



MEDIA RELEASE

Chamber congratulates government on positive action on Papua LNG Project

The Papua New Guinea Chamber of Mines and Petroleum congratulates the Marape-Basil government for its positive action on resource projects, which it says, the country urgently needs to get moving, and to provide economic support to the national economy.

Last Friday (August 20th) the government tabled, debated, and overwhelmingly passed the Oil and Gas, Papua LNG Project Amendment Bill, 2021 79 votes to 0.

Chamber President, Anthony Smaré said: “The Government’s passage of this important legislative changes illustrates the sincere commitment from the government of the need to get the Papua LNG Project off the ground. All parties recognize that we need the Papua LNG Project to go into construction to provide a boost to the economy, create jobs and business opportunities for PNG businesses and boost revenue from the government to keep funding essential services to our people.”

Mr. Smaré acknowledged the sincerity of government through Petroleum Minister, Kerenga Kua, in explaining the significant costs involved in a project like the Papua LNG Project.

“Given the significant capital intensity of the Papua LNG Project, which will be around 10 Billion US Dollars to 12 Billion US dollars, it must be financed using a combination of debt from lenders and equity from project sponsors, or joint venture partners,” Minister Kua told Parliament when tabling the bill.

“Mr. Speaker, the Papua LNG Project participants are currently progressing the technical work necessary, so that the two Papua LNG Project Liquification trains may proceed within the PNG LNG Projects site at Caution Bay. Once this is complete, and following the start of FEED, they will submit an application for a Petroleum Development License,” Mr. Kua explained in parliament.

Minister Kua had said: “Prompt passage of the proposed bill during this parliamentary session, will demonstrate to sponsors, LNG buyers and financiers, the State’s continued full commitment to the Papua LNG Project, contract sanctity, and the fiscal regulatory regime, contemplated by the Papua LNG Project Gas Agreement. This is why we are proposing this bill for approval today.”

“The passing of this amendment bill is the first positive sign industry has seen that indicates to investors in the extractives sector, that government is mindful of returning investor confidence to the levels they were at, before the closure of the Porgera mine.”

Mr. Smaré echoed Minister Kua’s acknowledgment that the passing of this amendment bill, would help improve confidence of investors in the resource sector, which has recently been on the decline.

“The Chamber, as a representative of its members in the resources sector, has always highlighted the need for a stable, regulatory and legislative environment. This ensures that investor confidence remains high and keeps the focus on Papua New Guinea as a viable investment destination,” Mr. Smaré said.

Approved for Release

PNG Chamber of Mines and Petroleum