

PAPUA NEW GUINEA

Extractive Industries Transparency Initiative Report 2023

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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

As Minister responsible for overseeing the implementation of the Extractive Industries Transparency Initiative (EITI) in Papua New Guinea, I am pleased to present the 2023 EITI Report — our 11th, since joining this global standard for transparency and good governance in our oil, gas, and mineral sectors.

This report reflects our government's ongoing commitment to fostering an open and responsible extractive industry that benefits all Papua New Guineans. Over the years, our Multi-Stakeholder Group (MSG) has worked tirelessly to address reporting gaps identified in previous reports, including the recent validation reports by the international EITI conducted in 2018 and 2022. This collaborative approach to reporting has helped craft a clear narrative on how revenues from mining and petroleum have- and still- contribute to our development goals.

Since 2019, the Marape-Rosso Government has prioritized economic reform and budget repair. Transparency initiatives like PNG EITI serve as critical tools for diagnosing governance weaknesses, strengthening investor confidence, and ensuring resource revenues are managed responsibly. Beyond transparency, these reports empower our citizens with better information, enabling informed participation in governance and fostering a culture of accountability.

Our extractive industries remain vital to PNG's economy. In 2023, total government revenue (excluding grants) reached PGK 18.65 billion, with PGK 4.31 billion (23.1%) generated directly from mining and petroleum — primarily through corporate income tax and dividends. Additional revenues from royalties, levies, and State-Owned Enterprises contributed over PGK 8.5 billion, supporting national development and local communities. These 2023 resource revenues represent a significant step-up from the levels experienced for most of the previous decade, reflecting largely the higher commodity prices flowing from the unfortunate conflict in Europe. Overall, latest international comparisons indicate that PNG receives considerably less resource revenues than its peers.

The publication of this 11th report demonstrates our continuing progress in transparency and governance. It addresses previous gaps and highlights key issues, including subnational payments, beneficial ownership, contract transparency, environmental impacts, gender disparities, and the operations of State-Owned Enterprises. This comprehensive approach provides vital data for policymakers, investors, and communities alike.

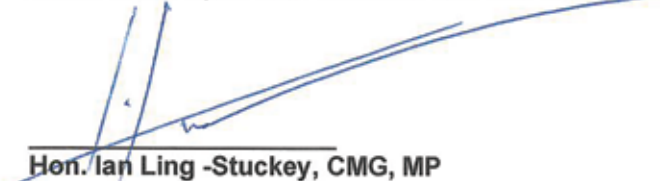
I commend the MSG for their dedication in providing accurate data, ensuring PNG's compliance with EITI standards, and creating a platform for open dialogue. The report's insights are important for informing policy reforms that maximize the benefits from our natural resources, support economic diversification, and promote sustainability.

This annual EITI process has once again highlighted the ongoing need for reforms. Our government remains committed to strengthening resource sector oversight and ensuring that revenues are used effectively for the nation's development.

Improving transparency of information is one vital element of addressing corruption concerns. The Marape-Rosso Government takes a holistic approach to transparency and dealing with corruption. The on-going work to establish the Independent Commission Against Corruption (ICAC) is one key element of this. Our work on the Financial Action Taskforce is another element. PNG's participation in the Open Government Partnership (OGP) program, coordinated through the Department of National Planning and Monitoring, also underscores our broader commitment to transparency and accountability. The work of EITI, managed through the Department of Treasury, aligns with these efforts to create a more transparent and equitable extractive sector within the PNG Medium Term Development Plan IV and the Medium-Term Revenue Strategy.

Since PNG joined EITI in 2013, vibrant dialogue and trust-building among government, industry, and civil society have been the foundation of our progress. This tripartite platform remains vital for fostering good governance and sustainable sector development.

As Chair of the PNG EITI Multi-Stakeholder Group and Minister responsible, I am pleased to present this 2023 report. I am pleased that a new management team has finally met and briefed me, enabling me to consider and conclude the important MSG recommendations that inform this report. The report reaffirms our collective commitment to transparency, accountability, and responsible management of our rich natural resources - ensuring they serve the development needs of all Papua New Guineans now and into the future.



Hon. Ian Ling -Stuckey, CMG, MP
Minister for Treasury &
Chairman, PNGEITI MSG

1 Multi-Stakeholder Group Statement

The Papua New Guinea EITI Multi-Stakeholder Group (MSG) remains committed in its role as the oversight body responsible for guiding the implementation of the Extractive Industries Transparency Initiative (EITI) within our country. Comprising representatives from government agencies, extractive industry companies, and civil society organisations, the MSG continues to serve as a vital platform for fostering transparency, accountability, and inclusive dialogue across the extractive sector. One of our fundamental responsibilities, as outlined by the EITI Standard, is to ensure the timely publication of our annual EITI reports.

Since PNG's accession to EITI in 2013, we have published ten reports covering the fiscal years from 2013 to 2022. The release of the 11th report, for the financial year 2023, marked a significant achievement — highlighting our ongoing commitment to open resource governance. Building on previous reports, the 2023 Report extends this effort by providing a comprehensive overview of the sector's contributions to our economy, the fiscal and taxation regimes, and, most importantly, the transparency and accountability of revenues received and benefits distributed in 2023.

This report addresses previous gaps and incorporates corrective actions recommended from the country validation undertaken in 2018 and 2022. It includes detailed information on subnational payments and transfers, disclosure of beneficial ownership, transparency in contracts and licenses, production and export data, the operations of State-Owned Enterprises, gender disparities, environmental impacts, and other key activities across the entire extractive value chain. The compilation of this report involved significant dedication from government agencies and industry partners—whose commitment to providing accurate and timely data made this milestone possible. As we mark a decade of reporting since PNG joined EITI, we extend our sincere gratitude to all stakeholders for their unwavering support and contribution.

The MSG's tripartite platform remains essential for open and constructive engagement among government, industry, and civil society. We strongly encourage the continued use of this forum, as it fosters trust and transparency — creating an environment conducive to sustainable development. The implementation of EITI has already strengthened relationships between policy makers, revenue authorities, and regulatory institutions, leading to positive outcomes in resource revenue collection, management, and expenditure through transparent reporting.

Despite this progress, the reporting process continues to identify systemic weaknesses within government systems and processes. Data gaps and inconsistencies still exist, underscoring the need for ongoing reforms and corrective measures to enhance transparency and accountability in our extractive industries.

The EITI process is instrumental in stimulating informed debates on revenue streams, fiscal arrangements, and sector policies within the Medium-Term Development Plan IV and Vision 2050. These discussions are vital for driving policy reforms and legislative measures that ensure effective resource management and equitable benefits for our people.

For extractive companies, maintaining regular and meaningful consultation with government on policy and legislative reforms is crucial. Such engagement builds confidence and sustains trust, which are essential for sector stability and growth. Civil society organizations also play a key role; the establishment of the PNG Resources Governance Coalition (PNGRGC) as an umbrella body has strengthened civil society's capacity to contribute meaningfully at the MSG level. Civil society's role in informing the public about EITI findings and resource governance issues ensures that communities and citizens are empowered to participate actively in debates that shape our resource management.

We also wish to acknowledge and thank the outgoing Executive Director of the PNG EITI National Secretariat, Mr. Lucas Alkan over the last decade, and his team for their diligent efforts and guidance throughout the preparation of the 2023 report. Our appreciation extends to KTK Accountants and Advisors for their collaboration with Engaged Consulting Limited and Michael Barron Consulting in fulfilling the role of Independent Administrator, ensuring the integrity and quality of this report.

As we look ahead, we reaffirm our collective commitment to strengthening PNG's extractive sector governance. Through continuous collaboration, transparency, and reforms, we will ensure that our natural resources contribute sustainably to our nation's development and the well-being of all Papua New Guineans.

PNGEITI MSG Members

2 Report of the Independent Administrator

30 April 2025

PNGEITI Multi-Stakeholder Group
8th Floor Treasury Building
PO Box 1907
Port Moresby NCD 121
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-Stakeholder 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 70.5 (moderate) score.

PNG is determined to enhance transparency and accountability in the extractive sector. On that note, this report, which covers the period from 1 January 2023 to 31 December 2023, discloses payments made to the Government of PNG by major participants. Consistent with prior years and with the 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 and among the various arms of the Government of PNG.
- Preparing an inception report that examines materiality, revenue flows, participating businesses, governmental organisations, and 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 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 the data provided.

- Making suggestions through the report for modifications meant to increase data accuracy, consistency, and completeness.
- Creating a draft report for the PNGEITI Multi-Stakeholder Group's consideration.
- Delivering a final report and electronic data files for publication and dissemination.

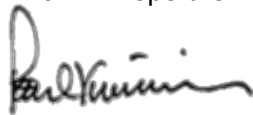
The procedures performed did not constitute an audit or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, the IA provides no opinion, attestation, or other forms of assurance concerning the work or the information upon which the work was based.

The IA did not audit or otherwise verify the information supplied concerning this report. The assessment was limited to the specific procedures and analysis described herein and was based only on the available information provided by 31 March 2025. Accordingly, information provided after this date, which could affect the findings outlined in the report, may not have been considered.

The assessment was not designed to identify or disclose fraud, defalcations, or 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). Based on Bank of PNG figures, amounts provided in US Dollars (USD) have been converted at the rate of 0.2785.

The EITI report for fiscal year 2023 is attached.



Paul Kiruwi

Managing Partner

Kuna Taberia Kiruwi (KTK) Accountants & Advisors

3 Executive Summary

3.1 Overview of Extractive Industries' Contribution

Papua New Guinea (PNG) derives a substantial proportion of its economic output, government revenue, and export income from the extractive sector, comprising the mining, oil, and gas industries. In 2023, the extractive sector accounted for:

- 27.4% of Gross Domestic Product (GDP),
- 88.6% of total export earnings,
- 23.1% of total government revenue

These figures underscore the sector's central macroeconomic role despite being susceptible to cyclical volatility, particularly commodity price fluctuations and operational disruptions such as those witnessed at the Porgera mine. PNG's economic reliance on these sectors makes the case for improved governance and resilience planning all the more compelling, particularly in light of the

global transition towards sustainable energy and responsible mining practices.

Figure 3-1 below illustrates the key stages of Papua New Guinea's extractive sector value chain and the associated benefit flows to various stakeholders. It captures the transition from upstream production through to revenue collection, institutional recipients, and ultimate socio-economic outcomes. The schematic highlights how financial and non-financial contributions, including taxes, royalties, equity, and social expenditures, are channelled through government agencies and State-Owned Enterprises to support local communities, service delivery, and infrastructure development. This integrated visual underscores the sector's complex but vital role in PNG's broader governance and development architecture.

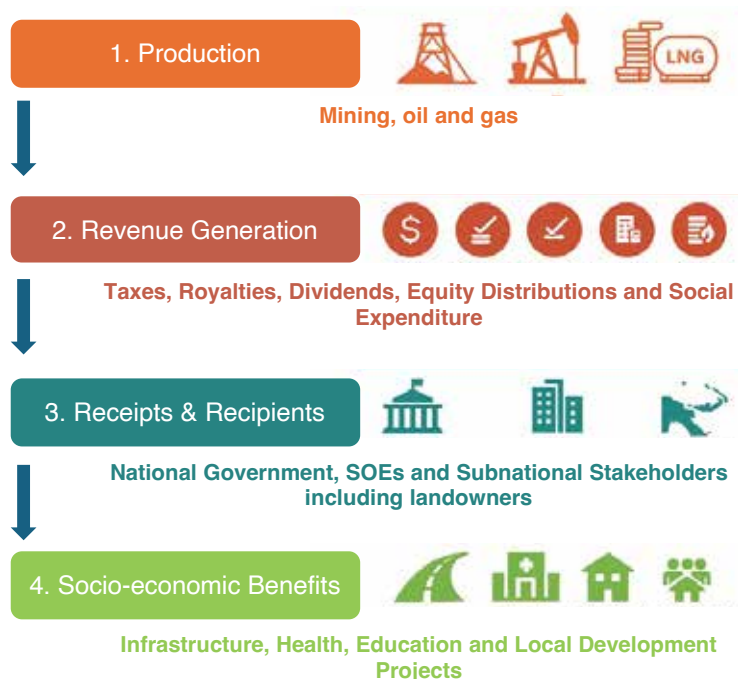


Figure 3-1 Extractives revenue value chain

Box1: What is EITI?

The Extractive Industries Transparency Initiative (EITI) is a global standard for promoting open and accountable management of oil, gas and mineral resources. In Papua New Guinea, EITI provides a critical platform for demonstrating the value that the extractive sector contributes to the economy by disclosing payments, revenues, and benefit flows in a transparent and accessible manner. Through regular reporting and independent reconciliation, EITI enhances public understanding of how natural resources are governed and how their benefits are distributed across the country. This covers the first 3 stages shown in Figure 3-1.

3.2 Revenue Contributions by Sector and Recipient

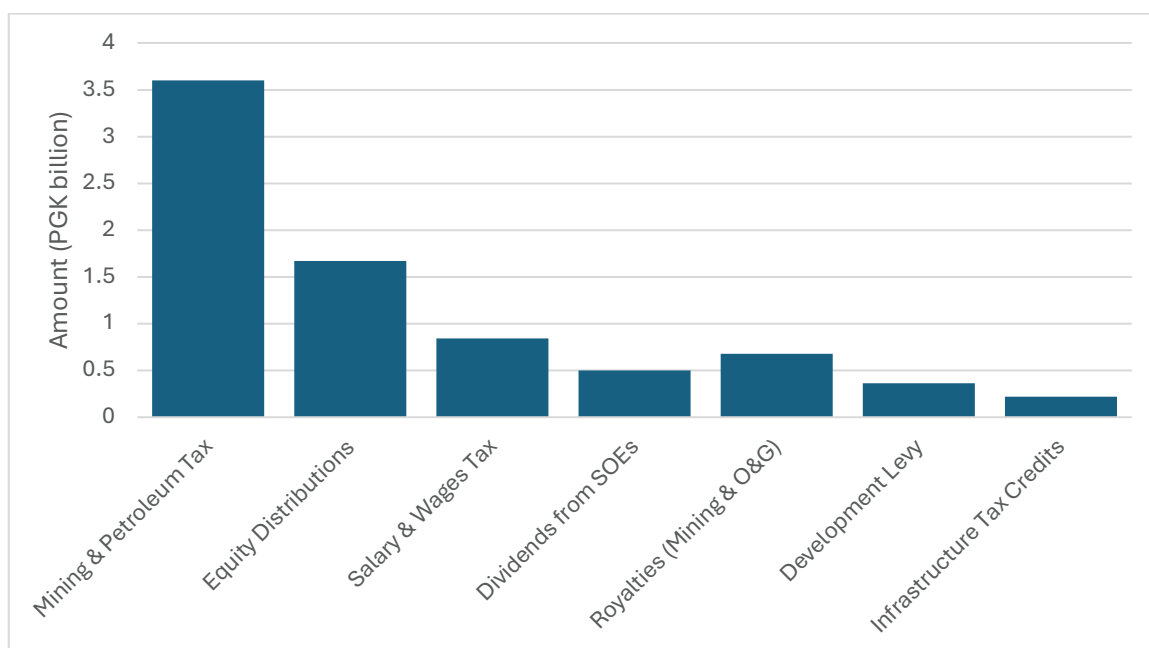


Figure 3-2 Revenues streams from the extractives sector

The extractive industries continue to play a critical role in Papua New Guinea's fiscal architecture. According to the Department of Treasury, total government revenue (excluding grants) in 2023 was PGK 18.65 billion. Of this, PGK 4.31 billion—or 23.1%—was directly attributable to the mining and petroleum sector, primarily through corporate income tax (PGK 3.91 billion) and dividends (PGK 402.6 million)

These headline figures are complemented by a broader suite of extractive-related revenue streams reported through the EITI reconciliation process. These include royalties, development levies, salary and wages tax, infrastructure tax credits, and equity distributions from State-Owned Enterprises (SOEs). When considered collectively, these flows amounted to more than PGK 8.5 billion in 2023. However, not all are classified as central government revenue in the national accounts, as some are allocated directly to landowners, provincial governments, and SOEs.

The Internal Revenue Commission (IRC) remained the primary collection agency for corporate and salary-related taxes, while dividends and equity distributions were channelled through the Department of Treasury, Kumul entities, and project-level joint ventures. The Mineral Resources Authority (MRA) and Department of Petroleum and Energy (DPE) facilitated the collection and transfer of royalties and levies, which are often paid directly to landowners and subnational governments.

This diversity of revenue types and institutional custodians reflects both the scale and complexity of PNG's extractive fiscal framework. It also underscores the importance of robust inter-agency coordination and public transparency. The 2023 reconciliation confirmed that 99.23% of reported revenues were successfully matched between company disclosures and government records — an important assurance of data integrity and a foundation for ongoing reform.

See Chapter 5 for more details.

Table 3-1 Revenues from the extractives sector

Revenue Type	Amount (PGK)	% of Total Revenue	Primary Recipient(s)
Mining & Petroleum Tax	3.60 billion	42.26%	Internal Revenue Commission (IRC)
Equity Distributions	1.67 billion	18.24%	State-owned enterprises
Salary & Wages Tax	843 million	8.86%	IRC
Dividends from SOEs	502 million	10.85%	Department of Treasury
Royalties (Mining & O&G)	680 million	7.50%	Landowners, LLGs, Provincial Govts
Development Levy	366 million	3.98%	Subnational Governments
Infrastructure Tax Credits	218 million	2.38%	Claimed via IRC, spent via DNPM

Among the largest revenue contributors were ExxonMobil PNG Ltd and Ok Tedi Mining Ltd, followed by Kumul Petroleum Holdings Ltd and Lihir Gold Ltd.

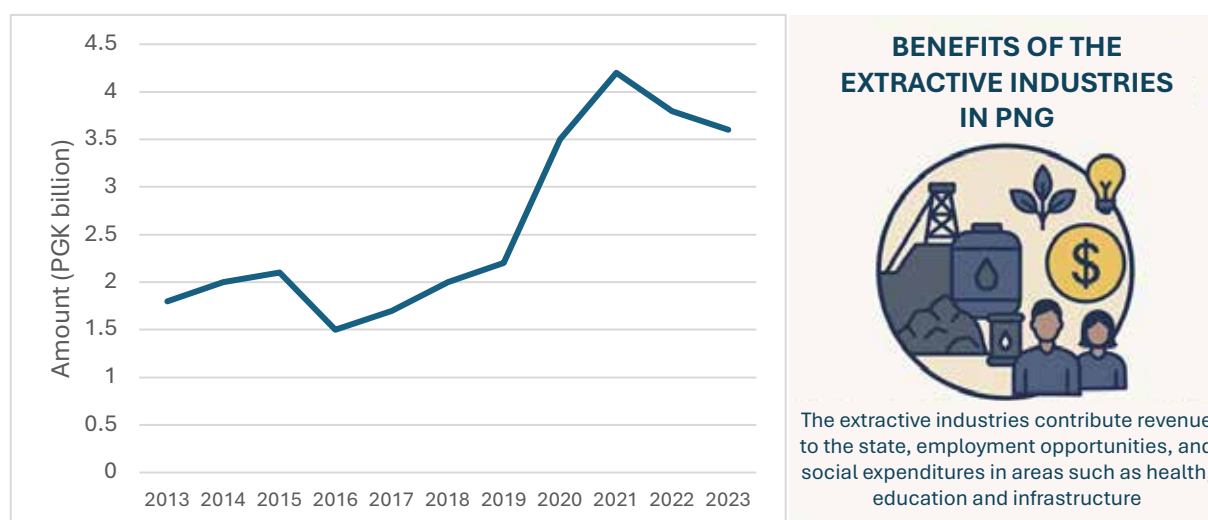


Figure 3-3 Revenues from the extractives sector 2013-2023

3.3 Economic Contributions by Subsector

Mining activities in 2023 were led by operations at Lihir (Newmont), Ok Tedi, and Ramu Nickel. The reopening delays at Porgera significantly impacted overall production levels and government receipts. Nonetheless, the mining sector remained dominant in terms of export values and

subnational flows, contributing approximately 14.7% to GDP and more than half of total exports.

Oil and gas contributions were largely driven by the PNG LNG project operated by ExxonMobil, in partnership with Santos and the State. Despite subdued global energy prices, the sector contributed nearly 9.3% to GDP and 37.4% of exports. Equity distributions and petroleum taxes from the sector played a crucial role in shoring up government revenues.

Ten companies disclosed employment data for 2023, reporting a total of 13,644 direct employees. Of these, 11,965 were nationals and 1,679 were expatriates. Female employees accounted for 14.4% of the total workforce. The lack of comprehensive employment data from all reporting entities and the absence of national labour statistics specific to the extractive sector limit further quantitative analysis.

In terms of export composition, gold and copper remained the dominant mineral exports, with Lihir, Ok Tedi, and Simberi contributing significantly to total gold output.

Ramu Nickel accounted for nearly all of the country's nickel-cobalt concentrate exports. On the oil and gas side, LNG continued to represent the largest share of hydrocarbon exports, driven by ExxonMobil's PNG LNG project. Crude oil and condensate exports contributed modestly in comparison. Export values by commodity followed global price trends, with mineral exports experiencing relative stability, while LNG export values were more price-sensitive, reflecting global spot and contract indexation.

See Chapter 5 for more details.

Table 3-2 Impact on the economy

Metric	Mining	Oil & Gas	Total Extractives
GDP Contribution (%)	18.9%	8.5%	27.4%
Export Share (%)	51.2% of all exports	37.4% of all exports	88.6% of all exports

3.4 Environmental Reporting and Oversight

Environmental aspects of extractive activities remain a critical public concern in PNG, particularly in regions affected by legacy mining projects and active operations.

In 2023, the report notes limited disclosures from the Conservation and Environment Protection Authority (CEPA), with only PGK 5.5 million in permit and compliance fees recorded from seven companies. Despite CEPA's regulatory mandate, systematic reporting on environmental performance, monitoring outcomes, and site-level mitigation measures remains underdeveloped. Strengthening disclosure in this area is essential to meet the broader objectives of environmental governance, public accountability, and sustainable resource management.

See Section 7.10 for more details.

3.5 Subnational and Social Contributions

In 2023, over PGK1 billion was transferred to local-level and provincial governments, and landowner groups through royalties, equity distributions, and development levies. These flows remain a cornerstone of community development and resource benefit-sharing, though challenges in governance and oversight persist.

Extractive companies reported over PGK560 million in social expenditures. These contributions were both mandatory and discretionary and targeted sectors such as health, education, infrastructure, and livelihoods.

See Section 5.5 for more details.

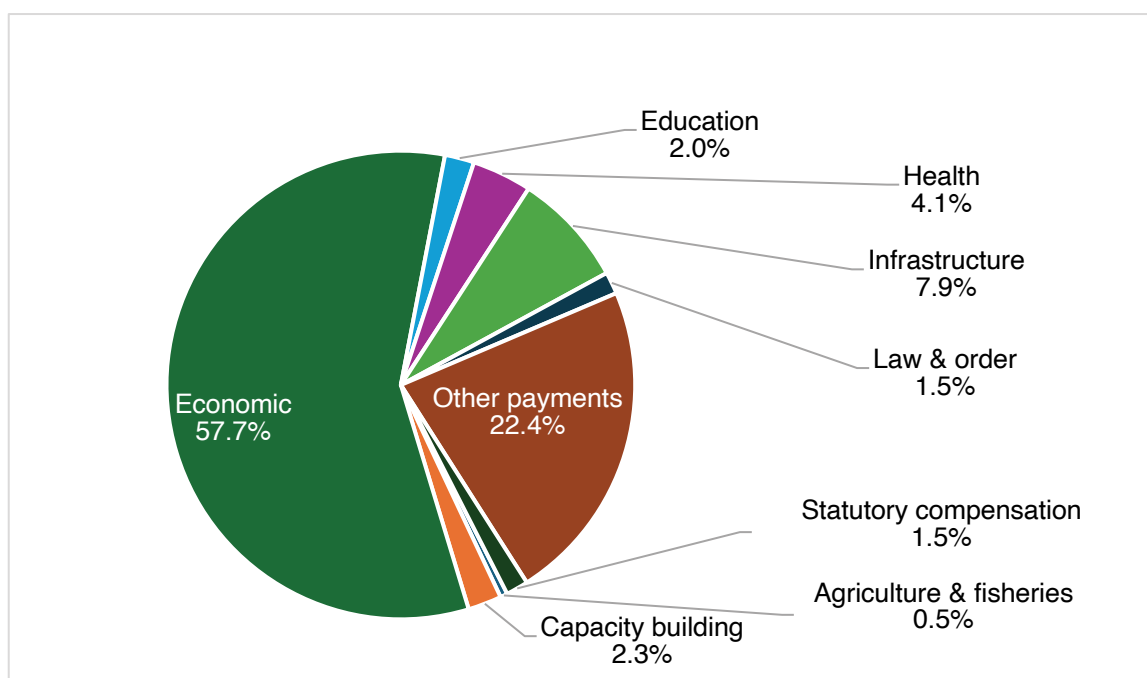


Figure 3-4 Social expenditures by type

Table 3-3 Most significant social expenditure

Company	Payment Type	PGK Value	Beneficiary Level
Barrick (Niugini) Ltd	Discretionary	47 million	Local communities
Santos	Mandatory	52 million	Provincial Govts
Kumul Petroleum Holdings	Infrastructure	39 million	Subnational & National
Ok Tedi Mining Ltd	Community Trusts	75 million	CMCA regions, Western Prov
Lihir Gold Ltd (Newmont)	Health/Education	58 million	New Ireland Province

3.6 State-Owned Enterprises (SOEs) and Participation

State-Owned Enterprises (SOEs) continue to play a pivotal role in Papua New Guinea's extractive industries, both as commercial participants in mining and petroleum ventures and as custodians of landowner and community interests.

For the 2023 financial year, six SOEs and related trustee entities were within the reporting scope: Kumul Petroleum Holdings Ltd (KPHL), Kumul Mineral Holdings Ltd (KMHL), Mineral Resources Development Company Ltd (MRDC), Ok Tedi Mining

Limited (OTML), Ok Tedi Development Foundation, and Ok Tedi Power Limited.

These entities operate across the value chain—from upstream resource extraction to the management and distribution of equity benefits. For instance, KPHL is the national oil and gas company and holds the State's equity interest in the PNG LNG project. In 2023, KPHL reported discretionary community investments totalling PGK 86.7 million, including over PGK 85 million categorised under economic development, underscoring its developmental mandate beyond mere revenue generation.

Similarly, KMHL, which holds the State's mining equity interests, reported targeted health sector support with a PGK 1 million contribution to the PNG Kidney Foundation.

MRDC, which manages trust funds on behalf of landowner companies, reported PGK 45 million in social and public relations expenditures through its various subsidiaries. These figures indicate that SOEs also serve as significant vehicles for social investment and landowner engagement.

Beyond their financial footprint, SOEs serve as instruments for policy alignment, strategic infrastructure investment, and community development. However, their operations are not without challenge. Instances of quasi-fiscal activity, limited operational transparency, and overlapping mandates have raised concerns regarding accountability and efficiency. Despite these challenges, OTML remains one of the most significant contributors to the Western Province economy, as evidenced by its payment of royalties, taxes, dividends, and substantial local procurement, as well as its central role in service delivery.

Moving forward, strengthening governance frameworks and institutional capacity within SOEs is essential to ensuring that their role in the extractives sector contributes positively to sustainable economic development, particularly in the context of PNG's broader public financial management and national development planning agendas.

See Section 5.9 for more details.

3.7 Data Quality and Reconciliation

As an EITI implementing country, PNG aims to meet the EITI Standard 2023, part of which involves collecting data from companies and government and reconciling that data.

While 99.23% of revenues were successfully reconciled, the Independent Administrator noted several systemic limitations:

- Timing discrepancies due to variations in financial year and calendar year reporting,



Box 2: The EITI Standard 2023

The governance and reporting expectations on EITI implementing countries are set out in the EITI Standard, with the most recent version having been launched in 2023. The PNG EITI Report 2023 has been prepared using the EITI Standard 2023.

- Difference in treatment of GST credit payment in the reporting templates,
- Delays in submission of templates, particularly from CEPA,
- Lack of consistency in audit practices and financial statement quality among some reporting entities.

Notably, all major reporting entities submitted authorised templates. Most private sector participants submitted audited or reviewed financials. Government agency data, while generally complete, exhibited some internal audit limitations. The final assessment of

data credibility was deemed satisfactory for fiscal and policy analysis.

The table below summarises the reconciled data. The variances shown exclude systemic differences, which are those which arise

when either the payer or recipient has not provided details of their side of the payment.

See Section 9.6 and Chapter 10 for more details.

Table 3-4 Reconciliation summary

Revenue stream	Amount reported by companies as paid PGK	Amount reported by recipient as received PGK	Variance excluding systemic differences (see above) PGK	Variance excluding systemic differences %
Payments to IRC	4,698,726,778	5,033,873,233	13,004,918	0.275%
Payments to Customs	36,017,623	58,350,644	-6,982,617	-24.05%
Payments to CEPA	6,761,319	Not reported	N/A	N/A
Dividends paid to the State and Landowners	591,500,000	601,600,000	10,100,000	1.68%
Payments to Finance (through DPE)	365,620,323	365,620,323	0	0%
Payments to DPE	2,111,602,192	2,115,604,372	83,680	0.004%
Payments to DNPM	172,917,711	53,276,523	0	0%
Payments to MRA	283,906,497	324,597,385	8,162,644	2.875%

3.8 Systematic Disclosure

Progress has been made in aligning EITI reporting with PNG's broader transparency and digital governance agenda. As of 2023, 38% of EITI-required information was systematically disclosed through online platforms and agency portals, including production data, revenue flows, and certain licence registers. This trend toward mainstreaming represents a shift from ad hoc data compilation toward institutionalised transparency, which can reduce reporting burdens and improve timeliness. Further digitalisation and integration of sectoral information systems remain key priorities for full EITI compliance.

See Section 9.5 for more details.

3.9 Legal and Policy Developments

While PNG has not yet enacted dedicated legislation to institutionalise the EITI process, several reforms in fiscal and regulatory frameworks are under discussion. These include provisions for contract transparency, enhanced publication of licence awards, and mandatory beneficial ownership disclosure. Incorporating EITI principles into national law would ensure the continuity, consistency, and legal enforceability of transparency practices, while strengthening the mandate of the Multi-Stakeholder Group and supporting long-term governance objectives.

See Section 6.1 for more details.

3.10 Strategic Reflections and Policy Recommendations

The economic impact of the extractive sector remains significant but concentrated. Key reflections include:

- The urgent need to resume production at Porgera to restore lost revenue potential,
- Prioritising capacity and compliance at subnational levels to manage payments effectively,
- Institutionalising EITI processes through a legal framework to ensure comprehensive participation.

See Chapter 11 for more details.

Table 3-5 Headline recommendations

Area	Recommendation
Revenue Management	Enact legislation mandating EITI disclosures
Subnational Payments	Strengthen oversight and audit of local-level expenditures
Gender & Ownership	Improve quality of gender-disaggregated and BO data

3.11 Conclusion

The extractive sector remains central to Papua New Guinea's economic performance and public finance architecture. In 2023, mining, oil, and gas accounted for 27.4% of GDP, 88.6% of export earnings, and over one-fifth of total government revenue,

reaffirming its role as a foundation of fiscal sustainability, trade surplus generation, and macroeconomic stability. The revenues it generates are instrumental in enabling public investment, supporting State-Owned Enterprises, and funding service delivery at national and subnational levels.

While the sector is inherently exposed to international price volatility and operational disruptions, its impact on the domestic economy can be stabilised and channelled toward long-term development through effective governance. This underscores the importance of strong, capable institutions, particularly in the areas of tax administration, revenue distribution, and public financial management. Where government agencies operate with transparency, accountability, and strategic foresight, extractive revenues can be harnessed not only to meet immediate fiscal needs but also to deliver sustained social and economic transformation.

Institutionalising the EITI process within the national legal framework is a critical step in reinforcing these governance systems. It provides a platform to align public, private, and community interests while ensuring comprehensive disclosures on production, payments, and distribution of benefits.

Ultimately, the extractive sector is not merely a generator of fiscal receipts. It is a vehicle through which PNG can pursue inclusive growth, infrastructure modernisation, and intergenerational equity, provided it is managed with vision, integrity, and robust institutional oversight.

4 Introduction

KTK Accountants & Advisors (KTK) in collaboration with Engaged Consulting Ltd and Michael Barron Consulting Ltd (together “the Independent Administrator” (IA)) were appointed on 1 September 2024 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 first two stages of the methodology were the preparation of:

1. Scoping Study, dated 9 September 2024 which documented the materiality computation, revenues in scope for reporting, non-financial information and companies and government in scope,
2. Inception Report, dated 24 September, which set out the methodology and timeline, the report structure, described early activities such as review of the reporting templates and a review of the recommendations from the FY2022 report.

4.1 Objectives of this Report

The objective is to produce an EITI Report for the Fiscal Year 2023 (FY2023) in accordance with the EITI Standard 2023 and the Terms of Reference. 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 FY2023.

All websites referenced in the main body of this report, in footnotes or in the annexes were accessed between 1 November 2024 and 17 March 2025.

4.2 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.

5 The Contribution of the Extractive Industries 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 27.4% of GDP and 88% of export earnings in 2023 (compared to 32% and 87.3% 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 (see below, Section 5.2).

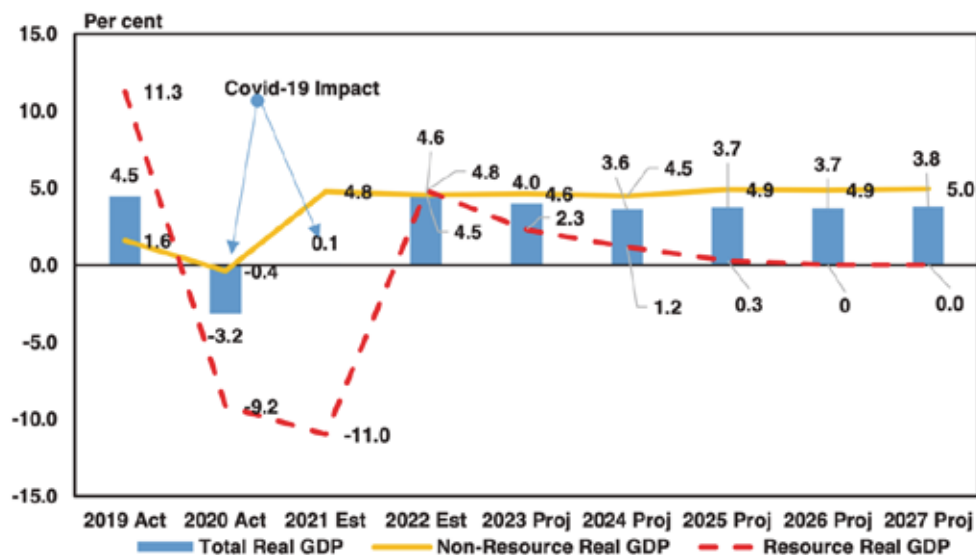
The government is aware of the risks of becoming overly dependent on the extractive sector and has embarked on policies to diversify the economy and shield the PNG economy from the impact of volatility. Policies such as the establishment of the Sovereign

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.¹

5.1 Contribution to GDP

Since 2016, the extractive industries have contributed 26% on average to PNG's GDP (see below Figure 5.1). 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:

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



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

Figure-5-1 Contribution of extractive industries to real GDP growth

¹ 'Vision 2050', 2009, PNG Government,

<https://sustainabledevelopment.un.org/content/documents/1496png.pdf>

5.2 Contribution to Government Revenue

In 2023, the extractive industries provided 23.10% of government revenues according to government data.² This represents a considerable decrease on previous year reflecting the dip in the global oil, gas and mineral prices in 2023. Table 5-1 shows the extractive sector's contribution to government revenues since 2017.

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 20.42% of revenue contributions to government revenue.

Table 5-1 Contribution of the mining and oil and gas sectors to government revenue

	2017 (PGK million)	2018 (PGK million)	2019 (PGK million)	2020 (PGK million)	2021 (PGK million)	2022 (PGK million)	2023 (PGK million)
Total tax and non-tax revenue (excluding grants)	10,085.2	12,249.4	11,904.9	10,668.3	11,772.4	17,066.1	18,651.4
Mining and petroleum tax (corporate income tax)	113.6	775.0	760.7	183.4	635.4	4,036.1	3,906.5
Mining and petroleum dividends	562.3	653.5	381.2	568.5	380.5	300.0	402.6
Contribution of mining and petroleum in government revenue	6.7%	11.7%	9.6%	7.0%	8.6%	25.4%	23.1%

² PNG 2025 Annual Budget Volume 1, Page 144, <https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/>

Table 5-2 Comparison of 2023 Budget figures with figures from reconciliation

	2023 budget ³	2023 reconciliation figure (PGK million)	Variance	Variance (%)
Corporate income tax (mining and petroleum tax)	2,341.8	3,864.5	1,522.7	39.4%
Mining and petroleum dividends (paid to Treasury)	1,682.5	601.6	-1,080.90	-179.67%

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 2023 Budget.

The National budget includes dividends from KPHL and OTML of K600m and K382.5m, respectively. However, the final dividends received was only K350.0m from KPHL and K251.6m from OTML. The details of these additional sources of revenue are set out in Chapter 6.

5.3 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 2023, the total value of oil, gas and mineral exports was PGK 43,779.6 million⁴. This represented 88.58%⁵ of the PNG's total exports. Gold accounted for PGK 9,510.6 million⁶ of exports and LNG for PGK 22,833.0 million⁷. Table 5-3 gives details of export values for 2017-2023. Details of PNG's extractive sector exports are set out in Section 7.3.

Table 5-3 Commodity export values

Commodity	2017 (PGK million)	2018 (PGK million)	2019 (PGK million)	2020 (PGK million)	2021 (PGK million)	2022 (PGK million)	2023 (PGK million)
Gold	7,612.20	8,207.20	10,520.10	10,551.00	9,169.30	7,279.70	9,510.60
Copper	1,962.20	1,889.70	2,242.00	1,706.00	1,796.70	2,272.20	2,408.80
Silver	63.10	62.50	93.30	74.80	31.10	31.70	33.00
Nickel	1,179.00	1,087.00	1,953.80	1,056.90	2,050.10	2,874.80	2,637.40
Cobalt	614.10	575.50	392.50	186.10	531.70	571.20	373.70
Sub-total	11,430.60	11,821.90	15,201.70	13,574.80	13,578.90	13,029.60	14,963.50
Oil	1,255.90	910.20	741.40	1,016.80	1,359.00	2,489.70	2,126.90
LNG	10,467.50	13,835.10	15,600.20	15,846.00	15,010.90	25,213.40	22,833.00
Condensate	1,935.10	1,891.80	2,125.20	1,442.00	1,992.90	2,437.30	1,684.40
Refined petroleum	1,196.50	1,394.50	1,293.70	933.10	1,660.10	2,534.00	2,171.80
Sub-total	14,855.00	18,031.60	19,760.50	19,237.90	20,022.90	32,674.40	28,816.10
Total mineral exports	26,285.60	29,853.50	34,962.20	32,812.70	33,601.80	45,704.00	43,779.60
Non-mineral exports	5,130.00	4,433.50	4,367.20	4,643.50	6,027.60	6,611.50	5,643.60
Total exports	1,415.60	34,287.00	39,329.40	37,456.20	39,629.40	52,315.50	49,423.20

³ <https://www.treasury.gov.pg/wp-content/uploads/2023/11/2023-Budget-Volume-1-95-161.pdf>

⁴ PNG 2025 Annual Budget Volume 1, Page 137, <https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/>

⁵ Ibid. Total Mineral export divided by Total Export value. (PGK 43,779.60m / PGK 49,423.20m)

⁶ Ibid.

⁷ Ibid.

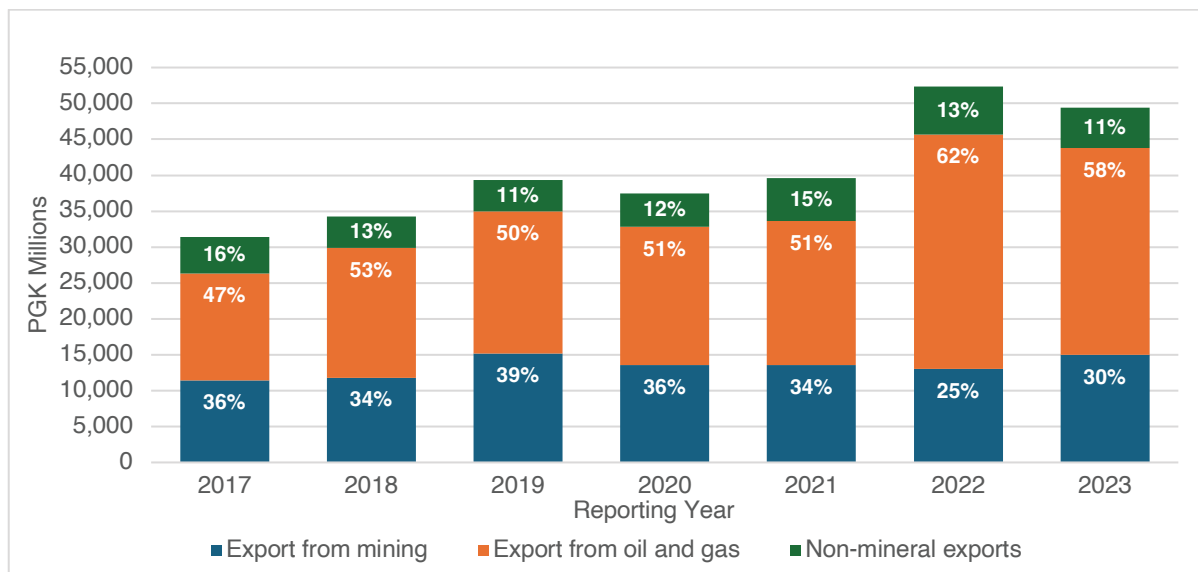


Figure 5-2 Export values by commodity type

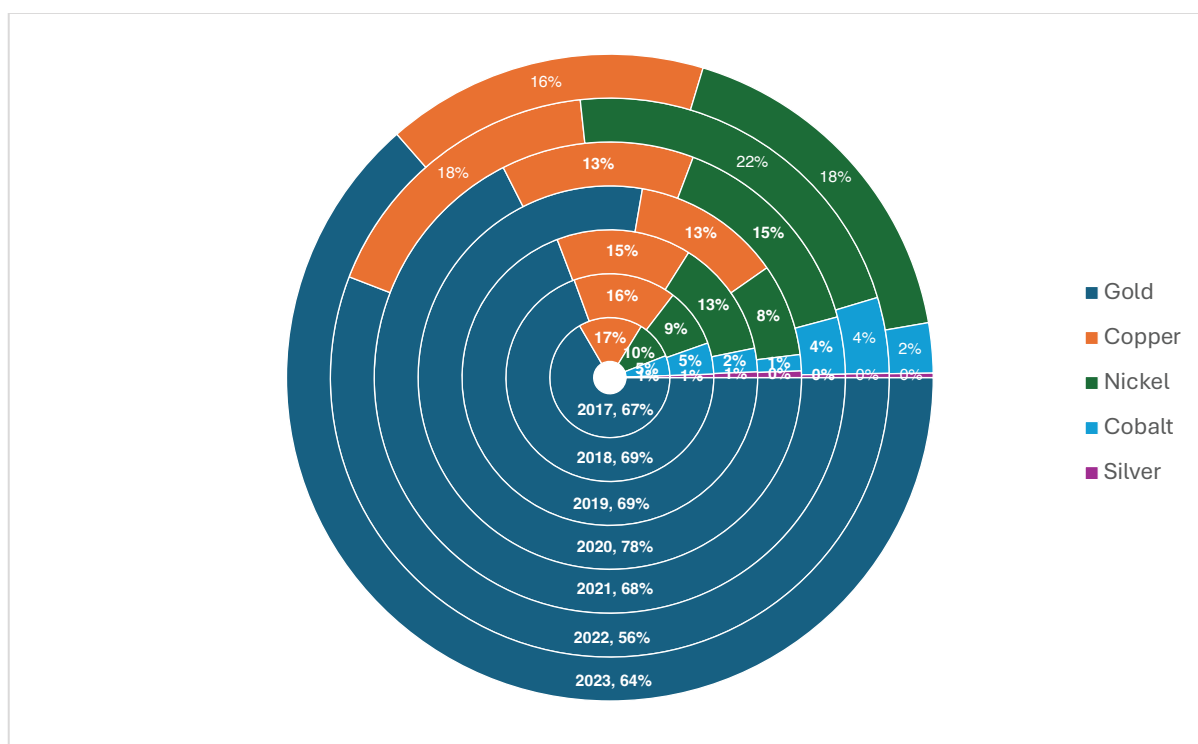


Figure 5-3 Mining commodity export values

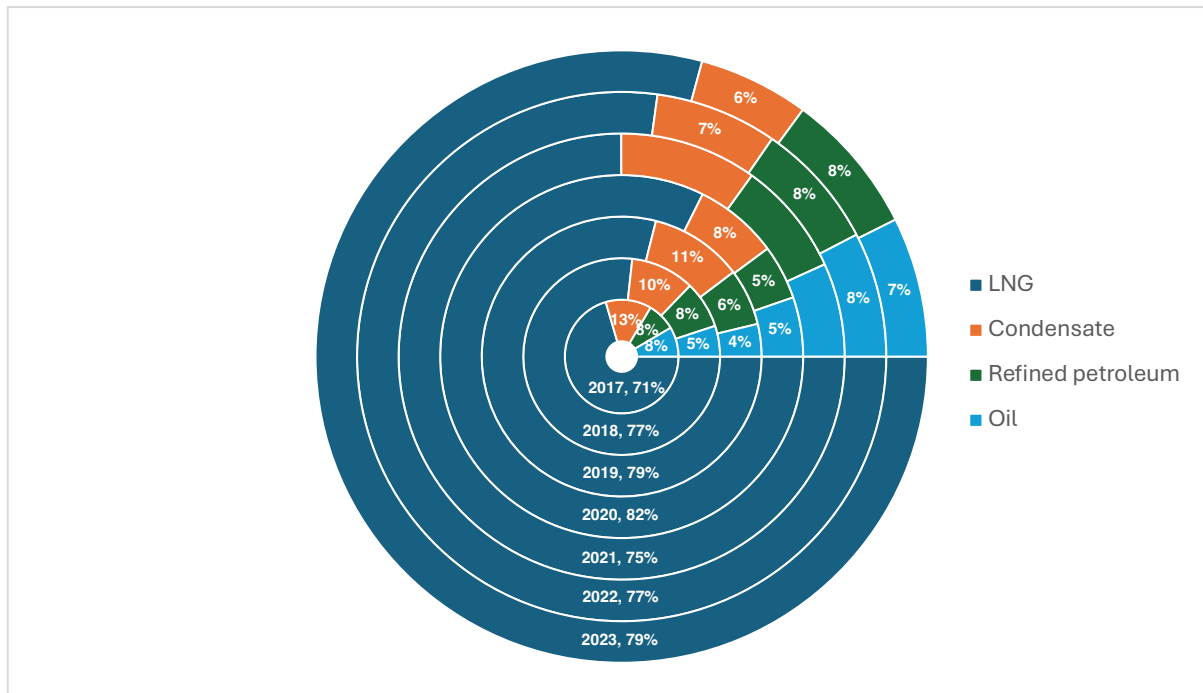


Figure 5-4 Oil and gas commodity export values

5.4 Contribution to Employment

5.4.1 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 2023.⁸ In the year to December 2023, total employment rose by 2.5% (compared to 5.0% in 2022). In the mineral sector (mining), employment increased by 10.2% in 2023 (compared to 11.8% in 2022). 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.

5.4.2 Gender data (EITI Requirement 6.3.d)

5.4.2.1 MSG Gender Composition

The PNGEITI MSG gender balance (Primary members) is 5:1 and consists of 25 males and 5 females, (see Annexe A).

5.4.2.2 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 10 private sector companies returned

⁸ <https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

completed templates. Table 5-4 below shows the companies that provided employment and gender data. Data for each company is provided in Annex H.

The total number of people employed in these companies was 13,644, 86% male and 14% female. Table 5-5 below summarises the data collected.

Table 5-4 Companies providing employment data

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

Table 5-5 Employment and gender data 2023

Category of employee	Number of employees				Physically challenged persons		
	Total	Male	Female	Other gender	Male	Female	Other gender
Top Management Level							
National employees	299	222	77				
Expatriates	349	319	30				
Middle Management Level							
National employees	600	463	137				
Expatriates	353	324	29				
Lower Level							
National employees	11,066	9,420	1,646				
Expatriates	977	933	44				
Total	13,644	11,681	1,963				

Gender diversity in the extractives sector is important to PNGEITI and EITI globally. In 2022 International Women in Mining (IWIM)⁹ became an EITI supporting organisation.

The top management is comprised of 83.5% men (41.0% were PNG nationals which also occupies just under a third of top management positions or 34.3%) and 16.5% women (the bulk of whom were PNG nationals which occupies 11.9% of the total top management population).

In middle management, 63.0% were PNG nationals. Men comprised 82.6% of total middle management (more than half of whom were PNG nationals) and women 17.4%.

PNG nationals made up 91.9% of lower-level employees and the gender split was 86.0% men and 14.0% women.

⁹ <https://internationalwim.org>

5.4.2.3 Women in leadership roles in the PNG extractives industries

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.

5.5 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.

5.5.1 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 8 companies provided information on such payments. Table 5-6 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.

Box 3: Social Expenditure

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

5.5.2 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.”¹⁰ 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 3).

The reporting template issued to reporting companies by the IA included a section for companies to report discretionary social payments. A total of 11 companies provided information on such payments. Table 5-7 below sets out a summary of these payments.

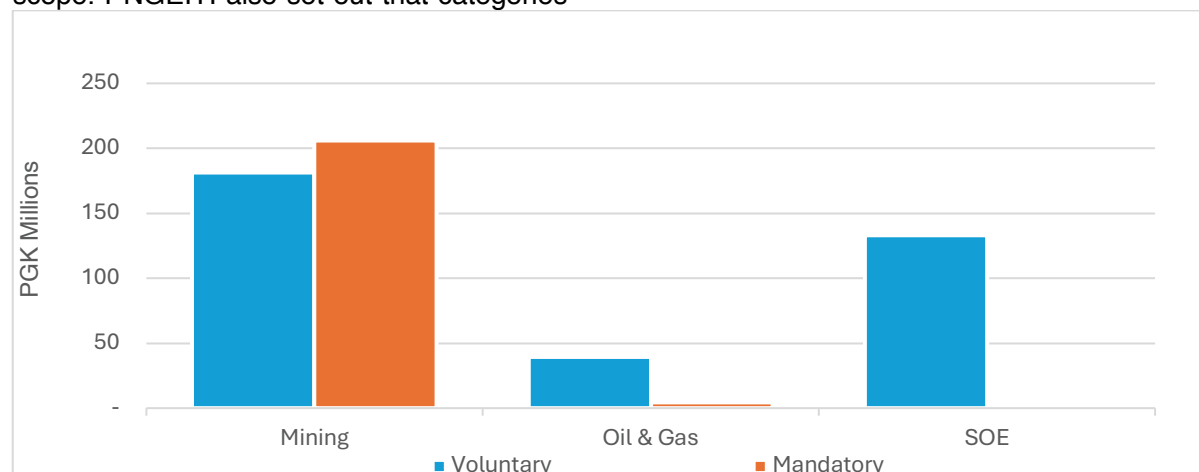


Figure 5-5 2023 Social payments

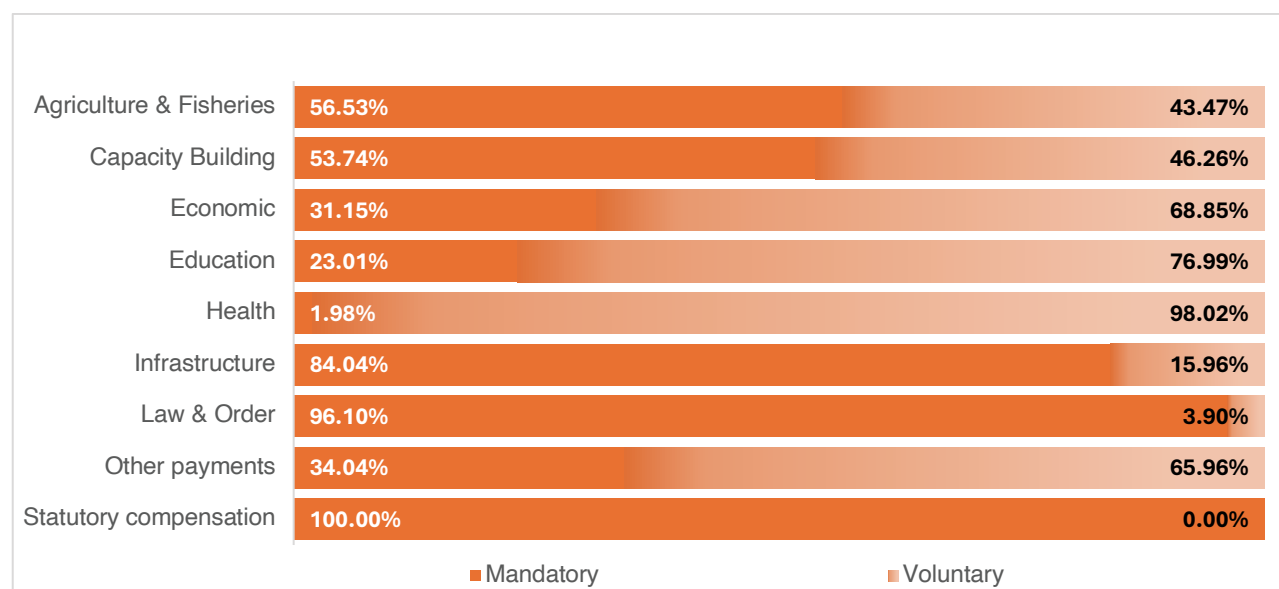


Figure 5-6 2023 Social Payments per Category

¹⁰ Guidance note 17 on social expenditures', EITI, <https://eiti.org/guidance-notes/social-and-environmental-expenditures>

Table 5-6: 2023 Social payment per category

Category	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)	Total social expenditure (PGK)
Agriculture & Fisheries	1,617,270	1,243,477	2,860,747
Capacity Building	7,029,540	6,051,273	13,080,813
Economic	101,457,885	224,252,102	325,709,986
Education	2,637,417	8,826,772	11,464,189
Health	461,849	22,842,200	23,304,048
Infrastructure	37,423,297	7,108,615	44,531,912
Law & Order	8,234,638	334,014	8,568,652
Other payments	42,996,565	83,329,325	126,325,890
Statutory compensation	8,655,155	-	8,655,155
Total	210,513,616	353,987,778	564,501,394

Table 5-7: Summary of mandatory and discretionary social expenditure 2023

Reporting entity	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
Mining		
Barrick (Niugini) Limited (Porgera mine)	968,002	80,276
K92 Mining Limited (Kainantu)	104,691,827	41,660
Lihir Gold Limited (Lihir/Luise Caldera mine)	41,414,150	43,557,752
MCC Ramu NiCo Limited (Kurumbukari mine, Ramu)	43,860,814	18,260,918
Morobe Consolidated Goldfields Limited (Hidden Valley mine)	10,415,415	114,425,403
Wafi Golpu Services Limited (Wafi Golpu)	4,854,417	4,217,875
Simberi Gold Company Limited (Simberi Mine)*		961,259
Oil and gas		
Total E&P PNG Limited	1,041,798	3,223,414
Santos (operator oil projects - total oil project figure)	3,267,193	5,314,918
ExxonMobil Corporation	-	30,652,269
State-owned enterprises		
Kumul Petroleum Holdings Limited	-	86,666,969
Mineral Resources Development Company Limited	-	44,985,065
Ok Tedi Mining Limited (Mt Fubilan mine)	-	600,000
Kumul Minerals Holdings Limited	-	1,000,000
TOTAL	210,513,616	353,987,778

*Amounts reported by Simberi are for July 2023 – June 2024. As such, amounts indicated in the table above are the average amount for 2023.

5.5.3 Detailed social expenditure data – mining

5.5.3.1 Barrick Niugini Limited (Porgera mine)

Table 5-8: Mandatory and discretionary social expenditure - Barrick

Recipient	Category	Type	Amount (PGK)
Mandatory			
Land compensation payments	Infrastructure	Cash	736,002
Porgera Children Trust Fund	Education	Cash	232,000
TOTAL			968,002
Discretionary			
Porgera Women's in Business Association Inc.	Capacity Building	Cash	80,276
TOTAL			80,276

Mandatory social expenditure for Porgera Mine includes the following:

- Infrastructure – land compensation payments,
- 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 three 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.

5.5.3.2 K92 Mining Limited (Kainantu)

Table 5-9: Mandatory and discretionary social expenditure – K92 Mining Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various organisations	Economic	Cash	95,438,235
Various schools	Education	Cash	1,043,923
G4S Secure Solutions (PNG) Limited/ GDK Security Services Limited/ Guard Dog Security Services/ Royal PNG Constabulary – Police	Law & Order	Cash	8,209,669
TOTAL			104,691,827
Discretionary			
INNCARE Limited/ SESAGO Healthcare Limited/ Zuguzampu PNG Limited	Economic	Cash	41,660
TOTAL			41,660

5.5.3.3 Lihir Gold Limited (Luise Caldera mine)

Table 5-10: Mandatory and discretionary social expenditure – Lihir Gold Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
Lihir Wide	Economic	Cash	6,019,650
Lihir Wide	Infrastructure	Cash	33,339,600
Lihir Wide	Statutory compensation	Cash	2,054,900
TOTAL			41,414,150
Discretionary			
Lihir Wide	Capacity building	Cash	2,441,027
Lihir Wide	Economic	Cash	13,869,595
Lihir Wide	Infrastructure	Cash	6,987,839
Lihir Wide	Health	Cash	19,143,692
Lihir Wide	Other payments	Cash	1,115,599
TOTAL			43,557,752

5.5.3.4 MCC Ramu Nico Limited (Ramu Nickel, Kurumbukari mine)

Table 5-11: Mandatory and discretionary social expenditure - MCC Ramu Nico Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
Various recipients	Health	Cash	83,171
Various recipients	Education	Cash	1,026,365
Various recipients	Agriculture & Fisheries	Cash	117,600
Business opportunities to local communities/ Land and environment compensation	Other payments	Cash	42,633,679
TOTAL			43,860,814
Discretionary			
Various recipients	Capacity Building	Cash	903,520
Various recipients	Health	Cash	1,454,700
Various recipients	Education	Cash	162,193
Business opportunities to local communities/ Donations for environmental protection	Other payments	Cash	15,740,505
TOTAL			18,260,918

5.5.3.5 Morobe Consolidated Goldfields Limited (Hidden Valley Mine)

Table 5-12: Mandatory and discretionary social expenditure - Morobe Consolidated Goldfields Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
Landowners	Statutory compensation	Cash	397,732
Local communities	Infrastructure	Cash	2,679,722
Local communities	Capacity Building	Cash	89,718
Local communities	Health	Cash	44,691
Local communities	Education	Cash	1,143
Local communities	Agriculture & Fisheries	Cash	497,711
Community Affairs Department Costs	Statutory compensation	Cash	667,973
Community Affairs Department Costs	Infrastructure	Cash	667,973

Recipient	Category	Type	Amount (PGK)
Mandatory			
Community Affairs Department Costs	Capacity Building	Cash	3,673,850
Community Affairs Department Costs	Health	Cash	333,986
Community Affairs Department Costs	Education	Cash	333,986
Community Affairs Department Costs	Law & Order	Cash	24,969
Community Affairs Department Costs	Agriculture & Fisheries	Cash	1,001,960
TOTAL			10,415,415
Discretionary			
Education facilities	Education	Cash	2,397,062
Landowner Companies	Other payments	Cash	112,028,341
TOTAL			114,425,403

The Hidden Valley Mine Memorandum of Agreement defines various social obligations for Morobe Consolidated Goldfields (MCG), 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 2023, Morobe

Consolidated Goldfields paid PGK 1.32m 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 2023, procurement from landowner companies amounted to PGK 112.0m. 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 2023, PGK 3.63m was withheld and distributed.

MCG maintains a program to assist employees' dependents with school fees, with PGK 2.4m paid under this program in 2023 directly to educational institutions in PNG.

5.5.3.6 Ok Tedi Mining Limited (Mt Fubilan Mine)

Table 5-13: Mandatory and discretionary social expenditure – Ok Tedi Mining Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
TOTAL			Nil
Discretionary			
Community	Other payment	Cash	600,000
TOTAL			600,000

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.

5.5.3.7 Wafi Golpu Services Limited (Wafi Golpu)

Table 5-14: Mandatory and discretionary social expenditure – Wafi Golpu Services Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
Landowners	Statutory Compensation	Cash	1,225,559
Local Community	Capacity Building	Cash	3,265,972
Local Community	Other Payments	Cash	362,886
TOTAL			4,854,417
Discretionary			
Education Supplies	Education	Cash	23,617
Local Community	Capacity Building	Cash	2,706,729
Water, Sanitation, and Hygiene facilities	Health	Cash	982,700
Cocoa Development Program	Agriculture and fisheries	Cash	448,193
Community donations / Community sports program	Other Payments	Cash	56,639
TOTAL			4,217,875

5.5.3.8 Simberi Gold Limited (Simberi Mine)

Table 5-15: Mandatory and discretionary social expenditure – Simberi Gold Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
TOTAL			Nil
Discretionary			
Ring Road Maintenance	Infrastructure	Cash	120,776
Community Assistance	Health	Cash	7,534
Community Assistance	Education	Cash	54,807
Community Assistance - General	Other Payments	Cash	778,142
TOTAL			961,259

Simberi Gold Limited has provided us information aligned with the fiscal year end (July 2023 – June 2024). As such, for the

purpose of PNGEITI reporting, the figures indicated in the table above are average between the covered period.

5.5.3.9 Kumul Minerals Holdings Limited (KMH)

Table 5-16 Mandatory and discretionary social expenditure - Kumul Minerals Holdings (KMH)

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			Nil
Discretionary			
PNG Kidney Foundation	Health	Cash	1,000,000
TOTAL			1,000,000

5.5.3.10 MRDC Limited (multiple projects)

Table 5-17: Mandatory and discretionary social expenditure - MRDC Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			Nil
Discretionary			
Petroleum Resources Kutubu (PRK)	Others	Donations	5,126,588
	Others	Public relations	14,687,390
Petroleum Resources Gobe Limited (PRG)	Others	Donations	-
	Others	Public relations	554,524
Petroleum Resources Moran Limited (PRM)	Others	Donations	-
	Others	Public relations	999,529
Mineral Resources Star Mountain Limited (MRSM)	Others	Donations	672,963
	Others	Public relations	3,136,680
Mineral Resources OK Tedi Limited (MROT)	Others	Donations	1,564,838
	Others	Public relations	3,217,715
Mineral Resources Enga Limited (MRE)	Others	Donations	-
	Others	Public relations	1,437,196
Gas Resources PNG LNG Plant Limited (GRS)	Others	Donations	2,204,912
	Others	Public relations	2,930,878
Gas Resources PNG LNG Pipeline Limited (GRP)	Others	Donations	-
	Others	Public relations	1,193,822
Mineral Resources CMCA Holding Limited (MR CMCA)	Others	Donations	120,081
	Others	Public relations	1,091,434
Gas Resources Hides No.4 Limited (GRH)	Others	Donations	-
	Others	Public relations	3,333,774
Gas Resources Gigira Limited (GRG)	Others	Donations	1,500,000
	Others	Public relations	565,183
Gas Resources Angore Limited	Others	Donations	-
	Others	Public relations	292,109
Gas Resources Juha No.1 Limited (GRJ)	Others	Donations	110,201
	Others	Public relations	245,248
TOTAL			44,985,065

There is also PGK11,299,583 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.

5.5.4 Detailed social expenditure data – oil and gas

5.5.4.1 ExxonMobil (PNG LNG project total)

Table 5-18: Mandatory and discretionary social expenditure - PNG LNG

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			Nil
Discretionary			
Various projects	Other payments	Cash	30,652,269
TOTAL			30,652,269

5.5.4.2 Total E&P PNG Limited

Table 5-19: Mandatory and discretionary social expenditure - Total E&P PNG Limited

Recipient	Category	Type	Amount (PGK)
Mandatory			
PRL 15 Landowners	Statutory compensation	Cash	1,041,798
TOTAL			1,041,798
Discretionary			
Port Moresby Technical College	Education	Cash	3,223,414
TOTAL			3,223,414

5.5.4.3 Santos

Table 5-20: Mandatory and discretionary social expenditure – Santos

Recipient	Category	Type	Amount (PGK)
Mandatory			
Annual Land Rental	Statutory Compensation	Cash	3,267,193
TOTAL			3,267,193
Discretionary			
PNG LNG project Impact Areas/communities	Education	Cash	1,701,705
PNG LNG project Impact Areas/communities	Economic	Cash	1,609,928
PNG LNG project Impact Areas/communities	Health	Cash	253,574
PNG LNG project Impact Areas/communities	Law & Order	Cash	334,014
PNG LNG project Impact Areas/communities	Agriculture & Fisheries	Cash	795,284
PNG LNG project Impact Areas/communities	Other payments	Cash	620,413
TOTAL			5,314,918

5.5.4.4 Kumul Petroleum Holdings Limited (KPH)

Table 5-21: Mandatory and discretionary social expenditure - Kumul Petroleum Holdings (KPH)

Recipient	Category	Type	Amount (PGK)
Mandatory			
			Nil
TOTAL			Nil
Discretionary			
Community	Economic	Cash	85,402,995
Community	Education	Cash	1,263,975
TOTAL			86,666,969

5.6 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".¹¹

Table 5-22: 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
Economic	
Infrastructure	
Capacity building	

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

Category/sector	Data to be collected
Health	Sector - what sector the payment belongs (e.g., education, health, infrastructure).
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	

5.6.1 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 allocated 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 5-23: Subnational payments - Mining

Recipient	Category	Type	Amount (PGK)
K92 Mining Limited (Kainantu)			
Provincial/Local governments/Landowners	Royalties	Cash	5,404,282
MRA	Production levy	Cash	2,537,224
Sub-total			8,529,273
Lihir Gold Limited (Luise Caldera mine)			
Provincial/Local governments/Landowners	Royalties	Cash	94,429,948
MRA	Production levy	Cash	23,673,666
Sub-total			118,103,613
MCC Ramu Nico Limited (Ramu Nickel, Kurumbukari mine)			
Provincial/Local governments/Landowners	Royalties	Cash	45,465,371
MRA	Production levy	Cash	6,988,897
Sub-total			52,454,268
Morobe Consolidated Goldfields Limited (Hidden Valley Mine)			
Provincial/Local governments/Landowners	Royalties	Cash	28,222,282
MRA	Production levy	Cash	4,560,825
Hidden Valley Mine Trust	Other payments	Cash	1,320,705
Sub-total			34,103,813
Ok Tedi Mining Limited (Mt Fubilan Mine)			
Provincial/Local governments/Landowners	Royalties	Cash	74,576,000
MRA	Production levy	Cash	18,192,893
Sub-total			92,768,893
TOTAL			305,959,860

5.6.2 Subnational payments – oil and gas

Division 14 of the Oil and Gas Act 1998 (as amended, OGA) legislates fees and royalties, and Part IV legislates state equity entitlement and project benefits. As per section 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.

Table 5-24: Subnational payments – Oil and gas

Recipient	Category	Type	Amount (PGK)
ExxonMobil (PNG LNG project)			
PNG Government	Royalties	Cash	90,928,029
PNG Government	Development levy	Cash	120,161,874
Sub-total			211,089,904
ExxonMobil (PNG LNG project)			
Landowners	Royalties	Cash	43,265,893
Provincial Government	Development levy	Cash	43,265,893
Sub-total			86,531,786
ExxonMobil (PNG LNG project)			
Kutubu and Kikori landowners	Royalties	Cash	59,745,341
Western Provincial Government (Major Shareholder)	Royalties	Cash	44,389,722
Sub-total			104,135,063
ExxonMobil (PNG LNG project)			
Landowners	Royalties	Cash	34,206,562
Provincial Governments	Production levy	Cash	11,651,525
Landowners	Other payments	Cash	308,257,189
Sub-total			354,115,276
TOTAL			755,872,029

5.6.3 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 August 2023. The Further details of these transfers and the

basis on which they are made can be found in NEFC's 2023 Budget Fiscal Report: <https://www.nefc.gov.pg/corporate-publications/>

Table 5-25: Subnational transfers

Province and Local Level Governments	2023 Appropriation (PGK)	Funds (PGK)	Release	% Released
Western	5,480,200	3,126,329	57%	
Gulf	1,111,300	644,249	58%	
Central	2,838,000	1,623,252	57%	
Milne Bay	2,805,800	1,840,665	66%	
Oro	3,700,400	1,988,172	54%	
Southern Highlands	3,379,200	2,040,134	61%	
Enga	4,029,100	1,985,680	49%	
Western Highlands	3,083,600	1,683,350	55%	
Simbu	2,030,000	1,274,354	63%	
Eastern Highlands	3,756,100	2,223,934	59%	
Hela	2,679,210	1,472,274	55%	
Jiwaka	1,422,200	764,631	54%	
Morobe	8,189,000	4,403,760	53%	
Madang	4,873,300	3,232,475	65%	
East Sepik	5,132,300	3,077,048	60%	
Sandaun	4,476,400	2,407,012	54%	
Manus	785,900	425,089	54%	
New Ireland	1,616,170	862,115	53%	
West New Britain	3,454,900	1,881,018	54%	
East New Britain	3,263,600	1,755,880	54%	
Bougainville	N/A	N/A	N/A	
NCD	3,300,000	1,050,000	32%	
TOTAL	71,406,680	39,761,421	56%	

5.7 Quasi-fiscal Expenditures (Requirement 6.2)

Requirement 6.2 of the EITI Standard 2023 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.¹² 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 2023. The data collected is summarised in Table 5-26 below.

¹² https://www.pngeiti.org.pg/reports_publications/

Table 5-26: Quasi-fiscal expenditure

Recipient	Category	Type	Purpose	Amount (PGK)
Kumul Petroleum Holdings (KPH)				
Government	Economic	Cash	Government Support - State Negotiation Team	4,964,093
Government	Economic	Cash	Government Office Rental	1,267,529
DPE/NEC/NE	Economic	Cash	Government Support - DPE/NEC/NEA	23,230,182
Government/Community	Law and Order	Cash	Government Support - Nation Building Policies	1,929,638
Community	Infrastructure	Cash	Government Support - Rural Electrification	43,608,480
Government/Community	Law and Order	Cash	Oil and Gas Policy Framework	2,652,441
Port Moresby General Hospital	Health	Cash	PMGH Cardiology Services Support Program	10,521,669
Angau Cancer Services	Health	Cash	ANGAU Cancer Services Support Program	9,117,477
Port Moresby General Hospital	Health	Cash	PMGH Cancer Centre Structural Works Projects	1,247,078
Port Moresby General Hospital	Health	Cash	PMGH Surgical Ward Project	19,433,079
Community	Infrastructure	Cash	Poroma to Moro Road Construction & Sealing	7,408,977
Sub-total				125,380,643
MRDC Limited (multiple projects)				
Petroleum Resources Kutubu (PRK)	Economic	Cash	Sponsorships to Sporting Bodies	4,879,800
Petroleum Resources Kutubu (PRK)	Education	Cash	Tertiary Scholarships	2,727,406
Petroleum Resources Gobe Limited (PRG)	Education	Cash	Tertiary Scholarships	1,154,608
Petroleum Resources Moran Limited (PRM)	Education	Cash	Tertiary Scholarships	551,552
Mineral Resources Star Mountain Limited	Education	Cash	Tertiary Scholarships	1,080,107
Mineral Resources OK Tedi Limited	Education	Cash	Tertiary Scholarships	5,644,000
Gas Resources PNG LNG Plant Limited	Education	Cash	Tertiary Scholarships	3,971,266
Gas Resources PNG LNG Pipeline Limited	Education	Cash	Tertiary Scholarships	2,443,119
Mineral Resources CMCA Holding Limited	Education	Cash	Tertiary Scholarships	2,334,734
Gas Resources Hides No.4 Limited	Education	Cash	Tertiary Scholarships	1,117,610
Gas Resources Angore Limited	Education	Cash	Tertiary Scholarships	20,800
Sub-total				25,925,002

Recipient	Category	Type	Purpose	Amount (PGK)
Ok Tedi Mining Limited (Mt Fubilan Mine)				
Community	Infrastructure	Cash	Tabubil Kiunga Road maintenance	42,913,195
Community	Health	Cash	Tabubil & Kiunga Hospital	28,786,205
Community	Infrastructure	Cash	Kiunga Power Service	12,382,187
Sub-total				84,081,587
TOTAL				235,387,232

5.8 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/>

In 2022, PNG took a significant step towards beneficial ownership transparency with the enactment of the Companies (Amendment) Act. This introduced beneficial ownership obligations for all companies in the country (not limited to the extractive sector). All companies must now:

- Identify beneficial owner of each share in the company,

- Maintain up to date records,
- Provide information to Registrar on request.

The provisions do not yet meet EITI Requirement 2.5 as the information is not public and the definition is not aligned with the EITI Standard 2023.

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. For 2023, Simberi Gold provided beneficial ownership information for the first time and Lihir updated its information to reflect the sale of Newcrest Mining to Newmont Corporation. All other beneficial ownership information remains as reported for the 2022 report. The beneficial ownership information shows that all the companies were ultimately owned by companies listed on a stock exchange. Table 5-27 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 5-27: Summary of Beneficial Ownership Information

Name	Company register number	MOF-IRD tax number	Address	Legal owner	Beneficial owner(s)	Notes
All companies reported in the table below are registered in PNG and completed a beneficial ownership reporting template. None of them reported a politically exposed person as an owner.						
Mining						
Barrick (Niugini) Limited	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Barrick (PD) Australia Pty Limited	Barrick Gold Corporation	https://www.barrick.com/English/investors/quarterly-reports/default.aspx
Barrick (Niugini) Limited	1-11031	500004050	C/o Ashurst PNG, Level 11, MRDC Haus, Port Moresby NCD	Gold Mountains (H.K.) International Mining Company Limited	Zijin Mining Group	https://www.zijinmining.com/investor/invest_cen.htm
K92 Mining Limited	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	K92 Mining Inc.	https://k92mining.com/investors/
Lihir Gold Limited	1-23423	500000303	Tower Building, Level 4 Port, Hunter St, Port Moresby	Newmont Corporation	Newmont Corporation	https://www.nyse.com/quote/XNYS:NEM/company/n/cm
Morobe Consolidated Goldfields Limited	1-12047	500067385	Ashurst Lawyers, Level 11, MRDC Haus Cnr Champion Parade and Musgrave Street, Port Moresby	Harmony Gold (PNG Services) Pty Limited ACN 083 828853	Harmony Gold Mining Company Limited	https://clientportal.jse.co.za/companies-and-financialinstruments/issuer-profile?issuermasterid=1174
Ramu Nico Management (MCC) Limited	1-54529	500007798	Section 95, Lot 18. Modilon Road P.O.Box 1229 Madang PNG	Metallurgical Corporation of China Limited	Metallurgical corporation of China Limited	https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=1618&sc_lang=en
Simberi Gold Company Ltd	1-26598	500000722	Ashurst Laweys, Level 11, MRDC Hause, Cnr. Champion Parade and Musgrave Street Port Moresby	Phonecian Metals Ltd	St Barbara Ltd	https://www.asx.com.au/markets/company/sbm
Wafi Mining Limited	1-11452	500003505	Ashurst Laweys, Level 11, MRDC Hause, Cnr. Champion Parade and Musgrave Street Port Moresby	Aurora Gold (Wafi) Pty Limited ACN 100237 741	Harmony Gold Mining Company Limited	https://clientportal.jse.co.za/companies-and-financialinstruments/issuer-profile?issuermasterid=1174

Name	Company register number	MOF-IRD tax number	Address	Legal owner	Beneficial owner(s)	Notes
Oil & Gas						
Barracuda Limited	1-14694	50008617	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
ExxonMobil PNG Limited	1-18948	500004032	ExxonMobil PNG Limited, ExxonMobil Haus Jacksons Parade, 7 Mile, Port Moresby, NCD, Papua New Guinea	Exxon Mobil Corporation	Exxon Mobil Corp	https://investor.exxonmobil.com/
Lavana Limited	1-32230	500283329	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil Search (PNG) Limited	1-6947	500003701	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil Search (Tumbudu) Limited	1-15949	500285229	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search (Gas Holdings) Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Assets Limited	1-77584	500036524	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Holdings Limited	1-77585	500036506	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/

Name	Company register number	MOF-IRD tax number	Address	Legal owner	Beneficial owner(s)	Notes
Pac LNG International Limited	1-79732	50036445	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Investments Limited	1-77583		Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Pac LNG Overseas Limited	1-77586	500036427	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Oil Search Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Santos Hides Limited	1-30340	500283267	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National Capital District (Port Moresby), PNG	Santos International Holdings Pty Limited	Santos Limited	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
TotalEnergies EP PNG Limited	1-32894	500051686	Deloitte Haus, Level 7, Macgregor Street, PORT MORESBY	TotalHoldings International BV	TotalEnergies SE	https://www.nyse.com/quote/XNYS:TTE

5.9 State Participation (EITI Requirement 2.6)

5.9.1 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,¹³ 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. The State's participation also allows it to monitor operational and capital expenditures in each project. It has to agree to these costs as a partner in the project.

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 Enterprises¹⁴.

5.9.2 Anti-corruption policies

None of the SOEs active in the extractive sector publish anti-corruption policies on their website. See below, Recommendations.

5.9.3 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 PNG government on behalf of the landowners and provincial governments (at 2.5% each) and is controlled by a PNG government nominee company managed by the MRDC.¹⁵ The landowners' share in oil and gas projects is prescribed in section 167 of the OGA.

In addition to the equity benefit granted by the PNG government, project area landowners and affected local-level governments may acquire further participating interests in resource projects by negotiation with tenement holders on commercial terms.¹⁶

See Annexe D

¹³ 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. ⁹⁶Oil 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

¹⁴ https://www.pngeiti.org.pg/reports_publications/

¹⁵ The Papua New Guinea Mining Policy p. 10, http://www.paclii.org/pg/legis/num_act/ma199281.pdf

¹⁶ 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

6 Context for PNG's Extractive Industries

6.1 Legal and Institutional Framework (EITI Requirement 2.1)

6.1.1 Constitutional structure

PNG is a democratic country headed by 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 Minister for Treasury 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.

6.1.2 Extractive industries legislative framework

Table 6-1 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.pacii.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> <https://www.parliament.gov.pg/index.php/bills-and-legislation>. Mining legislation is also available on the MRA website <https://mra.gov.pg/investment/pngminingindustry/>.

Table 6-1 Relevant legislation with hyperlinks

Legislation
Environment Act 2000
Related amendments:
Environment (Amendment) Act 2012
Environment (Amendment) Act 2014
Environment (Amendment) Act 2014
Environment (Amendment) Act 2015
Conservation and Environment Protection Authority Act 2014
Independent Public Business Corporation of PNG (Kumul Consolidated Holdings) Amendment Act 2015
Related amendment:
Kumul Consolidated Holdings (Amendment) Act 2016

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

Legislation
Kumul Consolidated Holdings Auhtorisation (Amendment) Act 2021
Kumul Minerals Holdings Limited Authorization Act 2015
Kumul Petroleum Holdings Limited Authorization Act 2015
Oil and Gas Act 1998
Related amendments:
Oil and Gas (Amendment) Act 2015
Oil and Gas (Amendment) Act 2016
Oil and Gas (2018 Budget)(Amendment) Act 2017
Oil and Gas (Amendment) Act 2019
Oil & Gas (Amendment) Act 2020
Oil & Gas (Papua LNG Project Production Levy)(Amendment) Act 2020
Oil and Gas (Papua LNG Project)(Amendment) Act 2021
Oil and Gas (P'nyang LNG Project) Act 2021
Oil and Gas (P'nyang LNG Project) Act 2022
Mineral Resources Authority Act 2005
Related amendments:
Mineral Resources Authority Act 2018
Mining Act 1992
Related amendments:
Mining (Amendment) Act 2020
Mining (New Porgera)(Amendment) Act 2022
Mining (New Porgera) (Amendment) Act 2023
Mineral Resources Development Company Limited Authorisation Act 2020
Related amendments:
Mineral Resources Development Company Limited Authorisation (Amendment) Act 2022

Legislation
Mining Safety Act 1977
Oil and Gas Regulation 2002
Mining (Ok Tedi Agreement) Act 1986
Related amendments:
Mining (Ok Tedi Tenth Supplemental Agreement) Act 2013
Mining (OK Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014
Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) (Amendment) Act 2018
Alluvial Mining Policy
Organic Law on Sovereign Wealth Fund 2015
Constitutional Amendment No. 34 - Sovereign Wealth Fund
Geothermal Resource Policy
Unconventional Hydrocarbons Act 2015
Bougainville Mining Act 2015
Resource Contracts Fiscal Stabilisation (Amendment) Act 2001
OK Tedi Environment Management Act 2019
Income Tax Act 1959
Related amendments:
Income Tax (2015 Budget)(Amendment) Act 2014
Income Tax (2017 Budget) (Amendment) Act 2016
Income Tax (2018 Budget)(Amendment) Act 2017
Income Tax (Papua LNG Project)(Amendment) Act 2019
Income Tax (Papua LNG Project Thin Capitalisation)(Amendment) Act 2020
Income Tax (Papua LNG Project Production Levy)(Amendment) Act 2020
Income Tax (Papua LNG Project)(Amendment) Act 2020

Legislation
Income Tax (New Porgera)(Amendment) Act 2022
Income Tax (P'nyang LNG Project)(Amendment) Act 2022
Goods and Services Tax Act 2003
Related amendments:
Goods and Services Tax (Papua LNG Project)(Amendment) Act 2019
Goods and Services Tax (New Porgera)(Amendment) Act 2022
Goods and Services Tax (P'nyang LNG Project)(Amendment) Act 2022
Income Tax, Dividend (Withholding) Tax & Interest (Withholding) Tax Rates Act 1984
Related amendments:
Income Tax, Dividend (Withholding) Tax & Interest (Withholding) Tax Rates (2017 Budget) (Amendment) Act 2016
Income Tax Dividend (Withholding) Tax & Interest (Withholding) Tax Rates (Papua LNG Project) (Amendment) Act 2019
Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (Amendment) Act 2022
Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2023 Budget) (Amendment) Act 2022
Price Regulation Act 1949
Related amendments:
Price Regulation (Papua LNG Project) (Amendment) Act 2019
Prices Regulation (P'nyang LNG Project) (Amendment) Act 2022
Insurance Act 1995
Related amendments:
Insurance (Papua LNG Project) (Amendment) Act 2019
Insurance (Papua LNG Project) (Amendment) Act 2020

Legislation
Insurance (P'nyang LNG Project) (Amendment) Act 2022
Income Tax (Salary or Wages Tax) (Rates) Act 1979
Related amendments:
Income Tax (Salary or Wages Tax) (Rates) (2019 Budget) (Amendment) Act 2018
Income Tax (Salary or Wage Tax) (Rates) (Amendment) Act 2022
Income Tax (Salary and Wages Tax) (Rates) (2023 Budget) (Amendment) Act 2022
Income Tax (Salary or Wages) (Rates) (2024 Budget) (Amendment) Act 2023

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.

6.1.3 Anti-corruption legislation

The [Criminal Code Act 1974](#) criminalises corruption in Papua New Guinea including the bribery of public officials and corrupt public procurement practices. In addition, in 2020, PNG enacted the [Organic Law on the Independent Commission Against Corruption \(ICAC\) 2020](#), which established the ICAC and giving it the mandate to investigate and prosecute corruption cases.

Other legislation that relates to anti-corruption includes:

- [Public Finances \(Management\) Act 1995](#) and the [Public Finances \(Management\) \(Amendment\) Act 2021](#) which regulate the management of public finances with

the aim of preventing financial mismanagement,

- [Proceeds of Crime Act 2005](#) and the [Proceeds of Crime \(Amendment\) Act 2015](#) which targets money laundering including the proceeds of corruption,
- [Organic Law on the Duties and Responsibilities of Leadership 1975](#) which outlaws use of public office for private gain, taking or giving bribes and restricts directorships and shareholdings. Under this law, the Ombudsman Commission of Papua New Guinea has the authority to enforce its Leadership Code. More details can be found [here](#).

6.1.4 Energy transition policy and commitments

The government's approach to energy transition is set out in:

- [National Energy Policy 2017–2027](#), this includes targets of 70% access to electricity by 2030 and 100% by 2050 and diversified sources of energy including renewables,
- National Electrification Roll-Out Plan (NEROP), this supports the electrification targets in the National Energy Policy including off grid solutions for remote communities and co-operation with international partners,
- [Enhanced Nationally Determined Contributions](#), under these PNG is committed to achieve 50% carbon neutrality by 2030 and 100% by 2050.

PNG does not have a carbon pricing mechanism or a carbon tax.

6.1.5 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,
- *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, 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). The MRA plays a central role in monitoring the performance of the sector including costs and risks. This includes legal obligations on licence holders to provide regular reports to the MRA. For exploration licence holders, this requires six monthly and annual reports as well as on expiry of the licence. For mining licence holders, this requires monthly and annual reports as well as on licence expiry.

6.1.6 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:

- 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,
- Compliance mechanisms relating to health, safety, security, environmental protection, and project monitoring and reporting. Licences holders have an obligation to deliver regular reports.

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.

6.1.7 Regulation of unconventional hydrocarbons

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.

6.2 Contract and Licence Allocations (EITI Requirement 2.2)

6.2.1 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.¹⁸ Tenements are not awarded through a bidding process, but based on a set of criteria.

As part of the process for awarding or re-awarding a mining licence the MRA Warden conducts a public hearing (usually at the

¹⁸ Mining Tenements in Papua New Guinea, MRA, <https://mra.gov.pg/regulatory/permitting/>

proposed mine site) to gather community views. The Warden produces a report on the hearing and the recommendations form part of the decision-making process in the licence award or re-award.

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. In summary, these include:

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, including exploration activities, methodologies, and

timelines and demonstrated experience in mineral exploration, including qualifications of key personnel and past project involvement, proof of sufficient funds to carry out the proposed exploration programme, payment of a security deposit determined by the MRA to cover potential liabilities and annual rent based on the number of sub-blocks held,

- 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.

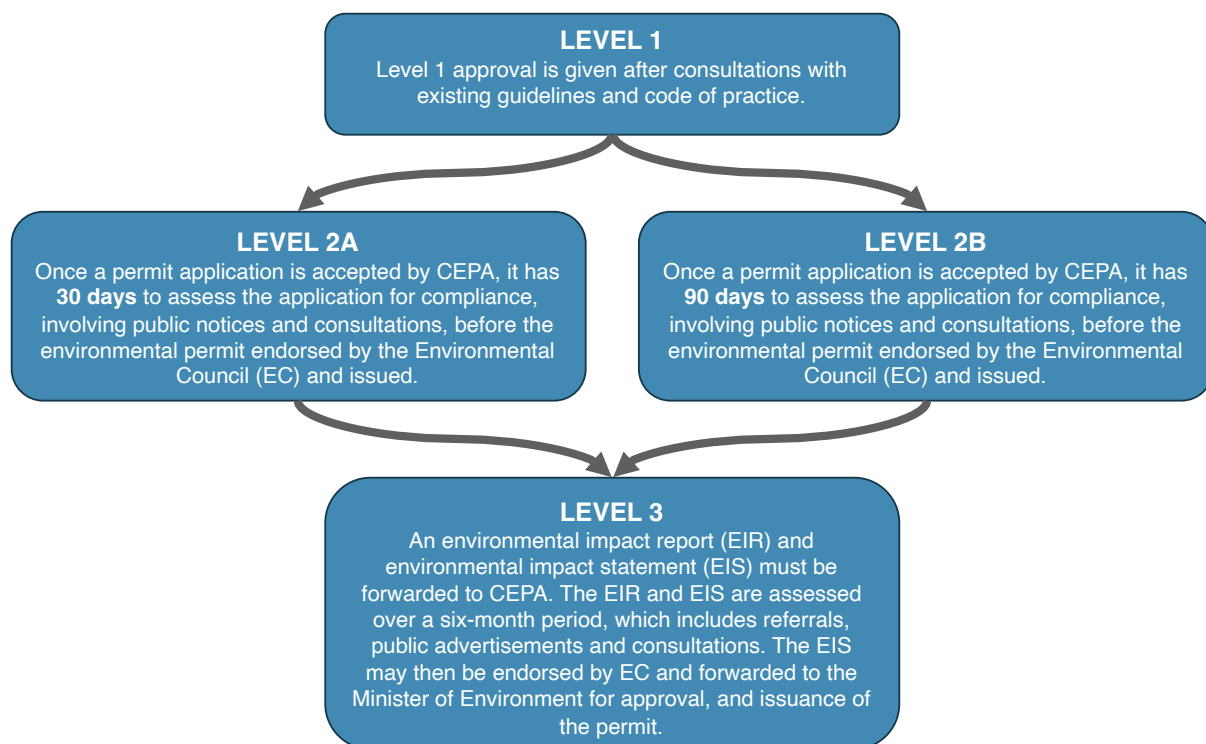


Figure 6-1 CEPA environmental permit approval process

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. In the event of any objections, the Mining Advisory Council makes recommendations regarding tenements to the Minister.

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 23 tenement transfers during the reporting period, See Section 6.3.1.

No deviations in the application of these criteria to the award or transfer of licences in 2023 were reported by MRA.

6.2.2 Allocation of oil and gas licences

Figure 6-2 below sets out the process for the award of petroleum prospecting licences

(PPL). Applications for a Petroleum Prospecting Licence (PPL) must include:

- Applicant Details: Full names, corporate structure, and shareholding information,
- Technical Resources: Details of technical expertise, including resumes of key personnel and descriptions of similar projects undertaken,
- Financial Resources: Evidence of financial capability to support exploration activities,
- Work Programme: A comprehensive plan detailing proposed exploration activities,
- Application Fee: PGK 10,000.

The technical criteria include:

- Exploration Strategy: A coherent plan for exploring the designated area, including methodologies and expected outcomes,
- Experience: Demonstrated experience in petroleum exploration, with emphasis on similar geological settings.

The financial criteria include:

- Payment of annual fees of PGK 500 per graticular block, increasing upon extension,
- Payment of a security deposit up to PGK 1,000,000, negotiable based on project scope.

The licence terms include:

- Initial term of 6 years,
- One extension of 5 years,
- The work commitment is negotiable and forms part of the licence conditions.

No deviations in the application of these criteria to the award or transfer of licences in 2023 were reported by DPE.

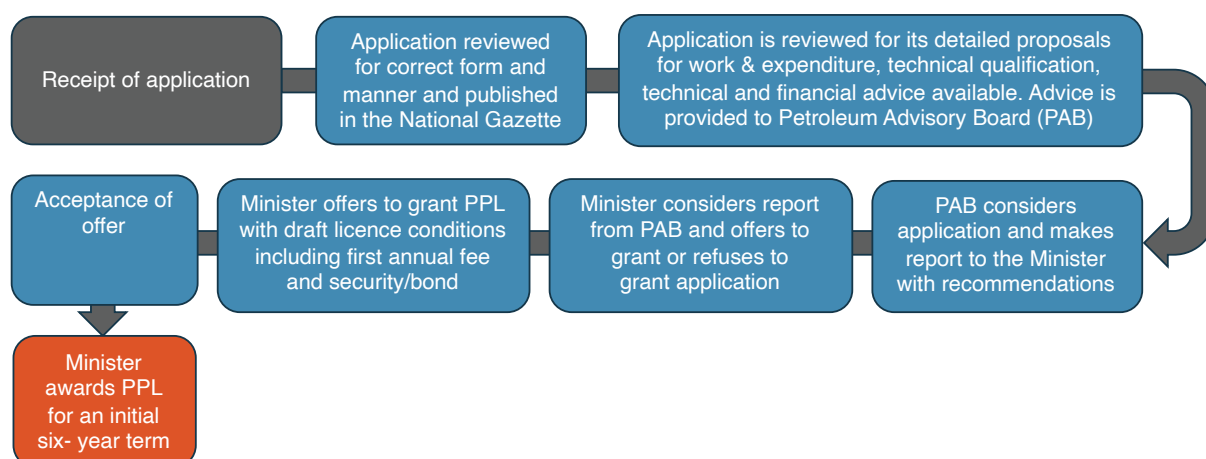


Figure 6-2 DPE licence allocation process

Table 6-2 DPE licence statistics for 2023

No. of Licences	Type of Licence	Amount of fees paid (PGK)
31	Petroleum Prospecting Licences (PPL)	1,318,500
10	Petroleum Retention Licences (PRL)	390,000
9	Petroleum Development Licences (PDL)	1,100,000
9	Petroleum Pipeline Licences (PLL)	510,000
2	Petroleum Processing Facility Licences (PPFL)	200,000
61		3,518,500

- 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.

6.3 Register of Licences and Permits (EITI Requirement 2.3)

6.3.1 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 and can be found at: <http://portal.mra.gov.pg/Map/>.

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

6.2.3 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:

- Granting the state an equity interest in the project,

outline of each block and using the tools provided, the co-ordinates can be ascertained.

6.3.2 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 and does not meet EITI Requirement 7.2 on data accessibility and open data.

On 18 October 2023, the Government of PNG signed a signed a Record of Discussions with the Japan International Cooperation Agency (JICA) for the Project for Improving Resource Related Revenue Management Phase 2.¹⁹ This project will provide technical cooperation through the dispatch of experts and the implementation of training in order to achieve the following three goals:

- The auditing of resource-related information in accordance with EITI standards,
- The attachment of reliable evidence to resource-related information when it is disclosed,
- The disclosure of resource-related information in a timely manner.

See Section 6.3.2.1 for the list of active oil and gas licences in 2023. For the 2023 reporting period, DPE advised that no PPLs had been cancelled. The physical distribution of oil and gas tenements in PNG is shown in the map in Section 0. 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 2023.

¹⁹ https://www.jica.go.jp/english/information/press/2023/20231018_42.html?utm_source=chatgpt.com

6.3.2.1 Petroleum development licences (PDL)

Table 6-3 Active PDLs in 2023

Active PDL Licences 2023							
Licence	Licensee	Application Date	Grant Date	Expiry Date	Location (Province)	Commodity / Field	
PDL 01	ExxonMobil PNG Limited	02-Oct-89 – 04-Oct-89	27-Sep-15	26-Sep-35	SHP	Gas	Condensate / Hides
PDL 02	Santos Limited	01-May-90	10-Dec-15	09-Dec-35	SHP	Oil-Gas	/ Kutube
PDL 03	Santos Limited	01-Apr-96	24-Dec-21	23-Dec-41	SHP	Oil-Gas	/ SE Gobe
PDL 04	Santos Limited	11-Apr-96 – 26-Apr-96	23-Dec-21	23-Dec-41	SHP/Gulf	Oil/Gas	/ Gobe Main
PDL 05	Esso Highlands Limited	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-23	29-Apr-43	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 Limited	28-Aug-12	30-May-14	29-May-39	Western	Gas-Condensate	/ Stanley
Applications for PDL (APDL)							
Licence	Licensee	Date of Application	Date Lodged	Duration (Yrs)	Location (Province)	Commodity / Field	
APDL 12	Trans Wonderland Limited	17-Mar-14	17-Mar-14	25	Western	Gas/	Condensate
APDL 13	Santos Limited	06-Feb-15	6-Feb-15	25	Western	Gas/	Condensate
APDL 14	Twinza Oil (PNG) Limited	30-Jun-15	30-Jun-15	25	Gulf	Gas/	Condensate
APDL 15	TotalEnergies EP PNG Limited	29-May-23	29-May-23	25	Gulf	Gas/Condensate	

6.3.2.2 Petroleum retention licences (PRL)

Table 6-4 Active PRLs in 2023

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 Limited	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 Limited	04.Aug.09 - 05.Aug.09	30-Nov-21	29-Nov-26	Gas - Elk/Antelope Gas Field	Gulf	
PRL 21	Trans Wonderland Limited	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 Limited	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 Limited	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 Limited	9.Feb.16 - 10.Feb.16	14-Feb-20	14-Feb-25	Gas-Flinders and Hagana Fields	Gulf	
PRL 47	Kumul Petroleum (PRL 9) Limited	21.Dec.18 - 21.Dec.18	14-Sep-21	14-Sep-26	Gas – Pandora	Gulf	
PRL 48	Kumul Petroleum (PRL 9) Limited	18.Aug.14 - 28.Aug.14	13-Apr-21	12-Apr-26	Gas – Kimu	Gulf	
PRL 49	Kumul Petroleum (PRL 9) Limited	28.Oct.20 - 28.Oct.20	13-Apr-21	12-Apr-26	Gas – Barikewa	Gulf	
PRL 50	Kumul Petroleum (PRL 9) Limited	28.Oct.20 - 28.Oct.20	13-Apr-21	12-Apr-26	Gas – Uramu	Gulf	

Licence	Licensee	Date of Application / Lodgement	Grant Date	Expiry Date	Commodity / Field	Location (Province)	Remarks
PRL 55	Papuan Oil and Gas Limited	29.Jan.21 - 29.Jan.21	10-Sep-21	09-Sep-26	Gas –Kuru	Gulf	

6.3.2.3 Petroleum prospecting licences (PPL)

Table 6-5 Active PPLs in 2023

Licence	Licensee	Date of Application	Date Lodged	Date of Award	Expiry Date	Location (Province)	Remarks
PPL 328 [E]	Twinza Oil (PNG) Limited (90%), Eda Energy Limited (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 applicatio.
PPL 339 [E]	Oil Search PNG Limited (35%), Kina Petroleum Limited (30%), Total E&P PNG 2 B.V (35%)	18-Mar-09	18-Mar-09	31-Oct-19	30-Oct-26	Onshore Gulf	
PPL 352	Peak Oil (PNG) Limited (100%)	30-Jun-09	20-Jun-09	04-Sep-20	03-Sep-25	On-Offshore New Ireland	
PPL 402	Oil Search (PNG) Limited (37.5%), Esso PNG Wren Limited (42.5%), Bararccuda Limited (20%)	22-Jun-11	12-Jul-11	14-Feb-20	13-Feb-26	Western	
PPL 437	Kina Petroleum Limited (100%)	01-Jun-12	21-Jun-12	19-Jan-21	18-Jan-27	Western	
PPL 474	SPI (210) Limited (75%), Oil Search (PNG) Limited (25%)	10-Oct-13	16-Oct-13	12-Sep-20	11-Sep-26	Gulf	
PPL 475	SPI (220) Limited (56.337206%), InterOil Partners Limited (18.662794%), Oil Search (PNG) Limited (25%)	10-Oct-13	16-Oct-13	04-Sep-20	03-Sep-26	Gulf	
PPL 476	SPI (208) Limited (75%), Oil Search (PNG) Limited (25%)	10-Oct-13	16-Oct-13	12-Sep-20	11-Sep-26	Gulf	

Licence	Licensee	Date of Application	Date Lodged	Date of Award	Expiry Date	Location (Province)	Remarks
PPL 487	Esso PNG Papuan Gulf Limited (100%)	08-Jan-14	08-Jan-14	30-Nov-16	29-Nov-24	Southern Highlands	
PPL 545	Oil Search (PNG) Limited (40%), Esso PNG Exploration Limited (40%), Nippon Oil Exploration (Niugini) Pty Limited (20%)	16-Apr-15	17-Apr-15	31-Aug-17	30-Aug-25	Hela and Enga	
PPL 549	Rawson Resources Limited (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 Limited (100%)	12-Aug-15	12-Aug-15	30-Nov-16	29-Nov-25	On-Offshore Oro	
PPL 574	Arran Energy (Ubuntu Limited (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 Limited (100%)	01-Dec-16	01-Dec-16	31-Mar-17	30-Mar-25	On/Offshore Central	
PPL 581	Kina Petroleum Limited (100%)	28-May-15	29-May-15	31-Jan-17	31-Jan-23	Onshore Gulf	Surrender on 25 July 2023
PPL 584	Twinza Oil Limited (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 Limited (100%)	01-Jun-15	04-Aug-16	31-Mar-17	30-Mar-24	Onshore Gulf	
PPL 597	Kina Petroleum Limited (100%)	01-Jun-15	04-Aug-16	31-Mar-17	30-Mar-24	Onshore Gulf	
PPL 598	Kina Petroleum Limited (100%)	01-Jun-15	04-Aug-15	31-Mar-17	30-Mar-24	Onshore Gulf	
PPL 599	Waves Petroleum Limited (100%)	15-Aug-16	15-Aug-16	29-Jan-21	28-Jan-27	Onshore Western & SHP	
PPL 608	Oil search (PNG) Limited (100%)	03-Feb-17	21-Feb-17	14-Feb-20	11-Feb-26	Onshore Enga & SHP	
PPL 610	Kapul Kapul Petroleum Limited 100%	17-Mar-17	17-Mar-17	21-Jul-18	20-Jul-24	Onshore Western & Hela	

Licence	Licensee	Date of Application	Date Lodged	Date of Award	Expiry Date	Location (Province)	Remarks
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 Limited (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 Limited (100%)	01-Aug-18	13-Sep-18	25-Apr-19	24-Apr-26	Onshore SHP	
PPL 645	Sino Industrial Energy PNG Limited (100%)	25-Jul-18	26-Jul-18	23-May-19	22-May-26	Onshore Western	
PPL 646	Sino Industrial Energy PNG Limited (100%)	25-Jul-18	26-Jul-18	23-May-19	22-May-26	Onshore Western	
PPL 647	Sino Industrial Energy PNG Limited (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/S HP	
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 6-6 PPLs awarded in 2023

Licence	Licensee	Date Application of	Date Lodged	Duration (Yrs)
PPL 682	Igiri Petroleum Limited (100%)	01-Sep-22	02-Sep-22	6
PPL 683	United Pacific Drilling (PNG) Limited (100%)	25-Aug-22	13-Sep-22	6
PPL 684	United Pacific Drilling (PNG) Limited (100%)	25-Aug-22	13-Sep-22	6
PPL 685	United Pacific Drilling (PNG) Limited (100%)	25-Aug-22	13-Sep-22	6
PPL 686	United Pacific Drilling (PNG) Limited (100%)	25-Aug-22	13-Sep-22	6
PPL 676	Kina Petroleum Limited (57.50%), Heritage PNG 437 Limited (42.50%)	01-Aug-21	31-Oct-21	6

Table 6-7 PPL applications lodged in 2023

Licence	Licensee	Date Application of	Lodged date	Status	Location (Province)	Duration (Yrs)
APPL 687	Larus Energy (PNG) Limited	01-Jun-23	19-Jun-23	Offered	Central Province	6
APPL 688	Scodo Investment Limited	25-Jan-23	09-Feb-23	Offered	Western Province	6
APPL 689	Zavath Energy Limited	27-Mar-23	27-Mar-23	Offered	Madang Province	6
APPL 690	Kumul Petroleum Holdings Limited	25-Jun-23	06-Jul-23	Offered	Gulf Province	6
APPL 691	PNG Jinpeng Mining Limited	25-Jun-23	06-Jul-23	Offered	New Ireland Province	6
APPL 692	PNG Jinpeng Mining Limited	08-Aug-23	17-Aug-23	Offered	Oro Province	6
APPL 693	PNG Jinpeng Mining Limited	18-Sep-23	19-Sep-23	Offered	Gulf Province	6
APPL 694	PNG Jinpeng Mining Limited	22-Nov-23	23-Nov-23	Application	New Ireland Province	6

Table 6-8 PPLs surrendered in 2023

Licence	Licensee	Grant Date	Expiry Date	Surrender Date
PPL 645	Sino Industrial Energy PNG Limited	23-May-19	22-May-25	23-May-24
PPL 646	Sino Industrial Energy PNG Limited	23-May-19	22-May-25	23-May-24
PPL 647	Sino Industrial Energy PNG Limited	23-May-19	22-May-25	23-May-24
PPL 545	Oil Search Limited	30-Nov-16	29-Nov-22	12-Aug-24
PPL 608	Oil search (PNG) Limited (100%)	14-Feb-20	13-Feb-26	29-Oct-24

Table 6-9 PPLs expired in 2023

Licence	Licensee	Grant Date	Expiry Date	Revised Expiry Date
PPL 610	Kapul Petroleum Limited	21-Jul-18	30-Jul-24	30-Jul-24

6.3.2.4 Pipeline licences (PL)

Table 6-10 Active PLs in 2023

Active Pipeline Licences 2023						
Licence	Licensee	Date Application Lodgement	of -	Date Awarded	Expiry Date	Remarks
PL 1	Santos Limited	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 Limited	01.May.90 01.May.90	-	08-Dec-09	08-Dec-35	
PL 3	Santos Limited	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 Limited			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 Limited			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	
Applications for Pipeline Licences 2023						
Licence	Applicant	Date Application	of	Date Lodged	Duration (Yrs)	Location (Province)
APL 18	Total Energies EP PNG Limited	29-Mar-23		29-Mar-23	25	Gulf
APL 19	Total Energies EP PNG Limited	29-Mar-23		29-Mar-23	25	Gulf/Central
APL 20	Total Energies EP PNG Limited	29-Mar-23		29-Mar-23	25	Gulf/Central

6.3.2.5 Petroleum processing facility licences (PPFL)

Table 6-11 Active PPFLs in 2023

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

6.3.2.6 Transfers

No transfers were registered in 2023.

6.4 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.²⁰

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. The PNG government committed in its 2018-2020 Open Government Partnership National Action Plan to introduce a freedom of information law but has yet to enact such a law.

6.5 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.

6.5.1 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 through 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:

- Combine all exploration expenditures and deduct this against project income at year end,

²⁰ https://www.pngeiti.org.pg/reports_publications/

- Include exploration expenditure into the project if the exploration licence has been surrendered or cancelled or has expired,
- 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.

6.5.2 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.

6.5.3 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.²¹

6.5.4 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.

Please refer to Section 7.7 for further information.

6.5.5 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.

²¹ 2018 PNG Budget <https://www.treasury.gov.pg/wp-content/uploads/2023/05/2018-Volume-1.pdf>

6.5.6 Import taxes

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

6.5.7 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.²²

6.5.8 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.²³

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.²⁴ 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 as at end of December 2023.

6.5.9 Additional profits tax

The purpose of additional profits tax (APT) is to provide a progressive instrument to tax economic rents of highly profitable resource projects. APT was not imposed during 2023.

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.

6.5.10 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.

²² 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.

²³ 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.

²⁴ 2019 PNG Budget, p. 125,

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

6.5.11 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.²⁵

6.5.12 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-authorized foreign currency deposits, and the participants and lenders to the PNG LNG project.²⁶

6.5.13 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.²⁷

6.5.14 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%.²⁸

6.5.15 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 is now consistent with the mining sector and had 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

²⁵ 2019 PNG Budget, p. 124,

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

²⁶ IRC, <https://irc.gov.pg/pages/know-your-taxes/withholding-taxes>

²⁷ Ibid

²⁸ IRC,* <https://irc.gov.pg/pages/know-your-taxes/withholding-taxes>

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 (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%.

6.6 The Budget Process

The Department of Treasury is responsible for the national budget process. Figure 6-3 below sets out the documents, processes and governance structures for the process.

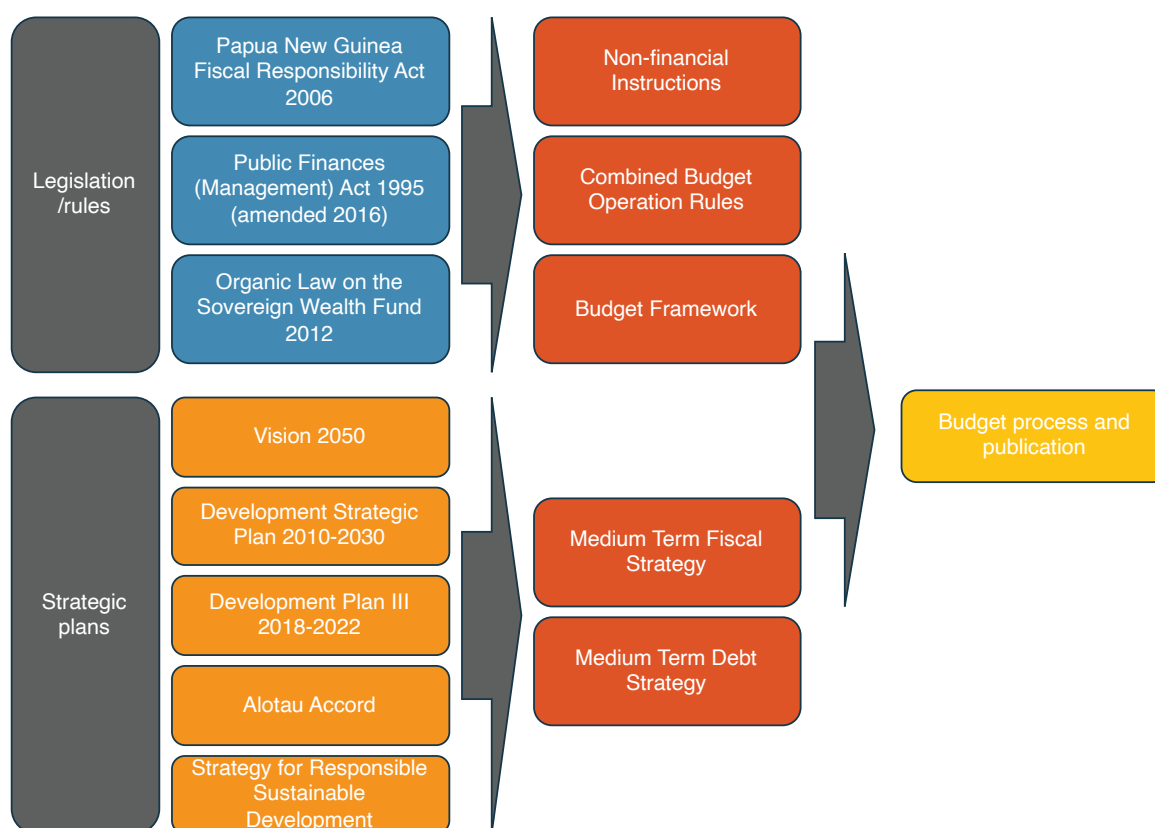


Figure 6-3 Overview of documents governing the PNG budget process

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 6-4, 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 6-4 does not include other revenues collected from respective government agency, regulator or authority.

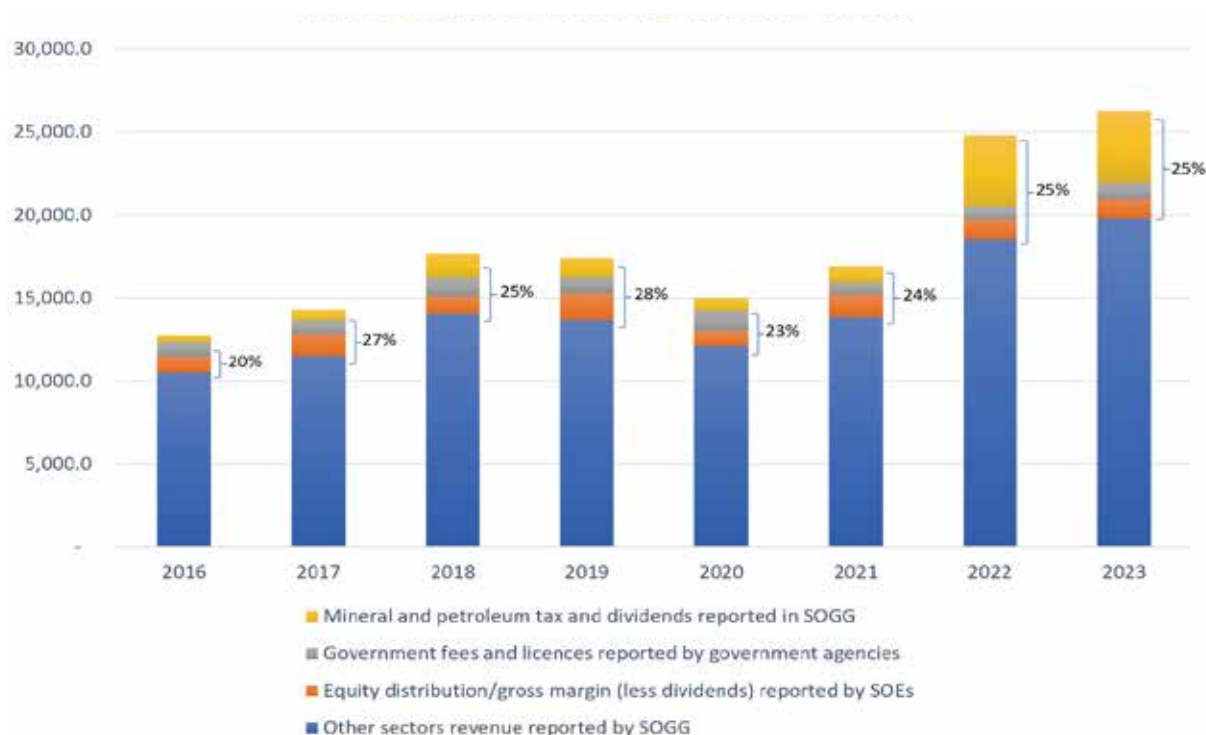


Figure 6-4 Contribution of the Extractive Industries to government revenue (PGKm) per National budget

6.6.1 Budget governance structures

Table 6-12 below sets out the governance structure for the budget process.

Table 6-12 Budget governance structures

	Committee	Composition	Role in the Budget
Bureaucratic	Budget Committee Strategic	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	To drive budget strategy setting and advise the National Executive Council on the budget

		National Executive Council (NEC)	
	NEC	Key government decision making body	To approve the final budget

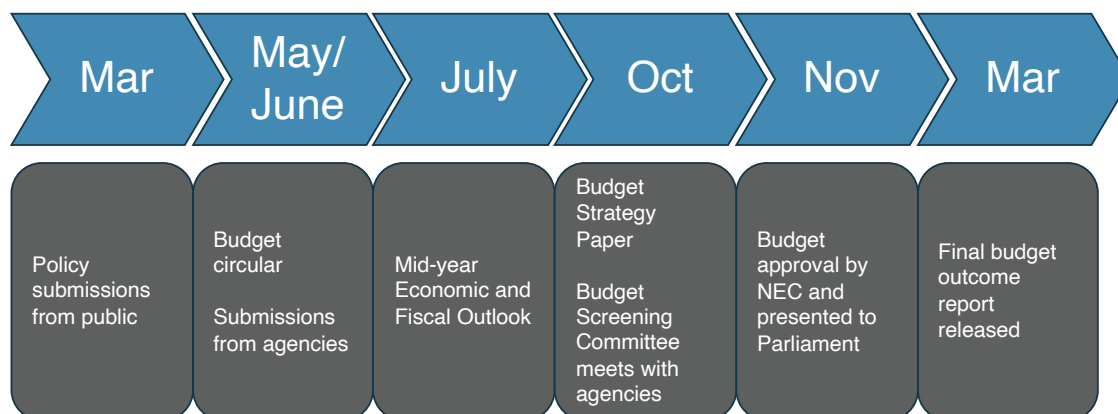


Figure 6-5 The budget process

Figure 6-5 above sets out the annual timeline for the budget process.

Department of Treasury.²⁹ These documents also include the assumptions on which those revenue forecasts are made.

Table 6-13 below sets out the government's forecast contained in the 2025 budget.

6.6.2 Forecasts of future revenues from the extractive sector

The government includes forecasts of future revenues from the extractive sector in its annual budget documents published by the

Table 6-13 Forecast of future revenues 2024 - 2029

	2023 Actual	2023 Actual	2024 Estimated	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Total revenue	19,810.00	22,930.00	25,408.00	27,896.70	31,216.30	34,406.00	37,870.80
Revenue from extractive industry							
Mining and Petroleum Taxes	3,906.50	3,650.00	4,136.60	4,550.30	4,950.30	5,197.80	5,457.70
Mining, Petroleum and Gas Dividends	402.60	900.00	1,471.00	1,300.00	1,500.00	1,650.00	1,732.50
Transfer from the Stabilization Fund (SWF)	-	-	-	-	-	-	-

²⁹ <https://www.treasury.gov.pg/budget/annual-budgets/>

Revenue from extractive industry	4,309.10	4,550.00	5,607.60	5,850.30	6,450.30	6,847.80	7,190.20
Share of extractive revenue in the total revenue	21.75%	19.84%	22.07%	20.97%	20.66%	19.90%	18.99%

6.7 PNG Sovereign Wealth Fund

The PNG government legislated for the Sovereign Wealth Fund (SWF) in the *Organic Law on the Sovereign Wealth Fund*, July 2015. The Government has yet to appoint the inaugural board, but in the 2025 budget announced the funds accumulation policy for the SWF through the payment of 7.0% of SOEs dividends into the SWF Trust Account under the dividend policy for SOEs.³⁰ Before this announcement, the annual national budget had not allocated any funds to the SWF. The government also announced its intention to appoint the board, and creation of the SWF Secretariat.

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.

6.8 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.³¹

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 2017)
- **Part 2** National government departments and agencies (latest report on 2017)
- **Part 3** Provincial governments and local-level governments (latest report on 2017-2021)
- **Part 4** Public bodies and their subsidiaries, government owned companies, national government shareholdings in other companies (latest report on 2022)

The reports have highlighted serious and pervasive deficiencies in accounting practices at all levels of government. The

³⁰ <https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/>

³¹ <http://www.ago.gov.pg/index.php/about-the-ago>

Auditor-General's Annual Report 2022 states:

"The Report's findings are consistent with those in my previous years' reports that have highlighted my concerns over the number of entities that do not submit current year financial statements for audit, and the overall poor state of the financial management structure in most public entities whose statements are subject to my audit and inspection.³²

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 7.9.

For verification of production and export data (see Section 7.3), the only apparent mechanism set out in law appears to be under the Customs Act 1951. This creates an obligation on all companies to maintain records and gives the customs authority the right to access those records for inspection.

6.9 How Extractive Industry Revenues Are Recorded

Table 6-14 below sets out where revenues and payments from the extractive industries are recorded, and which of these are available online.

Table 6-14 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
Royalties	Paid by the project developer to the recipients, most often directly, in accordance with each project MOA. Receipts of payments are furnished to the MRA. 2023 outcome of mining royalties and dividends paid to the provinces are recorded in the 2025 PNG Budget.	Yes ³³

³² Auditor General's Office, Annual Report, ago.gov.pg/wp-content/uploads/2024/02/Part-IV-Report-2022.pdf

³³ 2025 National Budget Volume 1, <https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/>

Revenue stream	Where recorded	Available online?
PIP project funds	National Budget Volume 3	Yes ³⁴
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 <i>Public Financial Management Act</i> 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 UBISA/LBBSA negotiations. 2023 outcome of petroleum royalties and dividends paid to the provinces are recorded in the 2025 PNG Budget.	Yes ³⁵
Additional profits tax	National Budget, Volume 1, Economic and development policies. ³⁶	No
Mining and petroleum		
Equity distributions	Relevant annual reports (e.g., KPHL, KMHL, MRDC, OTML) ³⁷	Yes
Import taxes Goods and services tax	National Budget, Volume 1, Economic and development policies	Yes ³⁸
Licence/tenement fees	Paid to MRA and DPE for mining and petroleum, respectively	No
Mandatory social expenditure Discretionary social expenditure	Some company annual reports	
Dividends	National budget (listed under non-tax revenue)	Yes ³⁹
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 ⁴⁰
Salary and wages tax	IRC annual reports	No ⁴¹

³⁴ 2025 National Budget Volume 3, https://www.treasury.gov.pg/wp-content/uploads/2024/11/Volume-3A_compressed.pdf

³⁵ 2025 National Budget Volume 1, <https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/>

³⁶ Ibid

³⁷ OTML annual review, <https://oktedi.com/who-we-are/annual-performance/>

³⁸ 2024 National Budget Volume 1, page 149, <https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf>

³⁹ Ibid

⁴⁰ Ibid

⁴¹ Nil annual report for 2022, <https://irc.gov.pg/pages/about-irc/corporate-information/irc-annual-reports> 03 Mar 2025.

Revenue stream	Where recorded	Available online?
Corporate income tax (mining and petroleum tax)	National budget	Yes
Infrastructure tax credits	IRC accounts and DNPM	Yes ⁴²
Business payments tax	IRC annual report	No
Dividend withholding tax Interest withholding tax Management fee tax* Royalty withholding tax**	National Budget, Volume 1, Economic and development policies	Yes ⁴³
Foreign contractor withholding tax	IRC annual report (as part of “withholding taxes”)	No
Training Levy	National Budget, Volume 1, Economic and development policies	Yes ⁴⁴

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

⁴² 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.

⁴³ Ibid

⁴⁴ Ibid

6.10 Papua New Guinea Economic Performance in 2023

Figure 6-6 below shows the 2016 – 2023 Gross Domestic Product (GDP)⁴⁵ for PNG. Extractive industries (both Mining and Oil and Gas sectors) contribution to GDP had increased to 32%, highest from the last 7 years.

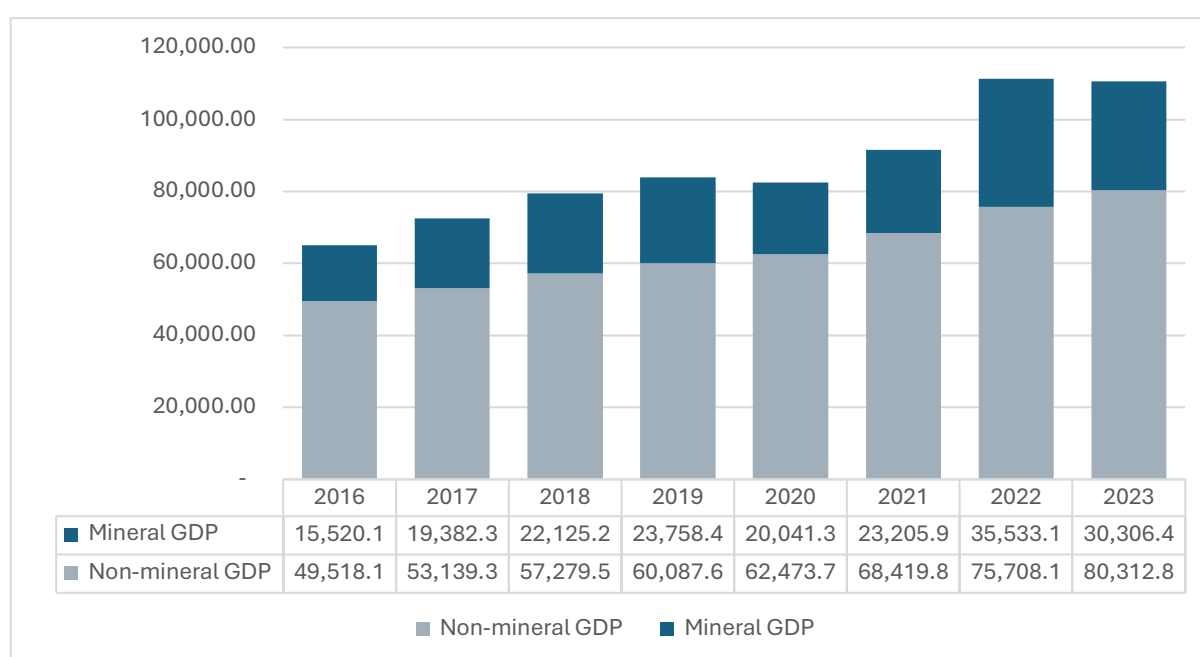


Figure 6-6 2016 – 2023 Gross Domestic Product

6.11 Global Context

In 2023, conflict, natural disasters and slowing growth in some major economies dampened global economic performance. The conflict in Ukraine and the eruption of conflict in the Middle East both had an impact. Record global temperatures caused heat waves and droughts, which reduced

crop harvests and therefore pushed up food inflation. In the major economies, while the US experienced strong growth, China and Japan performed less well, and the major European economies also continued to experience low growth. For PNG, the result was lower prices for its major commodity exports than it enjoyed in 2023 but also an easing of inflationary pressures. For a detailed account of the global context for

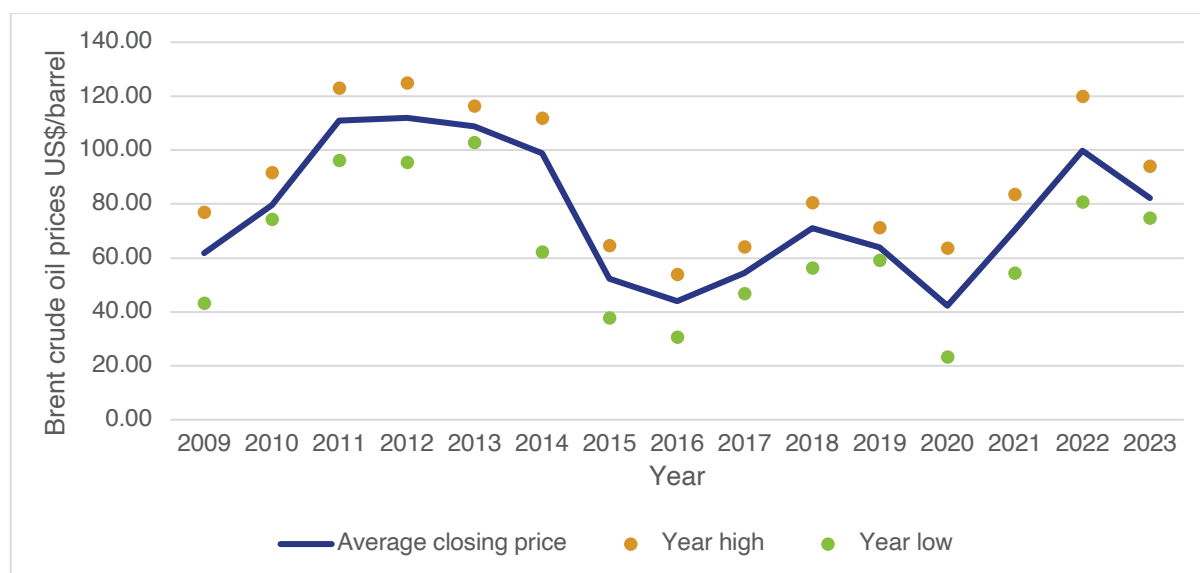
⁴⁵ 2024 National Budget, <https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf>

PNG's 2023 economic performance, see:

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

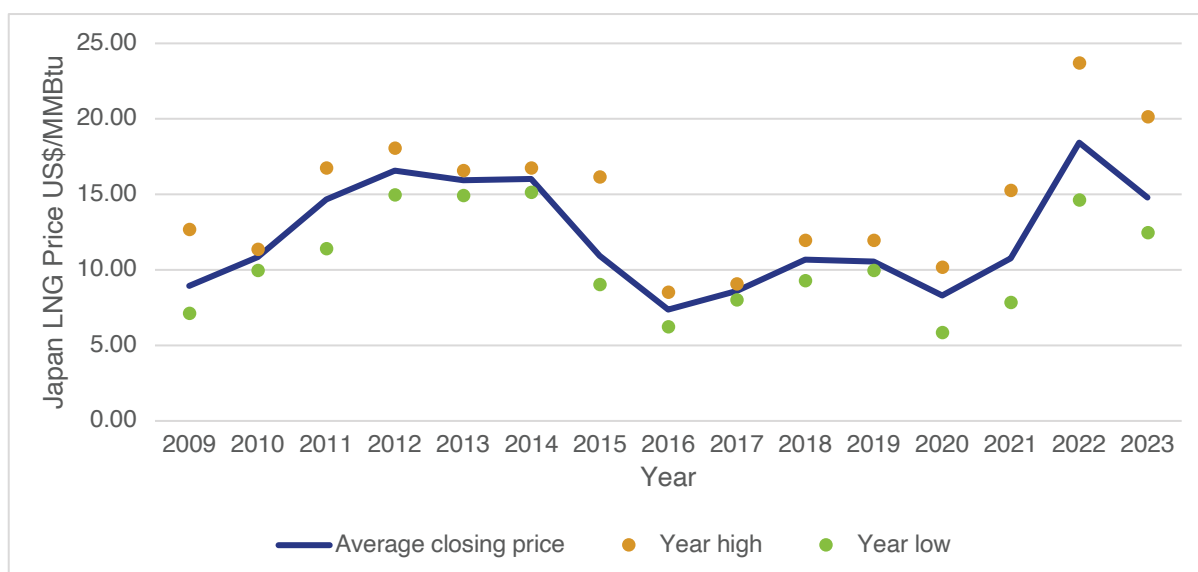
The crude oil Brent price benchmark started 2023 at \$83 per barrel and peaked in September at around \$94 per barrel (compared to a 2022 peak of almost US\$130 per barrel). By the end of 2023, the benchmark had fallen to \$77 per barrel (see Figure 6-7). LNG prices for Japan, a key market for PNG, weakened in 2023, starting

at around \$20 per mmBtu but falling to just over \$12 per mmBtu by mid-year before closing the year at around \$14 per mmBtu. In 2023, the same prices peaked at \$24 per mmBtu (see Figure 6-8). Mineral prices were also lower in 2023. Copper prices started the year at just over \$9000 per metric tonne (compared to a 2022 peak of US\$10,200) and by October had fallen to less than \$8000. Gold prices bucked this trend, rising through the year from just under \$1900 per troy ounce to just over \$2000 by the end of 2023 (see Figure 6-9 and Figure 6-10).



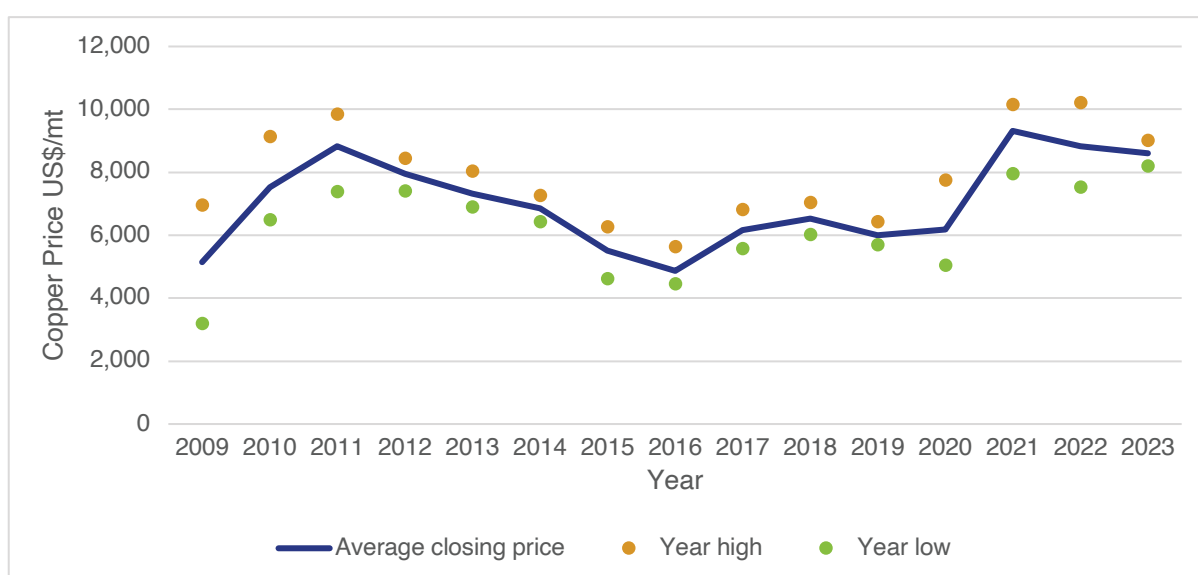
Source: World Bank commodity price data

Figure 6-7 Brent crude oil prices 2009-2023



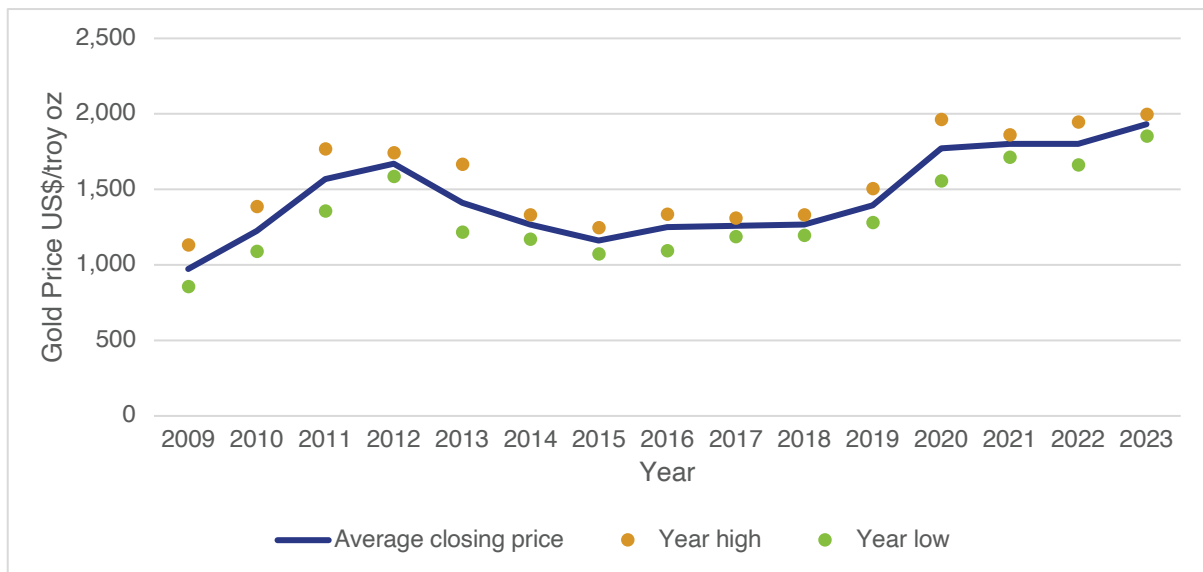
Source: World Bank commodity price data

Figure 6-8 Japan LNG prices 2009-2023



Source: World Bank commodity price data

Figure 6-9 Copper prices 2009-2023

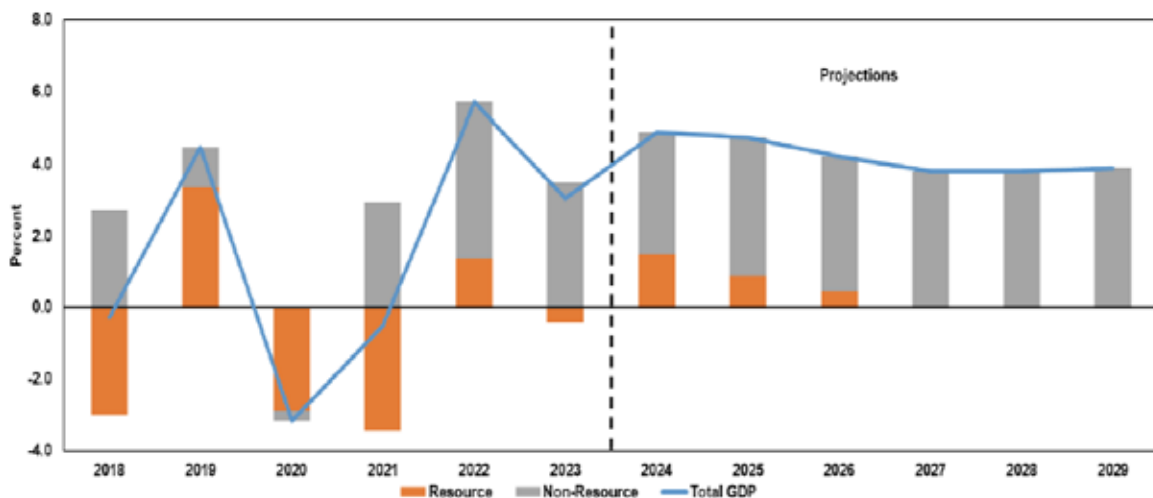


Source: World Bank commodity price data
Figure 6-10 Gold prices 2009-2023

6.12 Impact on PNG

In 2023, the PNG economy grew by 2.7% compared to 4.6% in 2022 as lower production in the extractive sector and lower prices had an impact. The resource sector (including agricultural commodities) contracted by 2.2%. The mining sector grew

by 2.2% (compared to 13.5% in 2022) but the oil and gas sector contracted 4.2% (having grown 1.4% in 2022). The delays to production from the Porgera mine slowed growth in the mining sector. Lower gas production from PNG LNG and declining oil production contributed to the sector's contraction along with lower market prices.



Source: NSO and Department of Treasury.

Figure 6-11 Real economic growth

The PNG government publishes detailed analysis in its National Budget documents that can be found at:

<https://www.treasury.gov.pg/budget/annual-budgets/2025-annual-budget/> and in the Bank of PNG's Quarterly Economic Bulletins

at:

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

Table 6-15 below provides key indicators of PNG's socio-economic performance in 2022 and 2023.

Table 6-15 PNG economic indicators

Indicator	2022	2023
Gross domestic product (GDP)	107.897 bn PGK	111.351 bn PGK
GDP growth	4.6%	2.7%
Government revenues	17.389 bn PGK	20.4 bn PGK
Export earnings	46.698 bn PGK	47.673 bn PGK
Workforce growth	3.7%	4.4%
Human development index (HDI)	156/191 Ranking	154/193 Ranking

Source: 2024 National Budget vol 1, UNDP

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 2023.

7.1 Reserves

7.1.1 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>

7.1.2 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),⁴⁶ 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.

7.2 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 6.1. As well as large scale exploration and exploitation of oil, gas and minerals, the legislation also allows for alluvial mining (more details see Section 7.2.2).

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."⁴⁷

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."⁴⁸

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

⁴⁶ <https://www.eia.gov>

⁴⁷ https://mra.gov.pg/wp-content/uploads/2021/08/2.MINING_ACT-1992.pdf

⁴⁸ <https://petroleum.gov.pg/wp-content/uploads/2020/02/Oil-and-Gas-Act-No-49-of-1998-Consolidated-to-No-35-of-2007v090410.pdf>

7.2.1 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 1972.⁴⁹

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. 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 7-1).



Figure 7-1 Mining projects 2023

⁴⁹ <https://mra.gov.pg/investment/pngminingindustry/>

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 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 2023. 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 2023, see Annexe G.

7.2.2 Alluvial mining sector

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 long 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 60km². 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 2023, revenue from alluvial gold mining was PGK1.3 million.

A list of alluvial mining licences awarded or renewed in 2023 can be found in Annexe G.

7.2.3 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 awards and applications can be found above in Section 6.3.2.

7.3 Production and Export Data in the Extractives Industries (EITI Requirements 3.2 and 3.3)

7.3.1 Mining

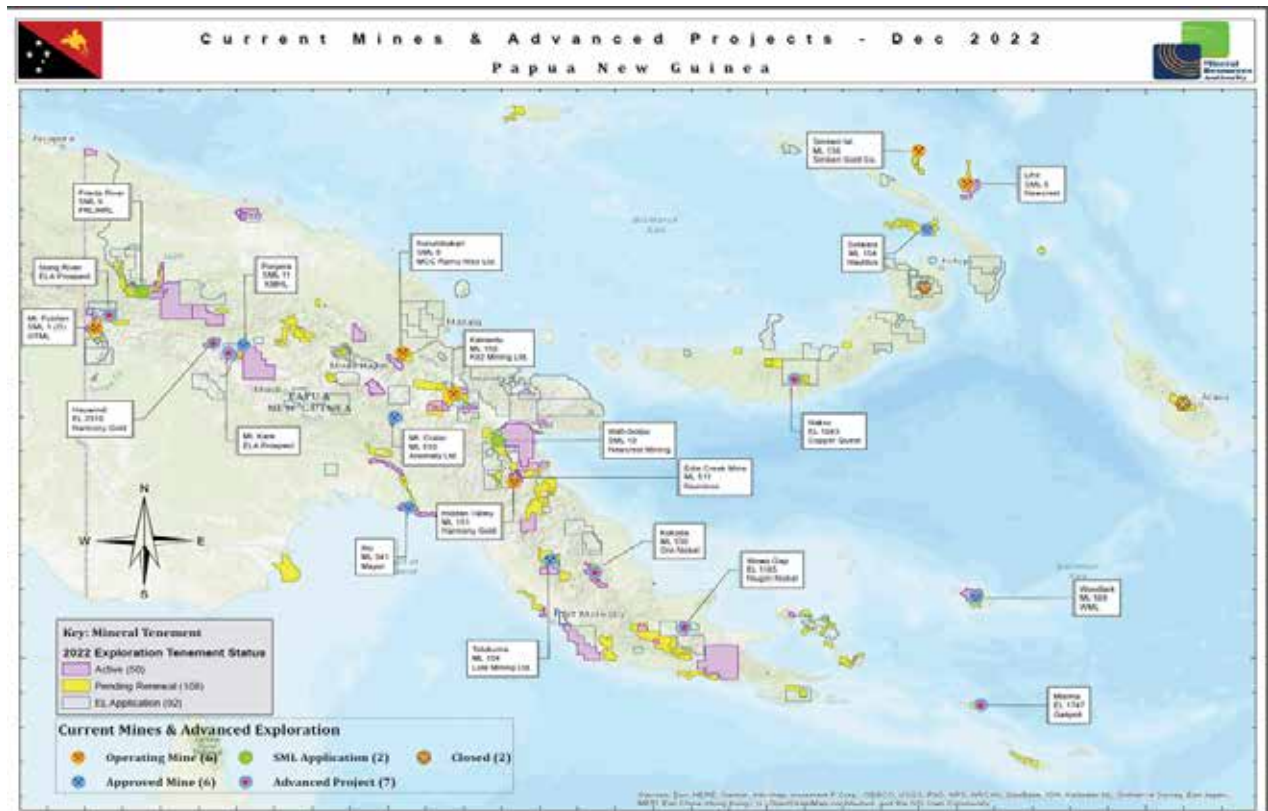


Figure 7-2 Map of mining operations in 2023 provided by MRA



Table 7-1: Mining production and export data

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
Porgera - Barrick Niugini Limited	Gold	Mine under care and maintenance	oz	-	-	-	0.00%
	Silver		PGK	-	-	-	0.00%
Kainantu mine	Gold	Quantity Produced	Oz	100,533	100,533	-	0.00%
		Produced Value	PGK	693,012,147	693,013,447	1,300	0.00%
		Quantity Exported	oz	95,437	95,437	-	0.00%
		Exported Value	PGK	657,884,718	657,884,718	-	0.00%
	Silver	Quantity Produced	oz	160,628	160,628	-	0.00%
		Produced Value	PGK	13,273,421	13,273,414	1,300	0.06%
		Quantity Exported	oz	155,362	155,362	-	0.00%
		Exported Value	PGK	12,838,261	12,838,261	-	0.06%
	Copper	Quantity Produced	tonnes	3,488	3,488	-	0.00%
		Produced Value	PGK	103,780,584	103,780,584	-	0.00%
		Quantity Exported	tonnes	3,302	3,302	-	0.00%
		Exported Value	PGK	98,246,413	98,246,413	-	0.00%
Luise Caldera (Lihir mine)	Gold	Quantity Produced	oz	684,825	684,825	-	0.00%
		Produced Value	PGK	4,698,341,662	4,698,341,662	-	0.00%
		Quantity Exported	oz	672,477	672,477	-	0.00%
		Exported Value	PGK	4,613,626,409	4,613,626,409	-	0.00%
	Silver	Quantity Produced	oz	32,724	32,724	-	0.00%
		Produced Value	PGK	2,709,153	2,709,153	-	0.00%
		Quantity Exported	oz	32,724	32,724	-	0.00%
		Exported Value	PGK	2,709,153	2,709,153	-	0.00%
Kurumbuk ari mine/ Ramu Nickel	Nickel	Quantity Produced	tonnes	33,604	33,604	-	0.00%
		Produced Value	PGK	1,851,778,531	1,851,778,531	-	0.00%
		Quantity Exported	tonnes	33,604	34,122	518	1.52%
		Exported Value	PGK	1,851,778,531	1,880,335,781	28,557,249	1.52%

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
	Cobalt	Quantity Produced	tonnes	3,072	3,072	-	0.01%
		Produced Value	PGK	193,525,412	193,525,412	-	0.00%
		Quantity Exported	tonnes	3,072	3,086	14	0.46%
		Exported Value	PGK	193,525,412	194,394,634	869,222	0.45%
	Chromite	Quantity Produced	tonnes	143,706	143,706	-	0.00%
		Produced Value	PGK	124,227,562	124,227,562	-	0.00%
		Quantity Exported	tonnes	143,706	159,391	15,685	9.84%
		Exported Value	PGK	124,227,562	137,786,453	13,558,890	9.84%
Hidden Valley mine	Gold	Quantity Produced	oz	173,520	173,520	-	0.00%
		Produced Value	PGK	1,221,222,474	1,221,221,250	1,224	0.00%
		Quantity Exported	oz	169,460	169,460	-	0.00%
		Exported Value	PGK	1,192,647,263	1,192,647,263	-	0.00%
	Silver	Quantity Produced	oz	3,397,312	3,397,312	-	0.00%
		Produced Value	PGK	287,455,667	287,455,667	-	0.00%
		Quantity Exported	oz	3,401,731	3,401,731	-	0.00%
		Exported Value	PGK	287,829,570	287,829,570	-	0.00%
Edie Creek mine	Gold	Quantity Produced	oz	N/A	591,476	591,476	100.00%
		Produced Value	PGK	N/A	43	43	100.00%
		Quantity Exported	oz	N/A	295,695	295,695	100.00%
		Exported Value	PGK	N/A	43	43	100.00%
	Silver	Quantity Produced	oz	N/A	43	43	100.00%
		Produced Value	PGK	N/A	3,542	3,542	100.00%
		Quantity Exported	oz	N/A	43	43	100.00%
		Exported Value	PGK	N/A	3,542	3,542	100.00%
Mt. Fubilan mine/ Ok Tedi mine	Gold	Quantity Produced	oz	248,000	255,856	7,856	3.07%
		Produced Value	PGK	1,734,894,144	1,789,851,114	54,956,969	3.07%
		Quantity Exported	oz	246,014	246,014	-	0.00%

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
	Silver	Exported Value	PGK	1,643,000,000	1,721,001,000	78,001,000	4.53%
		Quantity Produced	oz	787,071	787,071	-	0.00%
		Produced Value	PGK	57,305,663	59,723,113	2,417,450	4.05%
		Quantity Exported	oz	741,669	741,669	-	0.00%
	Copper	Exported Value	PGK	54,000,000	56,278,000	2,278,000	4.05%
		Quantity Produced	tonnes	73,000	86,561	13,561	15.67%
		Produced Value	PGK	2,158,603,574	2,559,601,150	400,997,576	15.67%
		Quantity Exported	tonnes	79,407	79,407	-	0.00%
		Exported Value	PGK	2,314,000,000	2,348,058,000	34,058,000	1.45%
	Simberi mine	Gold	Quantity Produced	[a]	64,790	64,790	100.00%
			Produced Value	[a]	436,922,341	436,922,341	100.00%
			Quantity Exported	[a]	70,984	70,984	100.00%
			Exported Value	[a]	478,692,629	478,692,629	100.00%
		Silver	Quantity Produced	[a]	22,496	22,496	100.00%
			Produced Value	[a]	1,818,661	1,818,661	100.00%
			Quantity Exported	[a]	22,496	22,496	100.00%
			Exported Value	[a]	1,818,661	1,818,661	100.00%

Notes

N/A – Information not obtained

[a] – information provided pertains to period from July 2023 - June 2024. As such, no reconciliation process was performed due to difference on reporting period presented.

Table 7-2: Comparison of export quantities and values reported by companies, MRA and in the 2023 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) ⁵⁰
Gold (oz)	1,163,675	1,254,415	7,688,220,949	8,664,147,714	9,260,600,000
Silver (oz)	3,825,456	4,354,025	294,537,212	361,477,187	329,000,000

⁵⁰ Table 5, p155 of 2024 PNG National Budget, <https://www.treasury.gov.pg/wp-content/uploads/2023/12/2024-Budget-Volume-1-Final-1.pdf>

Commodity	Export amount reported by entities	Export amount reported by MRA	Export reported value by entities (PGK)	Export reported value by MRA (PGK)	Export reported value in Budget (PGK) ⁵⁰
Copper (tonnes)	82,755	82,709	2,417,139,985	2,446,304,413	2,414,400,000
Nickel (tonnes)	33,604	34,122	1,851,778,531	1,880,335,781	2,252,000,000
Cobalt (tonnes)	3,072	3,086	193,525,412	194,394,634	272,800,000
Chromite (tonnes)	143,706	159,391	124,227,562	137,786,453	Nil

Table 7-3: Export information reported by PNG Customs for the year 2023

Exporter Name	Commodity	Quantity	Units	Value (PGK)
Lihir Gold Limited	Gold / Silver	25,685	KGM	4,894,728,978
OK Tedi Mining Limited	Copper Ores and Concentrates	41,682,252	TNE	1,548,936,006
OK Tedi Mining Limited	Silver Ores and Concentrates	2,973,474	KGM	30,321,763
OK Tedi Mining Limited	Gold Ores and Concentrates	74,834,191	KGM	1,131,895,599
Simberi Gold Company Limited	Gold/Silver	2,721	KGM	448,538,891
Ramu Nico Management (MCC) Limited	Chrome ore	N/A	CN	N/A
Ramu Nico Management (MCC) Limited	Nickel Oxide and other	227,319	TNE	1,117,888,965
Ramu Nico Management (MCC) Limited	Cobalt	N/A	N/A	N/A
K92 Mining Limited	Copper Ores and Concentrates	9,486	TNE	104,815,544
K92 Mining Limited	Silver Ores and Concentrates	7,488,755	KGM	13,536,592
K92 Mining Limited	Gold Ores and Concentrates	7,474,760	KGM	625,495,793
Morobe Consolidated Goldfields Limited	Silver	46,875	KGM	280,290,646.70
Morobe Consolidated Goldfields Limited	Gold Bars	5,329,749	GRM	1,173,583,973
Morobe Consolidated Goldfields Limited	Gold	N/A	NMB	N/A

Figure 7-3 below shows producing and proposed oil and gas projects are shown below.⁵¹



	PNG LNG (ExxonMobil Operated)				Oil and Associated Gas (Santos Operated)	
Commodity quantity	Produced	Exported	Unit of Measure	Produced	Exported	Unit of Measure
Oil (stbo)				6,041,989		Barrels
Hides Condensate (stbo)	6,041,112		Barrels			
PNG LNG liquids (stbo)	1,496,423		Barrels	3,732,945		Barrels

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	PNG LNG (ExxonMobil Operated)			Oil and Associated Gas (Santos Operated)		
	PNG LNG (ExxonMobil Operated)			Oil and Associated Gas (Santos Operated)		
Hides Gas (MMscf)	335,359		MCF			
PNG LNG Project LNG (tonnes)	8,509,999		tonnes	412,949		tonnes

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

Commodity quantity	Produced	Exported
Oil (stbo)	3,771,830	7,980,581
Gas (MMscf)	479,520	875,006
Condensate (stbo)	6,812,728	226,204,974

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	2,858,559	Litres	156,547,850
Exxon Mobil PNG Limited	Other	0.04	Million kilogrammes	17.45
Exxon Mobil PNG Limited	Liquified National Gas	17,197,898	Tonnes	13,153,066,459
Oil Search (PNG) Limited	Crude Oil	45,838,497	Litres	1,782,042,423

7.4 Sale of the State's Share of Production or Other Revenues In-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 its 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.

7.5 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 2021.⁵² 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 buyers 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.

7.6 Distribution of Extractive Revenues (EITI Requirement 5.1)

Section 6.6 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.

7.7 Infrastructure and Barter Arrangements in the Extractive Industries (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 Section 6.5.4) 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.

7.8 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. The fees paid to DPE for Petroleum Pipeline Licences are application fees and not for the use of pipelines or transport of oil or gas.

7.9 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

⁵² https://www.pngeiti.org.pg/reports_publications/

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 matter comments / of /	Source
Mining				
Crater Gold	Anomaly Limited	30 June 2023 30 June 2024	Audited by RSM. No qualifications noted but with material Uncertainty Related to Going Concern	https://goa.live.irmau.com/irm/pdf/5ac225ba-fa00-4088-8d0f-7c83bf45d4a8/Annual-Report-to-Shareholders.pdf
Barrick Gold Corporation	Porgera Mine – Barrick (Niugini) Limited	31 December 2023	Audited by PWC. No qualifications noted.	https://s25.q4cdn.com/322814910/files/doc_financial/annual_reports/2023/Barrick Annual Report 2023.pdf
Newcrest Mining Limited	Lihir Gold Limited	30 June 2023 30 June 2024	Audited by EY. No qualifications noted.	https://www.newcrest.com/sites/default/files/2023-09/230921_Annual%20Report%202023_0.pdf
Metallurgical Corporation of China Limited. (MCC)	MCC Ramu NiCo Limited	31 December 2023	Audited by EY. No qualifications noted.	http://www.mcc.com.cn/mcc_en/investorrelations/AshareAnnouncement/202404/P020240418612657293800.pdf
Kainantu	K92 Mining Limited	31 December 2023	Audited by PWC. No qualifications noted.	https://k92mining.com/site/assets/files/6282/2023-12-31_knt_fs_final.pdf
Harmony Gold Mining Limited	Morobe Consolidated Goldfields Limited and Wafi Golpu Services Limited	30 June 2023 30 June 2024	Audited by PWC. No qualifications noted.	https://www.har.co.za/23/download/HAR-FR23.pdf
	Ok Tedi Mining Limited	31 December 2023	Audited by PWC. No qualifications noted.	https://oktedi.com/who-we-are/annual-performance/
St Barbara Limited	Simberi Gold Company Limited	30 June 2023 30 June 2024	Audited by PWC. No qualifications noted.	https://stbarbara.com.au/wp-content/uploads/2023/09/2023.09.15-2023-annual-report.pdf

Parent entity	Operator in PNG	Year audited	Qualifications / emphasis of matter / comments	Source
Oil and gas				
Santos	Santos (and subsidiaries)	31 December 2023	Audited by EY. No qualifications noted.	https://www.santos.com/wp-content/uploads/2024/02/Annual-Report-2023.pdf
JX Nippon Oil and Gas Exploration Corporation	JX Nippon Oil and Gas (and subsidiaries)	31 March 2024	Audited by EY. No qualifications noted.	https://ssl4.eir-parts.net/doc/5020/ir_material_for_fiscal_ym11/160583/00.pdf
ExxonMobil	ExxonMobil PNG Limited (PNG LNG project operator)	31 December 2023	Audited by PWC. No qualifications noted.	https://investor.exxonmobil.com/sec-filings/annual-reports/content/0000034088-24-000018/0000034088-24-000018.pdf
State-owned enterprises: audits by the Auditor-General's Office of Papua New Guinea				
Ok Tedi Mining Limited	Ok Tedi Mining Limited	31 December 2023	Audited by PWC. No qualifications noted.	https://oktedi.com/who-we-are/annual-performance/
Kumul Petroleum Holdings Limited	Kumul Petroleum Holdings Limited	31 December 2021	No qualifications noted. Unable to obtain a copy of the financial statements.	https://kumulpetroleum.com/wp-content/uploads/2025/02/KPHL-2021-Annual-Report_13062023-2_spreads.pdf
Mineral Resources Development Company Limited	Mineral Resources Development Company Limited	2023	Unable to obtain a copy of the financial statements.	
Conservation and Environment Protection Authority	Conservation and Environment Protection Authority	2023	Unable to obtain a copy of the financial statements.	
Internal Revenue Commission	Internal Revenue Commission	2023	Unable to obtain a copy of the financial statements.	
Minerals Resource Authority	Minerals Resource Authority	2023	Unable to obtain a copy of the financial statements.	
Department of Treasury	Department of Treasury	2023	Unable to obtain a copy of the financial statements.	

Parent entity	Operator in PNG	Year audited	Qualifications emphasis matter / of / comments	Source
Department of Finance	Department of Finance	2023	Unable to obtain a copy of the financial statements.	
Department of Petroleum and Energy	Department of Petroleum and Ener	2023	Unable to obtain a copy of the financial statements.	
Department of National Planning & Monitoring	Department of National Planning & Monitoring	2023	Unable to obtain a copy of the financial statements.	
PNG Customs	PNG Customs	2023	Unable to obtain a copy of the financial statements.	

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>

7.10 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%3](https://policy.asiapacificenergy.org/node/3826#:~:text=PAPUA%20NEW%20GUINEA%3A%20Environment%20(Amendment,10%20of%202014)&text=Overall%20Summary%3)

[A,of%20the%20Environmental%20Act%202000.](#)

As noted in Section 6.2, 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 0 for environmental permit fees paid to CEPA.

The process for obtaining environmental permits is set out above in Section 6.2.

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 9.6, CEPA did not participate in this report.

7.10.1 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).⁵³

NMSA has overall oversight of these areas.

⁵³ <https://nmsa.gov.pg/wp-content/uploads/2018/06/National-Marine-Pollution-Contingency-Plan-2017-Rev-1-With-Signed-Copy.pdf>

8 The Extractive Industries Transparency Initiative (EITI)

8.1 EITI

The Extractive Industries Transparency Initiative (EITI) is the benchmark for transparency in the oil, gas and mining sectors.⁵⁴ EITI was launched in 2003 in London. In 2013, EITI introduced its Standard. 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 2023.⁵⁵ Implementing countries undergo Validation against the Standard every three years.⁵⁶

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.⁵⁷ 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 concept.

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

EITI implementation is also 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 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. EITI also provides an important source of information for governments, CSOs, companies, academics and other stakeholders.

8.2 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.⁵⁸ Since becoming an implementing country, the PNG MSG has published ten reports covering the calendar years 2013–22.⁵⁹

PNG underwent its first Validation in 2018 and was assessed as making “meaningful progress” against the 2016 version of the Standard.⁶⁰ In 2022, PNG underwent its second Validation and achieved a “moderate”

⁵⁴ For more information on EITI, see its website: eiti.org

⁵⁵ 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>

⁵⁶ For more details of the Validation process, see <https://eiti.org/validation>

⁵⁷ For details of the EITI Board, see <https://eiti.org/eiti-board>

⁵⁸ 2017 Final PNGEITI MSG MoU

⁵⁹ Previous reports can be found at: https://www.pngeiti.org.pg/reports_publications/

⁶⁰ See <https://eiti.org/documents/papua-new-guinea-validation-2018>

score of 70.5.⁶¹ This Validation was against the 2019 version of the Standard.

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.

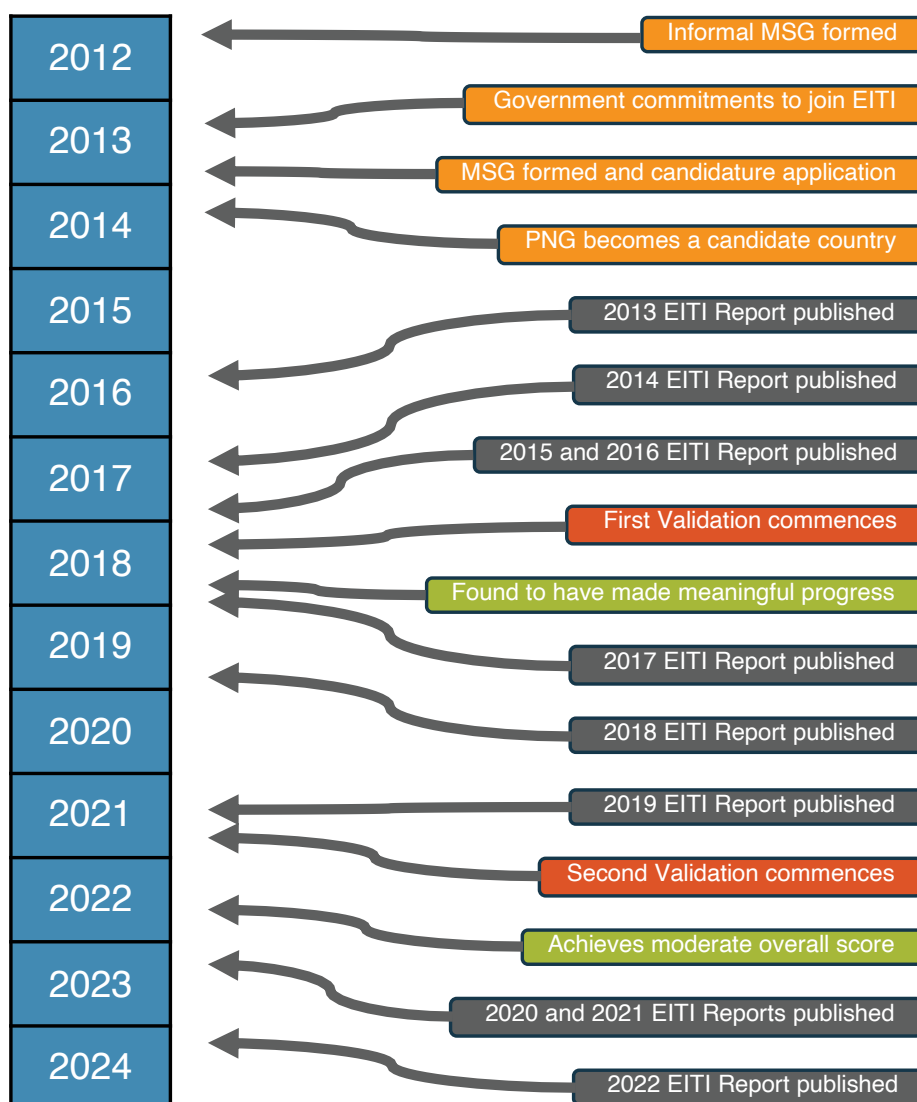


Figure 8-1 PNG EITI timeline

⁶¹ See <https://eiti.org/documents/papua-new-guinea-2022-validation-report>

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

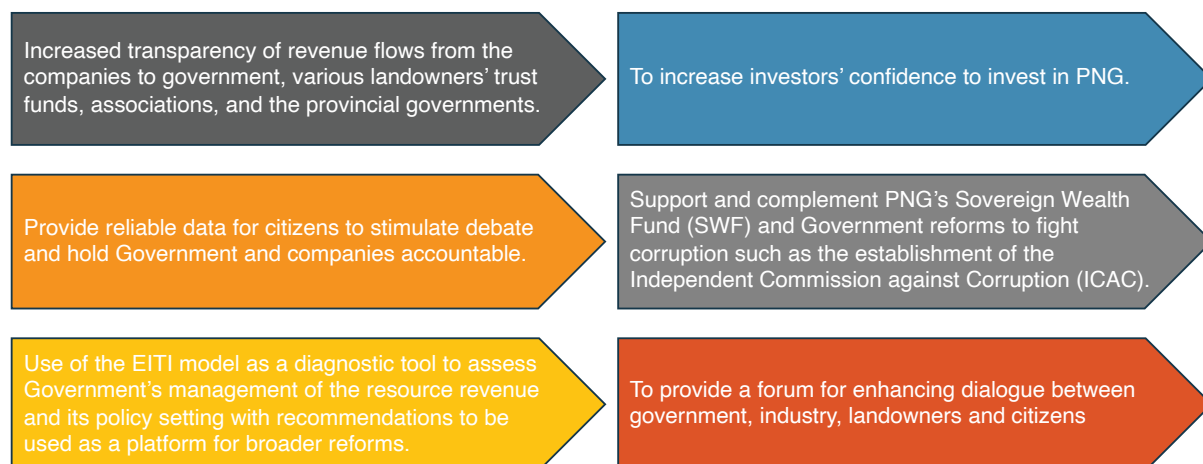


Figure 8-2 PNG EITI objectives

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 8-3 below, and the complete list of members and representatives is provided at Annexe A.

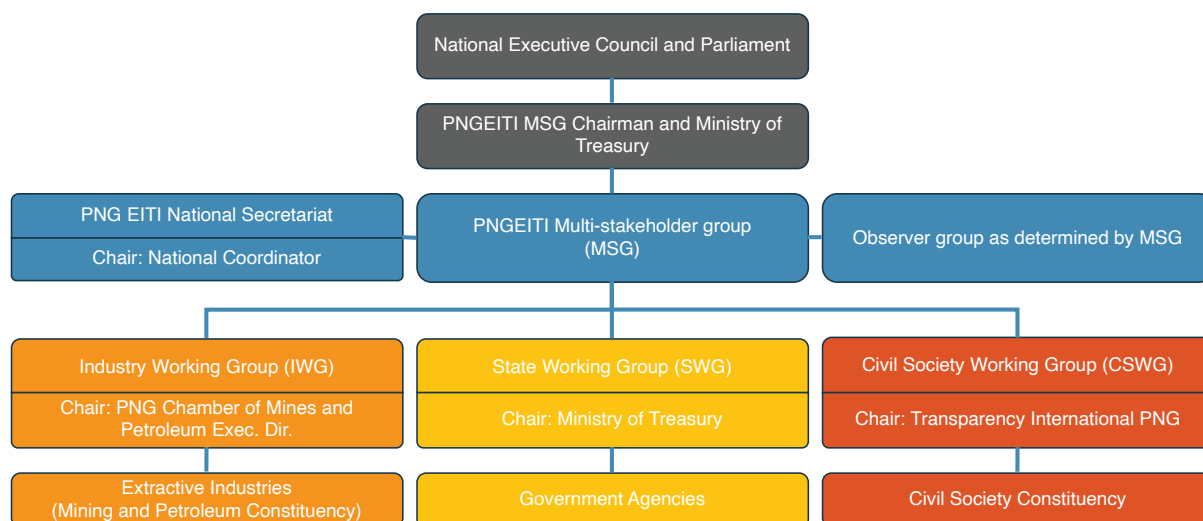


Figure 8-3 PNG EITI structure

The MSG publishes minutes of its meets on the PNGEITI website.⁶² The MSG also publishes an annual workplan setting out its objectives, tasks, action plan and budget for

the year ahead.⁶³ The PNGEITI National Secretariat supports the MSG implement the EITI Standard and is responsible for day-to-day delivery of activities.

⁶² See https://www.pngeiti.org.pg/reports_publications/

⁶³ Ibid

9 Approach and Methodology

9.1 Scope

9.1.1 Flows in scope

The Scoping Study identified the flows in Table 9-1 as in scope based on the agreed materiality as set out in Section 9.2 below.

These revenue flows consist of two types:

1. Quantitatively material, included in scope, disclosed and reconciled,
2. Qualitatively material but not quantitatively material included in scope, disclosed and reconciled.

Table 9-1 Revenue flows in scope

Revenue stream		Brief Description	Direct	Indirect
Quantitatively material				
1	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 a result of equity participation in the respective projects.	✓	
2	Royalties (subnational payments)	Please refer to Section 6.5.15	✓	✓
3	Dividends	Dividends paid by SOE	✓	
4	Salary and wage tax (Group tax – taxes withheld on employees' salaries)	Please refer to Section 6.5.2	✓	
5	Mining and petroleum tax (corporate income tax)	Please refer to Section 6.5.1	✓	
6	Infrastructure tax credits	Please refer to Section 6.5.4	✓	
Qualitatively material				
7	Production levy (subnational payments)	Please refer to Section 6.5.15	✓	
8	Development levy (subnational payments)	Please refer to Section 6.5.15	✓	
9	Additional profits tax	Please refer to Section 6.5.9	✓	
10	Import taxes and excise duty	Please refer to Section 6.5.6	✓	
11	Goods and services tax	Please refer to Section 6.5.7	✓	
12	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.	✓	
13	Foreign contractor withholding tax	Please refer to Section 6.5.3	✓	

Table 9-2 below sets out those revenue flows that are not quantitatively or qualitatively material and therefore not included in scope.

Table 9-2 Revenue flows not 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.	✓	
2	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.	✓	
3	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).	✓	
4	Exploration security deposits	These are payments made when an EL application is granted and registered. These payments are refundable when the EL becomes inactive (Expired, Surrendered, Cancelled).	✓	
5	Mining lease rentals	Rental payments are paid annually in advance from the date of grant.	✓	
6	Exploration rentals	Rental payments are paid annually in advance from the date of grant.	✓	
7	Data sale receipts	For Data Sale Receipt, Data and maps generated at the MRA are sold to clients. Revenue is usually below PGK 100,000 annually.	✓	
8	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.	✓	
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.	✓	
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. ⁶⁴	✓	

⁶⁴ https://openresearch-repository.anu.edu.au/bitstream/1885/157570/1/142_public.pdf

	Revenue stream	Brief Description	Direct	Indirect
11	Licence fees	Refers to fees paid by the Oil and Gas companies for the application and renewal for PDL, PRL, PPL, PL and PPFL	✓	
12	Business payments tax	Please refer to Section 6.5.10	✓	
13	Dividend withholding tax	Please refer to Section 6.5.11	✓	
14	Interest withholding tax	Please refer to Section 6.5.12	✓	
15	Management fee withholding tax	Please refer to Section 6.5.13	✓	
16	Royalty withholding tax	Please refer to Section 6.5.14	✓	
17	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.	✓	

9.1.2 Projects and private sector companies in scope

In the Scoping Study, the following projects and private sector companies were identified as being in scope based on the agreed materiality as set out in Section 9.2 below. For the state-owned companies in scope, see below, Section 9.1.5.

Table 9-3 Mining companies in scope

	Company name
1	Anomaly Limited
2	Barrick (Niugini) Limited
3	Eda Kopa (Solwara) Limited
4	Frieda River Limited
5	K92 Mining Limited
6	Lihir Gold Limited
7	MCC Ramu NiCo Limited
8	Mineral Resource Madang Limited
9	Mineral Resource Ok Tedi No. 2 Limited
10	Mineral Resources Enga Limited
11	Mineral Resources Madang Limited
12	Mineral Resources MRCMCA Limited
13	Mineral Resources Ramu Limited
14	Mineral Resources Star Mountains Limited

	Company name
15	Morobe Consolidated Goldfields Limited
16	Nautilus Minerals Niugini Limited
17	Newcrest PNG 2
18	Niuminco Edie Creek Limited
19	Ramu Nickel Limited
20	Simberi Gold Company Limited
21	Tolukuma Gold Mine Limited
22	Wafi Mining Limited
23	Woodlark Mining Limited

Table 9-4 Oil and gas companies in scope

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

	Company name
13	Gas Resources Gobe Limited
14	Gas Resources Hides No.4 Limited
15	Gas Resources Juha Limited
16	Gas Resources Kutubu Limited
17	Gas Resources Moran Limited
18	Gas Resources North West Moran Limited
19	Gas Resources LNG PNG Plant
20	Gas Resources LNG Pipeline
21	Horizon oil (Papua) Limited
22	Lavana Limited
23	Merlin Pacific Oil Co. NL
24	Merlin Petroleum Company
25	Mitsubishi Corporation (Diamond Gas Niugini B.V.)
26	Nippon PNG LNG LLC
27	Oil Search (LNG) Limited
28	Oil Search (PNG) Limited
29	Oil Search (Tumbudu) Limited
30	Osaka Gas Niugini Pty Limited
31	Petroleum Resources Gobe Limited
32	Petroleum Resources Kutubu Limited
33	Petroleum Resources Moran Limited
34	Petroleum Resources North West Moran Limited
35	Repsol*
36	Santos
37	Santos (Hides) Limited
38	Total E&P PNG Limited
39	Twinza Oil



9.1.3 Material mining projects

Table 9-5 Mapping of mining companies to projects

Parent Company	Reporting Company	Project													
		Edie Creek	Frieda River	Hidden Valley	Kainantu	Lihir (Luisa Caldera)	Mt Crater (HGZ)	Ok Tedi (Mt Fubilan)	Porgera (Old)	Porgera (New)*	Nickel Ramu (Kumuhukari) Simberi	Solwara (Blismarck Sea)	Tolokuma	Wafi-Golpu	Woodlark (Kulumadau)
Barrick Gold Corporation - 24.50% Zijin Mining Group Limited - 24.50%	New Porgera Limited									49%					
MRDC Escrow Porgera Limited (In trust for landowners)- 10% Mineral Resources Enga Limited - 5% Kumul Holdings Limited - 36%	New Porgera Limited									51%					
Barrick Gold Corporation - 50% Zijin Mining Group Limited - 50%	Barrick Niugini Limited								95%						
Porgera Gold Mines Limited - 50% Enga Provincial Government - 50%	Mineral Resources Enga Limited								5%						
Crater Gold Mining Limited - 100%	Anomaly Limited						100%								
Deep Sea Minerals Finance Limited - 100%	Nautilus Minerals Niugini Limited											85%			
Kumul Mineral Holdings Limited - 100%	Eda Kopa (Solwara) Limited											15%			
Geopacific Resources Limited - 100%	Woodlark Mining Limited														100%
Guangdong Rising Assets Management Co. Limited - 100%	Frieda River Limited		100%												
Harmony Gold Mining Company Limited - 100%	Morobe Consolidated Goldfields Limited			100%											

Parent Company	Reporting Company	Project													
		Edie Creek	Frieda River	Hidden Valley	Kainantu	Lihir (Luisa Caldera)	Mt Crater (HGZ)	Ok Tedi (Mt Fubilan)	Porgera (Old)	Porgera (New)*	Nickel Ramu (Kunimuhikari) Simberi	Solwara (Blsmarck Sea)	Tolokuma	Wafi-Golpu	Woodlark (Kulumadau)
K92 Mining Inc - 100%	K92 Mining Limited				100%										
Kumul Holdings Limited - 67% Mineral Resources Star Mountains Limited - 9% Mineral Resources Ok Tedi No.2 Limited - 12% Mineral Resources CMCA Holdings Limited - 12%	Ok Tedi Mining Limited							100%							
MCC-JJJ Mining Development Company Limited - 100%	MCC Ramu NiCo Limited										85%				
Mineral Resources Development Company Limited - 100%	Mineral Resources Madang Limited										3%				
	Mineral Resources Ramu Limited										4%				
Nickel 28 Capital Corporation - 100%	Ramu Nickel Limited										9%				
Newmont Corporation - 100%	Lihir Gold Limited					100%									
	Newcrest PNG 2 Limited													50%	
Harmony Gold Mining Company Limited - 100%	Wafi-Golpu Services Limited													50%	
Niuminco Group Limited - 100%	Niuminco Edie Creek Limited	100%													
St Barbara Limited - 100%	Simberi Gold Company Limited										100%				
Tolu Minerals Limited - 100%	Tolu Minerals Limited												100%		

It was not possible to ascertain up to date contact details for a number of companies on this list. These were:

- Crater Gold Mining Limited,
- Deep Sea Minerals Finance,
- Geopacific Resources,
- Guangdong Rising Assets Management Co,
- Niuminco Group Ltd,
- Tolu Minerals.

Details of any payments made by these companies were obtained from IRC.

9.1.3.1 Anti-corruption policies

The following companies publish an anti-corruption policy on their website:

Barrick Gold:

https://s25.q4cdn.com/322814910/files/doc_downloads/gov_docs/policies/Anti-Bribery-and-Anti-Corruption-Policy.pdf

Harmony Gold Mining Company Limited:

<https://www.harmony.co.za/wp-content/uploads/2022/03/COD001-code-conduct-12May2023.pdf>

K92 Mining:

https://k92mining.com/site/assets/files/6082/k92_anti-bribery_and_anti-corruption_policy_-2021.pdf

Newmont Corporation:

https://s24.q4cdn.com/382246808/files/doc_downloads/2020/11/18/Business-Integrity-Policy.pdf

Tolu Minerals:

<https://www.toluminerals.com/corporate-governance/>

St Barbara Ltd: <https://stbarbara.com.au/our-company/governance/>

9.1.4 Material oil and gas projects

Table 9-6 Mapping of oil and gas companies to projects

Parent Company	Reporting Company	Projects									
		Gobe Unit		Kutubu		Moran		PNG LNG		Stanley	
		Main Gobe	SE Gobe	Kutubu	Moran	NW Moran	Angore	Hides	Juhu Main & NW Juhu	SE Hides	Stanley
ExxonMobil Corporation -100%	Ampolex (Highlands) Limited	15%									
	Ampolex (Papau New Guinea) Limited								22%		
	Ampolex (PNG Petroleum) Inc.			12%		18%					
	Esso Highlands Limited						37%	37%	22%	37%	
	Esso PNG Moran Limited				37%						

Parent Company	Reporting Company	Projects									
		Gobe Unit		Kutubu		Moran		PNG LNG		Stanley	
		Main Gobe	SE Gobe	Kutubu	Moran	NW Moran	Angore	Hides	Juhu Main & NW Juha	SE Hides	Stanley
	Merlin Pacific Oil Co. Limited			19%							
Kumul Petroleum Holdings Limited - 100%	Eda Oil Limited				21%						
	Kumul Gas Niugini B.V. (formerly Diamond Gas Niugini B.V.)										10%
	Kumul Petroleum (Kroton) Limited							21%			
	Kumul Petroleum (PDL 3) Limited		46%								
	Kumul Petroleum (PNG LNG) Limited						21%		21%	21%	
Mineral Resources Development Company - 100%	Gas Resources Angore Limited						2%				
	Gas Resources Gigira Limited							2%			
	Gas Resources Hides No.4 Limited									2%	
	Gas Resources Juha No.1 Limited								2%		
	Petroleum Resources Gobe (Limited)	2%	2%								
	Petroleum Resources Kutubu Limited			7%							
	Petroleum Resources Moran Limited				2%						
	Petroleum Resources North West Moran Limited					2%					
Santos Limited - 100%	Barracuda Limited		16%								
	Lavana Limited							4%			
	Oil Search (PNG) Limited	10%	36%	60%	41%	71%					
	Oil Search (Tumbudu) Limited							16%			
	Oil Search (Tumbudu) Limited								24%		
	Oil Search Limited						40%			40%	
	Santos (Hides) Limited							19%			

Parent Company	Reporting Company	Projects									
		Gobe Unit		Kutubu		Moran		PNG LNG		Stanley	
		Main Gobe	SE Gobe	Kutubu	Moran	NW Moran	Angore	Hides	Juhu Main & NW Juha	SE Hides	Stanley
Japan Papua New Guinea Petroleum Company Limited - 40.68% Nippon Oil Exploration (PNG) Pty Limited - 38.95% Marubari Corporation - 20.37%	Merlin Petroleum Company			3%		9%					
JX Nippon Oil Gas Exploration Corporation - 100%	Merlin Petroleum Company	73%									
	Nippon Papua New Guinea LNG LLC								10%		
Arran Energy Investments Pty Limited - 100%	Arran Energu JG Pty Limited (formerly Osaka Gas Niugini)										20%
	Arran Energy Elevala Limited (formerly Horizon Oil Papua Limited)										30%
	Arran Energy Niugini Pty Limited (formerly Talisman Niugini Pty Limited)										40%

It was not possible to ascertain up to date contact details for a number of companies on this list. These were:

- Japan Papua New Guinea Petroleum Company Ltd,
- Nippon Oil Exploration,
- Marubari Corporation,
- JX Nippon Oil Gas Exploration,
- Arran Energy.

Details of any payments made by these companies were obtained from IRC.

Santos: <https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf>

9.1.4.1 Anti-Corruption policies

The following companies publish an anti-corruption policy on their website:

ExxonMobil:

<https://corporate.exxonmobil.com/-/media/global/files/policy/anti-corruption-legal-compliance-guide.pdf>

9.1.5 State-owned enterprises

State-owned enterprises (SOEs) and trustees play an important role in the extractives sector in PNG, and Table 9-7 sets out the SOEs in scope for reporting.

Table 9-7 State-owned enterprises

	Company	Company registration number	IRC TIN	Company website
1	Kumul Mineral Holdings Limited (KMHL)	1-59327	500003612	https://kumulminerals.com.pg
2	Mineral Resources Development Company Limited (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 Limited (KPHL)	1-100145	500198449	https://kumulpetroleum.com

None of the state-owned companies publish an anti-corruption policy on their website.

9.1.6 Selected government entities

Table 9-8 sets out the government entities selected as in scope for reporting, along with the revenue streams that each collects and records.

Table 9-8 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

Government entity name		Revenue streams collected and recorded
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

For further information on the roles and responsibilities of these government agencies see Annex H.

9.2 Materiality

This section sets out the definitions of material revenue streams and material reporting entities for FY2023. 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 4.1.d 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.

9.2.1 Determination of materiality for revenue streams

In accordance with Requirement, 4 PNGEITI is required to produce a Materiality Determination for the FY2023 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 2022, and it is our understanding for 2023 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, excluding social payments, received in 2023 was PGK8,588,118,414.

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 9-9 Revenue streams 2023

Revenue stream	Revenue (PGK)	% of revenue	Material	Paid to
Mining				
Mine closure bond	-	-	N	CEPA
Production levy	57,397,747	0.63%	Y	MRA
Alluvial levies	1,318,551	0.01%	N	
Mine security deposits	210,000	0.00%	N	
Exploration security deposits	18,600	0.00%	N	
Mining lease rentals	522,044	0.01%	N	
Exploration rentals	2,025,724	0.02%	N	
Data sale receipts	-	-	N	
Exploration applications, extensions, extension late fees, transfer and dealing fees (related to exploration)	637,600	0.00%	N	
Mining applications, extensions, extension late fees, transfer and dealing fees (related to mining)	36,950	0.00%	N	
Public Investment Program (PIP) project funds	20,500,000	0.22%	N	MRA
Oil and gas				
Development levy	365,620,323	3.99%	Y	Collected and recorded by DPE, (also recorded by the Department of Finance), and paid to relevant local or provincial government
License fees	3,918,500	0.04%	N	DPE
Additional profits tax	-	0.00%	Y	IRC
Equity distributions	1,673,986,685	18.29%	Y	State-owned enterprises (KMHL, KPHL and MRDC)
Mining and oil and gas				
Import taxes and excise duty	58,350,644	0.64%	Y	PNG Customs
Goods and services tax	14,218,912	0.16%	Y	IRC

Revenue stream	Revenue (PGK)	% of revenue	Material	Paid to
Royalties	679,629,356	7.43%	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	601,600,000	6.57%	Y	Treasury (from SOEs)
Environment permit fees and user charges	6,761,319	0.07%	Y	CEPA
Salary and wage tax (Group tax - taxes withheld on employees' salaries)	816,966,498	8.93%	Y	IRC
Mining and petroleum tax (corporate income tax)	3,864,482,921	42.22%	Y	
Business payments tax	7,606,043	0.08%	N	
Dividend withholding tax	-	0.00%	N	
Interest withholding tax	15,540,769	0.17%	N	
Management fee withholding tax	10,417,700	0.11%	N	
Royalty withholding tax	5,735,438	0.06%	N	
Foreign contractor withholding tax	145,418,240	1.59%	Y	
Training levy	-	0.00%	N	
Infrastructure tax credits	235,197,850	2.57%	Y	Spending reported to DNPM; Claimed as credits to IRC

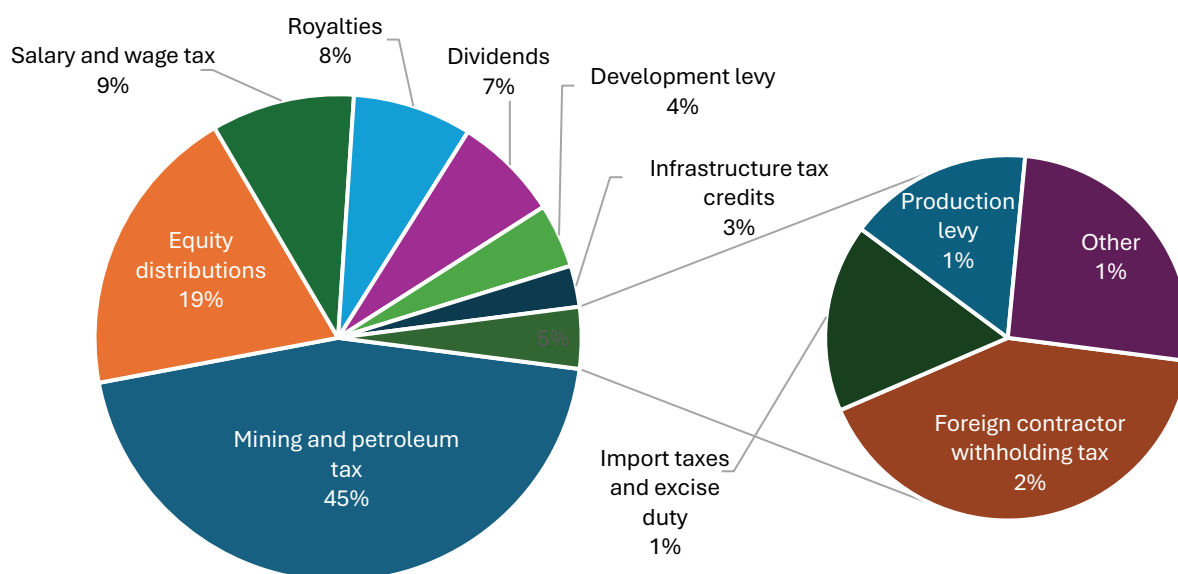


Figure 9-1 Revenue streams 2023

9.2.2 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.

9.3 Methodology

9.3.1 Data collection

The IA issued reporting templates in Excel format to all companies and government agencies in scope. Reporting entities were asked to return the templates in Excel format to facilitate collation and reconciliation of data. Reporting entities could return the

assurance declaration signed by a senior official in PDF format (see below, Section 9.7). All companies were asked to provide audited financial statements (see Section 7.9 for details of audited financial statements provided by companies).

9.3.2 Templates used in 2023 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,
- 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 on following which the IA issued templates to companies and government agencies participating in the FY2023 reconciliation for completion.

9.3.3 Level of disaggregation (Requirement 4.7)

The EITI Standard requires data to be reported by project as well as by company or government agency. For this purpose, 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. The IA does not believe that there is any substantive difference between these definitions and have used the PNGEITI definition to disaggregate data in the FY2023 Report.

9.3.4 Elements of work of the Independent Administrator

The IA reconciled the data provided by the reporting entities using the following strategy:

- Populated specially created spreadsheets with the 2023 data provided by the reporting entities,
- Compared all entries, and submitted questions to the relevant reporting entities for clarification or justification for any discrepancies,
- Discussed apparent discrepancies and omissions with both the company and government agency to determine its origin and to allow either party the opportunity to clarify,
- Asked the reporting company to provide documentation where differences

suggested an omission of a revenue payment to government in the government agency data,

- Held virtual meetings with reporting companies and government agencies to

resolve differences. Where such meetings were impracticable, issues were resolved in writing.

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

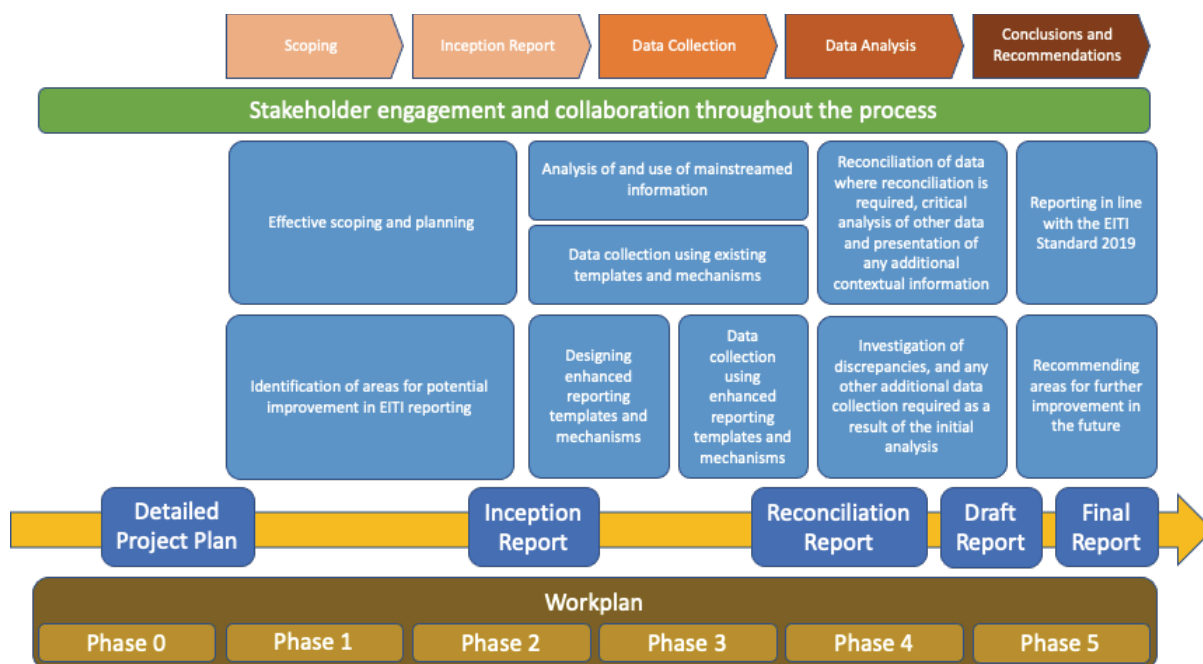


Figure 9-2 Report preparation process

9.4 Assessment of Coverage (Requirement 4.9)

9.4.1 Assessment of coverage – companies

Requirement 4.9 of the EITI Standard 2023 obliges reporting companies to undertake comprehensive disclosure of material payments to government. 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.

The IA was able to contact Simberi Gold Limited and the latter had sent its reporting templates. However, the reporting template sent was for the period 01 July 2023 to 30 June 2024 as such the IA cannot provide an estimate of Simberi Gold's percentage of the total of extractive industry revenues.

9.4.2 Assessment of coverage – payments

Total receipts from the extractive sector, as reported by receiving respective government agencies to the PNGEITI, are shown in Table 9-10.

Table 9-10 Assessment of coverage

Revenue streams	Government receipts (PGK)	Coverage percentage
Revenue streams covered	8,751,228,310	99.23%
Revenue streams not covered	68,238,133	0.77%
	8,819,466,443	100.00%

The IA has completed the task of reconciling 99.23% of extractive revenues for the FY2023 report, based on the income sources that were selected above. The report's comprehensiveness is unaffected by the revenue streams that are not covered.

9.5 Mainstreaming and Data Collection

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. Such 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 template, PNG systematically discloses nearly 38% (36% for the 2023 report) of information required by the EITI Standard.

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

The full reconciliation is set out in Chapter 10 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.

In addition, 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.

9.7 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 lack of contact details for some companies in scope for reporting,
- 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 Production Levy payments by Mining companies with records held by MRA was observed to be burdensome due to differences in reporting assumptions made by the reporting companies and MRA.,
- 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.

9.7.1 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.

10 Reconciliation Results 2023

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

10.1 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.

10.1.1 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.

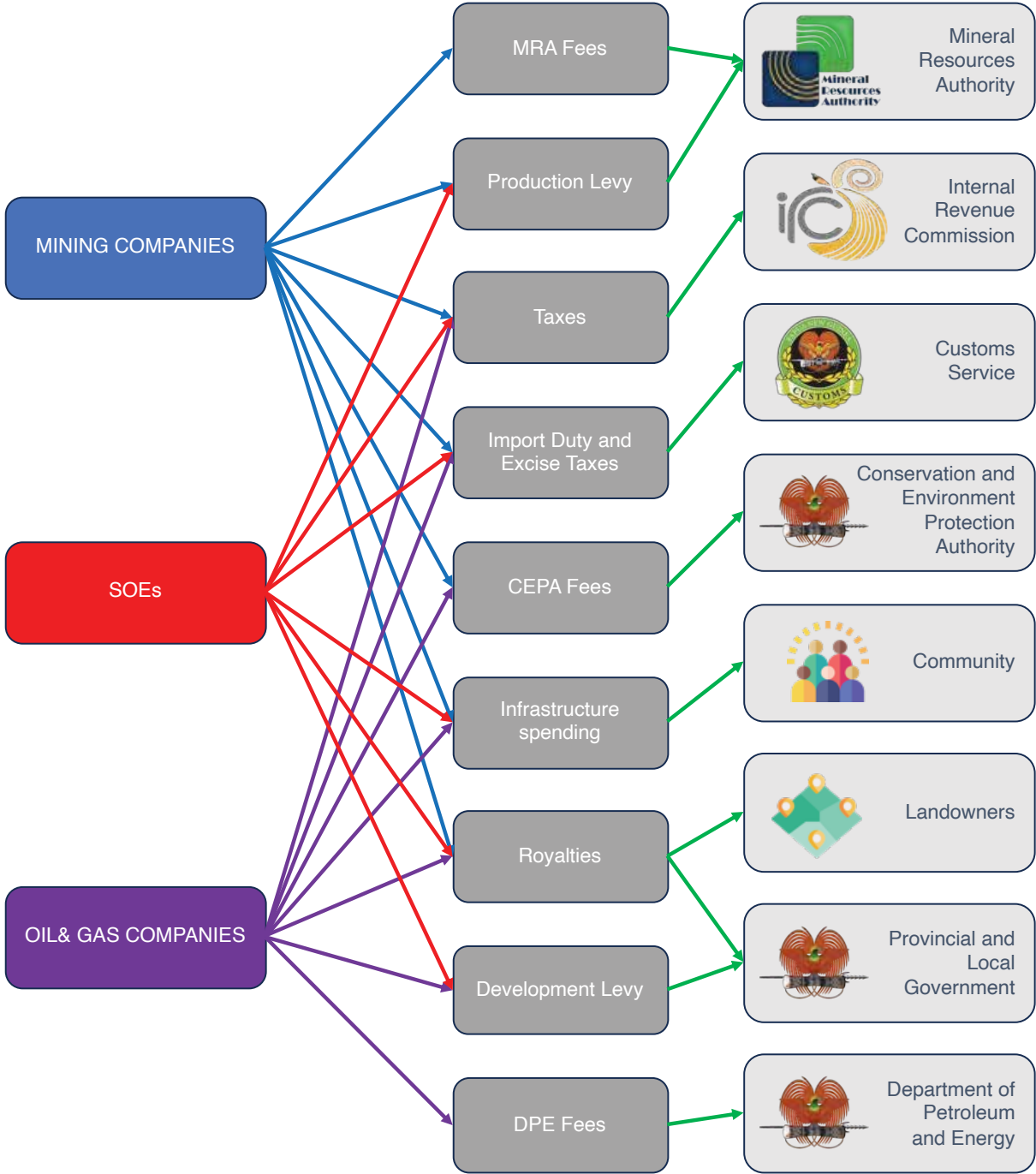


Figure 10-1 Revenue flows from companies

10.1.2 Systemic differences

During the process of collecting and reconciling data, some parties did not provide information for their side of a payment. This results in a 100% discrepancy between the reported numbers. However, that does not mean that the amount paid is disputed and that one party believes that no payment was made. Therefore, it is misleading to include these discrepancies alongside those where

there is a real difference between the numbers reported by each side.

Payment reported by one party where there is no data provided by the other party are described as “systemic discrepancies”. In order to give a more meaningful result we have excluded systemic discrepancies from the headline calculation of variance percentages.

10.1.3 Reporting compliance

Key to tables below

Data provided	
PiF	Provided in full
SP	Substantially provided
PP	Partially provided

Status of reconciliation	
	Fully reconciled
	Partially reconciled
	Not reconciled

Table 10-1: Reporting by mining companies

Joint venture partners	Annual Report publicly available	Annual return updated in IPA	EITI Requirements			Status of reconciliation
			Financial information	Non-financial information	Sub-national payments	
Barrick Niugini Limited (Porgera mine)						
Barrick Niugini Limited	Yes	Yes	PiF	PiF	PiF	
Mineral Resources Enga Limited	No	No	No data obtained	No data obtained	No data obtained	
K92 Mining Limited (Kainantu)						
K92 Mining Limited	Yes	Yes	PiF	PiF	PiF	
Lihir Gold Limited (Luise Caldera mine)						
Lihir Gold Limited	Yes	No	PiF	PiF	PiF	
MCC Ramu Nico Limited (Ramu Nickel, Kurumbukari mine)						
MCC Ramu Nico Limited	No	No	PiF	PiF	PiF	
Ramu Nickel Limited	No	No	No data obtained	No data obtained	No data obtained	
Mineral Resources Madang Limited	No	No	No data obtained	No data obtained	No data obtained	
Mineral Resources Ramu Limited	No	No	No data obtained	No data obtained	No data obtained	
Morobe Consolidated Goldfields Limited (Hidden Valley Mine)						
Morobe Consolidated Goldfields Limited	No	Yes	PiF	PiF	PiF	
Numinco Edie Creek Limited (Edie Creek mine)						
Numinco Edie Creek Limited	No	No	No data obtained	No data obtained	No data obtained	

Joint venture partners	Annual Report publicly available	Annual return updated in IPA	EITI Requirements			Status of reconciliation
			Financial information	Non-financial information	Sub-national payments	
Niuminco EC Limited	No	No	No data obtained	No data obtained	No data obtained	
Ok Tedi Mining Limited (Mt Fubilan mine)						
Ok Tedi Mine Limited	Yes	Yes	PiF	PiF	PiF	
Simberi Gold Company Limited (Simberi mine)						
Simberi Gold Company Limited	Yes	N/A ⁶⁵	PiF	PiF	PiF	
Frieda River Limited (Frieda River mine)						
Frieda River Limited			No data obtained	No data obtained	No data obtained	
Wafi-Golpu Services Limited (Wafi-Golpu mine)						
Wafi-Golpu Services Limited			PiF	PiF	PiF	

Table 10-2 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	Sub-national payments	Status of reconciliation
SE Gobe						
Santos Limited	Yes	Yes	PiF	PiF PiF		
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Ampolex (Highlands) Limited	No	Yes	PiF	PiF	PiF	
Petroleum Resources Gobe Limited	No	Yes	PiF	PiF	PiF	
Southern Highlands Petroleum Co. Limited	No	Yes	No data obtained	No data obtained	No data obtained	
NPCP Oil Company Pty Limited	No	No	PiF	PiF	PiF	
Barracuda Limited	No	Yes	PiF	PiF	PiF	
Kutubu						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Merlin Pacific Oil Co. Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG Petroleum) Inc.	No	Yes	PiF	PiF	PiF	
Petroleum Resources Kutubu Limited	No	Yes	PiF	PiF	PiF	
Moran						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Esso PNG Moran Limited	No	Yes	PiF	PiF	PiF	
Eda Oil Limited	No	Yes	PiF	PiF	PiF	
Ampolex (Highlands) Limited	No	Yes	PiF	PiF	PiF	

⁶⁵ Simberi was subject to re-certification process in the relevant year and therefore IPA did not require submission of the FY23 Annual Return. Simberi remains compliant with its reporting obligations.

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Sub-national payments	Status of reconciliation
Petroleum Resources Moran Limited	No	Yes	PiF	PiF	PiF	
Petroleum Resources Northwest Moran Limited	No	Yes	PiF	PiF	PiF	
Hides GTE						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
PNG LNG Project						
ExxonMobil PNG Limited	Yes	Yes	PiF	PiF	PiF	
Esso PNG Juha Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG) Limited	No	Yes	PiF	PiF	PiF	
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Kumul Petroleum Holdings Limited	No	Yes	PiF	PiF	PiF	
JX Nippon Oil and Gas Exploration Company	No	No	No data obtained	No data obtained	No data obtained	
MRDC	No	Yes	PiF	PiF	PiF	
PDL 1						
ExxonMobil PNG Limited	Yes	Yes	PiF	PiF	PiF	
Esso Highlands Limited	No	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF		PiF	
Lavana Limited	No	Yes	PiF	PiF	PiF	
Kumul Petroleum (Kroton) Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Gigira Limited	No	Yes	PiF	PiF	PiF	
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Santos (Hides) Limited	No	Yes	PiF	PiF	PiF	
PDL 7 (Hides)						
Esso Highlands Limited	Yes	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Hides No. 4 Limited	No	No	PiF	PiF	PiF	
PDL 8 (Angore)						
Esso Highlands Limited	Yes	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Angore Limited	No	No	PiF	PiF	PiF	
PDL 9 (Juha)						
Esso PNG Juha Limited	No	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG) Limited	No	Yes	PiF	PiF	PiF	
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Nippon Papua New Guinea LNG LLC	No	Yes	No data obtained	No data obtained	No data obtained	
Gas Resources Juha No. 1 Limited	No	No	PiF	PiF	PiF	

Table 10-3 Summary of information provided by government reporting entities

Reporting entity	2023 Financial Statements Audited	Signed reporting template	Sent by Authorized Representative in protected format	Financial information	Non-financial and subnational information
Internal Revenue Commission	N	Y	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	N	N	Y	Y
PNG Customs	N	Y	N	Y	N

Table 10-4 Summary of information provided by state-owned entities

Reporting entity	2023 Financial Statements Audited	Sent by Authorized Representative in protected format	Financial information	Non-financial and subnational information
Kumul Petroleum Holdings Limited	N	Y	Y	Y
Ok Tedi Mining Limited	Y	Y	Y	Y
Kumul Minerals Holdings Limited	Y	Y	Y	Y
Mineral Resources Development Company	N	Y	Y	Y

IA was not able to obtain 2023 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>

10.1.4 Reconciliation overview

The proportional size of each revenue stream that the State received in 2023 is depicted in the following graph. All material and non-material payments are included and the government receipts are disclose in the figure below.

Table 10-5 Summary of revenue streams reported and reconciled

Revenue stream	Reconciled /Unilateral	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance excluding systemic differences (PGK) Note A	Variance excluding systemic differences % Note A
Received by IRC						
Additional profits tax	Reconciled	-	-	-	-	0.00%
Business payments tax	Reconciled	8,139,521	7,606,043	-533,478	-	0.00%
Corporate income tax	Reconciled	3,498,166,060	3,864,482,921	366,316,861	12,345,341	0.35%
Dividend withholding tax	Reconciled	-	-	-	-	0.00%
Foreign contractor withholding tax	Reconciled	169,453,092	145,418,240	-24,034,852	-	0.00%
Goods and services tax	Reconciled	15,311,607	14,218,912	-1,092,696	-	0.00%
Infrastructure tax credit – ITC offset from tax paid in reporting period	Partially reconciled	218,927,116	181,921,327	-37,005,789	-4,064,419	-2.91%
Interest withholding tax	Reconciled	14,578,186	15,540,769	962,583	-270,432	-1.95%
Management fee withholding tax	Reconciled	9,341,172	10,417,700	1,076,528	-3,405	0.04%
Royalty withholding tax	Reconciled	5,386,804	5,735,438	348,634	46,565	0.87%
Salary and wage tax	Reconciled	759,423,220	788,531,883	29,108,663	5,827,587	0.73%
Received by Customs						
Import and Excise duty	Partially reconciled	36,017,623	58,350,644	22,333,021	-6,982,618	-24.05%
Received by CEPA						
Environmental permit fees and user charges	Unilateral (CEPA)	6,761,319	N/A	N/A	N/A	N/A
Received by State and Landowners						
Dividends	Reconciled	591,500,000	601,600,000	10,100,000	10,100,000	1.68%
Received by Finance (through DPE)						
Development levy	Reconciled	365,620,323	365,620,323	-	-	0.00%
Received by DPE						
Equity distribution	Reconciled	1,673,986,685	1,673,986,685	-	-	0.00%
License fees	Unilateral (DPE)	N/A	3,918,500	N/A	N/A	N/A

Revenue stream	Reconciled /Unilateral	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance excluding systemic differences (PGK) Note A	Variance excluding systemic differences % Note A
Royalties	Reconciled	437,615,507	437,699,187	-43,182,213	83,680	0.02%
Received by DNPM						
Infrastructure tax credit – 1. ITC actually spent on projects in reporting period	Partially reconciled	174,561,121	53,276,523	-117,997,778	1,643,410	3.08%
Received by MRA						
MRA tenement fees	Unilateral (MRA)	N/A	4,769,469	N/A	N/A	N/A
PIP project funds	Unilateral (MRA)	N/A	20,500,000	N/A	N/A	N/A
Production levy	Reconciled	55,831,208	57,397,747	1,566,539	21,609	0.04%
Royalties	Partially reconciled	228,075,289	241,930,169	13,854,880	8,141,035	3.50%
Social expenditures						
Mandatory	Unilateral (Entities)	210,513,616	N/A	N/A	N/A	N/A
Discretionary	Unilateral (Entities)	353,987,778	N/A	N/A	N/A	N/A

Note:

Table 10-5 shows only the actual cash payments made by the reporting entities. Systemic differences and other differences such as application of GST credits or Tax refund were excluded but included in the detailed reconciliation in the next sections of this report.

Remarks:

- A. See 10.1.2 for an explanation of systemic discrepancies

10.2 Mining, Oil and Gas Payments 2023

10.2.1 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 10-6 Reconciliation of corporate income tax payments

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Porgera	Barrick Niugini Limited	131,320,007	131,320,007	-	0.00%	
Ok Tedi	Ok Tedi Mining Limited	126,638,213	126,638,213	-	0.00%	
Ok Tedi	Ok Tedi Power Limited	182,588	182,588	-	0.00%	
Kainantu	K92 Mining Limited	24,208,941	24,208,941	-	0.00%	
Lihir	Lihir Gold Limited	-	91,628,762	91,628,762	100%	Note A
	Kumul Petroleum (Kroton) Limited	662,263,264	665,624,275	3,361,011	0.50%	
	Kumul LNG Limited	6,065,978	6,080,722	14,744	0.24%	
PDL 1	Lavana Limited	85,594,459	85,639,210	44,751	0.05%	
Oil Projects	Oil Search (PNG) Limited	9,280,237	9,590,152	309,915	3.23%	Note B
Oil Projects	Oil Search (LNG) Limited	374,342,380	375,123,183	780,802	0.21%	
Oil Projects	Oil Search (Tumbudu) Limited	683,856,745	687,997,692	4,140,947	0.60%	
PDL 1	Santos (Hides) Limited	355,577,276	355,932,187	354,911	0.10%	
PNG LNG	Ampolex (Papua New Guinea) Limited	38,650,011	38,359,060	-290,951	-0.76%	
Moran	Ampolex (PNG Petroleum) Inc	28,746,225	28,607,289	-138,936	-0.49%	
PNG LNG	Esso PNG Juha Limited	39,642,093	39,725,619	83,526	0.21%	
Oil Projects	Esso PNG Moran Limited	14,008,502	13,953,057	-55,445	-0.40%	
Oil Projects	ExxonMobil PNG Limited	885,241,964	888,989,207	3,747,243	0.42%	
Moran	Merlin Pacific Oil Co. Limited	6,371,022	6,363,844	-7,179	-0.11%	
SE Mananda	Petroleum Resources Kutubu Limited	6,342,347	6,342,347	-	0.00%	
	Gas Resources Hides No.4 Limited	1,157,860	1,157,860	-	0.00%	

Project	Reporting company	Amount reported (PGK) paid	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
	Gas Resources Kutubu Limited	12,522,500	12,522,500	-	0.00%	
	Gas Resources Gobe Limited	467,074	467,074	-	0.00%	
	Gas Resources Moran Limited	492,035	492,035	-	0.00%	
	Gas Resources Gigira Limited	2,740,173	2,740,173	-	0.00%	
	Gas Resources Angore Limited	1,134,893	1,134,893	-	0.00%	
	Gas Resources Juha No.1 Limited	1,319,273	1,319,273	-	0.00%	
	Nippon Papua New Guinea LNG LLC	-	216,482,627	216,482,627	100%	Note C
	JX Nippon	-	35,275,981	-	100%	Note C
	Merlin Petroleum Company	-	10,584,150	-	100%	Note C
Total		3,498,166,060	3,864,482,921	366,316,861		
Total excluding systemic difference		3,498,166,060	3,510,511,401	12,345,341	0.35%	

Notes

- A. Application of GST credits for tax payable in previous period processed by IRC in 2023.
- B. Foreign currency translation difference.
- C. No data obtained. See 10.1.2 for an explanation of systemic differences.

10.2.2 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 10-7 Reconciliation of ITCs actually spent on projects in 2023 reported by companies and DNPM

Project	Company	Amount reported paid (PGK)	Amount reported by DNPM (PGK)	Variance (PGK)	Variance (%)	Remarks
Lihir	Lihir Gold Limited	6,490,954	4,847,544	1,643,410	34%	Note A
Ok Tedi	Ok Tedi Mining Limited	48,428,979	48,428,979	-	0.00%	
Oil Projects	ExxonMobil PNG Limited	119,641,188	-	-119,641,188	-100.00%	Note B Note C
Total		174,561,121	53,276,523	-117,997,778		
Total excluding systemic difference		53,276,523	53,276,523	-	0.00%	

Notes

- A. Variance pertains to Q3 of ITCS report not yet submitted to DNPM at the date of reconciliation.
- B. No data obtained. See 10.1.2 for an explanation of systemic differences.
- C. Per ExxonMobil, amounts spend on the ITC project is implemented through Department of Work and Highways instead of DNPM.

Table 10-8 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 Limited	60,213,847	60,213,847	-	0.00%	
Gobe	PDL3/4 South East Gobe	2,558,809	2,558,808	-0.72	0.00%	
Moran	Ampolex (PNG Petroleum) Inc	858,836	869,767	10,931	1.26%	
Moran	Merlin Pacific Oil Co. Limited	109,160	109,161	-1	0.00%	
Moran	PDL5 Moran	13,497,918	13,497,918	-	0.00%	
North West Moran	PDL 6 North West Moran	551,636	-	-551,636	-100%	Note A
PDL 1	Lavana Limited	8,015,285	-	-8,015,285	-100%	Note A
PDL 1	Santos (Hides) Limited	33,142,567	-	-33,142,567	-100%	Note A
	Nippon Papua New Guinea LNG LLC	-	13,305,856	13,305,856	100%	Note A
PNG LNG	Ampolex (PNG) Limited	8,985,654	4,179,651	-4,806,003	-114.99%	
PNG LNG	Esso PNG Juha Limited		4,061,762	4,061,762	100%	Note A
Oil Projects	ExxonMobil PNG Limited	-	24,985,441	24,985,441	100%	Note A
Oil Projects	Oil Search (LNG) Limited	33,584,941	-	-33,584,941	-100%	Note A
Oil Projects	Oil Search (Tumbudu) Limited	57,408,463	58,139,116	730,653	1.26%	
Total		218,927,116	181,921,327			
Total excluding systemic difference		143,632,687	139,568,268	-4,064,419	-2.91%	

Notes

A. No data obtained. See 10.1.2 for an explanation of systemic differences.

10.2.3 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 10-9 Reconciliation of salary and wage tax 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Frieda river	Frieda River Limited	-	708,747	708,747	100.00%	Note A
Hidden Valley	Morobe Consolidated Goldfields Limited	35,498,960	35,498,960	-	0.00%	
Kainantu	K92 Mining Limited	36,659,879	36,659,879	-	0.00%	
Lihir	Lihir Gold Limited	151,304,610	151,304,610	-	0.00%	
Ok Tedi	Ok Tedi Mining Limited	143,499,343	143,499,343	-	0.00%	
Ok Tedi	Mineral Resources Star Mountains Limited	648,738	-	-648,738	-100.00%	Note A
Ok Tedi	Ok Tedi Power Limited	297,098	297,098	-	0.00%	
Ok Tedi	Ok Tedi Development Foundation	-	1,169,990	1,169,990	100.00%	Note A
Porgera	Barrick (Niugini) Limited	65,904,681	65,904,681	-	0.00%	
Porgera	Mineral Resources Enga Limited	1,018,206	1,018,206	-	0.00%	
Ramu Nickel	Ramu Nico Management (MCC) Limited	45,505,971	45,505,971	-	0.00%	
Simberi	Simberi Gold Company Limited	-	17,059,527	17,059,527	100.00%	Note A Note C
Wafi-Golpu	Wafi-Golpu Services Limited	1,672,787	1,672,787	-	0.00%	
Gobe	Petroleum Resources Gobe Limited	199,494	199,494	-	0.00%	
Moran	Petroleum Resources Moran Limited	208,908	208,908	-	0.00%	
Oil Projects	ExxonMobil PNG Limited	152,141,619	151,774,759	-366,860	-0.24%	
Oil Projects	Gas Resources Hides No 4 Limited	270,639	270,639	-	0.00%	
Oil Projects	Oil Search (PNG) Limited	64,713,857	70,880,933	6,167,076	8.70%	Note D

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
SE Mananda	Petroleum Resources Kutubu Limited	555,906	555,906	-	0.00%	
Papua LNG	Total Energies EP PNG Limited	32,152,334	32,152,334	-	0.00%	
Papua LNG	Gas Resources LNG PNG plant	232,989	232,989	-	0.00%	
Papua LNG	Gas Resources LNG Pipeline	210,505	210,505	-	0.00%	
Stanley Project	Arran Energy Nuigini Limited	-	22,170	22,170	100.00%	Note A
	Kumul Petroleum Holdings Limited	23,246,145	23,246,145	-	0.00%	
	Kumul Minerals Holdings Limited	3,480,551	3,507,922	27,371	0.78%	
	Mineral Resources Development Company	-	4,969,380	4,969,380	100.00%	Note A
Total		759,423,220	788,531,883	29,108,663		
Total excluding systemic difference		758,774,482	764,602,069	5,827,587	0.73%	

Notes

- A. No data obtained. See 10.1.2 for an explanation of systemic differences.
- B. Application of GST credits for tax payable in previous period processed by IRC in 2023.
- C. Information provided by Simberi pertains to (July 2023 – June 2024).
- D. Timing difference. Per IRC, variance is due to taxes for taxable period December 2023 paid in January 2024.

10.2.4 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 10-10 Reconciliation of Foreign Contractor Withholding tax 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Hidden Valley	Morobe Consolidated Goldfields Limited	3,377,193	3,976,675	599,482	15.07%	Note A
Kainantu	K92 Mining Limited	36,832	36,832	-	0.00%	
Lihir	Lihir Gold Limited	22,634,025	22,634,025	-	0.00%	
Ok Tedi	Ok Tedi Mining Limited	45,506,539	45,506,539	-	0.00%	
Porgera	Barrick Niugini Limited	2,144,795	2,144,795	-	0.00%	
Ramu Nickel	Ramu Nico Management (MCC) Limited	2,227,968	2,227,968	-	0.00%	
Oil Projects	Oil Search Limited	31,030,556	6,396,222	-24,634,334	-385.14%	Note A

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Oil Projects	ExxonMobil PNG Limited	59,176,206	59,176,206	-	0.00%	
Papua LNG	Total Energies EP PNG Limited	3,318,978	3,318,978	-	0.00%	
Total		169,453,092	145,418,240	-24,034,852		
Total excluding systemic difference		139,022,018	139,022,018	-	0.00%	

Notes

A. Application of GST credits for tax payable in previous period processed by IRC in 2023.

10.2.5 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 10-11 Reconciliation of Goods and Service Tax reported in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
OK Tedi	Ok Tedi Power Limited	251,280	234,512	-16,768	-7.15%	Note A
Oil Projects	ExxonMobil PNG Limited	9,113,162	9,113,162	-	0%	
Oil Projects	Oil Search (Tumbudu) Limited - Hides GTE	3,405,523	2,765,514	-640,009	-23.14%	Note A
Oil Projects	Oil Search Drilling Limited	2,541,642	2,105,724	-435,918	-20.70%	Note A
Total		15,311,607	14,218,912	-1,092,696		
Total excluding systemic difference		14,218,912	14,218,912	-	0.00%	

Notes

A. Application of GST credits for tax payable in previous period processed by IRC in 2023.

10.2.6 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 10-12 Reconciliation of management fee withholding tax payments in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported received By IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Hidden Valley	Morobe Consolidated Goldfields Limited	6,282	-	-6,282	0.00%	Note A
Porgera	Barrick Niugini Limited	316,629	313,224	-3,405	-1.09%	
Oil Projects	Merlin Petroleum Company	-	1,086,215	1,086,215	100%	Note A
Oil Projects	ExxonMobil PNG Limited	120,294	120,294	-	0.00%	
Papua LNG	Total Energies EP PNG Limited	8,897,967	8,897,967	-	0.00%	
Total		9,341,172	10,417,700	1,076,528		
Total excluding systemic difference		9,334,890	9,331,485	-3,405	0.04%	

Notes

A. No data obtained. See 10.1.2 for an explanation of systemic differences.

10.2.7 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 is not separately reported and is included in Corporate Income Tax figures.

10.2.8 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-authorized 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 10-13 Reconciliation of interest withholding tax payments in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Lihir	Lihir Gold Limited	3,194,495	3,194,495	-	0.00%	
Ok Tedi	Ok Tedi Mining Limited	1,306	-	-1,306	-100.00%	Note A
Porgera	Barrick Niugini Limited	9,272,608	9,272,608	-	0.00%	
Simberi	Simberi Gold Limited	466,854	491,859	24,905	5.06%	Note B
Moran	Ampolex (PNG Petroleum) Inc	536,469	392,351	-144,118	-36.73%	Note C
Moran	Merlin Pacific Oil Co. Limited	94,968	96,440	1,472	1.53%	
Oil Projects	Markham Valley Renewables Limited	13,360	9,874	-3,486	-35.30%	Note C
Oil Projects	Oil Search (PNG) Limited	472,592	429,634	-42,958	-10.00%	Note C
Oil Projects	Oil Search Limited	-	1,209,416	1,209,416	100.00%	Note A
Oil Projects	Oil Search (Drilling) Limited	5,481	4,067	-1,414	-34.77%	Note C
Oil Projects	Oil Search Power Holdings Limited	83,217	75,315	-7,902	-10.49%	Note C
Oil Projects	PNG Biomass Limited (formerly Markham Valley Biomass Limited)	34,136	30,934	-3,202	-10.35%	Note C
PNG LNG	Eso PNG Moran Limited	402,600	333,776	-68,824	-20.62%	Note C
Total		14,578,186	15,540,769	962,583		
Total excluding systemic difference		14,109,926	13,839,494	-270,432	-1.95%	

Notes

- A. No data obtained. See 10.1.2 for an explanation of systemic differences.
 B. Information provided by Simberi pertains to (July 2023 – June 2024).
 C. Timing difference. Per IRC, variance is due to taxes for taxable period December 2023 paid in January 2024.

10.2.9 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 10-14 Reconciliation of business income payment tax payments in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Frieda River	Frieda River Limited	-	7,800	7,800	100.00%	Note A
Hidden Valley	Morobe Consolidated Goldfields Limited	3,253,827	2,755,898	-497,929	-18.07%	Note B
Lihir	Lihir Gold Limited	2,948,453	2,948,453	-	0.00%	
Ok Tedi	Ok Tedi Power Limited	13,688	13,688	-	0.00%	
Ok Tedi	Ok Tedi Development Foundation	-	580	580	100.00%	Note A
Porgera	Barrick Niugini Limited	1,402,417	1,402,417	-	0.00%	
Ramu Nickel	Ramu Nico Management (MCC) Limited	162,060	162,060	-	0.00%	
Wafi-Golpu	Wafi-Golpu Services Limited	58,918	58,918	-	0.00%	
Simberi	Simberi Gold Company Limited	-	17,184	17,184	100.00%	Note A
Oil Projects	ExxonMobil PNG Limited	300,158	239,045	-61,113	-25.57%	
Total		8,139,521	7,606,043	-533,478		
Total excluding systemic difference		7,580,479	7,580,479	-	0.00%	

Notes

- A. No data obtained. See 10.1.2 for an explanation of systemic differences.
 B. Application of GST credits for tax payable in previous period processed by IRC in 2023.

10.2.10 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 10-15 Reconciliation of royalty withholding tax payments in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by IRC (PGK)	Variance (PGK)	Variance (%)	Remarks
Hidden Valley	Morobe Consolidated Goldfields Limited	803,887	1,044,962	241,075	23.07%	Note A
Lihir	Lihir Gold Limited	944,833	916,841	27,992	3.05%	
Ok Tedi	Ok Tedi Mining Limited	1,792,312	1,792,312	-	0.00%	
Ramu Nickel	Ramu Nico Management (MCC) Limited	1,752,330	1,752,330	-	0.00%	
Simberi	Simberi Gold Company Limited	-	154,124	154,124	100.00%	Note B Note C

Oil Projects	Oil Search (PNG) Limited	93,442	74,869	-18,573	-24.81%	
Total		5,386,804	5,735,438	348,634		
Total excluding systemic difference		5,386,804	5,340,239	46,565	0.87%	

Notes

- A. Application of GST credits for tax payable in previous period processed by IRC in 2023.
- B. No data obtained. See 10.1.2 for an explanation of systemic differences.
- C. Information provided by Simberi pertains to (July 2023 – June 2024).

10.2.11 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 2023 submitted.

Table 10-16: Reconciliation of dividends payments in 2023

Company (Dividends)	Paid to	Total Project Paid (PGK)	Reported received by SOEs / Landowners (PGK)	Variance (PGK)	Variance (%)
Kumul Petroleum Holdings Limited	Treasury	350,000,000	350,000,000	-	0.00%
Ok Tedi Mining Limited	Kumul Minerals Ok tedi Limited	150,750,000	152,600,000	1,850,000	1.21%
Ok Tedi Mining Limited	Mineral Resources OK Tedi Star No.2 Limited	33,000,000	36,000,000	3,000,000	8.33%
Ok Tedi Mining Limited	Mineral Resources Star Mountains Limited (MRSM)	24,750,000	27,000,000	2,250,000	8.33%
Ok Tedi Mining Limited	Mineral Resources CMCA Limited	33,000,000	36,000,000	3,000,000	8.33%
Total		591,500,000	601,600,000	10,100,000	1.68%

10.2.12 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 10-17 Reported environment permit fees and user charges payments in 2023

Project	Reporting Entity	Amount reported paid (PGK)
Hidden Valley	Morobe Consolidated Goldfields Limited	800
Kainantu	K92 Mining Limited	1,256,882
Lihir	Lihir Gold Limited	595,356
Ok Tedi	Ok Tedi Mining Limited	202,355
Porgera	Barrick Niugini Limited	599,687
Ramu Nickel	MCC Ramu NiCo Limited	545,170
Papua LNG	Total Energies EP PNG Limited	1,239,770
Oil Projects	ExxonMobil PNG Limited	1,581,813
	PNG Biomass Limited (formerly Markham Valley Biomass Limited)	83,036
PDL 1	Santos (Hides) Limited	656,450
Total		6,761,319

10.3 Mining Payments 2023

10.3.1 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 10-18 Reconciliation of production levy payments in 2023

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by MRA (PGK)	Variance (PGK)	Variance (%)	Remarks
Ok Tedi	Ok Tedi Mining Limited	3,755,754	3,777,363	21,609	0.57%	
Hidden Valley	Morobe Consolidated Goldfields Limited	22,332,839	22,332,839	-	0.00%	
Kainantu	K92 Mining Limited	6,988,897	6,988,897	-	0.00%	
MCC-JJJ Mining	Ramu Nico Management (MCC) Limited	4,560,825	4,560,825	-	0.00%	
Lihir	Lihir Gold Limited	18,192,893	18,192,893	-	0.00%	

Project	Reporting company	Amount reported paid (PGK)	Amount reported Received by MRA (PGK)	Variance (PGK)	Variance (%)	Remarks
Simberi	Simberi Company Gold Limited	2,422,011	1,544,930	1,544,930	100.00%	Note A Note B
Total		55,831,208	57,397,747	1,566,539		
Total excluding systemic difference		55,831,208	55,852,817	21,609	0.04%	

Notes

- A. No data obtained. See 10.1.2 for an explanation of systemic differences.
B. Information provided by Simberi pertains to (July 2023 – June 2024).

10.3.2 Mining royalties

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

Table 10-19 Reconciliation of royalty payments in 2023

Project	Reporting company	Amount reported paid to landowners and beneficiaries (PGK)	Amount reported to MRA (PGK)	Variance (PGK)	Variance (%)	Remarks
Hidden Valley	Morobe Consolidated Goldfields Limited	28,222,282	29,451,297	1,229,015	4.17%	Note A
Kainantu	K92 Mining Limited	5,404,282	5,404,282	-	0.00%	
Lihir	Lihir Gold Limited	94,429,948	94,429,947	-1	0.00%	
MCC-JJJ Mining	Ramu Nico Management (MCC) Limited	21,988,478	28,899,544	6,911,066	23.91%	Note A
Ok Tedi	Ok Tedi Mining Limited	74,576,000	74,576,955	955	0.00%	
Simberi	Simberi Gold Company Limited	3,454,299	9,168,144	5,713,845	62.32%	Note B
Total		228,075,289	241,930,169	13,854,880	5.73%	
Total excluding systemic difference		224,620,990	232,762,025	8,141,035	3.50%	

Notes

- 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. 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 2023 calendar year.
B. Information provided by Simberi pertains to (July 2023 – June 2024).

10.3.3 MRA tenement fees (not reconciled)

These amounts were unilaterally disclosed by the MRA.

Fees collected from mining companies by the MRA have been reported in the table below.

Table 10-20 Reported tenement fees paid to MRA

Fee reported	Amount reported received (PGK)
Alluvial levies	1,318,551
Mine security deposits	-
Exploration security deposits	2,025,724
Mining lease rentals	36,950
Exploration license	522,044
Data sale fees	210,000
Applications, extension, renewal, transfer and dealings fees (related to exploration)	18,600
Applications, extension, renewal, transfer and dealings fees (related to mining)	637,600
Total	4,769,469

10.4 Oil and Gas Payments 2023

10.4.1 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 10-21 Reconciliation of Equity distribution in 2023

Company	Amount reported paid (PGK)	Amount reported received by SOEs / Landowners (PGK)	Variance (PGK)	Variance (%)	Remarks
KPHL	957,561,939	957,561,939	-	0.00%	
Petroleum Resources Gobe Limited	7,039,107	7,039,107	-	0.00%	
Petroleum Resources Moran Limited	6,593,184	6,593,184	-	0.00%	
Petroleum Resources Kutubu Limited	51,324,056	51,324,056	-	0.00%	
Petroleum Resources NW Moran Limited	114,909	114,909	-	0.00%	
Gas Resources Gigira	188,260,389	188,260,389	-	0.00%	
Gas Resources Gobe	5,496,955	5,496,955	-	0.00%	
Gas Resources Angore	22,193,859	22,193,859	-	0.00%	
Gas Resources Hides	37,662,880	37,662,880	-	0.00%	
Gas Resources Juha	22,129,889	22,129,889	-	0.00%	
Gas Resources Kutubu	265,771,945	265,771,945	-	0.00%	
Gas Resources Moran	4,611,881	4,611,881	-	0.00%	

Company	Amount reported paid (PGK)	Amount reported received by SOEs / Landowners (PGK)	Variance (PGK)	Variance (%)	Remarks
Gas Resources North West Moran	129,630	129,630	-	0.00%	
Gas Resources LNG PNG plant	54,649,952	54,649,952	-	0.00%	
Gas Resources LNG Pipeline	50,446,110	50,446,110	-	0.00%	
Total	1,673,986,685	1,673,986,685	-	0.00%	

10.4.2 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 10-22 Reconciliation of development levy payments in 2023

Project	Company	Amount reported paid (PGK)	Amount reported received by DPE (PGK)	Variance (PGK)	Variance (%)	Remarks
PNG LNG	Santos Limited	11,651,525	11,651,525	-	0.00%	
PNG LNG	ExxonMobil PNG Limited	353,968,798	353,968,798	-	0.00%	
Total		365,620,323	365,620,323	-	0%	

10.4.3 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 Limited 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 10-23 Reconciliation of royalty payments in 2023

Project	Company	Amount reported paid (PGK)	Amount reported received by DPE (PGK)	Variance (PGK)	Variance (%)	Remarks
	Kumul Petroleum Holdings Limited	43,265,893	-	-43,265,893	-100%	Note A Note B
PNG LNG	Santos Limited	34,122,885	34,206,565	83,680	0.24%	
PNG LNG	ExxonMobil PNG Limited	403,492,622	403,492,622	-	0.00%	
Total		480,881,400	437,699,187	-43,182,213		
Total excluding systemic difference		437,615,507	437,699,187	83,680	0.02%	

Notes

- A. Amount paid directly to landowners.
- B. No data obtained. See 10.1.2 for an explanation of systemic differences.

10.4.4 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 10-24 Reported fees paid to DPE in 2023

Type licenses	No. of Licenses	Fees (PGK)
Petroleum Prospecting Licences (PPL)	31	1,318,500
Petroleum Retention Licences (PRL)	10	390,000
Petroleum Development Licences (PDL)	9	1,100,000
Petroleum Pipeline Licences (PLL)	9	510,000
Petroleum Processing Facility Licences (PPFL)	2	200,000
Application Petroleum Prospecting Licences (APPL)	8	80,000
Application Petroleum Retention Licences (APRL)	2	20,000
Application Petroleum Development Licences (APDL)	1	50,000
Application Petroleum Pipeline Licences (APLL)	3	150,000
Application Petroleum Processing Facility Licences (APPFL)	2	100,000
Total	77	3,918,500

10.4.5 Import and export duties

Table 10-25 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 (%)	Remarks
Lihir Gold Limited	-	16,260,702	7,133,243	-23,393,945	-100.00%	Note A
K92 Mining Limited	4,268,372	1,554,337	2,536,487	-177,548	-4.34%	Note B
Morobe Consolidated Goldfields Limited	3,973,089	4,142,322	-	-169,233	-4.09%	Note B
OK Tedi Mining Limited	27,100,000	20,168,656	-	6,931,344	34.37%	Note B
Ramu Nico Management (MCC) Limited	676,162	633,203	-	42,959	6.78%	Note B
Simberi Gold Company Limited	-	263,224	352	-263,576	-100.00%	Note A Note C
Exxon Mobil PNG Limited	-	1,866,079	1,752	-1,867,831	-100.00%	Note A
Santos Limited	-	3,790,287	-	-3,790,287	-100.00%	Note A
Total	36,017,623	48,678,810	9,671,834	22,333,021		
Total excluding systemic difference	36,017,623	26,498,518	2,536,487	-6,982,618	-24.05%	

Notes

- A. No data obtained. See 10.1.2 for an explanation of systemic differences.
 B. Difference pertains to payments made by the agents on behalf of the Companies.

10.5 Production Data 2023

10.5.1 Mining production 2023

Table 10-26 Mining production reconciliation 2023

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
Porgera - Barrick Niugini Limited	Gold	Mine under care and maintenance	oz	-	-	-	0.00%
	Silver		PGK	-	-	-	0.00%
Kainantu mine	Gold	Quantity Produced	Oz	100,533	100,533	-	0.00%
		Produced Value	PGK	693,012,147	693,013,447	1,300	0.00%
		Quantity Exported	oz	95,437	95,437	-	0.00%
		Exported Value	PGK	657,884,718	657,884,718	-	0.00%
	Silver	Quantity Produced	oz	160,628	160,628	-	0.00%
		Produced Value	PGK	13,273,421	13,273,414	1,300	0.06%
		Quantity Exported	oz	155,362	155,362	-	0.00%
		Exported Value	PGK	12,838,261	12,838,261	-	0.06%
	Copper	Quantity Produced	tonnes	3,488	3,488	-	0.00%
		Produced Value	PGK	103,780,584	103,780,584	-	0.00%
		Quantity Exported	tonnes	3,302	3,302	-	0.00%
		Exported Value	PGK	98,246,413	98,246,413	-	0.00%
Luise Caldera (Lihir mine)	Gold	Quantity Produced	oz	684,825	684,825	-	0.00%
		Produced Value	PGK	4,698,341,662	4,698,341,662	-	0.00%
		Quantity Exported	oz	672,477	672,477	-	0.00%
		Exported Value	PGK	4,613,626,409	4,613,626,409	-	0.00%
	Silver	Quantity Produced	oz	32,724	32,724	-	0.00%
		Produced Value	PGK	2,709,153	2,709,153	-	0.00%
		Quantity Exported	oz	32,724	32,724	-	0.00%
		Exported Value	PGK	2,709,153	2,709,153	-	0.00%
Kurumbuk ari mine/ Ramu Nickel	Nickel	Quantity Produced	tonnes	33,604	33,604	-	0.00%
		Produced Value	PGK	1,851,778,531	1,851,778,531	-	0.00%
		Quantity Exported	tonnes	33,604	34,122	518	1.52%
		Exported Value	PGK	1,851,778,531	1,880,335,781	28,557,249	1.52%

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
	Cobalt	Quantity Produced	tonnes	3,072	3,072	-	0.01%
		Produced Value	PGK	193,525,412	193,525,412	-	0.00%
		Quantity Exported	tonnes	3,072	3,086	14	0.46%
		Exported Value	PGK	193,525,412	194,394,634	869,222	0.45%
	Chromite	Quantity Produced	tonnes	143,706	143,706	-	0.00%
		Produced Value	PGK	124,227,562	124,227,562	-	0.00%
		Quantity Exported	tonnes	143,706	159,391	15,685	9.84%
		Exported Value	PGK	124,227,562	137,786,453	13,558,890	9.84%
Hidden Valley mine	Gold	Quantity Produced	oz	173,520	173,520	-0	0.00%
		Produced Value	PGK	1,221,222,474	1,221,221,250	-1,224	0.00%
		Quantity Exported	oz	169,460	169,460	-	0.00%
		Exported Value	PGK	1,192,647,263	1,192,647,263	-	0.00%
	Silver	Quantity Produced	oz	3,397,312	3,397,312	-	0.00%
		Produced Value	PGK	287,455,667	287,455,667	-	0.00%
		Quantity Exported	oz	3,401,731	3,401,731	-	0.00%
		Exported Value	PGK	287,829,570	287,829,570	-	0.00%
Edie Creek mine	Gold	Quantity Produced	oz	N/A	591,476	591,476	100.00%
		Produced Value	PGK	N/A	43	43	100.00%
		Quantity Exported	oz	N/A	295,695	295,695	100.00%
		Exported Value	PGK	N/A	43	43	100.00%
	Silver	Quantity Produced	oz	N/A	43	43	100.00%
		Produced Value	PGK	N/A	3,542	3,542	100.00%
		Quantity Exported	oz	N/A	43	43	100.00%
		Exported Value	PGK	N/A	3,542	3,542	100.00%
Mt. Fubilan mine/ Ok Tedi mine	Gold	Quantity Produced	oz	248,000	255,856	7,856	3.07%
		Produced Value	PGK	1,734,894,144	1,789,851,114	54,956,969	3.07%
		Quantity Exported	oz	246,014	246,014	-	0.00%
		Exported Value	PGK	1,643,000,000	1,721,001,000	78,001,000	4.53%
	Silver	Quantity Produced	oz	787,071	787,071	-	0.00%
		Produced Value	PGK	57,305,663	59,723,113	2,417,450	4.05%

Mine Project /	Commodity	Reported Commodity Value	Units	Entity Reported Value	MRA Reported Value	Variance (PGK)	Variance %
		Quantity Exported	oz	741,669	741,669	-	0.00%
		Exported Value	PGK	54,000,000	56,278,000	2,278,000	4.05%
	Copper	Quantity Produced	tonnes	73,000	86,561	13,561	15.67%
		Produced Value	PGK	2,158,603,574	2,559,601,150	400,997,576	15.67%
		Quantity Exported	tonnes	79,407	79,407	-	0.00%
		Exported Value	PGK	2,314,000,000	2,348,058,000	34,058,000	1.45%
Simberi mine	Gold	Quantity Produced	oz	[a]	64,790	64,790	100.00%
		Produced Value	PGK	[a]	436,922,341	436,922,341	100.00%
		Quantity Exported	oz	[a]	70,984	70,984	100.00%
		Exported Value	PGK	[a]	478,692,629	478,692,629	100.00%
	Silver	Quantity Produced	oz	[a]	22,496	22,496	100.00%
		Produced Value	PGK	[a]	1,818,661	1,818,661	100.00%
		Quantity Exported	oz	[a]	22,496	22,496	100.00%
		Exported Value	PGK	[a]	1,818,661	1,818,661	100.00%

Notes

N/A – Information not obtained

[a] – Information provided by Simberi pertains to (July 2023 – June 2024).

10.5.2 Oil and gas production 2023

Table 10-27 Oil and gas production summary 2023

	PNG LNG (ExxonMobil Operated)				Oil and Associated Gas (Santos Operated)	
Commodity quantity	Produced	Exported	Remarks	Produced	Exported	Remarks
Oil (stbo)				6,041,989		Barrels
PNG LNG Condensate (stbop)	6,041,112		Barrels for the whole year. PNG LNG condensate from Hides HGCP that goes by pipeline to the OSL operated Central processing facility at Kutubu			
PNG LNG liquids/Plan Naphtha (stbop)	1,496,423		Barrels for the whole year. Naphtha produced and exported from the PNG LNG Plant.	-	-	

	PNG LNG (ExxonMobil Operated)				Oil and Associated Gas (Santos Operated)	
Commodity quantity	Produced	Exported	Remarks	Produced	Exported	Remarks
Crude Oil				3,732,945		Barrels for the whole year
Hides Gas (MMscf)	335,359		MMscfGross PNG LNG gas produced from HGCP			
PNG LNG Associated Gas (MMscf)				412,949		Associated Gas from Kutubu, Gobe main, SEG – goes to the PNG LNG plant
PNG LNG Project LNG (tonnes)	8,509,999		Tonnes			
Domestic Gas (MMscf)			Mmscf PNG LNG domestic gas sold from LNGP to Niupower (including dirio) to generate electricity for POM			
Electricity sales to PNG Power (MMscf)			PNG LNG gas converted to electricity and sold to PNG Power at LNGP (-14MW)			

11 Recommendations

The FY2022 Report contained three sets of recommendations:

1. A set of 11 long standing Recommendations that were from previous years reports,
2. The corrective actions and recommendations from the 2022 Validation Report, and
3. 35 new Recommendations, divided between sets of Recommendations for the MSG and the National Secretariat, government agencies, reporting companies and for civil society organisations.

Our assessment is that most of the 11 long standing Recommendations have been superseded by the corrective actions and recommendations from PNGEITI's 2022 Validation Report⁶⁶ and the new 35 Recommendations. We recommend therefore that the 11 long-standing Recommendations are discontinued and that the MSG and National Secretariat focus on addressing the corrective actions from the 2022 Validation Report and the new Recommendations. We have carried forward those Recommendations to this Report. We have also added two new recommendations related to anti-corruption policies.

This section provides the following:

1. The update on implementation of the Corrective Actions and Recommendations from PNG's 2022 Validation Report,
2. The carried forward Recommendations from the 2022 EITI Report.

11.1 Update on 2022 Validation Report Corrective Actions and Recommendations

In the FY2022 report listed 26 corrective actions from the 2022 Validation Report. Two actions were deemed "not applicable" in the Validation Report; another the IA rated "cleared" and a further two the IA rated as "superseded by new recommendations". Of the remaining 20 actions, four were rated "little/no progress" and the remainder were rated "some progress".

This update covers those corrective actions and recommendations that were rated "some progress" or "little/no progress" in the PNGEITI FY2022 Report. Table 11-1 sets out the ratings used in this update. The number in brackets at the end of each corrective action is the page reference in the 2022 Validation Report. Of the 20 actions, five are now rated cleared, 13 "continued progress" and two remain rated "little/no progress".

Table 11-1: Ratings for updated 2022 Validation Report Corrective Actions and Recommendations

Rating	Definition
Little/no progress	Little or no progress has been made since publication of the 2022 PNGEITI Report
Continued progress	Some actions have been taken since publication of the 2022 PNGEITI Report
Cleared	All actions to address the corrective action or recommendation have been taken

⁶⁶ <https://eiti.org/sites/default/files/2022-11/PNG%20Final%20Validation%20report%202022.pdf>

11.1.1 Cleared Actions

11.1.1.1 *Requirement 7.2: EITI data is available in open format online (p15)*

Rating in 2022 report: some progress

PNGEITI publishes the summary data sheet in Excel format on its website and has done so for every report. The IA provided all the data for the 2022 report in Excel format to PNGEITI and will do so for this report.

Updated rating: Cleared

11.1.1.2 *Requirement 2.1: Publish a summary description of the fiscal regime (p24)*

Rating in 2022 report: some progress

This report and the 2022 report includes a summary of the fiscal regime. The fiscal regimes are also set out in the relevant legislation, including the Mining Act 1992, Oil & Gas Act 1998, the Environment Act 2000, the Income Tax Act 1959 and other relevant legislations which can be accessed online. The 2022 Report contained links to all relevant legislation as does this report.

Updated rating: Cleared

11.1.1.3 *Requirement 3.2: Value of oil and gas production disaggregated by commodity (p38)*

Rating in 2022 report: some progress

The 2022 report contained this information (see Table 7-1). This report also includes this information (see Table 7-4). Also, PNGEITI, through a technical assistance programme financed by JICA, is providing support to DPE with the object that it will be able to publish this information regularly to meet the EITI Standard and mainstream this data.

Updated rating: Cleared

11.1.1.4 *Requirement 3.3: Value of oil and gas exports disaggregated by commodity (p38)*

Rating in 2022 report: some progress

As above.

Updated rating: Cleared

11.1.1.5 *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 (p42)*

Rating in 2022 report: some progress

This report and the 2022 report include references to the government's budget documents that give details of the recording of extractive revenues in the national budget. The two reports also provide references to where information on subnational transfers can be found.

Updated rating: Cleared

11.1.2 Continued Progress

11.1.2.1 *Requirement 1.5: EITI work plans (p15)*

Rating in 2022 report: some progress

The corrective action references the need for workplans to include activities related to beneficial ownership and systematic disclosure. The 2024 workplan contains specific actions related to implementing beneficial ownership. The workplan only appears to have one reference to systematic disclosure and that is in relation to developing online processes for reporting entities to report information to EITI. PNGEITI have committed to address shortfalls in the 2025 workplan, which has yet to be issued.

PNGEITI in 2024 commissioned international consultants of the IA team to conduct a review of legislation related to the extractive

sector including a gap analysis between current legal disclosure requirements and the EITI Standard 2023. The review was primarily intended to support PNGEITI's efforts to legislate for EITI in PNG. The review and the gap analysis could provide inputs into identifying priorities for systematic disclosure in PNG.

Updated rating: Continued progress

11.1.2.2 Requirement 7.3: The MSG should regularly consider findings and recommendations from the EITI process (p15)

Rating in 2022 report: some progress

Two recommendations – legal audit for the EITI bill and a scoping study for an employment demographic survey were approved by MSG and have been implemented in 2024. A Tok-Pidgin summary of FY2024 Report was also endorsed by the MSG.

Updated rating: Continued progress

11.1.2.3 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 (p15)

Rating in 2022 report: some progress

An innovative approach in the FY2023 Report includes a Tok-Pidgin summary section to support outreach and engagement by the public. The IA committed to preparing this summary as part of the tender for the contract to deliver the FY2023 Report.

Updated rating: Continued progress

11.1.2.4 Requirement 1.2: Extractive companies' engagement in the reporting process (p20)

Rating in 2022 report: Little/no progress

Reporting companies are fully engaged in MSG meetings and the data collection and reporting process. The IA experienced fewer challenges in data collection for the FY2023 Report compared with the FY2022 Report.

Updated rating: Continued progress

11.1.2.5 Requirement 1.3: Strengthening civil society engaged in the EITI (p20)

Rating in 2022 report: Little/no progress

The Papua New Guinea Resource Governance Coalition (PNGRGC) was recently formed with reps from Transparency International PNG (TIPNG), Consultative Implementation and Monitoring Council (CIMC), Institute of National Affairs (INA) and are actively engaged in EITI process.

Updated rating: Continued progress

11.1.2.6 Requirement 6.3: Systematic disclose on government websites (p22)

Rating in 2022 report: some progress

PNGEITI commissioned a legal audit, which included a gap analysis between the EITI Standard 2023 and existing statutory obligations on government agencies to collect and publish data required under the EITI Standard. PNGEITI has also engaged with government agencies to advocate for reforms to legislation and regulations to allow systematic reporting such as the 2017 amendment to the Income Tax Act. Progress has been made in integrating EITI into the Project Beneficiary Agreements. Furthermore, in 2024 the World Bank undertook scoping studies for a DPE Cadastre System and for a PNGEITI data warehousing system to create a consolidated

platform to integrate data from various reporting agencies, enabling comprehensive monitoring of non-tax revenue and streamlining EITI reporting.

Updated rating: Continued progress

11.1.2.7 Requirement 6.4: Disclosures on environmental management and monitoring (p25)

Rating in 2022 report: some progress

A Draft TOR for Scoping Study for Environmental Payments (CEPA) has been developed in 2024 and will be reviewed by CEPA. This project will be funded by the World Bank.

Updated rating: Continued progress

11.1.2.8 Requirement 2.2: Awarding and transferring of licences (p27)

Rating in 2022 report: some progress

The 2022 and 2023 Reports contain information on the award and transfer of licences.

Updated rating: Continued progress

11.1.2.9 Requirement 2.3: Publicly disclose information on all active oil and gas licences (p27)

Rating in 2022 report: some progress

JICA is providing technical support to establish mechanisms to enable DPE to make licence information publicly available on its website.

Updated rating: Continued progress

11.1.2.10 Requirement 2.5: Beneficial ownership (p31)

Rating in 2022 report: some progress

The data collection process for the 2022 and 2023 report included issuing a specific reporting template for beneficial ownership process. Both reports include the data collected using those templates. The 2022 report included specific recommendations on driving progress towards meeting Requirement 2.5.

Updated rating: Continued progress

11.1.2.11 Requirements 2.6, 4.5 and 6.2: State-owned enterprises (p35)

Rating in 2022 report: some progress

In 2021, a comprehensive scoping study report was conducted to evaluate

the operations and governance of State-Owned Entities (SOEs) in Papua New Guinea's extractive sector. This report identified gaps and provided recommendations to enhance transparency and accountability.

Following the findings of the scoping study, MSG Meeting No.5/2024 passed resolutions to advance the SOE project. These resolutions outlined the next steps, which include:

1. Drafting an Implementation Plan: This involves creating a detailed plan to operationalize the recommendations from the scoping study. The plan will outline specific actions, timelines, and responsibilities to ensure effective implementation.

2. Engaging a consultant: A consultant will be hired to oversee the implementation process. Their expertise will be crucial in ensuring that the recommendations are implemented efficiently and in alignment with best practices.

3. Confirmation of TWG Members: The Technical Working Group (TWG) members will be confirmed. This group will play a pivotal role in guiding and monitoring the implementation activities, ensuring that the objectives of the scoping study are met.

Updated rating: Continued progress

11.1.2.12 Requirement 4.9: Ensure that reporting entities comply with the data quality assurances agreed by the MSG (p40)

Rating in 2022 report: some progress

Technical support through JICA is assisting the Auditor-General's Office (AGO) to ensure improvement on quality and reliability of figures by reporting agencies in accordance with EITI Standard. Trial testing of receipts by AGO is planned for Q1/2025. This will be followed by agreed-upon Procedures and MOU drafted and presented to MSG for endorsement.

Updated rating: Continued progress

11.1.2.13 Requirement 5.3: disclose information that will further public understanding and debate around issues of revenue sustainability and resource dependence (p42)

Rating in 2022 report: some progress

The ongoing JICA Project provides training and support to PNGEITI, AGO and DPE officials to improve their ability to manage and disclose information about the resource-related revenues.

Updated rating: Continued progress

11.1.3 Little/No Progress

11.1.3.1 Requirement 1.1: Reinvigorate high-level political leadership in the EITI process (p20)

Rating in 2022 report: Little/no progress

GoPNG through the Dept of Treasury continues to chair all MSG meetings. Government is represented by senior officials at the MSG. However, no action appears to

have been taken to implement the recommendation in the FY2022 Report for a report launch event involving the Minister. Also the IA continues to experience challenges in engaging with some government agencies.

Updated rating: Little/no progress

11.1.3.2 Requirement 2.4: Contract and licence transparency (p24)

Rating in 2022 report: Little/no progress

While the MSG continues to monitor the situation, no progress has occurred in resolving the issues around contract transparency.

Updated rating: Little/no progress

11.2 Recommendations Arising from the 2022 Report

In light of the change in personnel at the PNGEITI National Secretariat, the IA has carried forward the recommendations from the 2022 Report and updated them where needed. The IA acknowledges that the National Secretariat has started to address most of the recommendations that are within its influence.

The recommendations are divided into the following categories:

1. For the MSG and the National Secretariat,
2. For government agencies,
3. For reporting companies,
4. For civil society organizations.

11.2.1 For the MSG and the National Secretariat

- a) Familiarize themselves with the 2023 Standard and develop an action plan to

- address new requirements and priorities for expected and encouraged provisions of the Standard.
- b) Ensure 2025 workplan and subsequent workplans address the Validation recommendations and these recommendations.
 - 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.
 - d) Consider establishing a separate page on its website for the beneficial ownership registry so that it is easier to locate.
 - e) Continue to advocate for beneficial ownership legislation in the country.
 - 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 in the process.
 - g) Arrange training for company and government agency staff with responsibility for completing and approving EITI reporting templates.
 - 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.
 - i) Ensure key contact list for all reporting companies, government agencies and CSOs is maintained with named point of contact for each entity.
 - j) Encourage company and government stakeholders to provide as much data as possible through their own websites and update the information on a timely basis.
 - k) Ensure the IA is appointed before the conclusion of quarter one in the year subsequent to reporting year. E.g. March 2025 for the 2024 PNGEITI report.
 - 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.
 - 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.
 - n) Develop clear guidance on the materiality and classification of subnational payments and transfers.

11.2.2 For government agencies

- a) Familiarize themselves with the 2023 Standard and in particular any new reporting requirements or other obligations for government agencies.
- b) Provide data when requested during the EITI data collection process
- c) Engage early, especially to signal any potential delays or other challenges to providing requested data
- 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
- 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.
- 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.
- g) Ensure SOEs under their supervision have anti-corruption processes in place and publish these on the relevant website

11.2.3 For reporting companies, including SOEs

- a) Familiarize themselves with the 2023 Standard and particularly the new provisions directly applicable to companies.
- b) Provide data when requested during the EITI data collection process.
- c) Engage early, especially to signal any potential delays or other challenges to providing requested data.
- d) Ensure all staff who are responsible for supplying information to, completing and approving EITI reporting templates are familiar with EITI and its requirements.
- e) Maintain records of the company's beneficial owners and ensure it is kept up to date.
- f) Implement the relevant recommendations in the contract transparency report.
- g) For SOEs, implement the relevant recommendations in the SOE Scoping Study Report.
- 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, including attending any training provided by PNGEITI or the IA.
- i) Ensure the company has an anti-corruption policy in place that applies to all subsidiaries and all staff that work for

the company. Publish the policy on its website.

11.2.4 For civil society organisations

- a) Familiarize themselves with the 2023 Standard and engage with the MSG and Secretariat to understand which expected and encouraged issues will receive focus.
- 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.
- c) Advocate with government to increase the amount of information that is made available through government websites on a regular basis.
- d) Advocate for beneficial ownership legislation in PNG.
- e) Advocate for the removal of barriers to contract transparency in PNG.
- f) Implement the relevant recommendations in the contract transparency report.

PAPUA NEW GUINEA

Extractive Industries Transparency Initiative Report 2023

ANNEXES

PUBLISHED: 2025



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Annex A – PNG MSG voting members and alternates for 2023

Type	Organisation	Primary	Alternate 1	Alternate 2
GoPNG	Department of Treasury	Hon. Ian Ling-Stuckey, CMG, MP MP Treasurer & PNGEITI Chairman	Andrew Oaeke Secretary	John Uware Deputy Secretary, Economic Policy Division Donald Hehona First Assistant Secretary - Sectoral Policy Division Gilmister Ben Assistant Analyst - Extractive Branch
GoPNG	Dept. of Prime Minister & National Executive Council	Mr. Killian Anoser Director General Economic Sector Branch	Mr. Gali Bugake Policy Officer Economic	Brendan Pulai SMEO-LAFF
GoPNG	Internal Revenue Commission	Sam Koim Commissioner General	Cecilia Magun Director - Resource Policy & Advice	Margaret Aitsi Tax Agent Coordination Officer
GoPNG	Mineral Resources Authority	Jerry Garry Managing Director	Arnold Lakamanga Manager - GIS Mineral Information	Freda Kitum Senior Legal Council Louie Kawale TIMS Administration Officer Phillip Kautete Cartographer
GoPNG	Conservation & Environment Protection Authority	Michael Bongro Deputy Managing Director	NIL	NIL
GoPNG	Department of Petroleum & Energy	David Manau Secretary	NIL	Jimmy Haumu Director, Petroleum Division Channan Kumalau Director, Special Projects
GoPNG	Department of Finance	Samuel Penias Secretary	Gabi Kila First Assistant Secretary	Fibert Wohuengu Operations Manager Charles Ikitae AS, Revenue Review & Compliance Mai Kuraya Senior Revenue Review Officer

Type	Organisation	Primary	Alternate 1	Alternate 2
GoPNG	Department of National Planning & Monitoring	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 Fredah Duma Program Officer - ITCS
GoPNG	Department of National Planning & Monitoring	NIL	NIL	Patam Kambao Policy Officer
GoPNG	Department of Mineral Policy & Geohazards Management	Harry Kore Secretary	Winterford Eko Acting Deputy Secretary	Asavi Kendua Acting Director, Mineral Policy & Legislation Division Emmanuel Donigi Senior Legal Advisor
GoPNG	Auditor General's Office	Gordon Kega, CPA Acting Auditor General	Albert Kimisi Acting Deputy Auditor General, Corporate Services Division	Lemeki Ila Deputy Auditor General, Statutory Bodies & Project Audit Division Ray Nouoru Director - Audits
GoPNG	National Economic and Fiscal Commission	Patrick K Painap Chairman/CEO	Nigel Ainui A/-Principal Policy Analyst	NIL
GoPNG	PNG Customs	Wilma Seolo Senior Trade Advising	Rachael Gau Director Excise	Julie Metlem Director Valuation Carol Bandimeri Senior Trade Officer Emmanuel Nara Advising Officer
GoPNG	Investment Promotion Authority	Clarence Hoot Managing Director	Ronald Maru Executive Officer to MD	NIL
GoPNG	Financial Analysis & Supervision Unit	Wilson Onea Director	John Nema Senior Analyst, Supervision & Compliance Division	Emete Enare Manager, Policy Development & Coordination Division
Industry	PNG Chamber of Resources and Energy	Pansy Taueni-Sialis Chief Operating Officer	Gretel Orake Manager, Policy & Analysis	Erwin Pouru Senior Analyst Andrew Aglua Policy Analyst

Type	Organisation	Primary	Alternate 1	Alternate 2
Industry	Newmont PNG	Stanley Komunt Country Manager	Joshua Kais Principal Government Liaison	Tim Bryson Manager, Strategic Engagement Megan Kinowin Government Liaison Specialist
Industry	New Porgera Limited	Karo Lelai Country Manger	Shane Kennedy Superintendent Tax & Compliance	NIL
Industry	Harmony Gold (PNG) Exploration Limited	Kepas Wali Executive General Manager - Stakeholder Relations and Corporate Affairs PNG	Monica Rau Environment, Social & Governance Manager	David Layt Tax Lead Aubrey Testa Chief Financial Officer - EXCO
Industry	K92 Mining Inc.	Philip Samar Vice President - External and Sustainable Development	NIL	NIL
Industry	Exxon Mobil (PNG) Limited	Tera Shandro Chairperson and Managing Director	Samuel Koyama National Content Manager	Stanley Yarka Advisor, Government Relations Simon Pusal Upstream Accounting, GBS - Financial Services
Industry	Santos (PNG) Limited	Kevin Gallagher Managing Director & Chief Executive Officer	Raymond Yaueb Senior Government Affairs Manager	Molly Sumbuk Vice President- Legal
Industry	Total E&P Limited	Richard E. Kassman Public Affairs & External Communications Manager	Sang Ratnam Director, Business Development	Maryline Santina Finance Controller Kakra Koram Joint Venture & Commercial Management Nellie Tetaga Tax & Insurance Manager
SOE	Kumul Mineral Holdings Limited	Sarimu Kanu Managing Director	Nellie James Chairman	Francis M. Lola Company Secretary & Manager, Legal Esther Yuyuge Manager, Government Relations Malcolm Pang LESG Manager
SOE	Kumul Petroleum Holdings Limited	Wapu Sonk Managing Director	Luke Liria Executive Manager, Corporate Services	Tim Cabry Chief Financial Officer

Type	Organisation	Primary	Alternate 1	Alternate 2
				Fabian Kuias Project Accountant Osbourne Karmie Government Relations
SOE	Mineral Resources Development Company	Augustine Mano Managing Director	Valentina Kaman Manager Legal	Fairlilyn Aiwa Senior Commercial Lawyer Jason Mokola Management Accountant Greg G Enk Engineer
SOE	Ok Tedi Mining Limited	Dexter Wagambie Manager Corporate Affairs	Wilma Banake Principal Legal Advisor	Alex Warren Senior Government Liaison Mana James Legal Officer
CSO	Centre for Environmental Law & Community Rights	Peter Bosip Executive Director	Evelyn Wohuinangu Principal Lawyer	NIL
CSO	Consultative Implementation & Monitoring Council	Wallis Yakam Executive Officer	NIL	NIL
CSO	Institute of National Affairs	Paul Barker Executive Director	NIL	NIL
CSO	PNG Council of Churches	Bishop Denny Guka Chairman	Isu Aluvula, MBE ML General Secretary	NIL
CSO	PNG Resource Governance Coalition	Arianne Kassman PNGRGC Council President	Michelle Mondia PNGRGC Administration Officer	Mitchelle Mondia Admin Officer
CSO	Transparency International PNG	Arianne Kassman CEO	Barbra Kunai Coalition Engagement Lead	Mariah Bualia Partnership & Policy Officer

Annex B – Mining projects 2023

1 Mining projects in operation 2023

Details on the mining projects that will be underway in PNG in 2023 are provided in this section. The ownership arrangements are indicated with any modifications that took place throughout the 2023 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 10: Reconciliation results 2023 goes into further detail on revenue reconciliation.

Table 1-1 Reporting by mining companies

Data provided	
PiF	Provided in full
SP	Substantially provided
PP	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	Sub-national payments	Status of reconciliation
Barrick Niugini Limited (Pogera mine)						
Barrick Niugini Limited	Yes	Yes	PiF	PiF	PiF	
Mineral Resources Enga Limited	No	No	No data obtained	No data obtained	No data obtained	
K92 Mining Limited (Kainantu)						
K92 Mining Limited	Yes	Yes	PiF	PiF	PiF	
Lihir Gold Limited (Luise Caldera mine)						
Lihir Gold Limited	Yes	No	PiF	PiF	PiF	
MCC Ramu Nico Limited (Ramu Nickel, Kurumbukari mine)						
MCC Ramu Nico Limited	No	No	PiF	PiF	PiF	
Ramu Nickel Limited	No	No	No data obtained	No data obtained	No data obtained	
Mineral Resources Madang Limited	No	No	No data obtained	No data obtained	No data obtained	
Mineral Resources Ramu Limited	No	No	No data obtained	No data obtained	No data obtained	
Morobe Consolidated Goldfields Limited (Hidden Valley Mine)						
Morobe Consolidated Goldfields Limited	No	Yes	PiF	PiF	PiF	
Niuminco Edie Creek Limited (Edie Creek mine)						
Niuminco Edie Creek Limited	No	No	No data obtained	No data obtained	No data obtained	
Niuminco EC Limited	No	No	No data obtained	No data obtained	No data obtained	
Ok Tedi Mining Limited (Mt Fubilan mine)						
Ok Tedi Mine Limited	Yes	Yes	PiF	PiF	PiF	
Simberi Gold Company Limited (Simberi mine)						
Simberi Gold Company Limited	Yes	No	PiF	PiF	PiF	
Frieda River Limited (Frieda River mine)						
Frieda River Limited			No data obtained	No data obtained	No data obtained	
Wafi-Golpu Services Limited (Wafi-Golpu mine)						
Wafi-Golpu Services Limited			PiF	PiF	PiF	

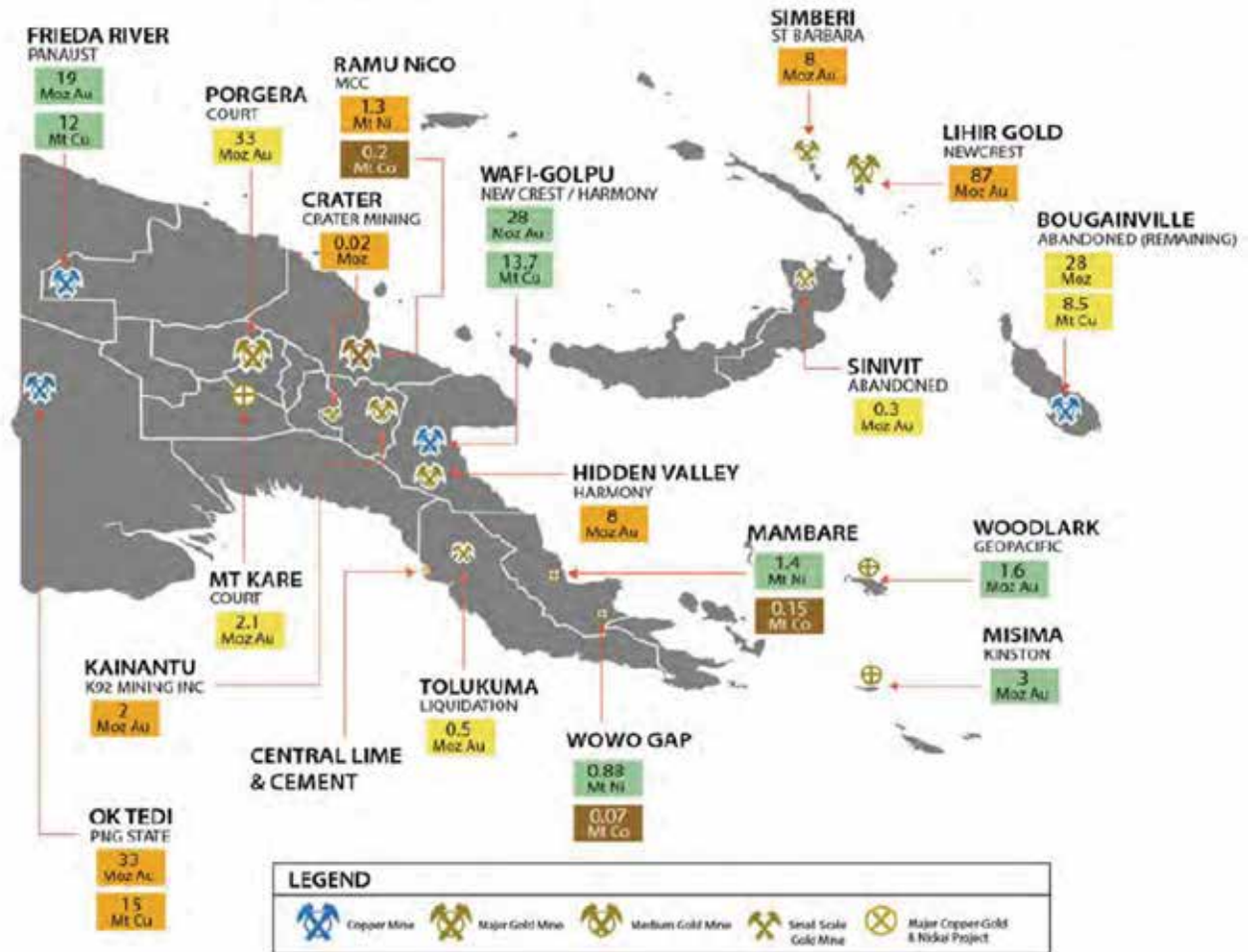


Figure 1-1 Mines and projects in Papua New Guinea¹

¹ MRA Corporate Plan 2022 – 2027, <https://mra.gov.pg/wp-content/uploads/2023/04/MRA-corporate-plan-2022-2027.pdf>



1.1 New Porgera Limited (Porgera mine)

Table 1-2 Porgera mine facts

Minerals	Gold and silver
Province	Enga
Mine opened	1989
Mine life (years)	20 years until 2043 ²
Tenement	SML13, ML578
2023 export value	nil (mine operations resumed on 23 December 2023)

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*

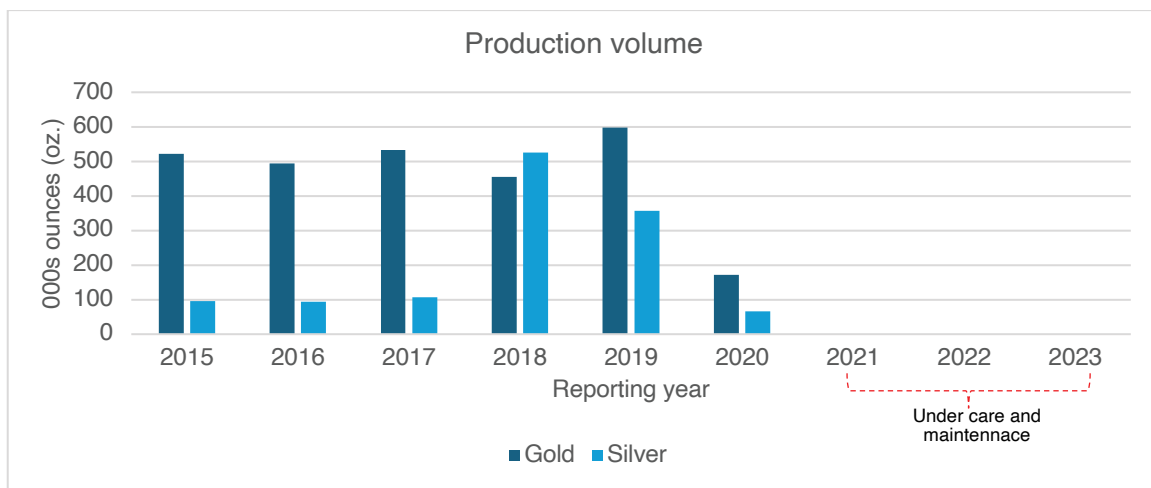


Figure 1-3 Porgera mine production volumes

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.

New Porgera Limited (NPL) restarted the operation of the mine in 23 December 2023 under the Special Mining Lease (SML13) which supersedes the Special Mining Lease 1, SML 1 (P), of the unincorporated Joint Venture of Old Porgera.

The table below set out chronology of key events in 2023 that have transpired to the point of mining re-commencement.

Papua New Guinea-based stakeholders own 51% of New Porgera with BNL, which will operate the mine holding 49%. Economic benefits shared 53% by PNG stakeholders and 47% by Barrick (Niugini) Limited.

² Porgera Mine Set to Restart on December 22, <http://www.porgerajv.com/Company/Media/Press-Release>

Table 1-3 Porgera mine chronology of key events in 2023

22 Sept 2022	NPL was incorporated ³
31 Mar 2023	Barrick Niugini Limited (BNL), the State and the NPL signed the New Porgera Progress Agreement (NPPA).
13 Jun 2023	NPL lodged an application with the MRA for a new SML in accordance with the Porgera Project Commencement Agreement (PPCA).
13 Oct 2023	SML13 is granted to NPL by Governor General Sir Bob Danae, following the signing of the Mining Development Contract by the State and NPL.
22 Dec 2023	Completion of all registration and readiness activities
23 Dec 2023	Official restart of the mine under the name "New Porgera Limited".

Table 1-4 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	49.00%	nil	(162,955,117)	(211,091,562)	241,293,877
Kumul Minerals Holdings Limited	36.00%	nil	nil	nil	Nil
MRDC Escrow (Porgera) Limited*	10.00%	N/A	N/A	N/A	N/A
Mineral Resources Enga Ltd	5.00%	N/A	N/A	N/A	N/A

* Extracted from Barrick (Niugini) Limited signed 2023 financial statement⁴

+ Converted using BPNG Average USD exchange rate (USD1: PGK3.6906) – 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 2022 and 31 December 2023 of Mineral Resources Enga Ltd are still not yet available.

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

³ PNGEITI Report 2022 - Annexures, Annex B, page 3.

⁴ Barrick (Niugini) Limited, 31 December 2023 Financial Statements, page 5.

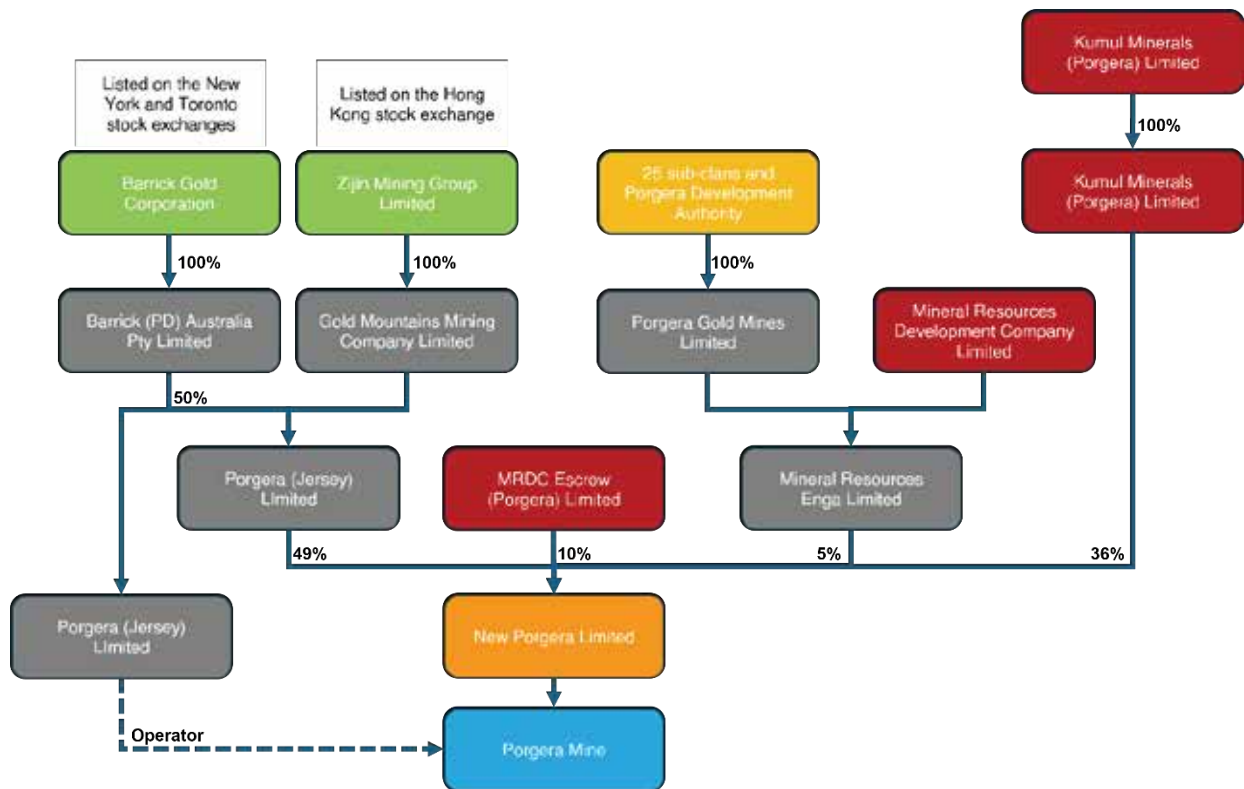


Figure 1-4 Porgera mine ownership structure

1.2 K92 Mining Limited (Kainantu Mine)

Table 1-5 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
2023 export value	PGK 1,024,138,576 ⁷

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*



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 successful ramp-up of the Stage 2 Expansion to 400,000 tpa,

commissioning of the Stage 2A Expansion to increase throughput by 25% to 500,000 tpa (1,370 tpd) progressively was completed in May 2023. 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.

⁵ Mining Data Solutions, <https://miningdataonline.com/property/656/Kainantu-Mine.aspx>.

⁶ K92 Mining website, <https://k92mining.com/kainantu-mine/>, accessed on 28 November 2023 and MRA 2023 data template.

⁷ PNG Customs 2023 data template.

⁸ K92 Mining Inc. Annual Information Form for the year ended 31 December 2023, page 35.

Drilling to support potential further expansions is underway with eleven to thirteen drill rigs on site in 2023.

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.

Table 1-6 Financial highlights K92 mining project

Balances for the Year ended 31 December 2023	US\$ thousands*	PGK thousands+
Revenue	200,255	719,076
Cost of sales	111,388	399,972
Expenses	34,479	123,807
Others	3,101	11,135
Income tax expense	18,124	65,080
Income for the year	33,163	399,972
Geographic segmentation		
PNG	41,545	149,180
Canada	(8,382)	(30,098)
Income for the year	33,163	119,082

* Extracted from K92 Mining Inc Annual Report⁹

+ Converted using BPNG Weighted Average exchange rate (USD1: PGK3.5908) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Table 1-7 Project revenue and consolidated payments on Kainantu project

Project	Revenue	Income for the year	Consolidated receipts reported by government agencies
Kainantu	719,075,654	119,081,700	75,178,121
Total	719,075,654	119,081,700	75,178,121

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

⁹ K92 Mining Inc., 31 December 2023 Annual Report <https://k92mining.com/investors/#financials>.

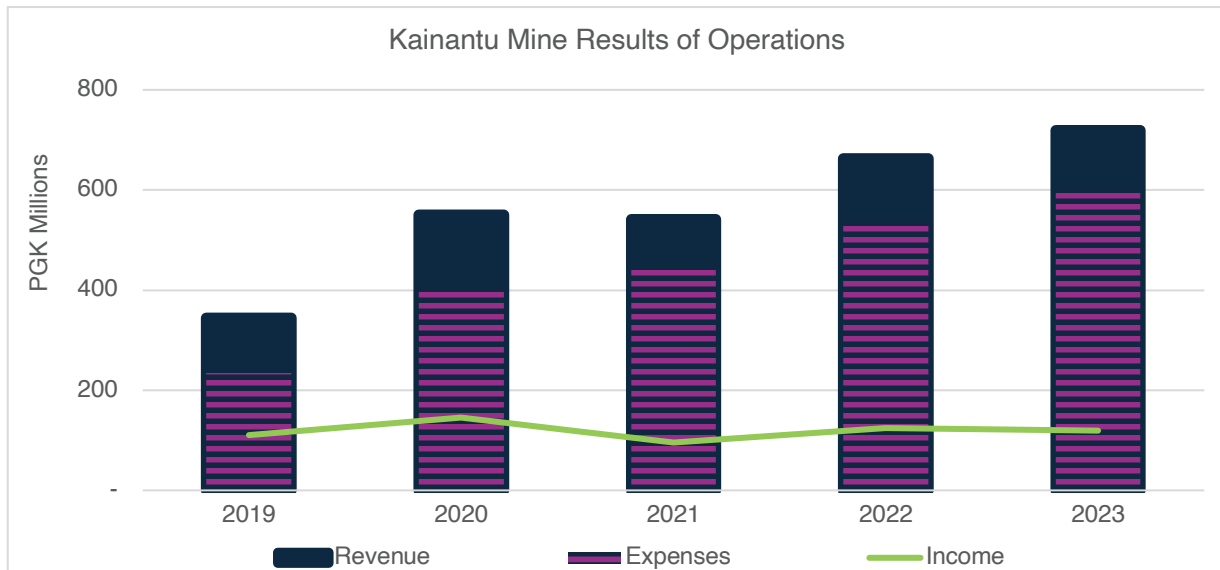


Figure 1-6 Kainantu mine results of operations



Figure 1-7 Kainantu mine ownership structure

On 21 June 2023, the Company announced that it set its inaugural energy and greenhouse gas emissions (“GHG”) reduction target as part of its overall climate commitments. The Company set a target to

reduce Scope 1 and Scope 2 emissions by 25% on a business-as-usual basis by 2030 (25% reduction against forecast Scope 1 and 2 GHG emissions by 2030 assuming no mitigation measures are implemented to reduce carbon emissions).

On 24 July 2023, the Company announced the award of the engineering, procurement, construction and commissioning (“EPC”) contract for the 1.2 million-tonnes-per-annum (“mtpa”) Stage 3 Expansion Process Plant. The EPC Contract for a lump sum of US\$81 million and at a fixed price, significantly de-risks potential cost increases to the Company.

The Company entered a loan agreement on 26 September 2023 with Trafigura wherein the latter will provide US\$100m to the Company. Further, K92 PNG and Trafigura amended and restated the 2019 Offtake Agreement for the purchase by Trafigura of 100% of K92 PNG’s copper/gold concentrates produced at the Kainantu Mine (the “Amended Offtake Agreement”).

The Loan and the Amended Offtake Agreement will only come into effect upon satisfaction of express conditions and no hedging is required for the Loan.¹⁰

¹⁰ K92 Mining Inc. Annual Information Form for the year ended 31 December 2023, page 20.

1.3 Lihir Gold Ltd (Luise Caldera mine)

Table 1-8 Luise Caldera mine facts

Minerals	Gold and silver
Province	New Ireland
Mine opened	1997
Mine life (years)	13 year until 2035 ¹¹ (+10 years until 2045) ¹²
Tenement	SML6, ML125, 126
2023 export value	PGK 4,894,728,978 ¹³

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*

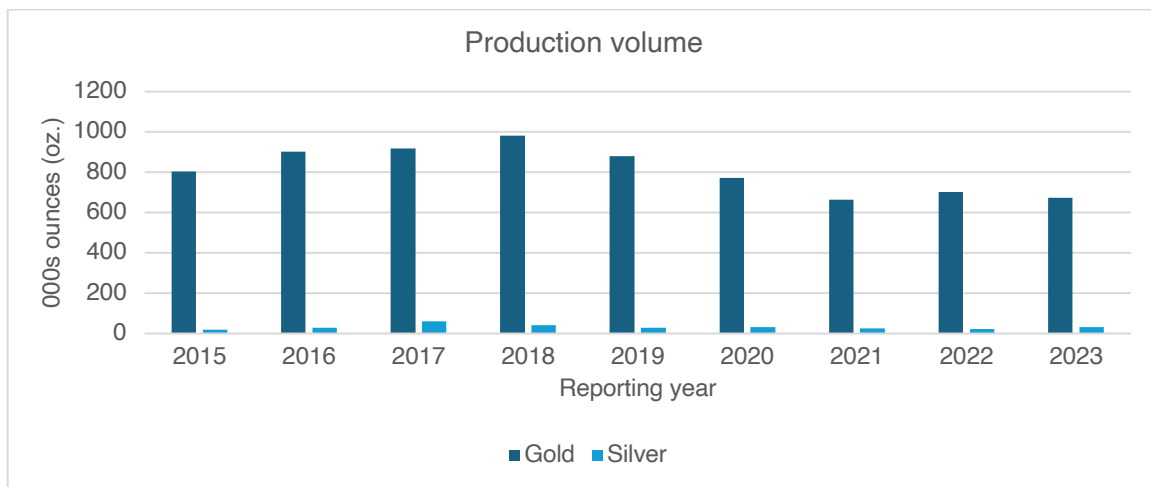


Figure 1-8 Luise Caldera mine production volumes

Lihir is located on Aniolum 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 41Moz gold.¹⁴

Newcrest Mining Limited took over Lihir Gold Limited in August 2010 and the former was then acquired by Newmont Corporation on 06 November 2023 creating the world's leading gold mining company with robust copper production.¹⁵

Lihir's performance in the current period was impacted by lower feed grade, reduced mill throughput and mill availability. The lower feed grade in the current period reflects a higher proportion of low grade expit material being processed in the second half of the current period with extreme rainfall limiting pit access and causing material handling issues at the crushers.

¹¹ MRA 2023 data template.

¹² Mining Data Solutions, <https://miningdataonline.com/property/187/Lihir-Mine.aspx>.

¹³ PNG Customs 2023 data template.

¹⁴ Newcrest Annual Report 2023, page 13.

¹⁵ <https://www.newmont.com/investors/news-release/news-details/2023/Newmont-Acquires-Newcrest-Successfully-Creating-Worlds-Leading-Gold-Mining-Business/default.aspx>

Table 1-9 Financial highlights Lihir Gold Limited

Balances for the Year ended 30 June 2023	US\$ millions*	PGK millions+
Revenue	1,237	4,565.27
Cost of sales	782	(2,886.05)
Depreciation and amortisation	(338)	(1,247.42)
Income for the year	117	(431.80)

*Extracted from Newcrest 30 June 2023 Annual Report

+ Converted using BPNG Average USD exchange rate (USD1: PGK3.6906) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Lihir continues to progress options to improve its water management resilience, including improving its internal water recycling and identifying additional water sources and storage options. Despite the weather events, ore mined increased by 57% in the current period reflecting the progression of stripping into higher grade ore.

In January 2023, the Newcrest Board approved the Lihir Phase 14A Feasibility Study, endorsing the project into full implementation. Phase 14A is another step forward in realising the full potential of Lihir with the cutback expected to deliver additional high grade gold production over the next four years. Lihir is on track to deliver high grade ore from Phase 14A in FY24.

Newcrest continues to assess a range of options to unlock additional high-grade mineralisation outside the current Ore Reserve with the potential to extend the elevated production profile beyond FY31. Work to assess the application of steep wall technologies in the northern and eastern extents of the Kapit orebody, including a

lower cost and simpler seepage barrier design is on track for completion in CY23.¹⁶


Figure 1-9 Lihir mine ownership structure
Table 1-10 Project revenue and consolidated payments on Lihir Mine

Project	Revenue	EBITDA	EBIT	Consolidated receipts reported by government agencies
Lihir (USD)	1,237,000,000	455,000,000	117,000,000	422,131,461
Total in Kina	4,565,272,200	1,679,223,000	431,800,200	422,131,461

*Extracted from Newcrest Annual Report 2023

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

¹⁶ Newcrest Annual Report 2023, page 58.

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

Table 1-11 Kurumbukari mine facts

Minerals	Nickel, cobalt and chromite
Province	Madang
Mine opened	2012 (construction completed)
Mine life (years)	11 years until 2033 ¹⁷ (+7 years until 2040) ¹⁸
Tenement	SML8
2023 export value	PGK 1,117,888,965 ¹⁹

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*

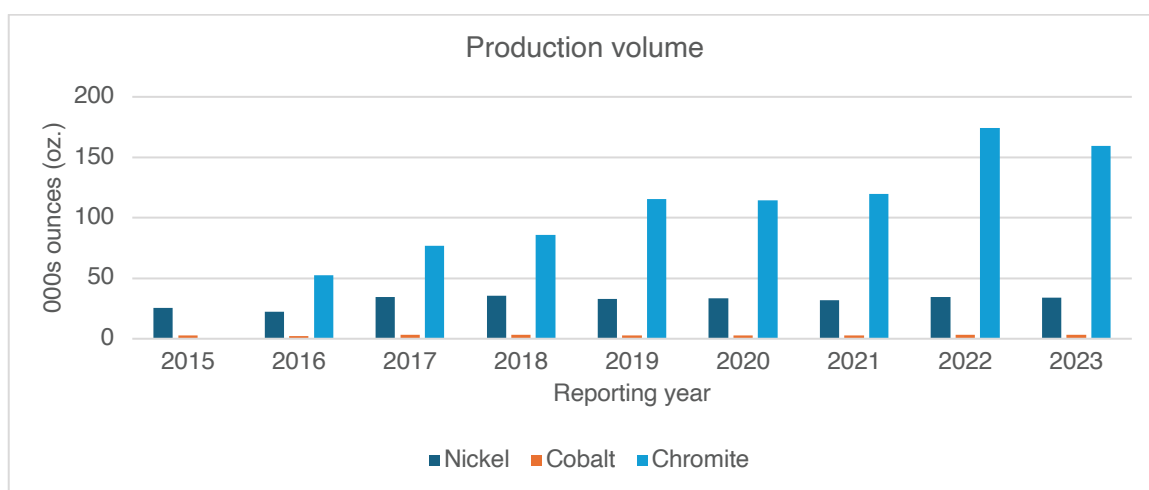


Figure 1-10 Kurumbukari mine production volumes

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.²⁰

¹⁷Mining Data Solutions, <https://miningdataonline.com/property/3323/Ramu-Mine.aspx>

¹⁸ MRA 2023 data template.

¹⁹ PNG Customs 2023 data template.

²⁰ MRDC Website, <https://www.mrdc.com.pg/ramu-nickel-cobalt-project.html#>

Table 1-12 Financial highlights Ramu Nickel project

Balances for the Year ended 31 January 2023	Ramu Nickel Ltd US\$*	Ramu Nickel Project US\$ ¹	Ramu Nickel Project PGK ⁺
Revenue	55,277,142	645,761,005	2,383,245,565
Production costs	31,799,607	371,490,736	1,371,023,710
Other costs	4,611,955	53,877,979	198,842,069
Depreciation and amortization	8,439,401	98,591,133	363,860,435
Net income	10,426,179	121,801,157	449,519,350

* Extracted from Nickel 28 Capital Corporation 2024 Consolidated Financial Statements, page 19²¹

¹ Calculated based on share of interest by Ramu Nickel Limited (Wholly-owned subsidiary of Nickel 28 Capital Corporation) (8.56%)

⁺ Converted using BPNG Weighted Average exchange rate (USD1: PGK3.5908) – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Table 1-13 Share of joint venture partners and consolidated payments on Ramu Nickel project

Owners	Share from Joint Venture ¹			Consolidated receipts reported by government agencies PGK*
	Percentage	Gross sales PGK*	Share of profits PGK*	
MCC Ramu Nico Limited	85.00%	2,025,758,731	Not derived*	90,669,973
Ramu Nickel Limited	8.56%	204,005,820	38,478,856	Reported by Operator
Mineral Resources Madang Limited	2.50%	59,581,139	Not derived*	Reported by Operator
Mineral Resources Ramu Limited	3.94%	93,899,875	Not derived*	Reported by Operator
Total		2,383,245,565		90,669,973

¹ 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.²²

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

²¹ Nickel 28 Capital Corporation, Annual Report 2023.

²² Response by MCC Ramu in 2019 PNG EITI Report.

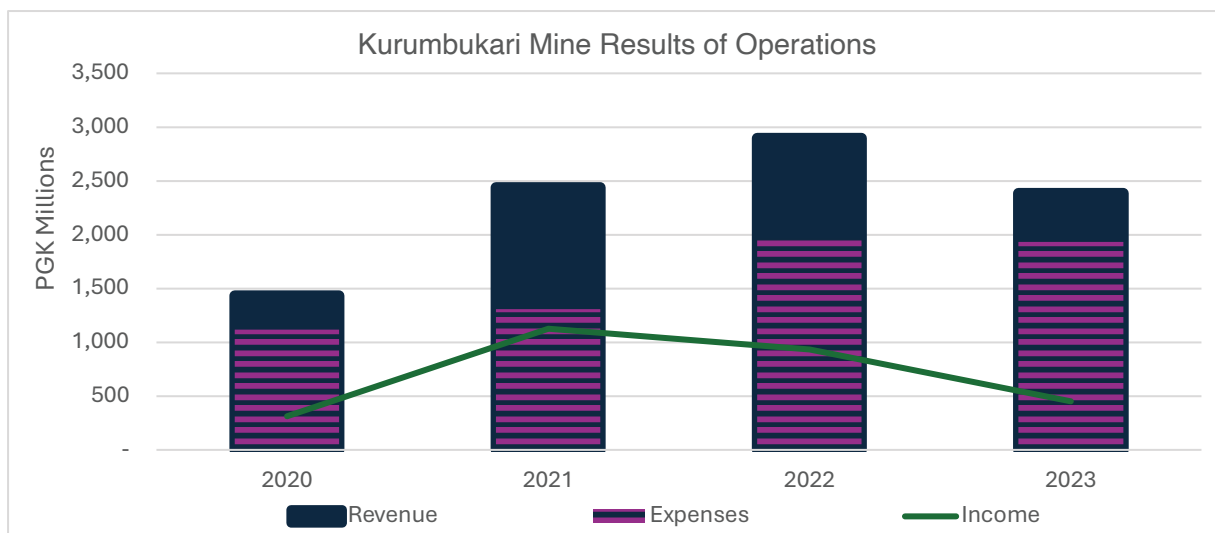


Figure 1-11 Kurumbukari mine results of operations

*Figures are converted using weighted average rate from Bank of PNG.²³

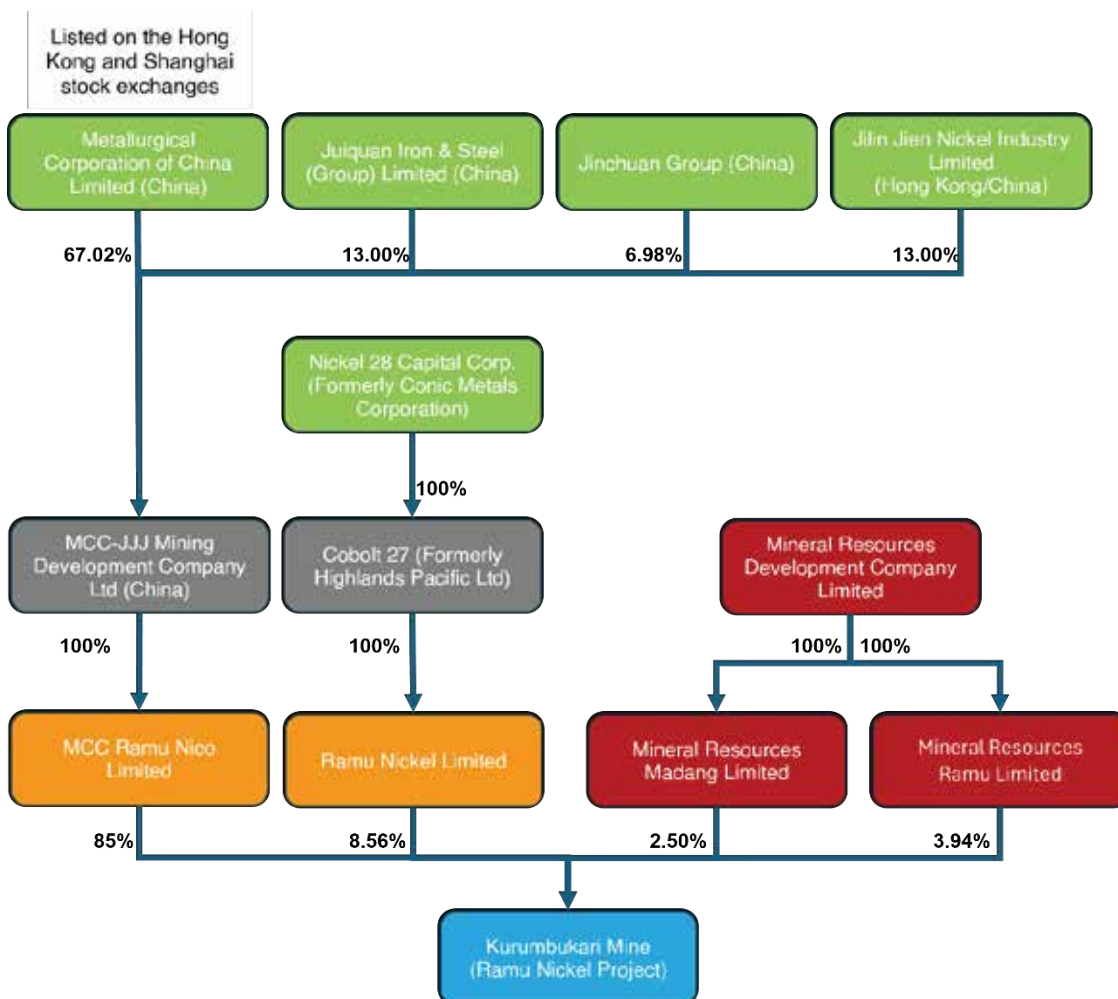


Figure 1-12 Ramu Nickel Project ownership structure

²³ Historical Exchange Rates, <https://www.bankpng.gov.pg/publications/historical-exchange-rates>

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.²⁴

²⁴ MRDC website, <https://www.mrdc.com.pg/ramu-nickel-cobalt-project.html>,

1.5 Morobe Consolidated Goldfields Limited (Hidden Valley Mine)

Table 1-14 Hidden Valley mine facts

Minerals	Gold and silver
Province	Morobe
Mine opened	2009 (commenced production)
Mine life (years)	5 years (+3 years until 2030) ²⁵
Tenement	ML151
2023 export value	PGK 1,453,874,620 ²⁶

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*

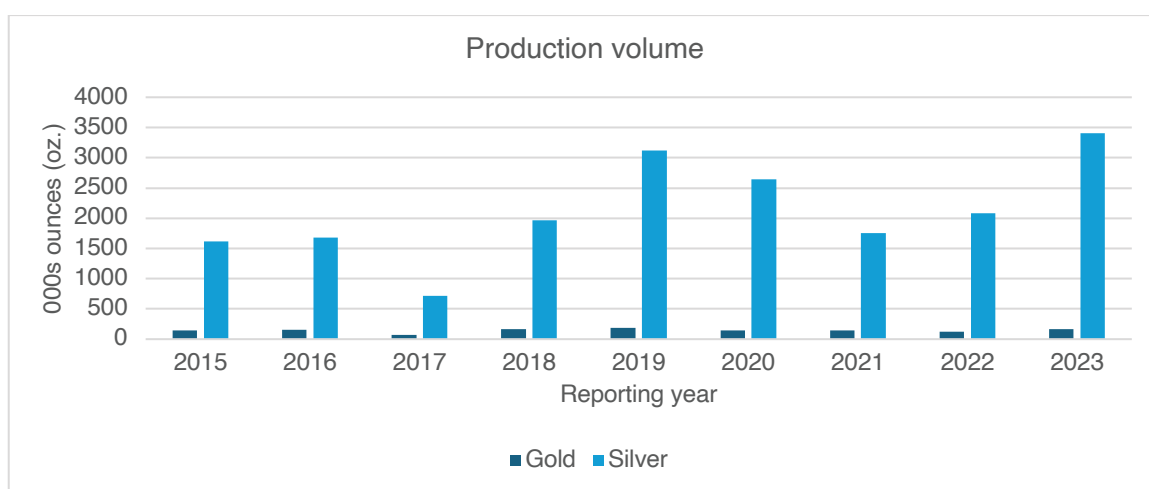


Figure 1-13 Hidden Valley mine production volumes

**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/Merrill Crowe circuit for silver and a carbon-in-leach circuit for gold.²⁷

²⁵ Mining Data Solutions, <https://miningdataonline.com/property/186/Hidden-Valley-Mine.aspx>,

²⁶ PNG Customs 2023 data template.

²⁷ Harmony Gold 2023 Operational Report, page 24 <https://www.harmony.co.za/investors/annual-reports/2023/>

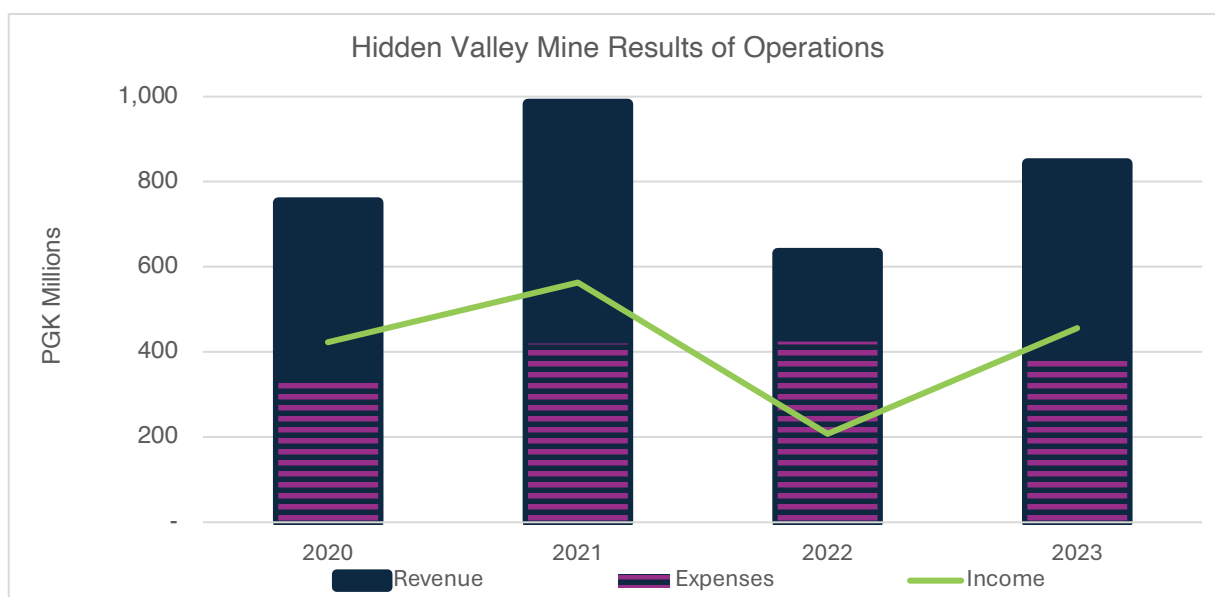


Figure 1-14 Hidden Valley mine results of operations

*Figures are converted using weighted average rate from Bank of South Pacific.²⁸

Table 1-15 Financial highlights Hidden Valley

Balances for the Year ended 30 June 2023	South African Rand millions*	PGK millions+
Revenue	4,440	843
Production cost	2,036	387
Production profit	2,404	457
Mining assets	5,766	1,095
Capital expenditure	1,737	330

* Extracted from Harmony Gold Mining Annual Financial Report 2023²⁹

+ Converted using BPNG Mid-Range (30 June 2023) South Africa Rand (ZAR) exchange rate (1PGK: ZAR5.2660)³⁰ – this is for presentation only. Actual results may differ due to use of exchange rate translation.

Table 1-16 Project revenue and consolidated payments on Hidden Valley

Project	Revenue PGK*	Production profit PGK*	Consolidated receipts reported by government agencies PGK*
Hidden Valley	843,144,702	456,513,483	81,430,940
Total	843,144,702	456,513,483	81,430,940

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

²⁸ Historical Exchange Rates, <https://www.bsp.com.pg/international/exchange-rates/>

²⁹ Harmony Gold Annual Report 2023, page 116 <https://www.har.co.za/22/download/HAR-FR22.pdf>,

³⁰ Bank of South Pacific website, <https://www.bsp.com.pg/international/exchange-rates/?date=2023-06-30>

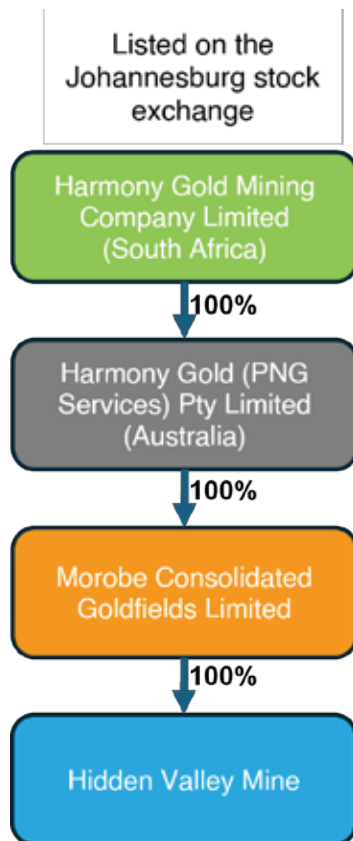


Figure 1-15 Hidden Valley ownership structure

Hidden Valley had a challenging start to the year as operations were affected by a shortage of blasted rock to process resulting in a slower than planned mining rate and dilution factor ultimately affecting recovered grades. The recovered grade was marginally lowered by 1.14g/t in comparison to the 1.15g/t in 2022. Tonnes milled for the year 2023 was higher by 19% than the previous year, from 3.2 million tonnes to 3.8 million tonnes. As a result, gold production increased 18% to 4,370kg (140,498 oz) from 3,707kg (119,182 oz) in 2022.³¹

The main payments to Government agencies are SWT and royalties. The project did not pay corporate income taxes in 2023.

All-in sustaining cost rose 22% to ZAR859,974/kg due to lower production while capital expenditure increased to ZAR12 million from ZAR7 million, mainly related to planned maintenance.

³¹ Harmony Gold 2023 Operational Report, page 24 <https://www.harmony.co.za/investors/annual-reports/2023/>

1.6 Niuminco Edie Creek Ltd (Edie Creek mine)

Table 1-17 Edie Creek mine facts

Minerals	Gold and silver
Province	Morobe
Mine opened	2014 (current operation)
Mine life (years)	9 years until 2031 ³²
Tenement	ML144, 380, 384-392, 402-410, 444-446, 462
2023 export value	nil ³³

*Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.

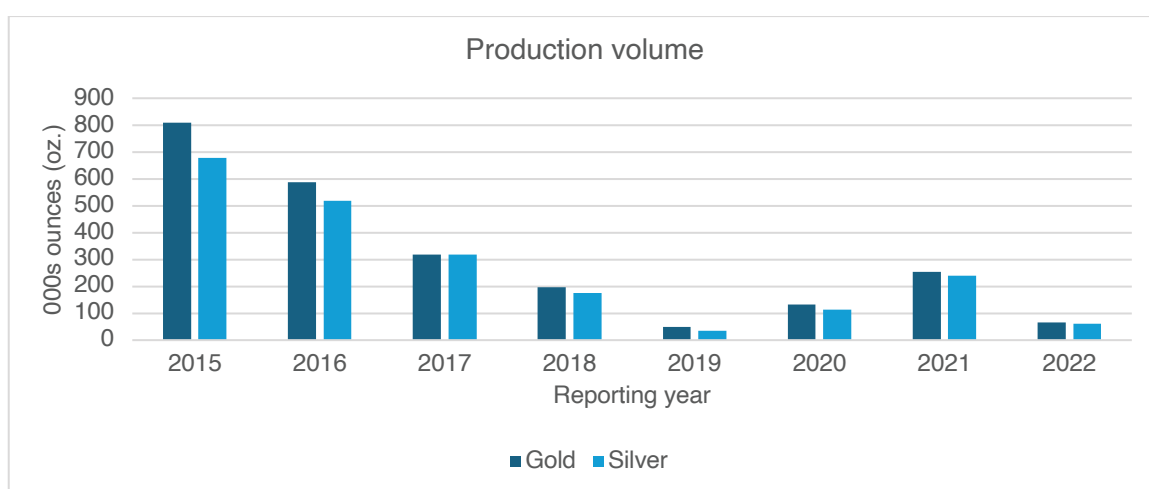


Figure 1-16 Edie Creek mine production volumes

1.6.1 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.³⁴

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, 2031.³⁵ 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

³² MRA 2023 data template.

³³ PNG Customs 2023 reporting template

³⁴ Niuminco website, <https://www.niuminco.com.au/history.html>,

³⁵ PNG extends Edie Creek Mining Lease article, <https://mine.onepng.com/2022/09/png-extends-edie-creek-mining-lease.html>

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.

1.6.2 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 2023³⁶

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

**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 2022³⁸*

systems (Alpha South, Alpha North and Mounts) and the unmined Enterprise vein system are being developed.³⁷

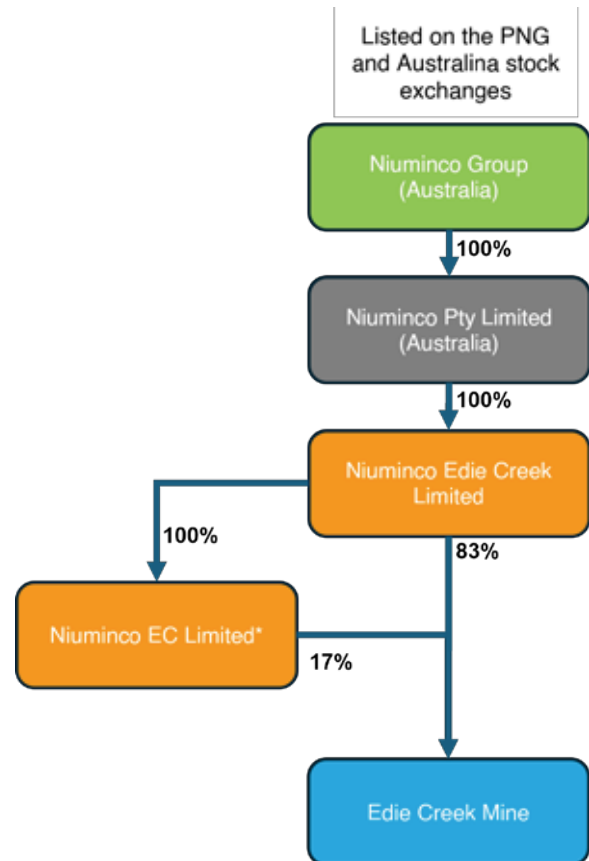


Figure 1-17 Edie Creek ownership structure

³⁶ Niuminco Group Limited's December 2022 Quarterly Activities Report.

³⁷ Niuminco website, <https://www.niuminco.com.au/current-operations.html>.

³⁸ Niuminco 2020 Annual Report, <https://www.niuminco.com.au/Niuminco%202020%20Annual%20Report.pdf>

1.7 Ok Tedi Mining Limited (Mt Fubilan mine)

Table 1-18 Mt Fubilan mine facts

Minerals	Gold and silver
Province	Western
Mine opened	1984
Mine life (years)	2050
Tenement	ML151
2023 export value	PGK 2,711,153,378 ³⁹

**Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.*



Figure 1-18 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 a 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 2023, Ok Tedi has produced 5.25 Mt of copper, 16.2 Moz of gold and 37.2 Moz of silver.⁴⁰ 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

³⁹ PNG Customs 2023 reporting template

⁴⁰ OTML Annual Report 2023, page 4, <https://www.oktedi.com/who-we-are/annual-performance/>

under the Mining Act and 1,083.6 ha held under the Land Act.

OTML generated PGK3.959 billion in total sales revenue in 2023 against PGK3.525B in

2022. which was 12% higher than 2022 due to an increase in copper and gold production of 18% and 3%, respectively.⁴¹

Table 1-19 Financial highlights Ok Tedi Mining Limited

Balances for the Year ended 31 December 2023	PGK thousands ⁺
Revenue	3,958,575
Mining, processing, Genral & Admin, Other Costs	(2,429,384)
Other gains (losses)	48,256
Depreciation	(499,447)
Finance income	3,953
Finance expense	(124,983)
Income tax expense	(275,366)
Net income	681,604

* Extracted from Ok Tedi Mining Limited Annual Report⁴²

Based on its Annual Report, OTML generated a consolidated after-tax profit of PGK682 million which was K381M higher than 2022. This reflected the after-tax impact of higher sales revenue PGK434 million coupled by reduction of operating costs by PGK38 million.

Based on its Annual Report, OTML retains a strong balance sheet with total assets exceeding total liabilities by PGK4.9 billion. The Company is comfortably solvent with current assets exceeding current liabilities by PGK1.21 billion and a consistent record of profitability.

Table 1-20 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	3,958,575,000	681,604,000	640,916,192
Total	3,958,575,000	681,604,000	640,916,192

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

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

⁴¹ OTML Annual Report 2023, page 50, <https://www.oktedi.com/who-we-are/annual-performance/>

⁴² OTML Annual Report 2023, page 50, <https://www.oktedi.com/who-we-are/annual-performance/>

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.

- 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.⁴³

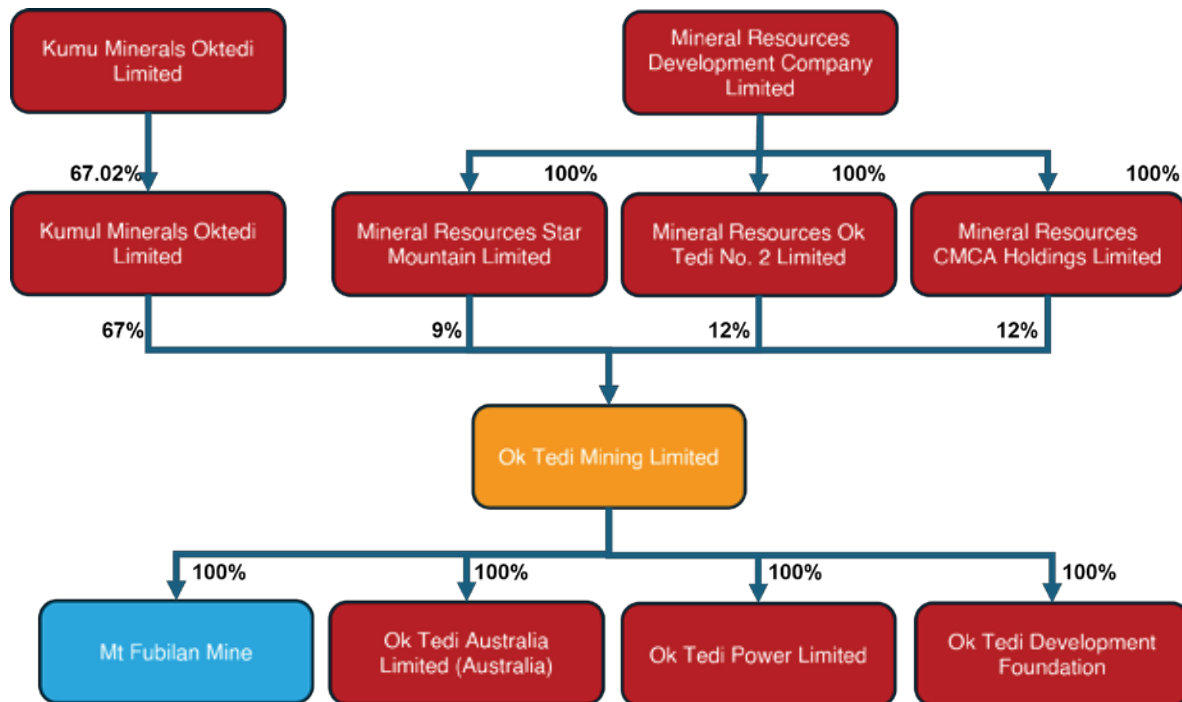


Figure 1-19 Mt Fubilan ownership structure

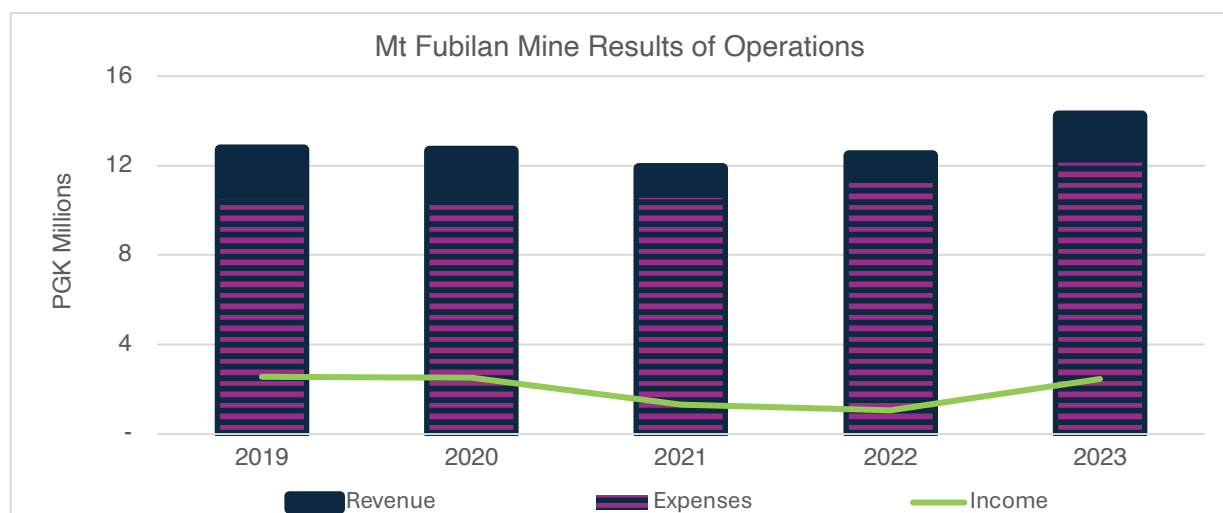


Figure 1-20 Mt Fubilan mine results of operations

⁴³ Oktedi Mining website, <https://oktedi.com/who-we-are/our-subsidiaries/>

1.8 Simberi Gold Company Ltd (Simberi mine)

Table 1-21 Simberi mine facts

Minerals	Gold and silver
Province	New Ireland
Mine opened	2008 (commenced production)
Mine life (years)	6 years until 2028 ⁴⁴
Tenement	ML136
2023 export value	PGK 448,538,891 ⁴⁵

*Only Special Mining Lease (SML) and Mining Lease (ML) are considered in the Tenement disclosure portion of the table above. For more information regarding other tenement types see Annex G of this report.

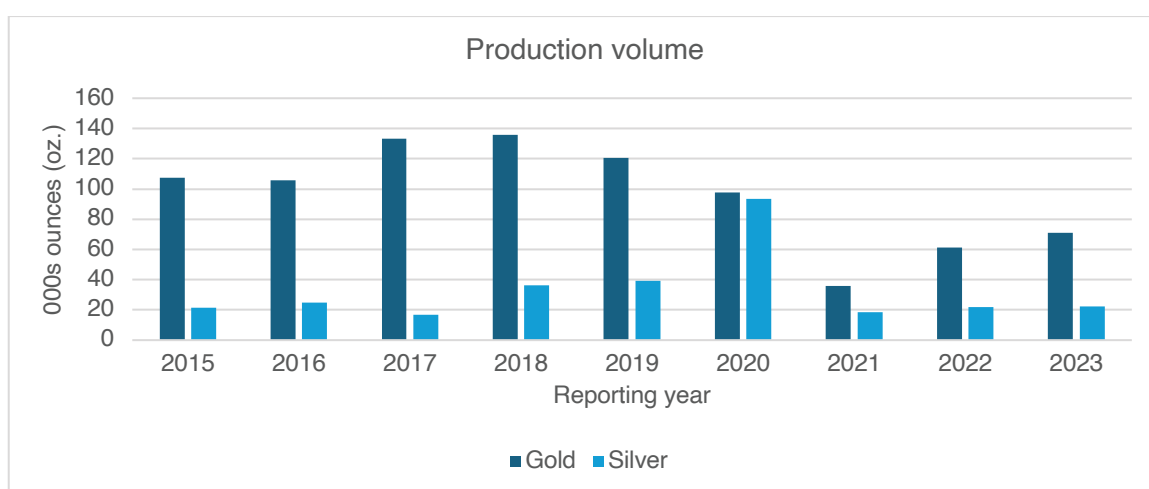


Figure 1-21 Simberi mine production volumes

Table 1-22 Financial highlights Simberi Mine

Balances for the Year ended 31 December 2023	Australian Dollar (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 2023.⁴⁶ Excludes corporate costs, exploration expenses, interest, and tax.

+ Converted using BPNG Weighted Average exchange rate (AUD1: PGK2.3852) – 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,

⁴⁴ MRA 2023 data template.

⁴⁵ PNG Customs 2023 data template.

⁴⁶ St. Barbara Limited Annual Report, <https://stbarbara.com.au/wp-content/uploads/2022/09/2022.09.16-asx-2022-annual-report.pdf>,

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-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.⁴⁷

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 2022.⁴⁸

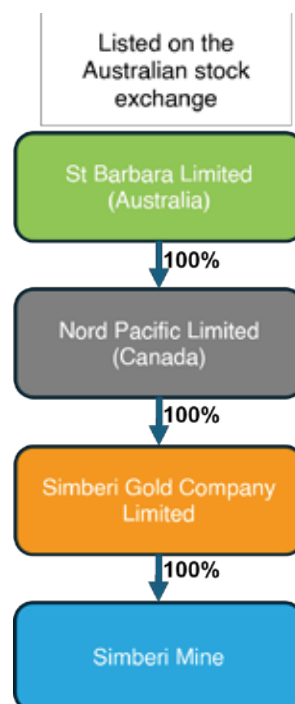


Figure 1-22 Simberi mine ownership structure

Table 1-23 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)	28,699,344
Total	208,971,840	(151,029,000)	28,699,344

⁴⁷ Mining Data Solutions, <https://miningdataonline.com/property/525/Simberi-Mine.aspx>,

⁴⁸ St. Barbara Limited Annual Report page 4, <https://stbarbara.com.au/investors/annual-reports/>



Figure 1-23 Simberi mine ownership structure

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.⁴⁹

⁴⁹ Minister Ano Pala speech at the conference, <https://mra.gov.pg/2022/12/07/16th-png-png-chamber-of-mines-petroleum/>

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.⁵⁰

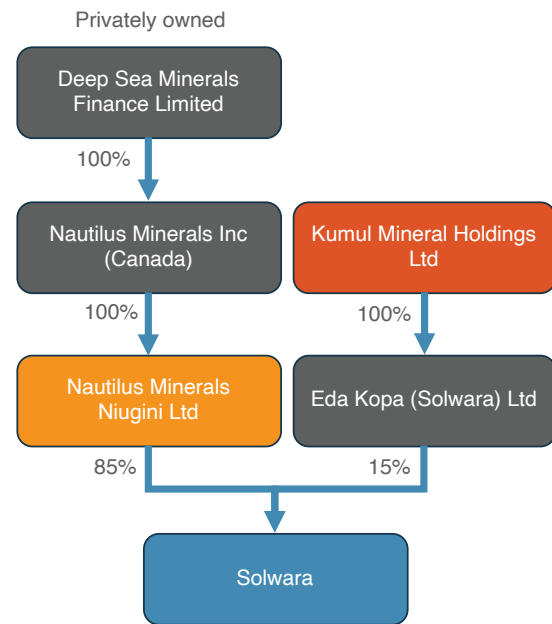


Figure 2-1 Solwara ownership structure

**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.⁵¹*

⁵⁰ Nautilus to return to PNG article, <https://islandsbusiness.com/news-break/nautilus-to-return-to-png/>

⁵¹ NautilusMinerals 2014 Annual Report, https://www.annualreports.co.uk/HostedData/AnnualReportArchive/n/TSX_NUS_2014.pdf

2.2 Woodlark Mining Ltd (Woodlark)



Figure 2-2 Woodlark mining map

*Source: Geopacific Resources Limited 2023 Annual Report⁵²

The Woodlark Gold Project ("Woodlark") 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.⁵³

Woodlark is currently being developed by Geopacific Resources Limited. The Project has a current Mineral Resource Estimate

(MRE) of 1.56 million ounces of gold with significant exploration potential across the Company's 580km² tenement holding on the Island. The 2023 MRE provides better definition of the high-grade distribution, resulting in a 17% increase in Resource grade, a 12% reduction in tonnes and a 6% increase in contained gold.⁵⁴

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

⁵² <https://www.annualreports.com/Company/geopacific-resources-limited>

⁵³ Woodlark Gold Project article, <https://www.mining-technology.com/projects/woodlark-gold-project/?cf-view>

⁵⁴ Geopacific Resources Limited 2023 Annual Report, page 2

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.

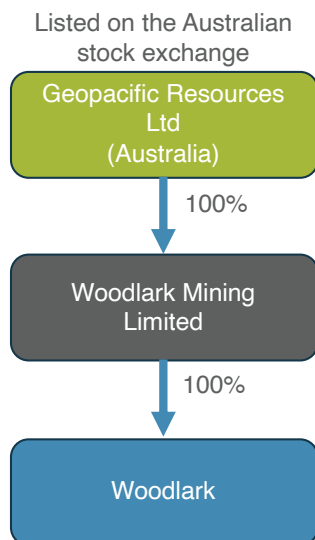


Figure 2-3 Woodlark ownership structure

2.2.1 Outcome in 2023

The following are the key outcomes from activities undertaken in 2023:

- Geological and exploration targeting review aimed to incorporate all drilling

from the 2022 program and a substantial amount of legacy data from multiple phases of exploration activity on Woodlark Island since 1962.

- Assessment of potential alternative process plant and project infrastructure locations including proposition of new process plant site, and wharf location which improves drainage conditions and reduction of approximately 7km road construction, respectively.
- Improvements on water management strategy designed to eliminate the previously designed seawater return line for process water.
- The community relocation project continued to progress with 67% of completion. The 98-building program was completed in October 2023, 7-months ahead of schedule. In November 2023, works commenced on the next phase of the community relocation program which comprises a further 16 buildings.
- Continuous various community and social activities as a way to support the local communities within the Woodlark Gold Project (i.e. provision of ongoing medical assistance, including education facilities, health care services, and employment and training opportunities).⁵⁵

2.2.2 Outlook for 2024

- Preparation of the Woodlark Scoping Study which captures significant economic and construction design improvements made since the 2020 Execution Update to confirm the Project's status as a technically robust and capable of generating significant free cash flows.
- Preparation of a Mineral Resource Update.

⁵⁵ Geopacific Resources Limited 2023 Annual Report, pages 8-9

3 Advanced exploration mining projects

There were several major projects that had mining leases during 2023 but were still in development stage. The list of all active

mining leases and special mining leases for 2023 provided by the MRA are included in Annex G.

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.

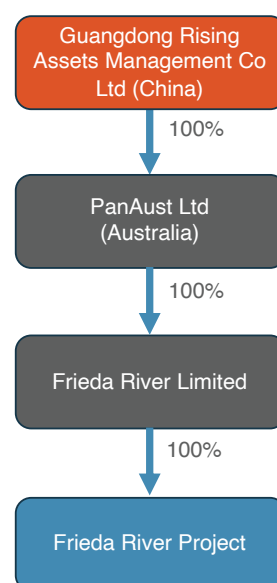
The Project will help build stronger and more viable communities by establishing necessary public infrastructure, generating skilled employment, and creating business opportunities for local people.

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).⁵⁶

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.

In 2015, the name change from Xstrata Frieda River Limited to Frieda River Limited took effect.

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.

Figure 3-1 Frieda River project ownership structure

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

⁵⁶ Frieda River website, <https://www.friedariver.com/>

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.

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 stakeholder activities to complete the assessment for the permit application. It is anticipated that these activities will continue throughout 2022.⁵⁷

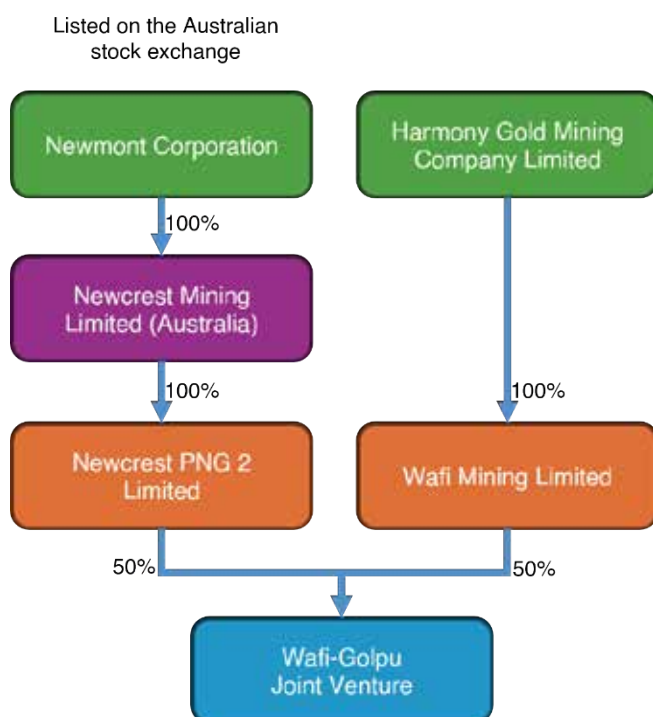


Figure 3-2 Wafi-Golpu Joint Venture ownership structure

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	1,672,787
Business payment tax	IRC	58,918
Total		1,731,705

⁵⁷ Frieda River website, <https://www.friedariver.com/>

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	1,225,559
Local community	Capacity building	Cash	3,265,972
Local community	Other payments	Cash	362,886
Discretionary			
Local community	Health	Cash	982,700
Local community	Education	Cash	23,617
Local community	Agriculture & fisheries	Cash	448,193
Local community	Capacity building	Cash	2,706,729
Local community	Other payments	Cash	56,639
Total			9,072,295

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.⁵⁸

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 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.⁵⁹

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.⁶⁰

⁵⁸ Wafi Golpu website, <https://www.wafigolpujv.com/>

⁵⁹ Harmony website, <https://www.harmony.co.za/operations/png/wafi-golpu-project/>

⁶⁰ Mining Data Solutions, <https://miningdataonline.com/property/1100/Wafi-Golpu-Project.aspx>

4 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 4-1 Non-material advance exploration project extended in 2023⁶¹

Project	Tenement	Detail	Renewal Date
EL 2665	Ono river	LCL Footprint Gold Limited	29-January-23
EL 2684	Goroka	Chryso Resources Limited	02-August-23
EL 2556	Kupiano	Mayur Iron PNG Limited	25-February-23
EL 2566	Abau	LCL Footprint South Limited	25-February-23
EL 1212	Frieda	Frieda River Limited	30-May-23
EL 2578	Kori River	Copper Quest PNG Limited	25-February-23
EL 1335	Yandera	Yandera Mining Company Limited	20-November-23
EL 609	Mapua	Nord Australex Nominees (PNG) Limited	06-May-23
EL 1747	Misima Island	Gallipoli Exploration (PNG) Limited	21-March-23
EL 2658	Wamun	Canterbury Resources (PNG) Limited	29-January-23
EL 58	Frieda River	Frieda River Limited	15-November-23
EL 2531	Tolukuma	Frontier Copper (PNG) Limited	25-February-23
EL 2314	Bulolo	Canterbury Resources (PNG) Limited	02-November-23
EL 2670	Mt. Kuta	Kraip Energy Limited	02-August-23
EL 2482	Basima	Solway Group Mining (PNG) Limited	25-February-23
EL 2366	Subutuya	Solway Group Mining (PNG) Limited	17-December-23

⁶¹2023 List of Tenements provided by MRA

5 Mines not in operation in 2023

5.1 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 2022⁶²

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

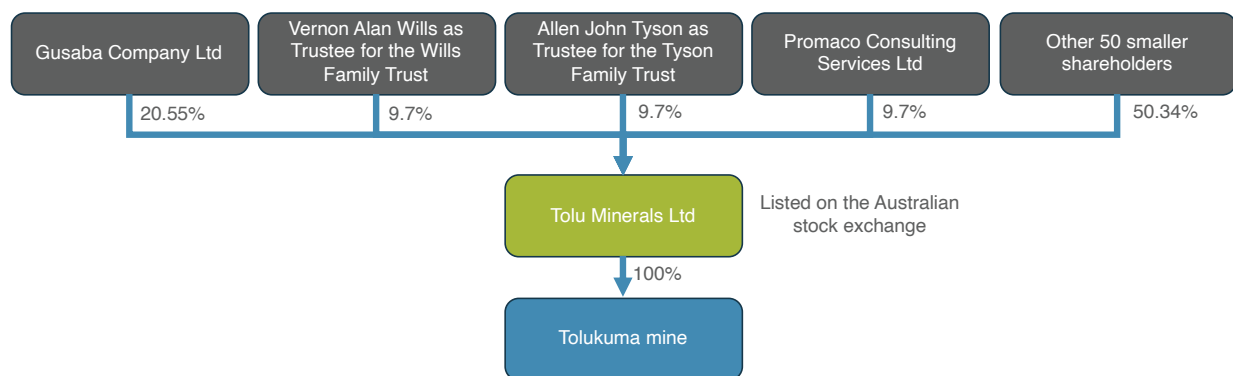


Figure 5-1 Tolukuma ownership structure

⁶² <https://www.toluminerals.com/our-business/projects/tolukuma-gold-mine/>.

⁶³ <https://www.pngbusinessnews.com/articles/2023/3/lolo-mining-develops-ipo-for-tolukuma-gold-mine-asx-listing>.

5.2 Mt Crater

Table 5-1 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

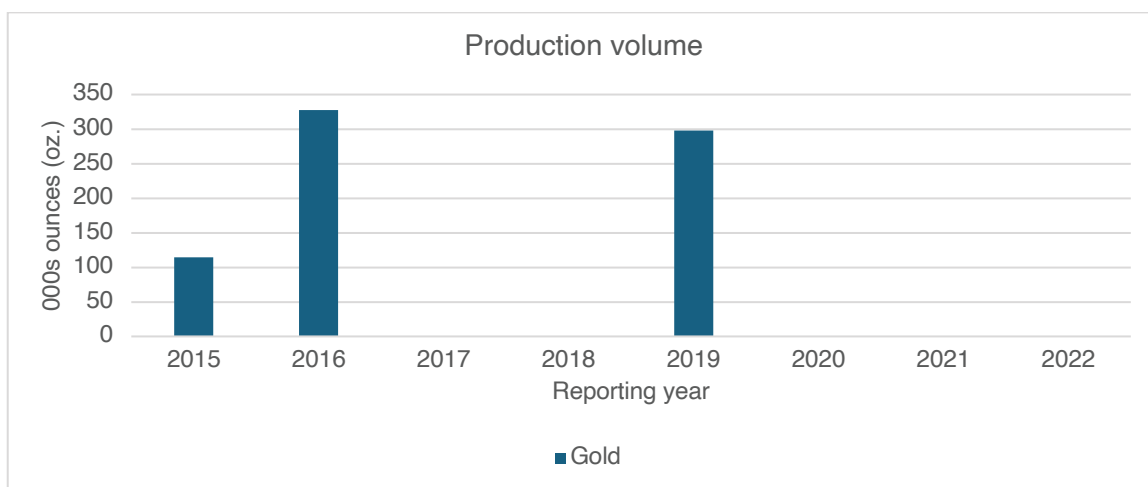


Figure 5-2 Mt Crater production volumes

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

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>

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 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

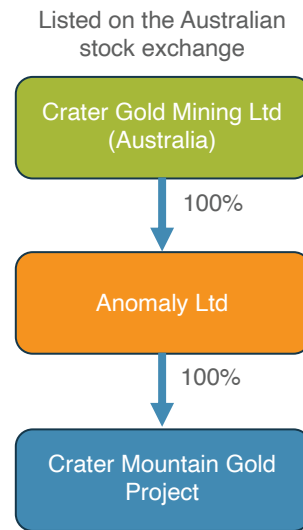


Figure 5-3 Crater Mountain Gold Project ownership structure

⁶⁷ Crater Gold Mining Limited's Annual Report for the year ended June 2022, page 3.

Annex C – Oil projects 2023

1 Oil projects operating in 2023

This section of the report presents details on the oil and gas projects active in PNG during 2023. Any changes that occurred to the ownership structures during the 2023 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 10 Reconciliation of revenue streams.

Table 1-1 Reporting by oil and gas companies

Data provided	
PiF	Provided in full
SP	Substantially provided
PP	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	Sub-national payments	Status of reconciliation
SE Gobe						
Santos Limited	Yes	Yes	PiF	PiF PiF		
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Ampolex (Highlands) Limited	No	Yes	PiF	PiF	PiF	
Petroleum Resources Gobe Limited	No	Yes	PiF	PiF	PiF	
Southern Highlands Petroleum Co. Limited	No	Yes	No data obtained	No data obtained	No data obtained	
NPCP Oil Company Pty Limited	No	No	PiF	PiF	PiF	
Barracuda Limited	No	Yes	PiF	PiF	PiF	

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Sub-national payments	Status of reconciliation
Kutubu						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Merlin Pacific Oil Co. Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG Petroleum) Inc.	No	Yes	PiF	PiF	PiF	
Petroleum Resources Kutubu Limited	No	Yes	PiF	PiF	PiF	
Moran						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Merlin Petroleum Company	No	Yes	No data obtained	No data obtained	No data obtained	
Esso PNG Moran Limited	No	Yes	PiF	PiF	PiF	
Eda Oil Limited	No	Yes	PiF	PiF	PiF	
Ampolex (Highlands) Limited	No	Yes	PiF	PiF	PiF	
Petroleum Resources Moran Limited	No	Yes	PiF	PiF	PiF	
Petroleum Resources Northwest Moran Limited	No	Yes	PiF	PiF	PiF	
Hides GTE						
Santos Limited	Yes	Yes	PiF	PiF	PiF	
PNG LNG Project						
ExxonMobil PNG Limited	Yes	Yes	PiF	PiF	PiF	
Esso PNG Juha Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG) Limited	No	Yes	PiF	PiF	PiF	
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Kumul Petroleum Holdings Limited	No	Yes	PiF	PiF	PiF	
JX Nippon Oil and Gas Exploration Company	No	No	No data obtained	No data obtained	No data obtained	
MRDC	No	Yes	PiF	PiF	PiF	
PDL 1						
ExxonMobil PNG Limited	Yes	Yes	PiF	PiF	PiF	
Esso Highlands Limited	No	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF PiF		PiF	
Lavana Limited	No	Yes	PiF	PiF	PiF	
Kumul Petroleum (Kroton) Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Gigira Limited	No	Yes	PiF	PiF	PiF	
Santos Limited	Yes	Yes	PiF	PiF	PiF	
Santos (Hides) Limited	No	Yes	PiF	PiF	PiF	
PDL 7 (Hides)						
Esso Highlands Limited	Yes	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Hides No. 4 Limited	No	No	PiF	PiF	PiF	
PDL 8 (Angore)						
Esso Highlands Limited	Yes	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	

			EITI Requirements			
Joint venture partners	Annual Report publicly available	Annual return updated in IPA	Financial information	Non-financial information	Sub-national payments	Status of reconciliation
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Gas Resources Angore Limited	No	No	PiF	PiF	PiF	
PDL 9 (Juha)						
Esso PNG Juha Limited	No	Yes	PiF	PiF	PiF	
Oil Search (Tumbudu) Limited	No	Yes	PiF	PiF	PiF	
Ampolex (PNG) Limited	No	Yes	PiF	PiF	PiF	
Kumul LNG Limited	No	Yes	PiF	PiF	PiF	
Nippon Papua New Guinea LNG LLC	No	Yes	No data obtained	No data obtained	No data obtained	
Gas Resources Juha No. 1 Limited	No	No	PiF	PiF	PiF	

1.1 Santos Limited projects

Santos limited operates all projects that are currently producing oil in PNG, outlined below.¹

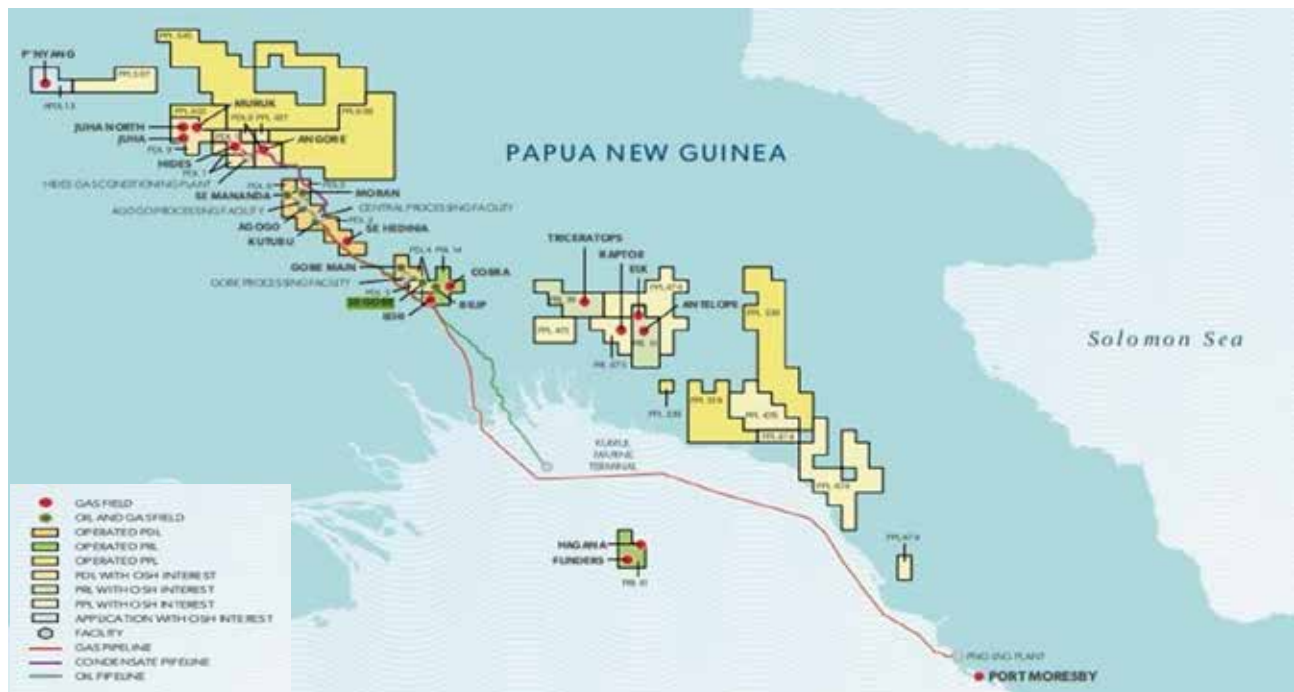


Figure 1-1 Oil Search licence interests, processing and distribution route

¹ PNGEITI Report 2022, page 3 - Annex C.

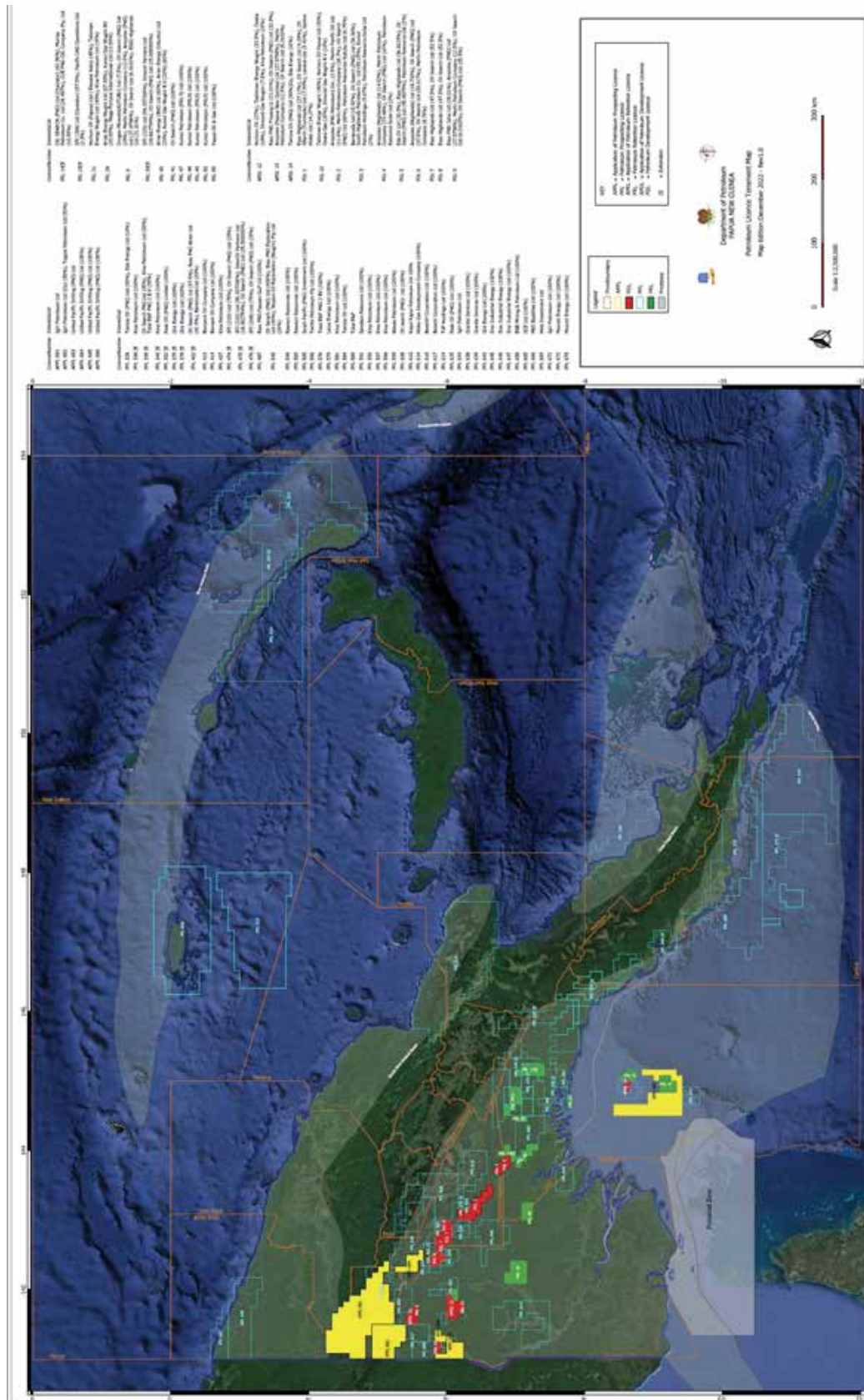


Figure 1-2 Petroleum License Tenement Map 2023

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 Limited²

Joint operation	Area of interest	Principal activities	2023 % interest	2022 % interest
<i>Oil and gas assets – Producing assets</i>				
PNG LNG	PNG LNG	Gas and liquids production	42.5	42.5
<i>Exploration and evaluation assets</i>				
Muruk 1	PNG	Gas and liquids exploration	57.5	57.5
PRL-9	PNG	Gas and liquids exploration	40.0	40.0
PRL-15 (Papua LNG Project)	PNG	Gas exploration	22.8	22.8
PRL-3	PNG	Gas exploration	38.5	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).

The agreement states that 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.³

As of 29 December 2023, Kumul Petroleum has paid approximately \$250m into with

Santos as part payment of the purchase price with the remainder to be sourced through executed binding funding arrangements which will be available for drawdown by 31 January 2024.

Approval by the PNG independent Consumer and Competition Commission (ICCC) for the transaction has been received, satisfying the only condition precedent to the transaction.⁴

In a separate statement, Kumul said it has also secured a call option to acquire a further stake of 2.4% in the project.

² Santos Limited 2023 annual report, page 127 ([Annual-Report-2023.pdf](#))

³ [Santos agrees an initial sale of 2.6 per cent of PNG LNG to Kumul and an option for Kumul to acquire a further 2.4 per cent | Santos](#)

⁴ [Santos confirms funding conditions met to complete sale of 2.6 per cent of PNG LNG to Kumul | Santos](#)

1.2 Gobe Project – Main and Southeast

Located in the Gulf and Southern Highlands Province, Gobe Oil Projects comprises of three discoveries: South-east Gobe discovered in 1991, 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. Santos Limited operates the Gobe Main and SE Gobe fields and is operator of PDL 4 as well as PDL 3.⁵

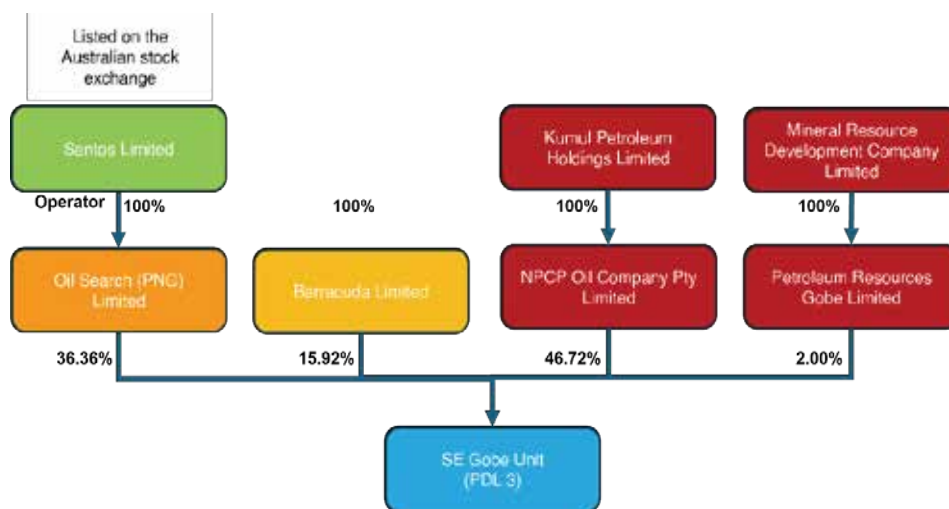


Figure 1-3 SE Gobe Unit interests

⁵⁵ [Papua New Guinea | Oceania | ENEOS Xplora](#)

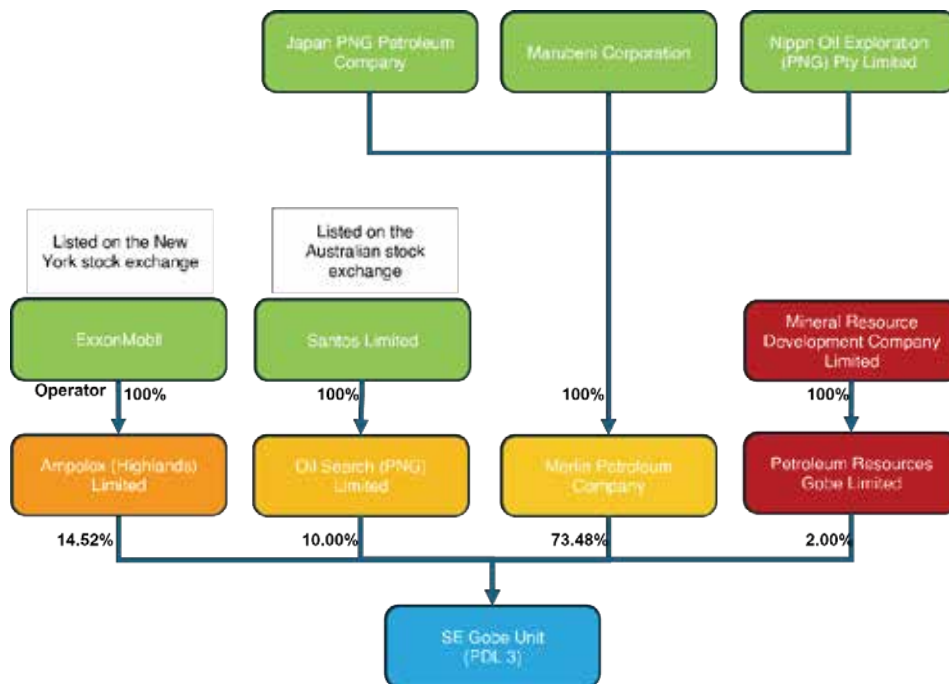


Figure 1-4 Main Gobe Unit interests

1.3 Kutubu

Papua New Guinea's 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 Santos Limited⁶ thru Oil Search Limited (60.04%) in Joint Venture partnership, with Ampolox (PNG Petroleum) Inc (11.61%) and Merlin Pacific Oil Company (18.69%), Merlin Petroleum Company (2.91%) and Petroleum Resources (Kutubu) Ltd (6.75%).

⁶ Santos Limited 2023 annual report, page 123 ([Annual-Report-2023.pdf](#))

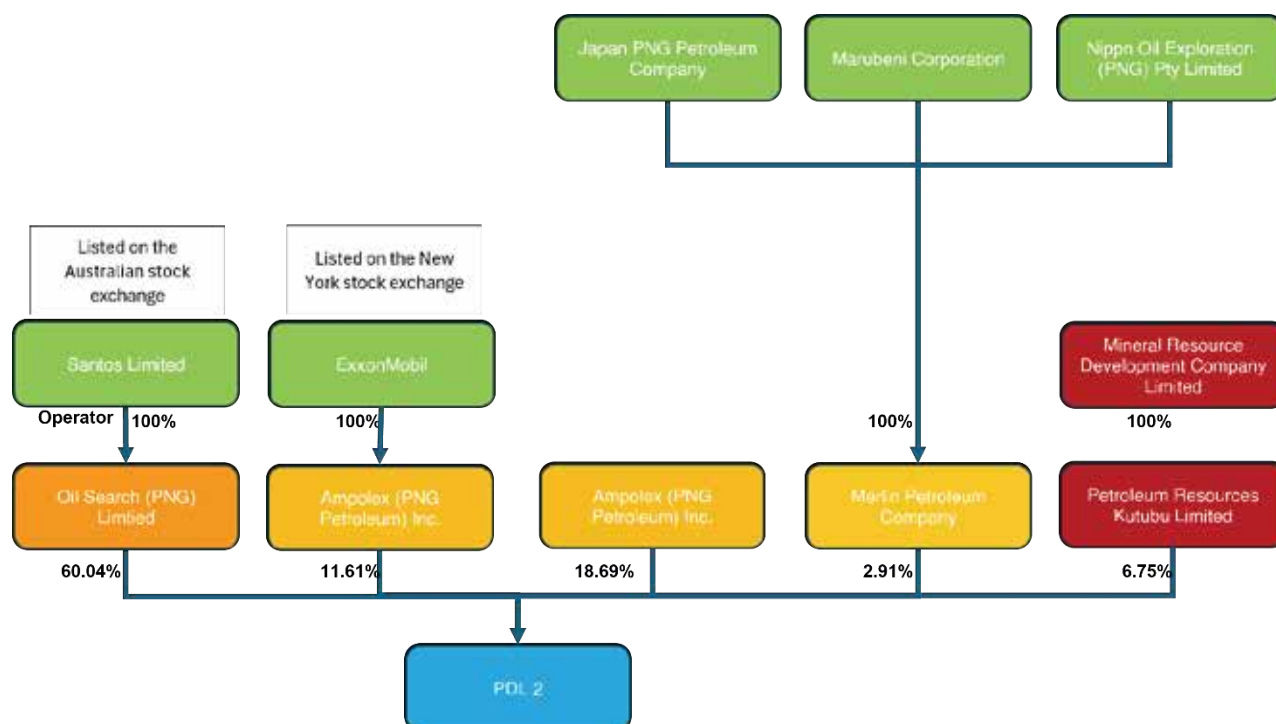


Figure 1-5 PDL 2 (Kutubu Field Complex, Iagifu, Hedinia, Usano, Agogo) interests⁷

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 owned by Santos⁸ 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.

⁷ DPE 2023 Reporting Template

⁸ Santos Limited 2023 annual report, page 123 ([Annual-Report-2023.pdf](#))

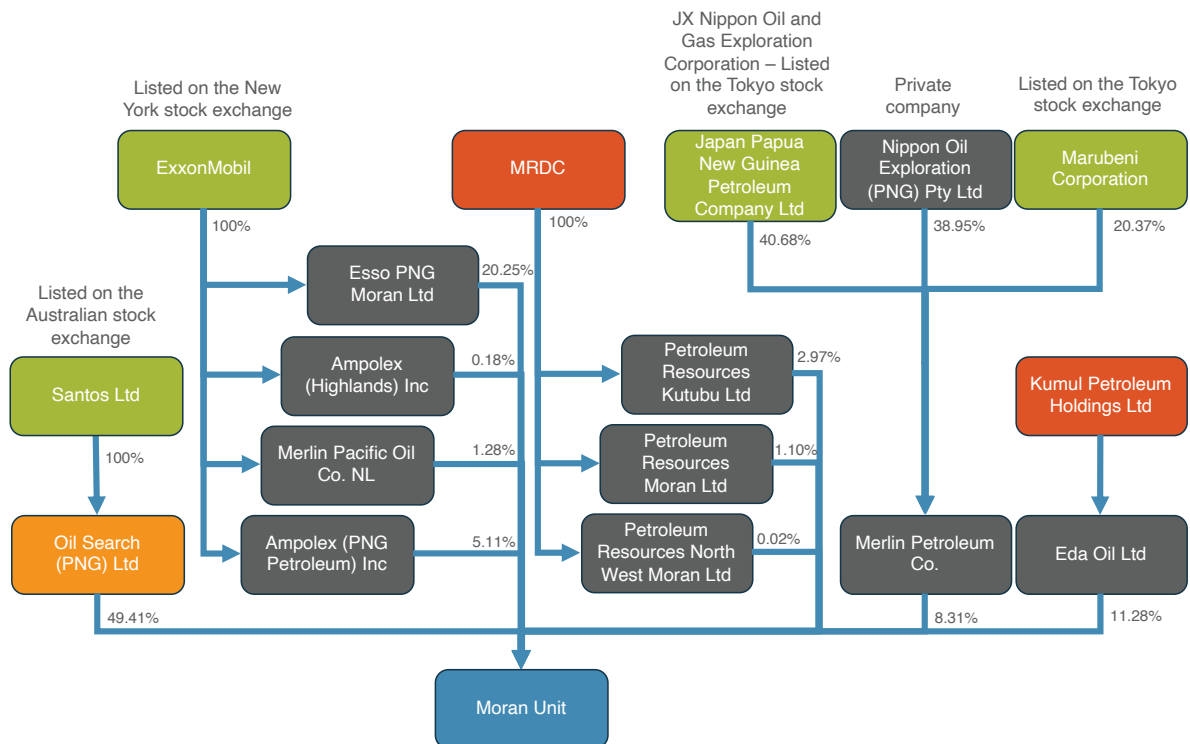


Figure 1-6 Moran unit interests⁹

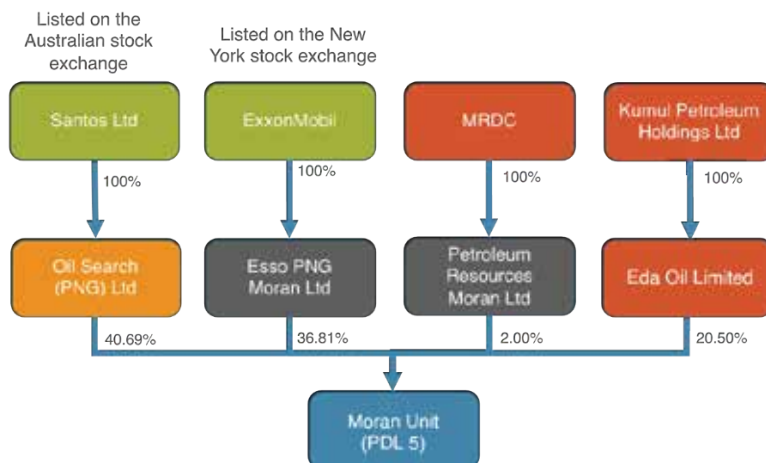


Figure 1-7 PDL5¹⁰

⁹ DPE 2023 Reporting Template

¹⁰ DPE 2023 Reporting Template

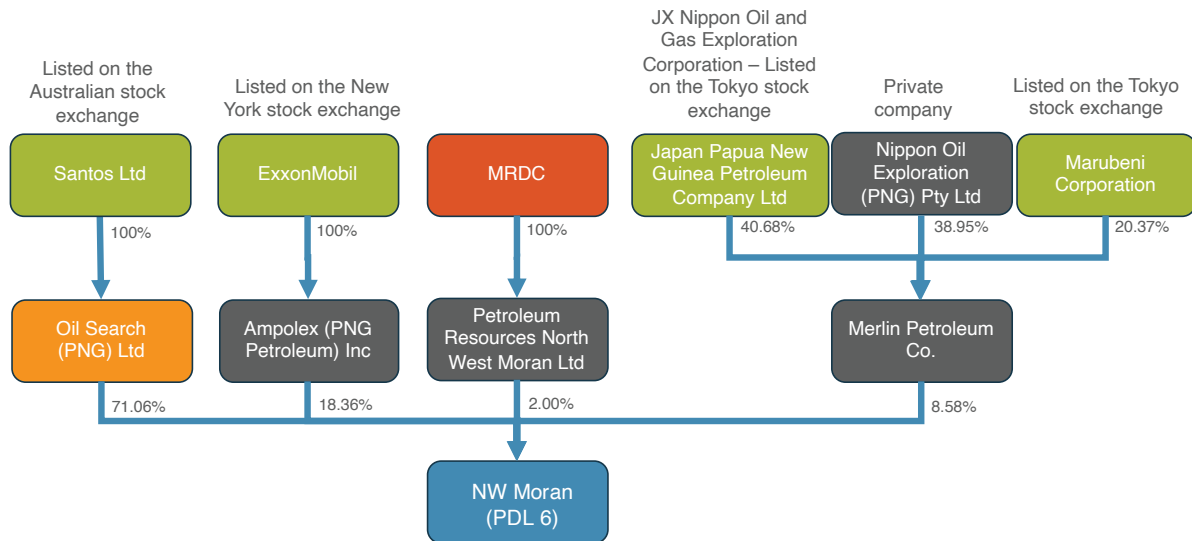


Figure 1-8 PDL6

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.

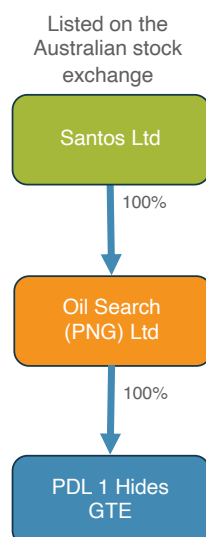


Figure 1-9 PDL1 Hides GTE

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.

1.6 PNG LNG Project



Figure 1-10 PNG LNG Project Location and Pipeline¹¹

¹¹ PNG LNG Story page 6 ([CCR_PNGLNG_Story_final_website.pdf](#))

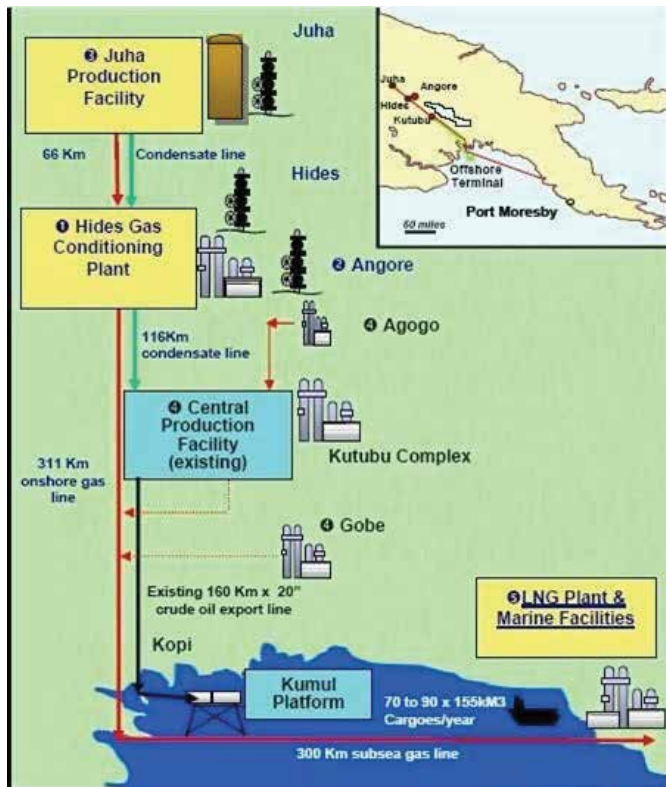


Figure 1-11 PNG LNG Project description

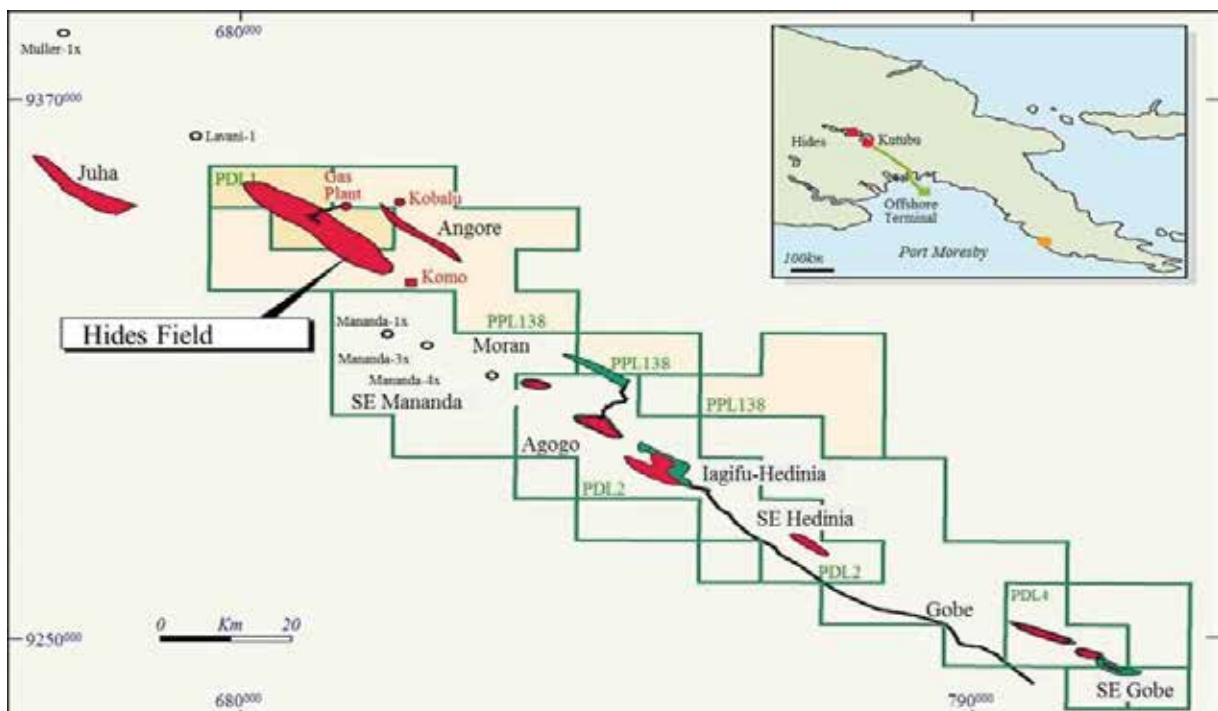


Figure 1-12 PNG LNG Project fields

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% Interest) is the operator of PNG LNG on behalf of its co-venture partners. Co-venture partners are; Santos 42.5% interest, Kumul Petroleum Holdings Limited 16.8% interest, JX Nippon Oil & Gas Exploration 4.7% interest and Mineral Resource Development Company Limited (MRDC) with 2.8% interest.¹²

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.¹³

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 2023, resulting in 8.5 million tonnes of LNG produced (design specification 6.9million tonnes per annum) and 113 LNG cargoes loaded during the year.

Since the start of production, more than 77.8 million tonnes of LNG have been produced, with 1,035 LNG cargoes and 99 naphtha cargoes loaded for customers in Asia.

In addition to the 1000th LNG cargo shipped to China on the LNG carrier Gigira Laitebo in September, a second major production milestone was achieved during 2023 with the completion of the Angore Gathering System pipeline installation from Wellpad C to the Hides Gas Conditioning Plant (HGCP).¹⁴

PNG LNG benefits at a glance

A. Workforce

- Production workforce of over 3,714, 88% are Papua New Guinean and 20 percent are women
- 225,900 hours of training delivered through some 2600 EMPNG and third-party contractor courses in 2023
- 238 graduates of the Operations and Maintenance training program employed by EMPNG*

B. Suppliers

- PGK6.8 billion spent in-country with Papua New Guinean businesses since the start of production
- PGK2.2 billion spent with Lancos since the start of production

C. Community

- PGK30.6 million of contributions, sponsorships, in-kind support and community projects in 2023
- PGK84.2 million spent on infrastructure tax credit projects in 2023

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

¹² DPE 2023 Reporting Template

¹³ <https://petroleum.gov.pg/exxonmobil-png-lng-project/>

¹⁴ [https://pnglng.com/media/PNG-LNG-Media/Files/Environment/Environment%20and%20Social%20reports/2023-Annual-ES-Report-FULL-REPORT-\(ENG-WEB\).pdf](https://pnglng.com/media/PNG-LNG-Media/Files/Environment/Environment%20and%20Social%20reports/2023-Annual-ES-Report-FULL-REPORT-(ENG-WEB).pdf)

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.

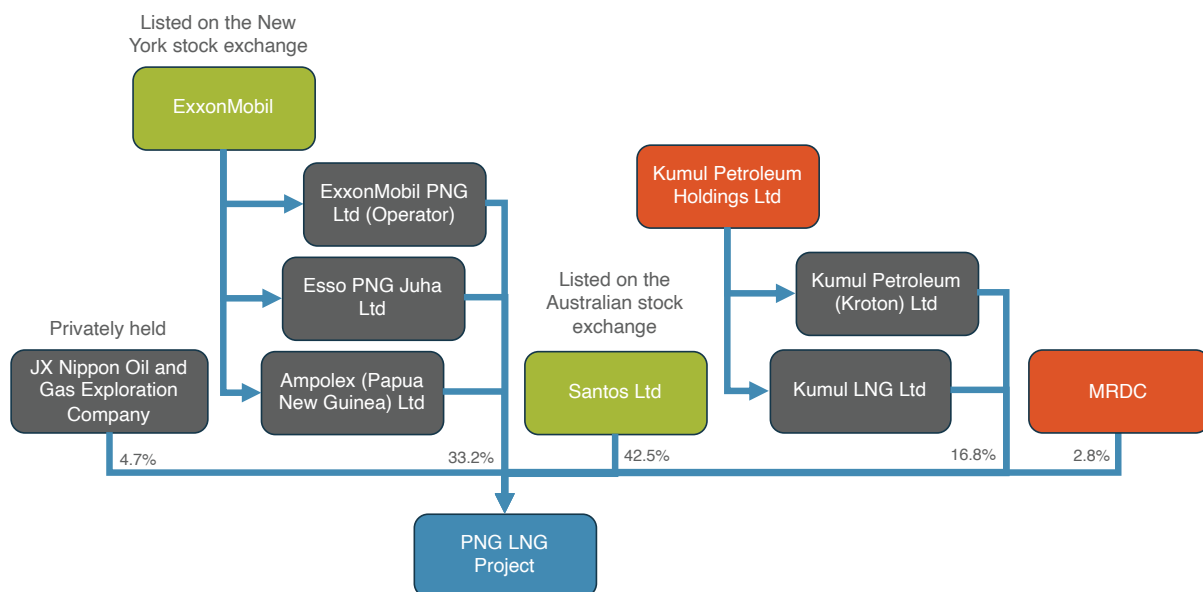


Figure 1-13 Interests in the PNG LNG project

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.¹⁵

¹⁵ PNG LNG Project, <https://petroleum.gov.pg/exxonmobil-png-lng-project/>,

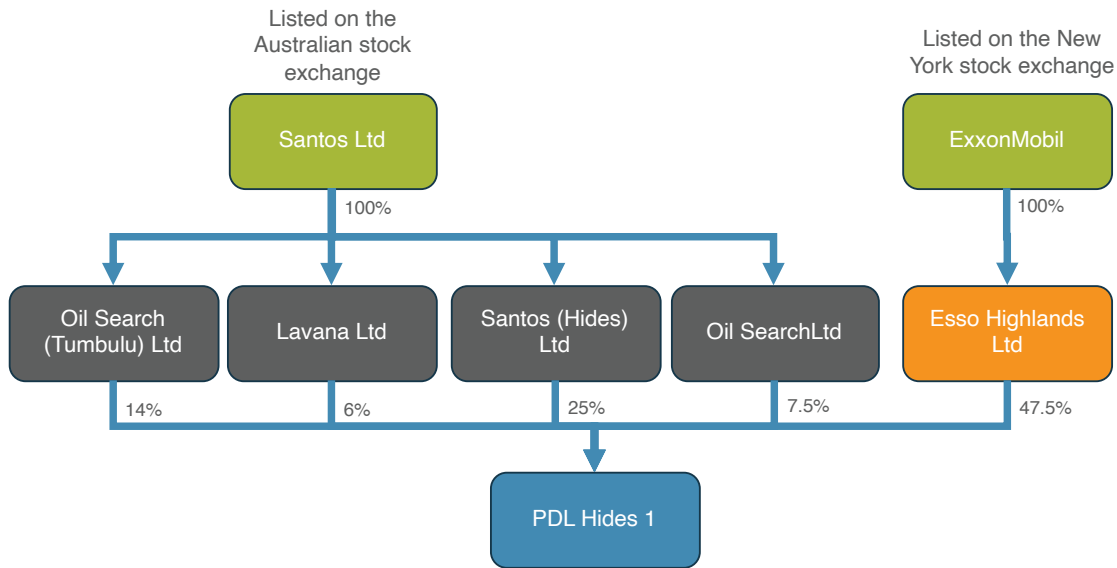


Figure 1-14 PDL Hides 1

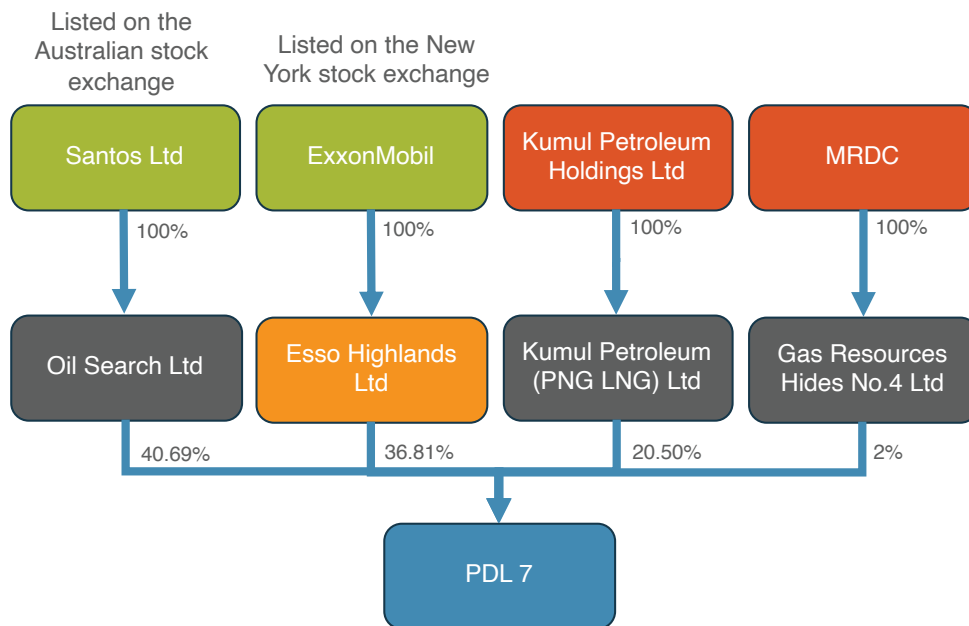


Figure 1-15 PDL 7 (Hides)

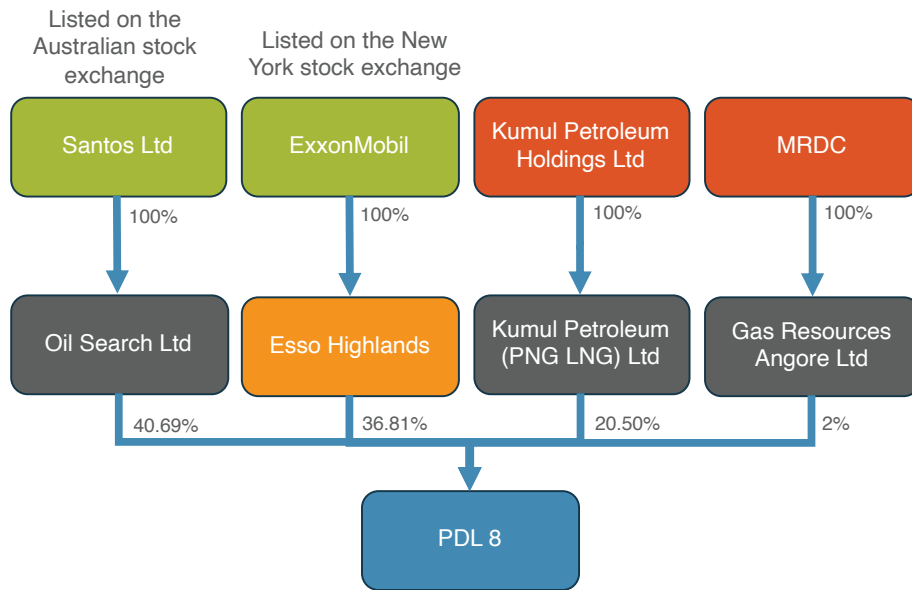


Figure 1-16 PDL 8 (Angore)

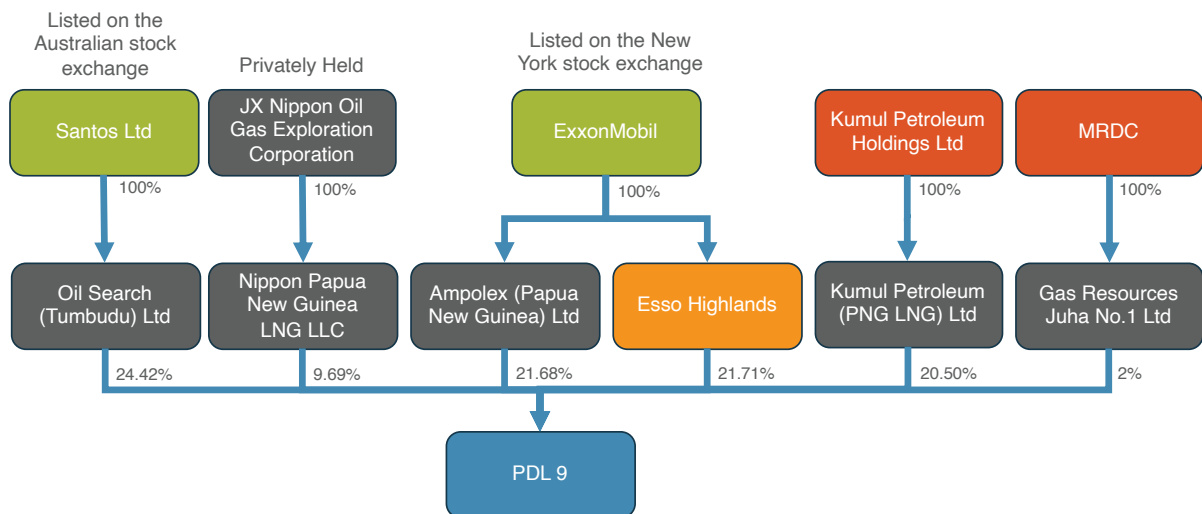


Figure 1-17 PDL 9 (Juha)

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.

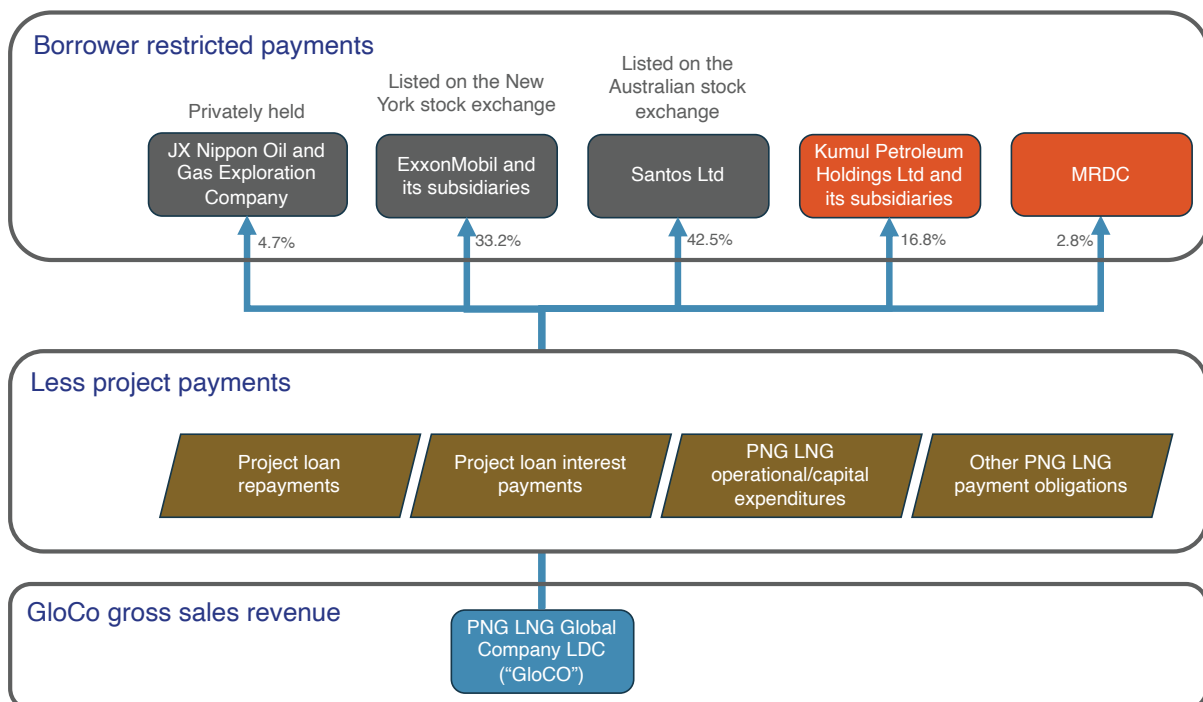


Figure 1-18 Payment flows from GloCo

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).¹⁶

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.¹⁷ Further, in December 2020, Horizon Oil also sold its PNG assets to Arran Energy.¹⁸

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.

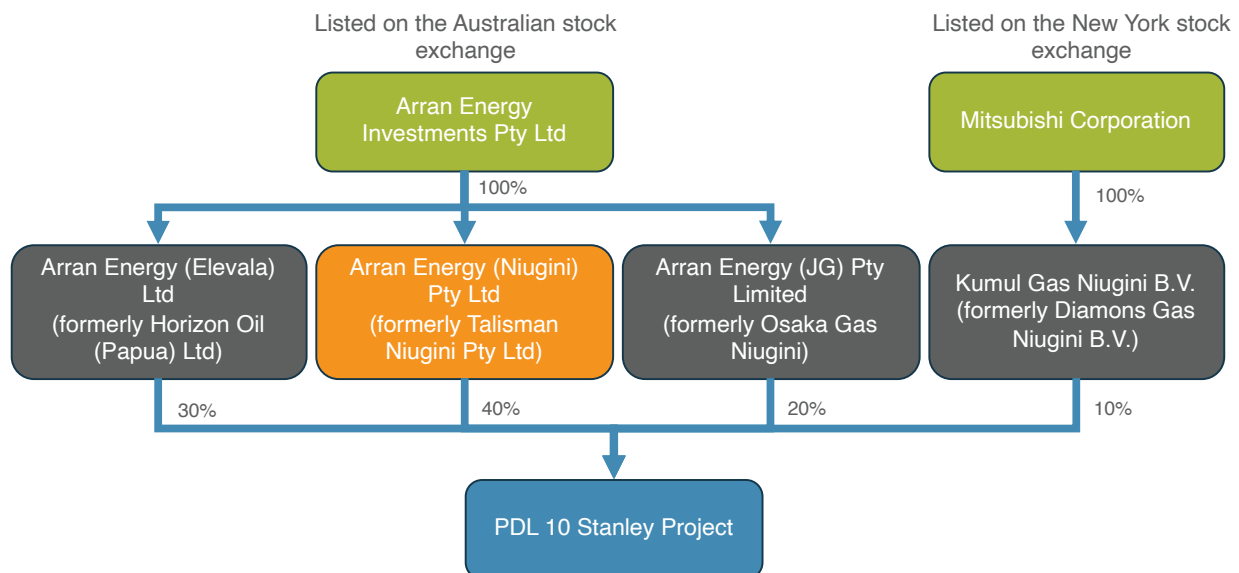


Figure 2-1 PDL 10 Stanley Project

¹⁶ Stanley Gas Condensate Project, <https://petroleum.gov.pg/stanley-gas-condensate-project/>

¹⁷ PNG EITI 2021 Report, pg 143.

¹⁸ Ibid.

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 PNG LNG Plant at Caution Bay (PPFL2).

The participants under PRL 15 in 2018 were (post the State back-in right of 22.5%):¹⁹

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.²⁰

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.²¹ 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 engineering and design (FEED) studies in June 2022. A decision to enter integrated FEED for the project is planned for 2023.²²

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 contract, 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

¹⁹ Papua New Guinea government, partners sign LNG agreement, <https://www.ogj.com/pipelines-transportation/lng/article/17279091/papua-newguinea-government-partners-sign-lng-agreement>,

²⁰ 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>,

²¹ 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

²² Santos Annual Report 2022, pg 23

will be appointed by Exxon Mobil to build the liquification facility.²³

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 is pending approval.²⁴ 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.²⁵

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.²⁶

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 2022.²⁷ 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.²⁸

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.²⁹

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 Papua LNG project. There are two similar projects within the same region, the Elk Antelope in Gulf and

²³ PNG LNG contract announced, <https://www.thenational.com.pg/papua-lng-contract-announced/>,

²⁴ Pasca A - Twinza Oil, <https://www.twinzaoil.com/what-we-do/papua-new-guinea-pasca-a>, accessed 07th September 2022

²⁵ Ibid; Pasca A Gas Project, <https://petroleum.gov.pg/pasca/>,

²⁶ 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>,

²⁷ Major gas project agreement signed in Papua New Guinea, <https://www.upstreamonline.com/lng/major-gas-project-agreement-signed-in-papua-new-guinea/2-1-1172113> & 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>,

²⁸ P'nyang Gas Project, <https://petroleum.gov.pg/pnyang-gas-project/>,

²⁹ Ibid.

the P'nyang in the Western Province, and they share the same geographical region.³⁰

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]

³⁰ P'nyang gas project after development, construction-phase, <https://www.postcourier.com.pg/pnyang-gas-project-after-development-construction-phase/>,

Annex D – State-Owned Enterprise 2023

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 10.2.11).

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 PNGEITI SOE scoping study report, page 8, <https://www.pngeiti.org.pg/scoping-study-reports/>.

2 Kumul Petroleum Holdings Limited (KPHL)

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 Limited, 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 is 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 in line 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 2023 lists the following holdings:

- Kumul Petroleum (Kroton) Limited
- NPCP Oil Company Pty Ltd
- Eda Oil Limited
- Kumul LNG Limited
- Kumul Energy Limited
- NiuPower Limited

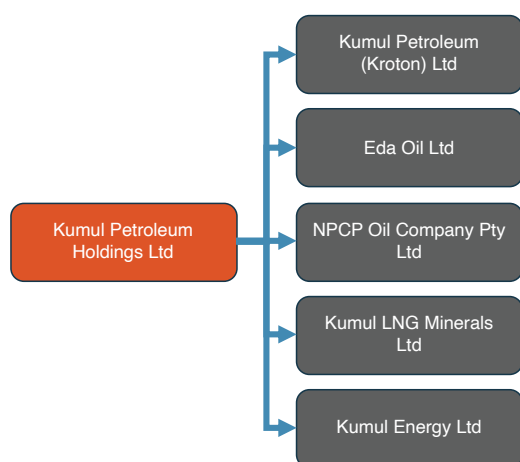
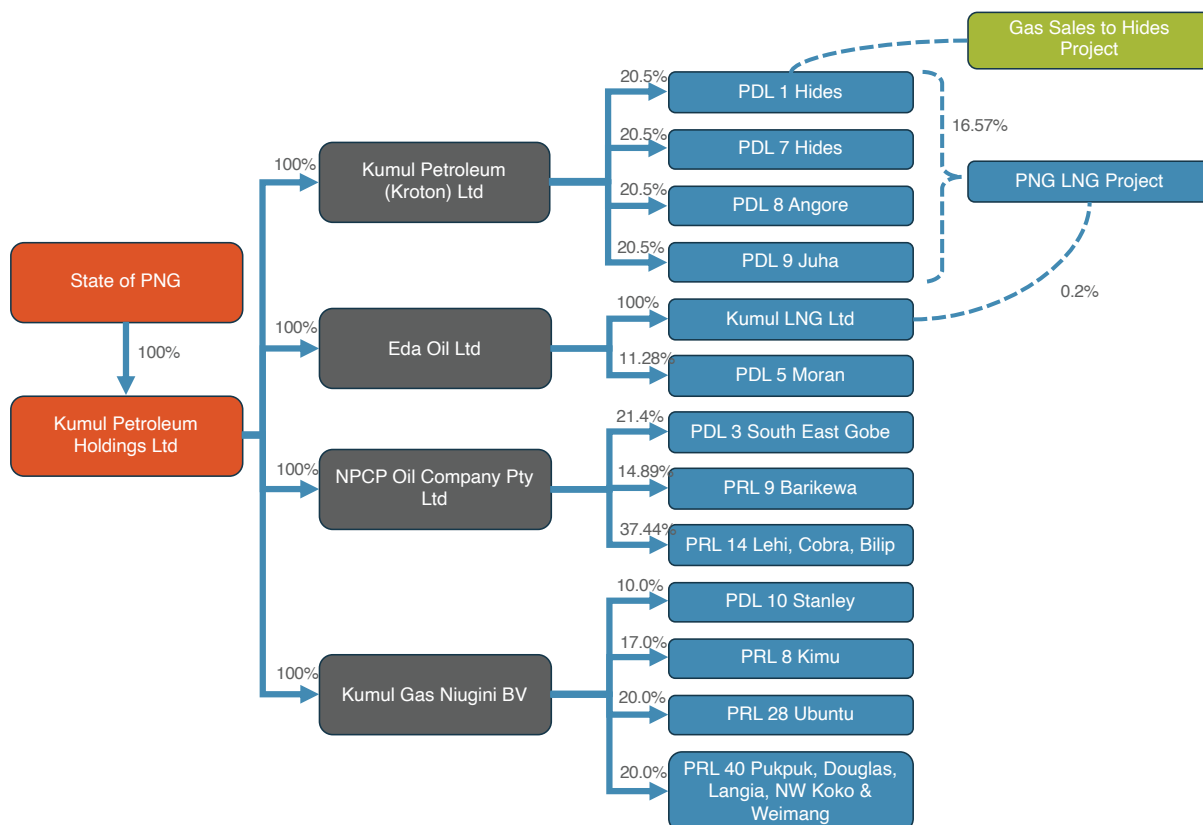


Figure 2-1 KPHL holdings as reporting in template

However, KPHL's website lists a broader set of interests, together with an interactive map.³⁴ 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

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.

During 2023, 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. 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

In 2024, KPHL finalised its acquisition of the additional 2.62% interest in the PNG LNG Project from Santos Limited for a total consideration of US\$602 million. Under the agreement with Santos, KPHL made a part payment of US\$352 million with the balance to be paid on December 2024. The 2.6% acquisition increased the total interest of KPHL in PNG LNG project to 19.20%, including the 4.27% Kroton Equity Option shareholding, held for beneficiaries which are impacted provincial governments and landowner groups.⁸

Further, KPHL had entered into a forward sales agreement with American energy company Chevron USA Inc (Singapore Branch) wherein the latter will make an advance payment to KPHL, in exchange for LNG and condensate cargoes over the next two years.⁹

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 2023:

Table 2-1 KPHL payment streams

Payment stream	Recipient	PGK
Dividends	Treasury	350,000,000
Group tax	IRC	23,246,145
Goods and service tax	IRC	5,604,440
Total		378,850,585

⁷ KPHL eyes additional 5% in PNG LNG project, <https://www.thenational.com.pg/kphl-eyes-additional-5pc-in-png-lng-project/>

⁸ KPHL finalises purchase of 2.6% interest in PNG LNG Project, <https://kumulpetroleum.com/2024/11/04/kphl-finalises-purchase-of-2-6-interest-in-png-lng-project/>

⁹ KPHL finalises LNG forward sale to Chevron, <https://kumulpetroleum.com/2024/11/04/kphl-finalises-lng-forward-sale-to-chevron/>

KPHL also reported the following payments by PNG LNG on behalf of the Company.

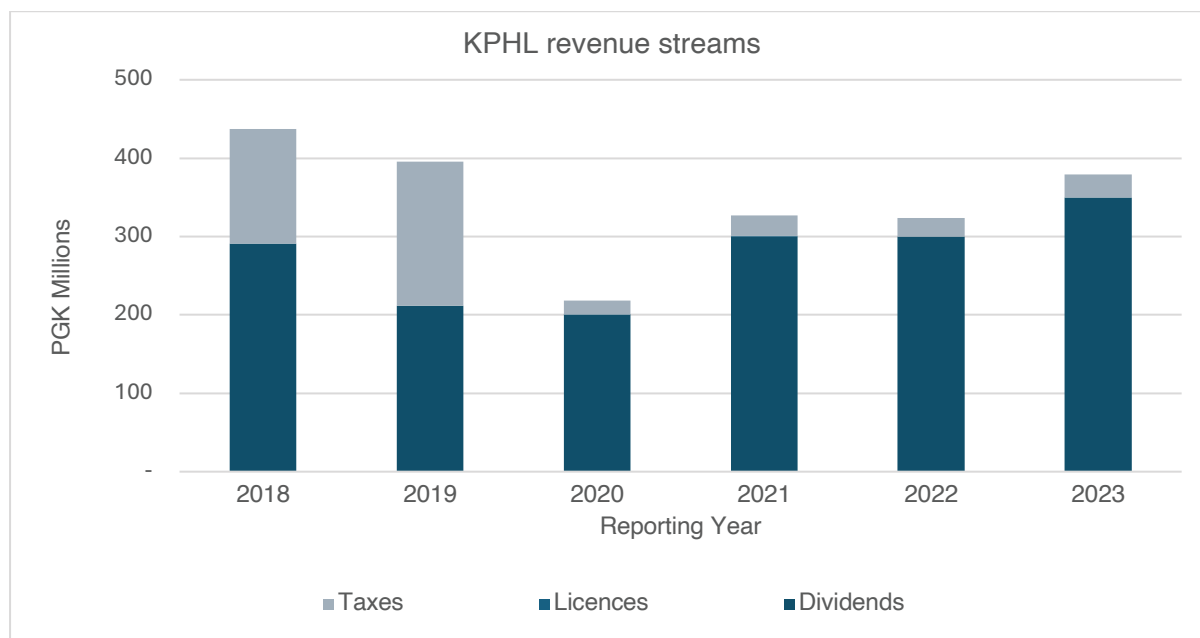


Figure 2-3 KPHL revenue streams

From 2018-23, receipt of dividends is the major source of KPHL's revenue comprising an average of 80% of the total revenue streams. The highest collection of dividends

were recorded in 2023 amounting to PGK0.4m. The lowest collection of dividends, on the other hand, were recorded in 2020 amounting to PGK0.2m.

Table 2-2 KPHL reported payments (Paid by PNG LNG on behalf of the Company)

Payment stream	Recipient	PGK
Royalties – Paid to Landholders	MRDC	43,265,893
Group tax	IRC	-
Corporate income tax	IRC	668,329,242
Total		711,595,135

See sections 10.2.1 and 10.4.3 of the main report

KPHL provided a process flow of payments from GloCo; this is illustrated below in Figure 2-3, with amendments by the IA for clarity.

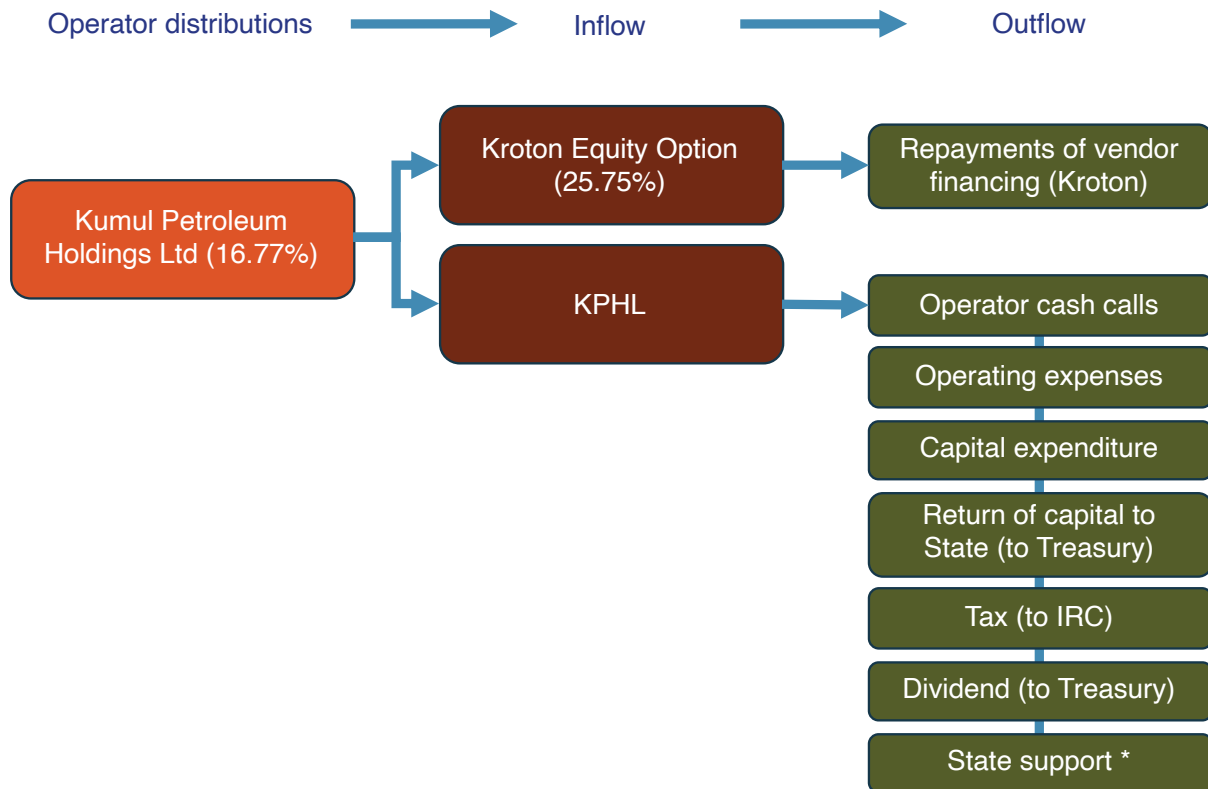


Figure 2-4 KPHL payment streams from PNG LNG project

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.¹⁰

¹⁰ KPHL website, <https://kumulpetroleum.com/who-we-are/>

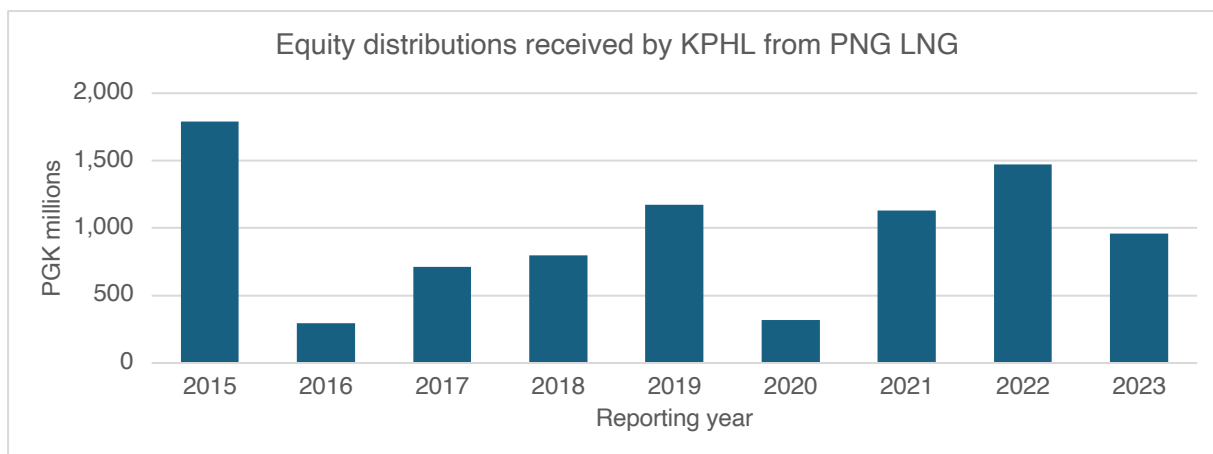


Figure 2-5 Equity distributions received by KPHL from PNG LNG

Average annual equity distribution received by KPHL over the past 9 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 2023, 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 5.

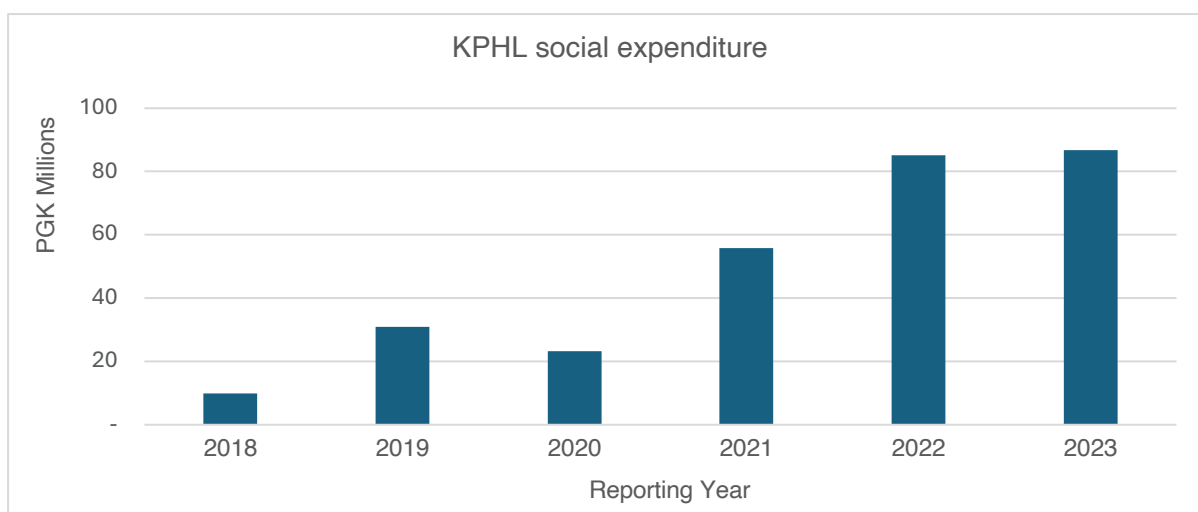
When it comes to quasi-fiscal expenditures, KPHL's data template mentions "Government support" but doesn't go into greater detail.

According to KPHL, there were no infrastructure tax credits available for the given reporting period.

As per KPHL template, there were no mandated social expenditures for 2023, although it did include PGK86.7 million in discretionary social expenditures for various programs and PGK78.2 million in quasi-fiscal expenditures.

Table 2-3 KPHL social expenditure

Description of Social Expenditure	2023 Value (PGK)
Project Support	
Government	43,527,361
Community	15,038,578
Corporate Social Responsibility	7,272,582
Student Sponsorship Program	
Student-related	19,564,474
Sports-related	1,263,975
TOTAL	86,666,970

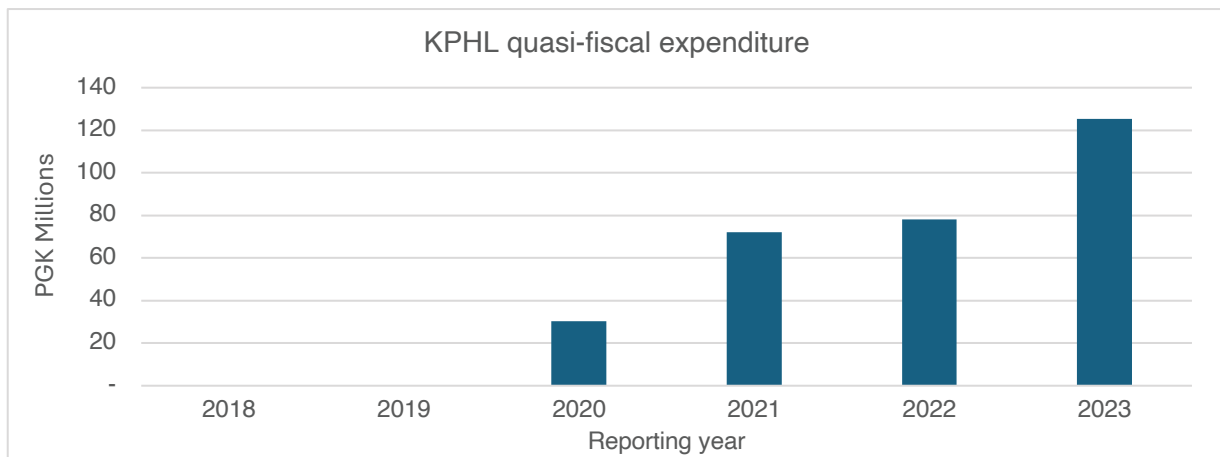


Social expenditure reported in PNGEITI Reports for the year 2018-2021 does not include a breakdown apart from its discretionary social expenditure classification.

Figure 2-6 KPHL social expenditure

Table 2-4: KPHL reported payments (Paid by PNG LNG on behalf of the Company)

Description of Quasi-fiscal Expenditure	2023 Value (PGK)
Angau Cancer Services	9,117,477
Government Office Rental	1,267,529
Government Support - Department of Petroleum	17,464,580
Government Support - Energy Projects requests	3,283,555
Government Support - National Energy Authority	2,482,047
Government Support - Oil & Gas Regime Reform	35,146
Government Support - State Negotiation Team	4,964,093
Oil & Gas Policy	2,617,295
PMGH Cancer Facilities Project	1,247,078
PMGH Cardiology	10,521,669
PMGH Surgical Ward	19,433,079
Poroma to Moro Road Construction & Sealing	7,408,977
Rural Electrification	43,608,480
WANPNG	1,929,638
Oil & Gas Policy	2,617,295
TOTAL	125,380,642



No quasi-fiscal expenditures were disclosed in PNGEITI Reports for the year 2018-2019

Figure 2-7 KPHL quasi-fiscal expenditure

When it comes to quasi-fiscal expenditures, KPHL's data template mentions "Government support" but doesn't go into greater detail.

3 Kumul Minerals Holdings Ltd (KMHL)

3.1 Creation, ownership, and structure

Kumul Minerals Holdings Limited 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.¹¹

The Prime Minister is the Trustee Shareholder (may also be called the legal owner) of the sole issued ordinary share in KMHL that share on trust for the benefit of the State as Beneficial Shareholder. The Trustee Shareholder has all the powers of a shareholder¹²

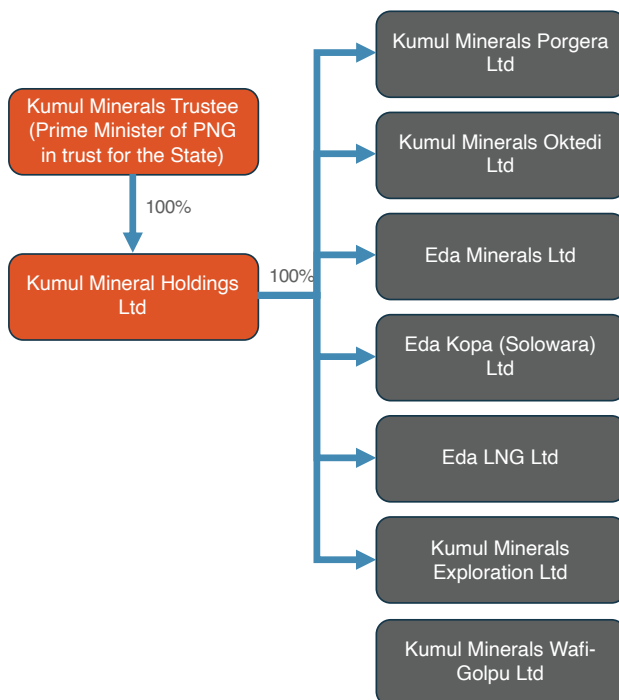


Figure 3-1 KMHL holdings

¹¹ Kumul Minerals website, <https://kumulminerals.com.pg/>, accessed on 2 December 2023.

¹² Kumul Minerals website, <https://kumulminerals.com.pg/kmhl-corporate-structure/>, accessed on 2 December 2023.

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:¹³

- **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 2023 financial statements noted that, the financial statements have been

¹³ Kumul Minerals website, <https://kumulminerals.com.pg/kmhl-subidiaries/>, accessed on 2 December 2023.

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.¹⁴

No further information was obtained at the time of writing.

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 2023, KMHL stated that they paid PGK150.75 million dividend to the State.

The dividend was initially declared at PGK 150.75 million from OTML. In line with the

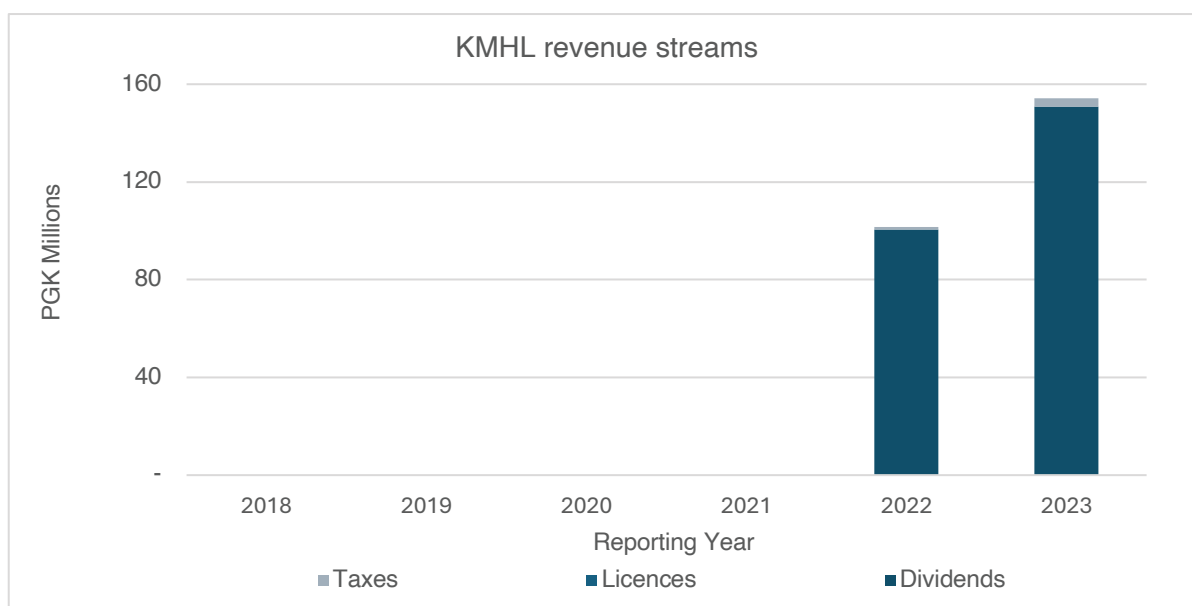
NEC decisions NG30/2019 and 105/2020 on dividend sharing, 50% of the dividend (PGK100.5 million) was payable to the State, through the Company and the other 50% of the dividend was payable to KMHL upon resolution of the directors of Kumul Minerals (Ok Tedi) Limited (KMOTL).¹⁵

Table 3-1 KMHL payment streams

Payment stream	Recipient	PGK
Dividends	Treasury	150,750,000
Group tax	IRC	3,480,551
Goods and service tax	IRC	-
Licences	MRA	-
Total		154,230,551

¹⁴ KMHL Financial Statements for the year ended 31 December 2022, page 11.

¹⁵ KMHL Financial Statements for the year ended 31 December 2022, page 22.



No revenue streams were disclosed in PNGEITI Reports for the year 2018-2021

Figure 3-2 KMHL revenue streams

3.3 Social and quasi-fiscal expenditure

Based on the information provided by KMHL data template, no mandated social expenditures and quasi-fiscal expenditures were made in 2023. However, KMHL made discretionary social expenditures amounting to PGK1 million. The said discretionary social

expenditure is a part of the Agreement between KMHL and PNG Kidney Foundation wherein KMHL will provide a three- year financing package totalling PGK3 million to the PNG Kidney Foundation, paid in tranches of K1 million annually.¹⁶

¹⁶ Press release for the occasion of agreement signing between KMHL and PNG Kidney Foundation, <https://kumulminerals.com.pg/press-release-for-the-occasion-of-agreement-signing-between-kumul-minerals-holdings-limited-and-png-kidney-foundation/>

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 2023, 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%.

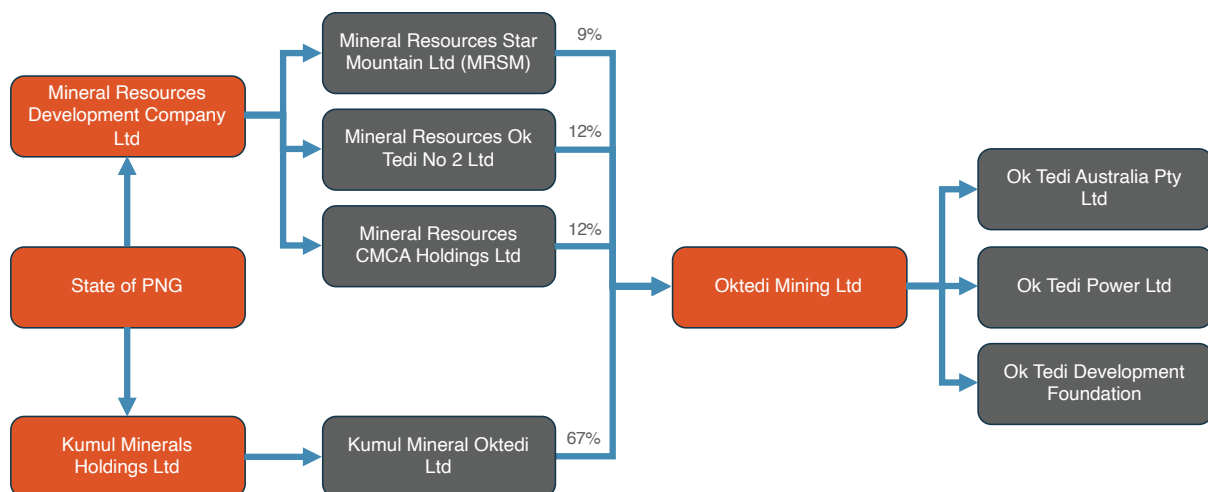


Figure 4-1 OTML structure

OTML operates the longest running open-pit copper, gold and silver mine in PNG. OTML also holds a 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 the largest power user in the Western Province, generating its power from a combination of hydro and thermal generation, with a daily maximum power generation of approximately 67 megawatts (MW). 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 (OTDF) is a non-profit, legal entity which aims to improve self-sustainability & the quality of life of Western Province communities. OTDF is 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.¹⁷

4.2 Revenue and payment streams

Table 4-1 OTML reported material revenue streams

Payment stream	Recipient	PGK
Corporate income tax	IRC	126,638,213
Tax credit scheme - ITC actually spent on projects	DNPM	48,428,979
Tax credit scheme - ITC offset from tax paid	IRC	60,213,847
Group tax	IRC	143,499,343
Interest Withholding Tax	IRC	1,306
Foreign contractor withholding tax	IRC	45,506,539
Royalty tax	IRC	1,792,312
Dividends	Treasury	241,500,000
Production levy	MRA	18,192,893
Royalty	Fly River Provincial Government	37,288,000
Royalty	Mine Villages Land- owners	37,288,000
Total		760,349,432

Total revenue and profit from operations in 2023 amounted to PGK3.96 billion and PGK682 million, respectively.¹⁸

¹⁷ Ok Tedi website, <https://oktedi.com/who-we-are/our-subidiaries/>, accessed on 15 January 2024.

¹⁸ Based on Annex B, 1.7

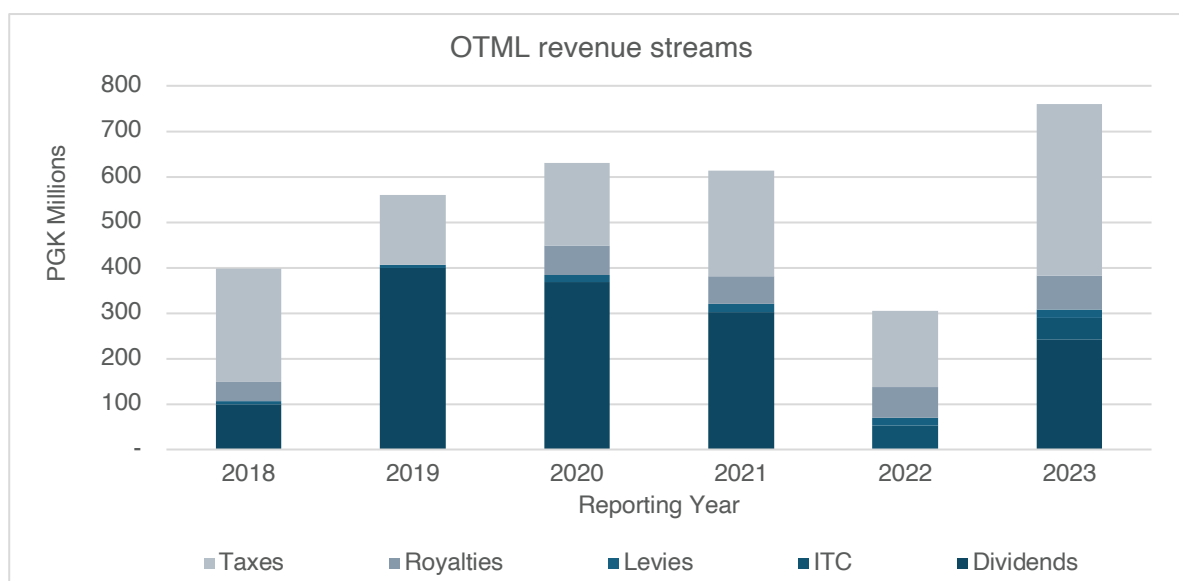


Figure 4-2 OTML revenue streams

Ok Tedi disclosed the following dividend payments in 2023:

Table 4-2 OTML dividend payments 2023

Payee	PGK millions
Kumul Minerals Ok Tedi Limited (paid 50% to Treasury, 50% to KMHL)	150.75
Mineral Resources Ok Tedi No.2 Ltd (via MRDC)*	33.00
Mineral Resources CMCA Holdings Ltd (CMCA Peoples Dividend Trust account)	33.00
Mineral Resources Star Mountain Ltd (Mine Villagers)	24.75

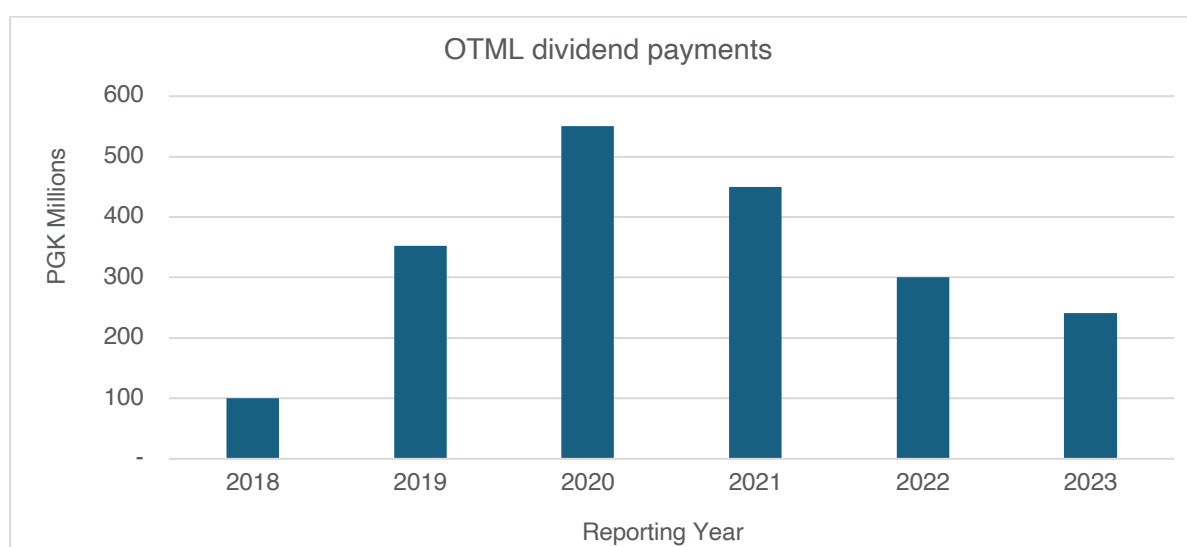


Figure 4-3 OTML dividend payments

Average annual dividend payments made by OTML over the past 6 years amounted to PGK332m. Highest collections were recorded in 2020 amounting to PGK550m. Lowest receipts, on the other hand, were recorded in 2018 amounting to PGK100m.

Table 4-3 OTML reported payments (paid by subsidiaries)

Payment stream	Recipient	PGK
Goods and Services Tax	IRC	251,280
Business Payment Tax	IRC	13,688
Group Tax	IRC	297,098
Corporate income tax	IRC	182,588
Total		744,654

5 Mineral Resources Development Company Limited (MRDC)

5.1 Creation, ownership, and structure

A parliamentary act created the Mineral Resources Development Company Limited. 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)¹⁹.

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.²⁰

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.²¹

MRDC Group of Companies hold the following interests of Landowners and Provincial Governments in Mining and Petroleum Projects in PNG.²²

¹⁹ EITI Standard 2023, <https://eiti.org/eiti-requirements>

²⁰ MRDC website, <https://www.mrdc.com.pg/our-profile.html#>

²¹ 2021 PNGEITI report, page 161.

²² MRDC website, <https://www.mrdc.com.pg/our-profile.html#>

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
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
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.²³

²³ PNGEITI 2021 Report, page 163.

The beneficiaries are incorporated land groups (ILGs)²⁴ - 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.²⁵

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.²⁶

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 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,²⁷ and from there to MRDC.

Royalty and equity distribution payments for each project are divided as follows:

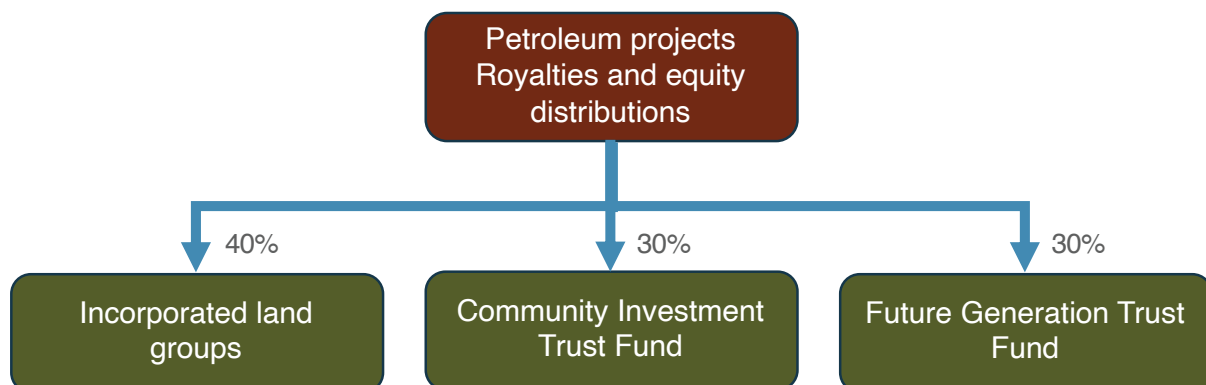


Figure 5-1 MRDC revenue distribution

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.”²⁸ This is intended to ensure that “some of the revenue is invested in infrastructure for the whole

²⁴ 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.

²⁵ PNGEITI 2021 Report, page 163.

²⁶ PNGEITI 2021 Report, page 163.

²⁷ PNGEITI 2021 Report, page 163.

²⁸ PNGEITI 2021 Report, page 164.

community to improve quality of life". Decisions on when and how to allocate these funds are made by the board of the subsidiary company.²⁹

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."³⁰ During 2023, 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).³¹

In 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.³²

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 2023.

Table 5-2 MRDC subsidiaries reported receipts 2023

Subsidiary/ trust entity	Share of Sales (PGK)	Received from	Dividends Received (PGK)	Received from
Petroleum Resources Kutubu Ltd (PRK)	51,324,056	Oil Search Ltd	83,864,692	BSP/PIH/PPT/Hevilift/PBF
Petroleum Resources Gobe Ltd (PRG)	7,039,107	Oil Search Ltd	2,446,105	BSP/PPT/Credit Corp/Hevilift/PBF
Petroleum Resources Moran Ltd (PRM)	6,593,184	Oil Search Ltd	1,175,390	BSP/PPT/Credit Corp/Hevilift/PBF
Petroleum Resources North West Moran Ltd	114,909	Oil Search Ltd	-	-
Mineral Resources Star Mountains Ltd (MRSM)	-	-	29,754,610	OTML / BSP/City Pharmacy/PPT/Hevilift/Kina Asset Mgt/PBF
Mineral Resource Ok Tedi No. 2 Ltd (MROT)	-	-	41,012,198	OTML /BSP/ PIH/City Pharmacy/Kina Asset/PBF/Credit Corp

²⁹ PNGEITI 2021 Report, page 164.

³⁰ PNGEITI 2021 Report, page 164.

³¹ PNGEITI 2021 Report, page 164.

³² MRDC website, <https://www.mrdc.com.pg/news/mrdc-board-welcomes-mrdc-authorisation-bill.html>

Mineral Resources CMCA Ltd		-	34,724,711	OK Tedi Mine/Kina Security/BSP
Gas Resources Gigira	188,260,389	Exxon Mobil	-	-
Gas Resources Gobe	5,496,955	Exxon Mobil	-	-
Gas Resources Angore	22,193,859	Exxon Mobil	-	-
Gas Resources Hides	37,662,880	Exxon Mobil	-	-
Gas Resources Juha	22,129,889	Exxon Mobil	-	-
Gas Resources Kutubu	265,771,945	Exxon Mobil	-	-
Gas Resources Moran	4,611,881	Exxon Mobil	-	-
Gas Resources North West Moran	129,630	Exxon Mobil	-	-
Gas Resources LNG PNG plant	54,649,952	Exxon Mobil	344,385	Kina Security
Gas Resources LNG Pipeline	50,446,110	Exxon Mobil	280,000	BSP
Total	716,424,746		193,602,091	

Table 5-3 MRDC subsidiaries reported payments 2023

Subsidiary/trust entity	Corporate income tax (PGK)	Group Income Tax (PGK)	Management Fees paid to MRDC (PGK)
Mineral Resource Enga Limited (MRE)	-	1,018,206	-
Petroleum Resources Kutubu Limited (PRK)	6,342,347	555,906	-
Petroleum Resources Gobe Limited (PRG)	-	199,494	-
Petroleum Resources Moran Limited (PRM)	-	208,908	-
Mineral Resources Star Mountains Limited (MRSM)	-		-
Mineral Resource Ok Tedi No. 2 Limited (MROT)	-	648,738	-
Mineral Resources CMCA Limited	-		-
Mineral Resource Madang Ltd (MRM)	-		-
Gas Resources Gigira Limited	2,740,173		-
Gas Resources Gobe Limited	467,074		-
Gas Resources Angore Limited	1,134,893		-
Gas Resources Hides No.4 Limited	1,157,860	270,639	-
Gas Resources Juha Limited	1,319,273		-
Gas Resources Kutubu Limited	12,522,500		-
Gas Resources Moran Limited	492,035		-

Gas Resources LNG PNG plant	-	232,989	-
Gas Resources LNG Pipeline	-	210,506	-
Total	26,176,155	3,345,386	-

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)
Petroleum Resources Kutubu Ltd (PRK)	3,112,125	-
Petroleum Resources Moran Ltd (PRM)	96,086	-
Gas Resources LNG PNG plant	5,563,886	5,563,886
Gas Resources Hides No.4 Limited	124,527	-
Total	8,896,624	5,563,886

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
Pacific Balanced Fund	PNG	Investment Company	Share Equity	5%	Fund Management
Bank of South Pacific	PNG	Investment Company	Share Equity	12%	Banking

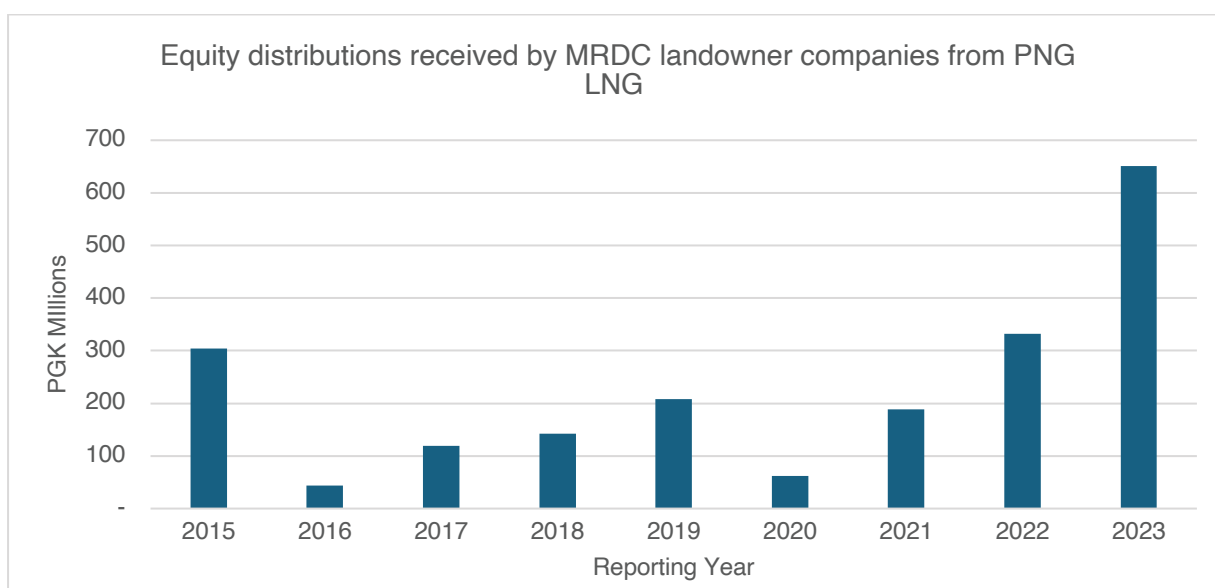


Figure 5-2 Equity distributions received by MRDC landowner companies from PNG LNG

5.3 Social and quasi-fiscal expenditure

MRDC's social and Quasi-fiscal expenditure can be found in Chapter 6.

Table 5-6 MRDC social expenditure

Subsidiary/Trust entity	Description of Social Expenditure	2023 Value (PGK)
Petroleum Resources Kutubu (PRK)	Donations	5,126,588
	Public Relations	1,921,726
	Landowner Meeting Expenses	14,687,390
Petroleum Resources Gobe Ltd (PRG)	Donations	-
	Public Relations	66,220
	Landowner Meeting Expenses	554,524
Petroleum Resources Moran Ltd (PRM)	Donations	-

	Public Relations	735,473
	Landowner Meeting Expenses	999,529
Mineral Resources Star Mountain Ltd (MRSM)	Donations	672,963
	Public Relations	354,630
	Landowner Meeting Expenses	3,136,680
Mineral Resources OK Tedi Limited (MROT)	Donations	1,564,838
	Public Relations	381,037
	Landowner Meeting Expenses	3,217,715
Mineral Resources Enga Limited (MRE)	Donations	-
	Public Relations	236,533
	Landowner Meeting Expenses	1,437,196
Gas Resources PNG LNG Plant Limited (GRS)	Donations	2,204,912
	Public Relations	500,148
	Landowner Meeting Expenses	2,930,878
Gas Resources Hides No.4 Limited (GRH)	Donations	-
	Public Relations	1,519,242
	Landowner Meeting Expenses	3,333,774
Gas Resources Gigira Limited (GRG)	Donations	1,500,000
	Public Relations	232,469
	Landowner Meeting Expenses	565,183
Gas Resources Angore Ltd (GRA)	Donations	-
	Public Relations	18,310
	Landowner Meeting Expenses	292,109
Gas Resources Juha No.1 Limited (GRJ)	Donations	110,201
	Public Relations	-
	Landowner Meeting Expenses	245,248
Gas Resources PNG LNG Pipeline Ltd (GRP)	Donations	-
	Public Relations	794,509
	Landowner Meeting Expenses	1,193,822
Mineral Resources CMCA Holding Ltd (MRCMCA)	Donations	120,081
	Public Relations	855,192
	Landowner Meeting Expenses	1,091,434
	TOTAL	52,600,554

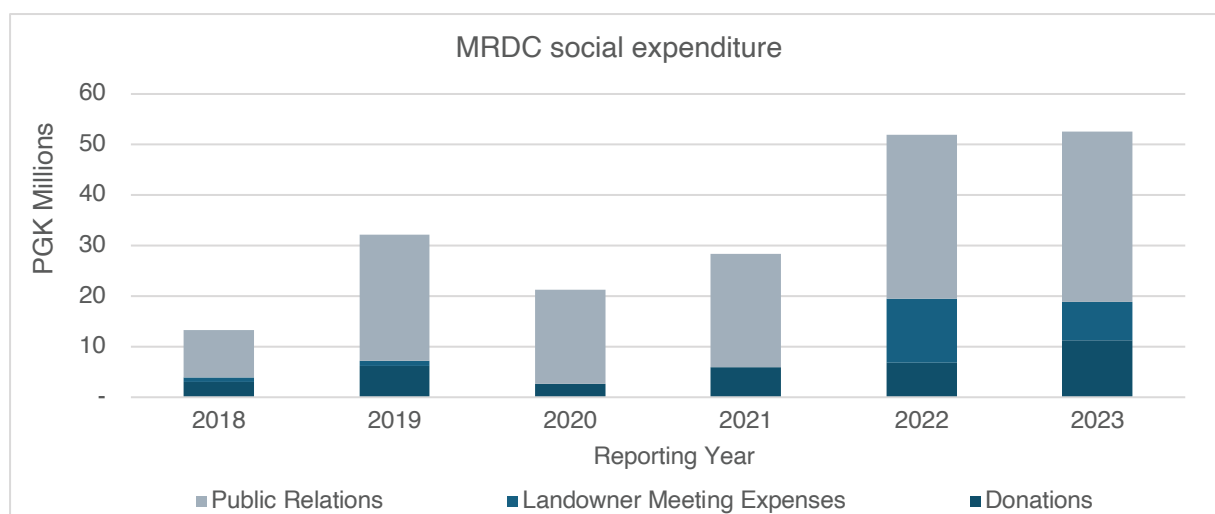


Figure 5-3 MRDC social expenditure

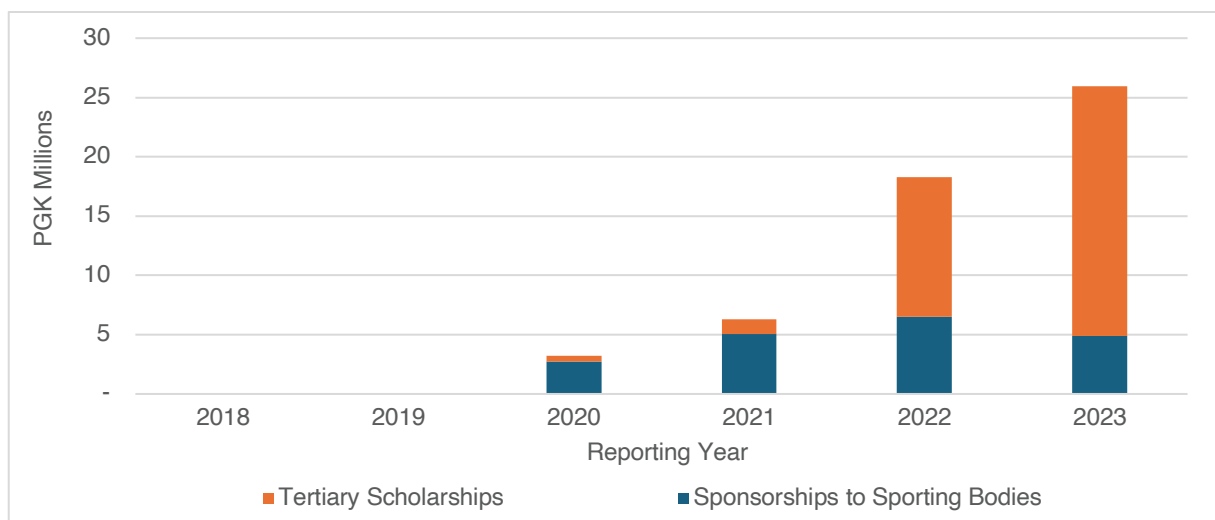
When it comes to social expenditures, MRDC's data template mentions "Public support" but doesn't go into greater detail. Average annual public support made by MRDC over the past 6 years amounted to

PGK23.59m. Highest collections were recorded in 2023 amounting to PGK33.66m. Lowest receipts, on the other hand, were recorded in 2018 amounting to PGK9.3m.

Table 5-7 MRDC quasi-fiscal expenditure

Subsidiary/Trust entity	Description of Quasi-fiscal Expenditure	2023 Value (PGK)
Petroleum Resources Kutubu (PRK)	Sponsorships to Sporting Bodies	4,879,800
	Tertiary Scholarships	2,727,406
Petroleum Resources Gobe Ltd (PRG)	Tertiary Scholarships	1,154,608
Petroleum Resources Moran Ltd (PRM)	Tertiary Scholarships	551,552
Mineral Resources Star Mountain Ltd	Sponsorships to Sporting Bodies	-
	Tertiary Scholarships	1,080,107
Mineral Resources OK Tedi Limited	Tertiary Scholarships	5,644,000
Gas Resources PNG LNG Plant Limited	Sponsorships to Sporting Bodies	
	Tertiary Scholarships	3,971,266
Gas Resources PNG LNG Plant Limited	Tertiary Scholarships	2,443,119

Mineral Resources CMCA Holding Ltd	Tertiary Scholarships	2,334,734
Gas Resources Hides No.4 Limited	Tertiary Scholarships	1,117,610
Gas Resources Angore Limited	Tertiary Scholarships	20,800
	TOTAL	25,925,002



There was no information provided in the reporting template for the years 2018 and 2019.³³

Figure 5-4 MRDC quasi-fiscal expenditure

When it comes to quasi-fiscal expenditures, MRDC's data template mentions "Tertiary Sponsorships" but doesn't go into greater detail.

³³ PNGEITI Report 2018, page 141, and PNGEITI Report 2019, page 172.

Annex E – Beneficial ownership information 2023

Category	Name	Registered in PNG?	Company register number	MOF-IRD tax number	Address	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	Barrick (PD) Australia Pty Limited	Barrick Gold Corporation	N	https://www.barrick.com/Englis/investors/quarterly-reports/default.aspx
Mining	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	Zijin Mining Group	N	https://www.zijinmining.com/investor/invest_cen.htm
Mining	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	K92 Mining Inc.	N	https://www.sedarplus.ca/csa-party/records/profile.html?id=953e3029aa38d95525160a6cff0d6f17
Mining	Lihir Gold Limited	Y	1-23423	500000303	Tower Building, Level 4 Port, Hunter St, Port Moresby	Newmont Corporation	Newmont Corporation	N	https://www.nyse.com/quote/XNYS:NEM
Mining	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	Harmony Gold Mining Company Ltd	N	https://www.jse.co.za/
Mining	Ramu Nico Management (MCC) Ltd	Y	1-54529	500007798	Section 95, Lot 18. Modilon Road P.O.Box 1229 Madang PNG	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
Mining	Simberi Gold Company Ltd	Y	1-26598	500000722	Ashurst Lawyers, Level 11, MRDC House, Cnr. Champion Parade and Musgrave Street Port Moresby	Phoencian Metals Ltd	St Barbara Ltd	N	https://www.asx.com.au/markets/company/sbm
Mining	Wafi Mining Ltd	Y	1-11452	500003505	Ashurst Laweys, Level 11, MRDC House, Cnr. Champion Parade and	Aurora Gold (Wafi) Pty Ltd ACN 100237 741	Harmony Gold Mining Company Ltd	N	https://www.jse.co.za/

Category	Name	Registered in PNG?	Company register number	MOF-IRD tax number	Address	Legal owner	Beneficial owner(s)	PEP owner?	Notes
					Musgrave Street Port Moresby				
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	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 & Gas	ExxonMobil PNG Ltd	Y	1-18948		ExxonMobil PNG Limited, ExxonMobil Haus Jacksons Parade, 7 Mile, Port Moresby, NCD, Papua New Guinea	Exxon Mobil Corporation	Exxon Mobil Corp	N	https://www.nyse.com/quote/XNYS:XOM
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	Pac LNG Holdings Limited	Y	1-77585	500036506	Ground Floor, Harbourside East Building, Stanley Esplanade, Port Moresby, Moresby South, National	Oil Search Limited	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/

Category	Name	Registered in PNG?	Company register number	MOF-IRD tax number	Address	Legal owner	Beneficial owner(s)	PEP owner?	Notes
					Capital District (Port Moresby), PNG				
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	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	Santos Limited	N	https://www.asx.com.au/markets/company/STO and https://www.pngx.com.pg/santos-limited/
Oil & Gas	TotalEnergies EP PNG Limited	Y	1-32894	500051686	Deloitte Haus, Level 7, Macgregor Street, PORT MORESBY	TotalHoldings International BV	TotalEnergies SE	N	

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Annex F – Gender data

1 Total employment and gender data

Table 1-1 Total employment and gender data

Company	Male	Female	Other Gender	Total headcount
Barrick Niugini Limited				
Expatriates				
Lower Level	6	-	-	6
Middle Management Level	20	-	-	20
Top Management Level	12	2	-	14
National employees				
Lower Level	1,330	133	-	1,463
Middle Management Level	42	10	-	52
Top Management Level	5	1	-	6
ExxonMobil PNG Ltd				
Expatriates				
Lower Level	103	-	-	103
Middle Management Level	79	5	-	84
Top Management Level	251	21	-	272
National employees				
Lower Level	2,056	475	-	2,531
Middle Management Level	336	106	-	442
Top Management Level	207	75	-	282
K92 Mining Limited				
Expatriates				
Lower Level	75	-	-	75
Middle Management Level	4	1	-	5
Top Management Level	2	-	-	2
National employees				
Lower Level	938	90	-	1,028
Middle Management Level	1	-	-	1
Top Management Level	1	1	-	2
Lihir Gold Limited				
Expatriates				
Lower Level	196	14	-	210
Middle Management Level	18	-	-	18
Top Management Level	3	-	-	3
National employees				
Lower Level	1,859	326	-	2,185
Middle Management Level	3	2	-	5
Top Management Level	1	-	-	1
Ramu Nico Management Limited				
Expatriates				
Lower Level	427	23	-	450
Middle Management Level	166	19	-	185
Top Management Level	41	4	-	45
National employees				
Lower Level	857	73	-	930
Middle Management Level	46	4	-	50
Top Management Level	5	-	-	5
Santos Limited				
Expatriates				
Lower Level	62	3	-	65

Company	Male	Female	Other Gender	Total headcount
Middle Management Level	11	2	-	13
Top Management Level	1	-	-	1
National employees				
Lower Level	521	182	-	703
Middle Management Level	20	10	-	30
Top Management Level	2	-	-	2
Simberi Gold Limited				
Expatriates				
Lower Level	15	1	-	16
Middle Management Level	5	1	-	6
Top Management Level	1	-	-	1
National employees				
Lower Level	588	126	-	714
Middle Management Level	4	-	-	4
Top Management Level	-	-	-	-
Total E&P PNG Limited				
Expatriates				
Lower Level	9	1	-	10
Middle Management Level	12	1	-	13
Top Management Level	6	3	-	9
National employees				
Lower Level	28	16	-	44
Middle Management Level	1	5	-	6
Top Management Level	1	-	-	1
Morobe Consolidated Goldfields Limited				
Expatriates				
Lower Level	1,202	221	-	1,423
Middle Management Level	2	-	-	2
Top Management Level	-	-	-	-
National employees				
Lower Level				
Middle Management Level	40	2	-	42
Top Management Level	9	-	-	9
Wafi-Golpu Services Limited				
Expatriates				
Lower Level	-	-	-	-
Middle Management Level	-	-	-	-
Top Management Level	2	-	-	2
National employees				
Lower Level	41	4	-	45
Middle Management Level	8	-	-	8
Top Management Level	-	-	-	-
Total	11,681	1,963	-	13,644

Based on the reporting templates submitted by the companies, 89% of the total headcount of employees are filled in by male employees. No information was provided on employees identifying as other gender for the year 2023.

2 Employment and gender data per position level

Table 2-1 Total employment and gender data per position level

Company	Female	Male	Other Gender	Total headcount
Top Management Level	107	541	-	648
Middle Management Level	166	787	-	953
Lower Level	1,690	10,353	-	12,03
Total	1,963	11,681	-	13,644

3 Employment and gender data per industry sector

Table 3-1 employment and gender data per industry sector

Company	Female	Male	Other Gender	Total headcount
Mining	1,058	7,975	-	9,033
Oil and gas	905	3,706	-	4,611
Total	1,963	11,681	-	13,644

4 Employment and gender data per nationality

Table 4-1 employment and gender data per nationality

Company	Female	Male	Other Gender	Total headcount
Expatriates	1,860	10,105	-	11,965
National employees	103	1,576	-	1,679
Total	1,963	11,681	-	13,644

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Annex G – 2023 Mining Tenements

1 Active mining tenements for 2023

1.1 Alluvial mining licenses (AML)

Table 1-1 Active AMLs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
AML 1006	Michael Maracus	04-02-21	09-05-22	08-05-27	Morobe
AML 1007	Michael Maracus	04-02-21	09-05-22	08-05-27	Morobe
AML 1008	Michael Maracus	04-02-21	09-05-22	08-05-27	Morobe
AML 1009	Michael Maracus	04-02-21	09-05-22	08-05-27	Morobe
AML 1015	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1016	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1017	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1018	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1020	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1021	Christopher Mel	11-06-21	08-11-22	07-11-27	Western Highlands
AML 1022	Christopher Mel	11-06-21	08-11-22	07-11-27	Jiwaka
AML 1023	Christopher Mel	11-06-21	08-11-22	07-11-27	Jiwaka
AML 1024	Christopher Mel	11-06-21	08-11-22	07-11-27	Jiwaka
AML 1025	Christopher Mel	11-06-21	08-11-22	07-11-27	Jiwaka
AML 1027	Giamsa Gewan	29-06-21	31-10-23	30-10-28	Morobe
AML 1035	John Giasa	30-08-21	08-11-22	07-11-27	Morobe
AML 1037	Zangal Muyiew Clan	09-09-21	27-06-23	26-06-28	Morobe
AML 1038	Zangal Muyiew Clan	09-09-21	27-06-23	26-06-28	Morobe
AML 104	Suba Tega	15-07-94	14-01-20	13-01-25	Morobe
AML 1043	Sam Ignatius	12-11-21	31-10-23	30-10-28	Morobe
AML 1052	Boute Lane Kipindu	03-12-21	27-06-23	26-06-28	Morobe
AML 1054	Michael Elias	21-12-21	31-10-23	30-10-28	Morobe
AML 1055	Desmond Jacob	21-12-21	31-10-23	30-10-28	Morobe
AML 1066	Wipo Kikinai Nuipangor	28-04-22	31-10-23	30-10-28	Morobe
AML 1086	Petrus Kase	27-10-22	31-10-23	30-10-28	Morobe
AML 132	Moses Mongon	14-01-22	31-10-23	30-10-28	Morobe
AML 133	Tekwa Aninias	14-01-22	31-10-23	30-10-28	Morobe
AML 134	Raymond Wally; Tenang Maibu	19-01-22	31-10-23	30-10-28	Morobe
AML 141	Isso Lang	24-02-22	27-06-23	26-06-28	Morobe
AML 149	Vincent Weri	30-03-22	27-06-23	26-06-28	Morobe

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
AML 150	Jordan Bill Norla	30-03-22	31-10-23	30-10-28	Morobe
AML 849	Gou Sabua	06-04-18	14-01-20	13-01-25	Morobe
AML 852	Linda Peter; Saim Buta	07-11-18	14-01-20	13-01-25	Morobe
AML 853	Kia Kapi; Linda Peter	07-11-18	06-09-19	05-09-24	Morobe
AML 854	Askie Karimnak	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 855	Sipa Marka	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 856	Robert Longie Natayok	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 860	Karu Rikyai	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 861	Fredrick Kayun	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 862	Ebi Kayun	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 863	John Iromsimeng	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 864	Duateng Timyareng	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 865	Buah Duateng	10-01-19	14-01-20	13-01-25	Western (Fly)
AML 866	Bitung Bumbu Davies	11-02-19	14-01-20	13-01-25	Morobe
AML 868	Peter Mandin	25-03-19	18-05-20	17-05-25	Morobe
AML 869	Simung Marowi	26-03-19	18-05-20	17-05-25	Morobe
AML 870	Ali Baba Sib	18-04-19	12-11-20	11-11-25	Morobe
AML 871	Ali Baba Sib	25-04-19	12-11-20	11-11-25	Morobe
AML 872	Titus Mala	04-06-19	18-05-20	17-05-25	Morobe
AML 880	Samuel Wenive	07-08-19	14-11-20	13-11-25	Gulf
AML 882	Arthur Dararuk	03-10-19	14-08-20	13-08-25	Milne Bay
AML 883	Arthur Dararuk	03-10-19	14-08-20	13-08-25	Milne Bay
AML 884	Gariama Tony	03-10-19	14-08-20	13-08-25	Milne Bay
AML 885	Gariama Tony	03-10-19	14-08-20	13-08-25	Milne Bay
AML 906	Willie Yasa	24-04-20	26-01-22	25-01-27	Morobe
AML 907	Bodia Yasa	24-04-20	26-01-22	25-01-27	Morobe
AML 910	Pius Moi	17-06-20	04-02-22	03-02-27	Morobe
AML 912	Ninga Yawa	16-07-20	27-06-23	26-06-28	Morobe
AML 915	Dick Koromeng; Hubert Koromeng	28-07-20	26-01-22	25-01-27	Morobe
AML 916	Dick Koromeng; Hubert Koromeng	28-07-20	26-01-22	25-01-27	Morobe
AML 917	Dick Koromeng; Hubert Koromeng	28-07-20	26-01-22	25-01-27	Morobe
AML 918	Arus Philip Kaiak	20-08-20	27-06-23	26-06-28	Morobe
AML 919	Yasasa Geamiti	20-08-20	26-01-22	25-01-27	Morobe
AML 920	Peter Baleng	20-08-20	28-07-22	27-07-27	Morobe
AML 921	David Yaku	20-08-20	09-05-22	08-05-27	Morobe
AML 927	Genson Tom Nanenato	07-10-20	09-05-22	08-05-27	Morobe
AML 928	Lemex Negiop	29-10-20	27-06-23	26-06-28	Morobe
AML 929	Geline Membang	04-11-20	04-02-22	03-02-27	Morobe
AML 930	Bui Kipuae	04-11-20	04-02-22	03-02-27	Morobe

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
AML 931	James Sakalus	05-11-20	04-02-22	03-02-27	Morobe
AML 933	Raymond Wally	26-11-20	26-01-22	25-01-27	Morobe
AML 936	Ninga Yawa	16-12-20	27-06-23	26-06-28	Morobe
AML 937	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 938	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 939	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 940	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 941	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 942	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 943	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 944	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 945	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 946	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 947	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 948	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 950	Tonny Itulam	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 951	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 953	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 954	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 955	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 956	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 957	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 958	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 959	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 960	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 961	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 962	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 963	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 964	Bini Abip	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 965	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 967	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 968	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 969	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 970	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 971	Borok Pitalok	24-12-20	04-02-22	03-02-27	Western (Fly)
AML 973	AML 973	AML 973	AML 973	AML 973	AML 973
AML 974	AML 974	AML 974	AML 974	AML 974	AML 974
AML 975	AML 975	AML 975	AML 975	AML 975	AML 975
AML 976	AML 976	AML 976	AML 976	AML 976	AML 976
AML 977	AML 977	AML 977	AML 977	AML 977	AML 977
AML 978	AML 978	AML 978	AML 978	AML 978	AML 978
AML 992	AML 992	AML 992	AML 992	AML 992	AML 992

1.2 Alluvial mining licenses (AML)

Table 1-2 Active AMLs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
EL 1043	Copper Quest PNG Limited	03-08-92	08-12-92	07-12-24	West New Britain
EL 1105	Newcrest PNG 2 Limited; Wafi Mining Limited	07-01-94	26-01-95	25-01-25	Morobe
EL 1165	Niugini Nickel Pty Ltd	31-10-95	01-03-96	28-02-24	Northern
EL 1212	Frieda River Limited	20-02-97	30-05-97	29-05-25	East Sepik
EL 1279	Woodlark Mining Limited	09-03-99	26-08-99	25-08-25	Milne Bay
EL 1335	Yandera Mining Company Limited	08-08-03	20-11-03	19-11-25	Chimbu
EL 1341	K92 Mining Limited	09-12-03	21-06-04	20-06-24	Eastern Highlands
EL 1369	Newcrest PNG Exploration Limited	25-05-04	23-11-04	22-11-24	Morobe
EL 1465	Woodlark Mining Limited	28-09-06	22-12-08	21-12-24	Milne Bay
EL 1611	Kupuyapa Mining Limited	04-10-07	28-11-08	27-11-24	Western Highlands
EL 1677	Ok Tedi Mining Limited	18-08-08	25-03-09	24-03-25	Western (Fly)
EL 1744	Frieda River Limited	13-08-09	21-06-10	20-06-24	East Sepik
EL 1745	Frieda River Limited	13-08-09	21-06-10	20-06-24	East Sepik
EL 1746	Frieda River Limited	13-08-09	21-06-10	20-06-24	East Sepik
EL 1747	Gallipoli Exploration (PNG) Limited	19-08-09	21-03-11	20-03-25	Milne Bay
EL 1748	Newcrest PNG Exploration Limited	20-08-09	27-09-12	26-09-24	Morobe
EL 1761	Pure Minerals Limited	02-11-09	12-03-12	11-03-24	Milne Bay
EL 1875	Waterford Limited	16-08-10	15-05-12	14-05-24	Gulf
EL 1877	Bismarck Mining Corporation (PNG) Limited	17-08-10	08-10-12	07-10-24	New Ireland
EL 1895	Frieda River Limited	29-09-10	15-05-12	14-05-24	East Sepik
EL 1956	Frieda River Limited	11-03-11	15-05-12	14-05-24	West Sepik
EL 1957	Frieda River Limited	11-03-11	15-05-12	14-05-24	East Sepik
EL 2150	Mayur Iron PNG Limited	20-12-11	18-12-12	17-12-24	Gulf
EL 2156	Ok Tedi Mining Limited	16-02-12	20-12-12	19-12-24	Western (Fly)
EL 2256	Ok Tedi Mining Limited	12-10-12	20-05-13	19-05-25	Western (Fly)
EL 2302	Canterbury Resources (PNG) Limited	19-08-13	25-02-14	24-02-24	Morobe
EL 2303	Mayur Industrials PNG Limited	22-08-13	14-05-14	13-05-24	Central

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
EL 2305	Mayur Iron PNG Limited	22-08-13	14-05-14	13-05-24	Gulf
EL 2310	KRL Kili Teke Resources Limited (100%)	25-10-13	24-05-14	23-05-24	Enga
EL 2314	Canterbury Resources (PNG) Limited	26-02-14	02-11-15	01-11-25	Morobe
EL 2366	Solway Group Mining (PNG) Limited	18-02-15	17-12-15	16-12-25	Milne Bay
EL 2376	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	31-03-15	26-05-16	25-05-24	Madang
EL 2384	Solway Group Mining (PNG) Limited	28-05-15	11-07-16	10-07-24	Morobe
EL 2396	Cheroh Mining PNG Limited	28-07-15	09-03-16	08-03-24	Manus
EL 2432	LCL Footprint South Limited (100%)	18-01-16	11-07-16	10-07-24	Northern
EL 2462	Nord Australex Nominees (PNG) Limited	22-06-16	15-11-16	14-11-24	New Ireland
EL 2472	Ok Tedi Mining Limited	14-09-16	18-03-17	17-03-25	Western (Fly)
EL 2482	Solway Group Mining (PNG) Limited	03-11-16	25-02-19	24-02-25	Milne Bay
EL 2531	Frontier Copper (PNG) Limited	04-05-17	25-02-19	24-02-25	Central
EL 2535	Tolu Minerals Limited (100%)	30-05-17	26-01-22	25-01-24	Central
EL 2536	Tolu Minerals Limited (100%)	30-05-17	26-01-22	25-01-24	Central
EL 2538	Tolu Minerals Limited (100%)	13-06-17	26-01-22	25-01-24	Central
EL 2539	Tolu Minerals Limited (100%)	13-06-17	26-01-22	25-01-24	Central
EL 2546	Ballygowan Limited	31-07-17	29-08-18	28-08-24	Milne Bay
EL 2548	LCL Footprint North Limited (100%)	06-09-17	29-08-18	28-08-24	East Sepik
EL 2549	Pacific Arc Aurum (Niugini) Limited	15-09-17	04-04-18	03-04-24	Milne Bay
EL 2556	Mayur Iron PNG Limited	01-11-17	25-02-19	24-02-25	Central
EL 2558	Kainantu Resources Limited	16-11-17	29-08-18	28-08-24	Eastern Highlands
EL 2559	Kainantu Resources Limited	16-11-17	29-08-18	28-08-24	Eastern Highlands
EL 2560	LCL Footprint South Limited (100%)	24-11-17	29-08-18	28-08-24	Central

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
EL 2566	LCL Footprint South Limited (100%)	20-12-17	25-02-19	24-02-25	Central
EL 2578	Copper Quest PNG Limited	20-03-18	25-02-19	24-02-25	West New Britain
EL 2579	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	29-03-18	25-02-19	24-02-25	Madang
EL 2603	Hardrock Limited	01-10-18	14-01-20	13-01-24	East Sepik
EL 2619	K92 Mining Limited	15-02-19	23-01-20	22-01-24	Eastern Highlands
EL 2620	K92 Mining Limited	15-02-19	03-06-21	02-06-25	Eastern Highlands
EL 2623	Hardrock Limited	28-02-19	14-01-20	13-01-24	East Sepik
EL 2624	Sharah Limited	05-03-19	14-08-20	13-08-24	Morobe
EL 2625	Bungamba (Sankwep) Investments Limited	05-03-19	15-06-20	14-06-24	Morobe
EL 2632	GMN 6768 (PNG) Limited	26-04-19	14-08-20	13-08-24	East Sepik
EL 2639	Kraip Energy Limited	01-08-19	12-11-20	11-11-24	Jiwaka
EL 2642	Sharah Limited	10-09-19	12-11-20	11-11-24	Morobe
EL 2650	Pacific Energy Contracting Limited	05-11-19	14-08-20	13-08-24	Eastern Highlands
EL 2651	Ontaga Resources Limited	05-11-19	12-11-20	11-11-24	Eastern Highlands
EL 2652	Pacific Energy Contracting Limited	14-11-19	14-08-20	13-08-24	Eastern Highlands
EL 2655	Pacific Energy Contracting Limited	23-01-20	12-11-20	11-11-24	Eastern Highlands
EL 2658	Canterbury Resources (PNG) Limited	04-02-20	29-01-21	28-01-25	Morobe
EL 2660	Pacific Energy Contracting Limited	24-02-20	12-11-20	11-11-24	Eastern Highlands
EL 2665	LCL Footprint Gold Limited (100%)	04-05-20	29-01-21	28-01-25	Central
EL 2670	Kraip Energy Limited	18-06-20	02-08-21	01-08-25	Western Highlands
EL 2671	Camp Administration Limited	19-06-20	04-02-22	03-02-24	Western (Fly)
EL 2684	Chryso Resources Limited	24-11-20	02-08-21	01-08-25	Eastern Highlands
EL 2694	D'Entrecasteaux Exploration Limited	04-02-21	31-10-23	30-10-25	Milne Bay
EL 2695	Mayur Iron PNG Limited	22-02-21	04-02-22	03-02-24	Western (Fly)
EL 2704	Solway Group Mining (PNG) Limited	29-03-21	09-05-22	08-05-24	Morobe
EL 2705	Abundance Valley (PNG) Limited	21-04-21	31-10-23	30-10-25	Enga

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
EL 2706	Footprint Resources Pty Ltd	22-04-21	04-02-22	03-02-24	Northern
EL 2709	CU Exploration Limited	17-05-21	27-06-23	26-06-25	East New Britain
EL 2711	Yaendal Minerals Limited	02-06-21	31-10-23	30-10-25	Eastern Highlands
EL 2717	B2GOLD CORP	28-06-21	27-06-23	26-06-25	New Ireland
EL 2718	Sinowon Group PNG Limited	29-07-21	27-06-23	26-06-25	Gulf
EL 2720	Niugini Highlands Resources Limited	30-07-21	27-06-23	26-06-25	Hela
EL 2722	Sinowon Group PNG Limited	30-07-21	31-10-23	30-10-25	Northern
EL 2723	Tolu Minerals Limited (100%)	09-08-21	08-11-22	07-11-24	Central
EL 2724	Harmony Gold (PNG) Exploration Limited	13-08-21	08-11-22	07-11-24	Morobe
EL 2728	CN Niugini Exploration PTY LTD	31-08-21	31-10-23	30-10-25	Hela
EL 2729	Niella Au Limited	01-09-21	09-06-23	08-06-25	Hela
EL 2730	Solway Group Mining (PNG) Limited	03-09-21	08-11-22	07-11-24	Morobe
EL 2736	Kainantu Resources Limited	04-10-21	28-07-22	27-07-24	East Sepik
EL 2738	LogiKon Corporation Pty Ltd	08-10-21	26-10-22	25-10-24	Northern
EL 2739	Pacific Sterling Limited	14-10-21	31-10-23	30-10-25	Gulf
EL 2741	E-Port Limited	25-10-21	19-12-22	18-12-24	East Sepik
EL 2742	E-Port Limited	25-10-21	08-11-22	07-11-24	East Sepik
EL 2743	E-Port Limited	25-10-21	08-11-22	07-11-24	East Sepik
EL 2744	Niugini Resources and Investments	13-12-21	31-10-23	30-10-25	Central
EL 2749	Orizon Construction Limited	31-01-22	08-11-22	07-11-24	Chimbu
EL 2751	Harmony Gold (PNG) Exploration Limited	24-02-22	09-05-22	25-08-24	Morobe
EL 2752	Aiabba Minerals (PNG) Limited; Malaumanda Development Corporation Limited	14-03-22	27-06-23	26-06-25	East Sepik
EL 2753	K92 Mining Limited	17-03-22	21-12-23	20-12-25	Eastern Highlands
EL 2754	Dominic Yandawai Consultants	18-03-22	31-10-23	30-10-25	Southern Highlands
EL 2755	Kainantu Resources Limited	23-03-22	31-10-23	30-10-25	Eastern Highlands
EL 2757	Salt Baker Limited	09-05-22	22-10-22	21-10-24	Central
EL 2760	CN Niugini Exploration PTY LTD	19-05-22	31-10-23	30-10-25	Jiwaka

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
EL 2761	Wild Dog Resources (PNG) Limited	27-06-22	27-06-23	26-06-25	East New Britain
EL 2765	MI - DO Mining Company Limited	07-09-22	31-10-23	30-10-25	Milne Bay
EL 2768	Footprint Resources Pty Ltd	03-10-22	31-10-23	30-10-25	Central
EL 2773	Chiron Investment Limited	22-11-22	31-10-23	30-10-25	Chimbu
EL 440	Newcrest PNG 2 Limited; Wafi Mining Limited	29-03-78	11-03-80	10-03-24	Morobe
EL 485	Lihir Gold Limited	02-02-83	19-06-83	31-03-24	New Ireland
EL 58	Frieda River Limited	10-08-67	20-03-68	14-11-25	West Sepik
EL 609	Nord Australex Nominees (PNG) Limited	04-03-85	06-05-85	05-05-25	New Ireland

1.3 Lease for mining purposes (LMP)

Table 1-3 Active LMPs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
LMP 129	Mayur Iron PNG Limited	14-12-20	26-01-22	06-12-41	Gulf
LMP 130	Mayur Iron PNG Limited	14-12-20	26-01-22	06-12-41	Gulf
LMP 136	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 137	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 138	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 139	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 140	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 141	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 142	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 143	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 144	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 145	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
LMP 34	Lihir Gold Limited	31-03-92	21-07-95	16-03-35	New Ireland
LMP 35	Lihir Gold Limited	23-12-94	21-07-95	16-03-35	New Ireland
LMP 38	Lihir Gold Limited	14-07-97	18-10-97	16-03-35	New Ireland
LMP 39	Lihir Gold Limited	14-07-97	18-10-97	16-03-35	New Ireland
LMP 40	Lihir Gold Limited	14-07-97	18-10-97	16-03-35	New Ireland

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
LMP 42	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
LMP 43	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
LMP 44	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
LMP 49	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
LMP 78	K92 Mining Limited	26-10-01	14-06-02	13-06-34	Eastern Highlands
LMP 80	Harmony PNG 20 Limited; Morobe Consolidated Goldfields Limited	23-03-04	04-03-05	03-03-25	Morobe
LMP 81	Ok Tedi Mining Limited	21-09-04	24-10-05	23-10-25	Western (Fly)
LMP 84	Ramu Nickel Management (MCC) Limited	09-11-11	28-05-16	27-05-56	Madang
LMP 87	Ok Tedi Mining Limited	16-08-12	10-10-13	09-10-35	Western (Fly)
LMP 88	Ok Tedi Mining Limited	16-08-12	10-10-13	09-10-35	Western (Fly)
LMP 89	Woodlark Mining Limited	16-07-15	26-05-16	03-07-34	Milne Bay
LMP 90	Woodlark Mining Limited	16-07-15	26-05-16	03-07-34	Milne Bay
LMP 91	Woodlark Mining Limited	16-07-15	26-05-16	03-07-34	Milne Bay
LMP 92	Woodlark Mining Limited	16-07-15	26-05-16	03-07-34	Milne Bay
LMP 93	Woodlark Mining Limited	16-07-15	26-05-16	03-07-34	Milne Bay

1.4 Mining easement (ME)

Table 1-4 Active MEs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
ME 105	Woodlark Mining Limited	26-03-20	29-01-21	03-07-34	Milne Bay
ME 106	Golden Valley Enterprise Limited	13-07-20	13-02-23	24-02-29	Morobe
ME 111	Woodlark Mining Limited	11-09-20	03-06-21	03-07-34	Milne Bay
ME 112	Mayur Iron PNG Limited	14-12-20	26-01-22	06-12-41	Gulf
ME 113	Mayur Iron PNG Limited	14-12-20	26-01-22	06-12-41	Gulf
ME 117	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
ME 118	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
ME 119	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
ME 120	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
ME 71	Lihir Gold Limited	19-06-95	21-07-95	16-03-35	New Ireland
ME 72	Lihir Gold Limited	19-06-95	21-07-95	16-03-35	New Ireland
ME 73	Lihir Gold Limited	19-06-95	21-07-95	16-03-35	New Ireland
ME 75	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
ME 77	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
ME 78	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
ME 79	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang
ME 80	K92 Mining Limited	26-10-01	14-06-02	13-06-34	Eastern Highlands

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
ME 81	K92 Mining Limited	26-10-01	14-06-02	13-06-34	Eastern Highlands
ME 82	Harmony PNG 20 Limited; Morobe Consolidated Goldfields Limited	23-03-04	04-05-07	03-03-30	Morobe
ME 83	MCC Ramu NiCo Limited	13-12-06	18-02-08	25-07-40	Madang
ME 85	Woodlark Mining Limited	04-08-15	26-05-16	03-07-34	Milne Bay

1.5 Mining lease (ML)

Table 1-5 Active MLs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
ML 125	Lihir Gold Limited	23-12-94	21-07-95	20-07-25	New Ireland
ML 126	Lihir Gold Limited	31-01-95	21-07-95	20-07-25	New Ireland
ML 136	Simberi Gold Company Limited	09-09-96	03-12-96	02-12-28	New Ireland
ML 149	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-30	Madang
ML 150	K92 Mining Limited	26-10-01	14-06-02	13-06-34	Eastern Highlands
ML 151	Harmony PNG 20 Limited; Morobe Consolidated Goldfields Limited	23-03-04	04-03-05	03-03-30	Morobe
ML 154	Eda Kopa (Solwara) Limited; Nautilus Minerals Niugini Limited	30-09-08	13-01-11	12-01-31	New Ireland
ML 159	Lopa Jonsangu Supeto	09-11-20	08-02-22	07-02-27	Morobe
ML 161	Savil Nako	15-12-20	26-01-22	25-01-27	Morobe
ML 162	Wayang Kawa	16-12-20	26-01-22	25-01-27	Morobe
ML 165	Barnabas Lapan	14-01-21	28-07-22	27-07-27	Morobe
ML 166	Leah Chris & Wabu Alluvials Ltd.	09-02-21	28-07-22	27-07-27	Morobe
ML 180	Pacific Building Industries Limited	15-11-21	28-06-22	27-06-27	Eastern Highlands
ML 201	Kiakia	11-07-94	14-01-20	13-01-25	Morobe
ML 202	Nando Tagung	11-07-94	06-09-19	05-09-24	Morobe
ML 203	Deba Wisan	11-07-94	14-01-20	13-01-25	Morobe
ML 206	Aaron Nangan	12-07-94	14-08-20	13-08-25	Morobe
ML 240	Frank Kinok	14-07-94	04-02-22	03-02-27	Morobe

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
ML 242	Drekor Omaleog	15-07-94	27-05-19	26-05-24	Morobe
ML 252	Kivi Kavare	15-07-94	08-11-22	07-11-27	Morobe
ML 253 - ML 256	Mark Midiso	15-07-94	27-06-23	26-06-28	Morobe
ML 260-269	Nick Wami	26-07-94	26-01-22	25-01-27	Morobe
ML 278	Bun Mang	26-07-94	27-05-19	26-05-24	Morobe
ML 281	Isakao Were	27-07-94	09-05-22	08-05-27	Morobe
ML 303	Ogensa Manwang	28-07-94	25-02-19	24-02-24	Morobe
ML 339	Arus Philip Kaiak	29-07-94	04-02-22	03-02-27	Morobe
ML 358 - ML 366	Mitik Awis	18-08-94	31-10-23	30-10-28	Morobe
ML 411	Gutis Sinze	24-08-94	28-07-22	27-07-27	Morobe
ML 416	Charles Anani	01-09-94	08-11-22	07-11-27	Morobe
ML 418	Aaron Nangan	26-08-94	27-05-19	26-05-24	Morobe
ML 463 - ML 466	Rik Holdings Limited	24-08-94	27-05-19	26-05-24	Morobe
ML 508	Woodlark Mining Limited	30-10-12	04-07-14	03-07-34	Milne Bay
ML 509	Hells Gate Exploration Limited	31-07-13	20-05-17	19-05-27	Gulf
ML 510	Anomaly Limited	08-05-14	05-11-14	04-11-29	Eastern Highlands
ML 511	Niuminco Eddie Creek Limited	23-03-15	18-05-20	05-10-31	Morobe
ML 514	Apollo Mineral Resources Limited; Upper Ok Tedi Resources Company Limited	18-05-16	18-03-17	17-03-29	Western (Fly)
ML 515	Meka Yamo	22-11-16	25-02-19	24-02-24	Morobe
ML 518	Golden Valley Enterprise Limited	14-08-18	25-02-19	24-02-29	Morobe
ML 521	New Dawn Mining (PNG) Limited	09-10-18	14-01-20	13-01-25	Morobe
ML 526	Mayur Industrials PNG Limited	26-06-19	14-08-20	13-08-40	Central
ML 527	Japeth Marcus	27-06-19	14-01-20	13-01-25	Morobe
ML 528	Dorcas Simiriong	27-06-19	14-01-20	13-01-25	Morobe
ML 529	Edward Homba	30-08-19	14-08-20	13-08-25	Morobe
ML 532	Mineral Resources Star Mountain Limited	29-11-19	18-05-20	17-05-25	Western (Fly)
ML 533	Mineral Sand Niugini Limited; West Coast Mining Limited	18-12-19	04-02-22	03-02-27	East Sepik
ML 536	Masar Funumari; Yanda Funumari	07-07-20	04-02-22	03-02-27	Morobe
ML 537	Masar Funumari; Yanda Funumari	07-07-20	04-02-22	03-02-27	Morobe
ML 540	Meka Yamo & Wabu Alluvial Ltd.	28-10-20	04-02-22	03-02-27	Morobe

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
ML 541	Mayur Iron PNG Limited	14-12-20	07-12-21	06-12-41	Gulf
ML 566	Keideedee Limited; MI - DO Mining Company Limited	10-10-22	23-05-23	22-05-28	Milne Bay
ML 567	Kedada Limited; MI - DO Mining Company Limited	10-10-22	23-05-23	22-05-28	Milne Bay
ML 578	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga

1.6 Special mining lease (SML)

Table 1-6 Active SMLs in 2023

Code	Parties	Application Date	Grant Date	Expiry Date	Location (Province)
SML 1 (O)	Ok Tedi Mining Limited	03-02-81	28-05-81	27-05-42	Western (Fly)
SML 13	New Porgera Limited	13-06-23	13-10-23	12-10-43	Enga
SML 6	Lihir Gold Limited	31-03-92	17-03-95	16-03-35	New Ireland
SML 8	MCC Ramu NiCo Limited; Mineral Resources Madang Limited; Mineral Resources Ramu Limited; Ramu Nickel Limited	04-06-99	26-07-00	25-07-40	Madang

1.7 Mining tenements granted in 2023

Table 1-7 Mining tenements granted in 2023

Code	License type	Parties	Application Date	Expiry Date	Location (Province)
AML 1027	Alluvial Mining Lease (AML)	Giamsa Gewan	29-06-21	30-10-28	Morobe
AML 1037	Alluvial Mining Lease (AML)	Zangal Muyiew Clan	09-09-21	26-06-28	Morobe
AML 1038	Alluvial Mining Lease (AML)	Zangal Muyiew Clan	09-09-21	26-06-28	Morobe
AML 1043	Alluvial Mining Lease (AML)	Sam Ignatius	12-11-21	30-10-28	Morobe
AML 1052	Alluvial Mining Lease (AML)	Boute Lane Kipindu	03-12-21	26-06-28	Morobe
AML 1054	Alluvial Mining Lease (AML)	Michael Elias	21-12-21	30-10-28	Morobe
AML 1055	Alluvial Mining Lease (AML)	Desmond Jacob	21-12-21	30-10-28	Morobe
AML 1066	Alluvial Mining Lease (AML)	Wipo Kikinai Nui pangor	28-04-22	30-10-28	Morobe

Code	License type	Parties	Application Date	Expiry Date	Location (Province)
AML 1086	Alluvial Mining Lease (AML)	Petrus Kase	27-10-22	30-10-28	Morobe
AML 132	Alluvial Mining Lease (AML)	Moses Mongon	14-01-22	30-10-28	Morobe
AML 133	Alluvial Mining Lease (AML)	Tekwa Aninias	14-01-22	30-10-28	Morobe
AML 134	Alluvial Mining Lease (AML)	Raymond Wally; Tenang Maibu	19-01-22	30-10-28	Morobe
AML 141	Alluvial Mining Lease (AML)	Isso Lang	24-02-22	26-06-28	Morobe
AML 149	Alluvial Mining Lease (AML)	Vincent Weru	30-03-22	26-06-28	Morobe
AML 150	Alluvial Mining Lease (AML)	Jordan Bill Norla	30-03-22	30-10-28	Morobe
AML 912	Alluvial Mining Lease (AML)	Ninga Yawa	16-07-20	26-06-28	Morobe
AML 918	Alluvial Mining Lease (AML)	Arus Philip Kaiak	20-08-20	26-06-28	Morobe
AML 928	Alluvial Mining Lease (AML)	Lemex Negiop	29-10-20	26-06-28	Morobe
AML 936	Alluvial Mining Lease (AML)	Ninga Yawa	16-12-20	26-06-28	Morobe
EL 2694	Exploration License (EL)	D'Entrecasteaux Exploration Limited	04-02-21	30-10-25	Milne Bay
EL 2705	Exploration License (EL)	Abundance Valley (PNG) Limited	21-04-21	30-10-25	Enga
EL 2709	Exploration License (EL)	CU Exploration Limited	17-05-21	26-06-25	East New Britain
EL 2711	Exploration License (EL)	Yaendal Minerals Limited	02-06-21	30-10-25	Eastern Highlands
EL 2717	Exploration License (EL)	B2GOLD CORP	28-06-21	26-06-25	New Ireland
EL 2718	Exploration License (EL)	Sinowon Group PNG Limited	29-07-21	26-06-25	Gulf
EL 2720	Exploration License (EL)	Niugini Highlands Resources Limited	30-07-21	26-06-25	Hela
EL 2722	Exploration License (EL)	Sinowon Group PNG Limited	30-07-21	30-10-25	Northern
EL 2728	Exploration License (EL)	CN Niugini Exploration PTY LTD	31-08-21	30-10-25	Hela
EL 2729	Exploration License (EL)	Niella Au Limited	01-09-21	08-06-25	Hela
EL 2739	Exploration License (EL)	Pacific Sterling Limited	14-10-21	30-10-25	Gulf
EL 2744	Exploration License (EL)	Niugini Resources and Investments	13-12-21	30-10-25	Central
EL 2752	Exploration License (EL)	Aiabba Minerals (PNG) Limited; Malaumanda Development Corporation Limited	14-03-22	26-06-25	East Sepik

Code	License type	Parties	Application Date	Expiry Date	Location (Province)
EL 2753	Exploration License (EL)	K92 Mining Limited	17-03-22	20-12-25	Eastern Highlands
EL 2754	Exploration License (EL)	Dominic Yandawai Consultants	18-03-22	30-10-25	Southern Highlands
EL 2755	Exploration License (EL)	Kainantu Resources Limited	23-03-22	30-10-25	Eastern Highlands
EL 2760	Exploration License (EL)	CN Niugini Exploration PTY LTD	19-05-22	30-10-25	Jiwaka
EL 2761	Exploration License (EL)	Wild Dog Resources (PNG) Limited	27-06-22	26-06-25	East New Britain
EL 2765	Exploration License (EL)	MI - DO Mining Company Limited	07-09-22	30-10-25	Milne Bay
EL 2768	Exploration License (EL)	Footprint Resources Pty Ltd	03-10-22	30-10-25	Central
EL 2773	Exploration License (EL)	Chiron Investment Limited	22-11-22	30-10-25	Chimbu
EL 2795	Exploration License (EL)	Rio Tinto Exploration (PNG) Limited (60%); Finny Limited (40%)	31-08-23	16-12-23	Manus
LMP 136	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 137	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 138	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 139	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 140	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 141	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 142	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 143	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 144	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
LMP 145	Lease for Mining Purpose (LMP)	New Porgera Limited	13-06-23	12-10-43	Enga
ME 106	Mining Easement (ME)	Golden Valley Enterprise Limited	13-07-20	24-02-29	Morobe
ME 117	Mining Easement (ME)	New Porgera Limited	13-06-23	12-10-43	Enga
ME 118	Mining Easement (ME)	New Porgera Limited	13-06-23	12-10-43	Enga
ME 119	Mining Easement (ME)	New Porgera Limited	13-06-23	12-10-43	Enga
ME 120	Mining Easement (ME)	New Porgera Limited	13-06-23	12-10-43	Enga

Code	License type	Parties	Application Date	Expiry Date	Location (Province)
ML 253 - ML 256	Mining Lease	Mark Midiso	15-07-94	26-06-28	Morobe
ML 358 - ML 366	Mining Lease	Mitik Awis	18-08-94	30-10-28	Morobe
ML 566	Mining Lease	Keideedee Limited; MI - DO Mining Company Limited	10-10-22	22-05-28	Milne Bay
ML 567	Mining Lease	Kedada Limited; MI - DO Mining Company Limited	10-10-22	22-05-28	Milne Bay
ML 578	Mining Lease	New Porgera Limited	13-06-23	12-10-43	Enga
SML 13	Special Mining Lease (SML)	New Porgera Limited	13-06-23	12-10-43	Enga

1.8 Mining tenements transferred in 2023

Table 1-8 Mining tenements transferred in 2023

Code	Transferor	Transferee	Transfer Registration Date
EL 454	Barrick (Niugini) Limited	New Porgera Limited	24-05-23
SML 11	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 128	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 103(P)	Barrick (Niugini) Limited	New Porgera Limited	26-05-23
ME 108	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
ME 110	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
ME 107	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 120	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 122	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 123	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 119	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 126	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 124	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 125	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 127	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
ME 109	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
LMP 121	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23
ML 538	Kumul Minerals Holding Limited	New Porgera Limited	26-05-23

Annex H – Roles and responsibilities of government agencies

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:

- 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,
- 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 PNG government 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.

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.

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.

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.

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's 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. Adopting a comprehensive, long-term approach that encompasses all government sectors.

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.

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.

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.

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.

