salamaua Rural
EL 2632	Mt. Wipi	GMN 6768 (PNG) Limited	Active	26/04/2019 10:45	14/08/2020	13/08/2022	14/08/2022	74.00 SB	East Sepik, Angoram, Karawari Rural; Enga, Kompiam, Kompiam Rural; Western Highlands, Wabag, Maramuni Rural

EL 2639	Mt. Kuta	Kraip Energy Limited	Active	01/08/2019 11:00	12/11/2020	11/11/2022	12/11/2022	30.00 SB	Jiwaka, Anglimp/South Waghi, Anglimp Rural; Western Highlands, Mt Hagen, Mt Hagen Rural, Mt Hagen Urban; Tambul/Nebilyer, Nebilyer Rural
EL 2384	Gerepo	Solway Group Mining (PNG) Limited	Active	28/05/2015 13:45	11/07/2016	10/07/2022	11/07/2022	30.00 SB	Morobe, Bulolo, Waria Rural; Huon, Morobe Rural
EL 2642	Mumeng	Sharah Limited	Active	10/09/2019 16:00	12/11/2020	11/11/2022	12/11/2022	64.00 SB	Morobe, Bulolo, Mumeng Rural; Huon, Wampar Rural

3. Transfers

None for 2022

PNGEITI, 2022

ANNEXURES

PNGEITI

KTK Kuna Taberia Kiruwi ACCOUNTANTS & ADVISORS

engaged

MICHAEL BARRON Consulting