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MEDIA RELEASE

Chamber welcomes plans for National Petroleum Authority

The PNG Chamber of Mines and Petroleum has welcomed the announcement by the Petroleum Minister, Dr Fabian Pok, that he will table a Bill on the proposed National Petroleum Authority (NPA) in Parliament this year.

The Chamber President, Mr Gereia Aopi CBE, said it has been many years since the PNG Government agreed to establish a National Petroleum Authority and it was commendable that Dr Pok has undertaken to finalise preparation of this Bill.

The NPA will play an important role in regulating PNG's oil and gas sector, which has grown in importance since commencement of LNG exports in May 2014.

Mr Aopi said: "In the coming decade LNG exports from this country will double, reinforcing the role of the oil and gas sector as the largest contributor to the PNG economy and a significant player in international markets."

"Establishment of the NPA would contribute to significant skills development among Papua New Guineans who will be able to regulate a wide range of petroleum industry activities, from exploration to project sanction and development as well as the operational phase," he said adding the industry and the Chamber are looking forward to the consultation process before the Bill is tabled.

Mr Aopi said a similar transformation has occurred in PNG's mineral sector with the passage of the Minerals Resources Authority Act 2005. In the ensuing years MRA has developed inhouse expertise to monitor and regulate all aspects of mineral exploration and development, including safety and health issues, in a structure that is run and managed by highly qualified Papua New Guineans.

He said: "The National Government has been aware of the shortcomings of the current Department of Petroleum, which is poorly funded and understaffed, particularly through recent findings of the government-led Extractive Industries Transparency Initiative.

"The establishment of a strong, robust and efficient regulator that is financially autonomous will have the capacity to promote increased oil and gas exploration and assist the government in regulating petroleum industry activities.

"In carrying out its functions in a professional manner, the NPA will enhance PNG's competitiveness as an investment destination and improve training and employment opportunities for young Papua New Guineans. It will also ensure greater transparency in the issuance of licenses," Mr Aopi said.

Mr Aopi said Petroleum Development Agreements for two multi-billion-dollar LNG ventures – the P'nynag gas project and Papua LNG – are anticipated to be signed in the coming month. In addition, Twinza Oil's Pasca project, involving PNG's first offshore condensate-gas project, is expected to go through various approval processes in the coming year.

"These developments, along with a very active exploration scenario, are reasons why the Chamber and its members have a sense of urgency regarding establishment of the NPA, which will become a

source of sound technical and professional advice to the Petroleum Minister and the Government,” Mr Aopi said.

“We are fully supportive of this initiative and thank Dr Pok for his commitment and leadership in deciding to make this authority a reality.”

Meanwhile Mr Aopi also congratulated Dr Pok and his team for completing the Landowner Beneficiary Identification (LOBID) exercise, or clan vetting, for landowners in the Petroleum Development Licence areas, PDL 1 and PDL 7, at Hides. This will enable the government to commence payment of outstanding royalties to all landowners in the PNG LNG Project area, including landowners in Hela Province.



The Elk-Antelope site in the Gulf Province.

Media Enquiries:

Mackhenly Kaiok
Manager – Public Relations & Communications
MKaiok@pngchamberminpet.com.pg
Ph: +675 7632 8875