

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

PNG Resource Owners Federation backs resource proposal

BY GRACE AKUA SALMANG, Post-Courier, June 30, 2014

THE Resource Owners Federation of PNG strongly supports proposals made by various ministers and other members of parliament to return mineral and petroleum ownership rights to customary landowners. Federation president Jonathan Paraia said in a statement that the return of ownership rights is expected of this current government by the people of this country and the international community. He said the ownership rights were stolen from indigenous owners by the state during the process of colonisation. “Although the Papua New Guinea Constitution prohibits the state’s achievement of property without fair compensation, the state has continued to possess the rights without making provision in its laws for compensation for the mineral rights. “The international community, through the United Nations General Assembly, in its declaration on the rights of the indigenous peoples of the world in 2007, requires all member countries, including Papua New Guinea, to endorse and adhere to the declaration.”

He said according to article 26 of the declaration, it is required of the state to return land and resource ownership rights stolen in the process of colonisation. “The time is now right to protect the indigenous customary landowners and their resources, since non-indigenous people, including refugees and multi-billionaires, are now taking up citizenship in this country. “It is time to change the laws and policies that have and continue to divert the cash flows from our resource development projects to enrich overseas shareholders.” He said the customary landowners of this country are significant owners of natural resource capital worth trillions and trillions of dollars, yet they end up impoverished beggars on their own land because of the bad laws and policies. “Look at them in Porgera, Misima, Ok Tedi, Lihir, Kutubu and others across this nation and these laws are racist and unjust,” Mr Paraia said.

Minister: Barrick should enter MoA

The National, 27th of June, 2014

Mining Minister Byron Chan has urged the developer of the multi-million kina Porgera mine in Enga, Barrick Gold Ltd, to be a party to the Porgera memorandum of agreement review. This comes after Barrick refused to be a party to the MoA thus, becoming mere observers in the negotiations which did not go well with the landowners. “I want to see a good working relationship between Barrick, landowners and Enga provincial government and its stakeholders. More importantly the landowners,” Chan said. He said this following a meeting held recently in Port Moresby between the State, landowners, the Enga provincial government and Barrick.

Chan said a meaningful dialogue between the landowners and Barrick should prevail in terms of the Porgera MoA. “I want to see Barrick Gold to be part of the Porgera MoA review and not as observers. “This issue is outstanding at the moment and this has been my stand together with the landowners in the recently concluded Kokopo meeting,” Byron said. The agreement between the landowners, the Enga provincial government and the State includes how to address environment damages and resettlement of the landowners whose land was taken up by the mine. Chan reiterated that he stood committed with the Porgera landowners in addressing many of the issues captured in the review.

Solomons Landowners Wants Security Jobs At Gold Ridge Mine

Group unhappy mine gave contract to Fijian company

By Daniel Namsoua

HONIARA, Solomon Islands (Solomon Star, June 26, 2014) – The Gold Ridge People’s Power Group (GRPPG) has called on the national government to disengage the Fijian security firm contracted to provide security at Gold Ridge mine site, central Guadalcanal. The group said the job should have been given to locals. Spokesman for the group Ribson Nunua said people of Gold Ridge are not happy with the engagement of the Fijian security firm. Mr Nunua said GRPPG is questioning why the government has allowed Gold Ridge Mining Limited to bring in this firm instead of engaging the local police or the local land owning tribes. He said Gold Ridge people are calling on the government to terminate the contract of the Fijian security since it does not look right to them. Mr Nunua said it does not make sense for the company to engage foreigners on a lucrative contract when it still fails to address outstanding issues of the people of Gold Ridge namely:

1. Royalty, compensation payment of Tabu sites, land rental, and grave sites.
2. Relation payment compensation and benefit (Relocation issues)
3. Relocation land tenants.
4. Fixing the tailing dam

5. Eradicate the chemical spill at the mine site during the flash flooding.
6. No proper consultation will landing group before given contract to Fijian security.
7. Relief Assistance April 3rd 2014 Flash flooding.

"We wish to warn the government that if it fails to address these issues and listen to our concerns, we will not accept the proposed reconciliation that the government has planned with the land owners of Gold Ridge." Mr Nunua said they will dispute the planned 42 chupus that the government will organise for them since it failed to honour the above mentioned issues. HE added unless the government addresses these outstanding issues, any planned reconciliation by the government will be disputed. A government official said the security officers were employed by St Barbra, which owned the mine site, and not the government. The Solomon Star understands RSIPF officers are still manning the mine site alongside nine Fijian security officers. Seven more Fijians are expected to arrive yesterday. Information gathered by this paper has revealed locals living around the mine site are not happy with the way the Fijian security officers are using dogs to chase them out from the site.

What is the Chamber's position on the forthcoming review of Papua New Guinea's 1992 Mining Act?

Greg Anderson, Executive Director, Papua New Guinea Chamber of Mines and Petroleum
GBR Connect Series, June 26, 2014

GA: We do have serious reservations about some of the proposed changes to the 1992 Mining Act, particularly regarding restrictions on Fly-In-Fly-Out operations and changes to state equity in mining leases. Papua New Guinea's resource sector has seen nearly a decade of strong growth, which can be largely attributable to the combination of world-class geology and a highly competitive fiscal regime. Now, as in the rest of the world, there is something of a downturn in the mining sector, which makes it the worst possible moment for a regulatory shakeup. At the moment, the national government has the right to a 30% back in to any mine, which is usually exercised at the development stage. This is already a high level of participation, but there are now calls from the more nationalistic voices in parliament to raise it even higher. This could have a profoundly negative impact on the country's attractiveness as a destination for mining investment. On the other hand, tenement leases will be extended from two to five years, which is a positive development, as two years is far too short a period to make any real progress.

What kind of impact do you believe the new regulations will have on the exploration sector?

GA: The junior exploration sector has still not reached full maturity in Papua New Guinea, although the release of a major geophysical survey in 2010 stimulated interest from prospectors around the world. Nevertheless, global exploration levels have seen six straight quarters of decline, and raising funds on the markets today is virtually impossible. Until recently, one of our domestic exploration industry's greatest strengths was its diversity: we had a broad cross-section of majors with the resources to develop large projects as well as junior companies prepared to prove up riskier prospects. However, in recent times several of the majors (Barrick, BHP Billiton and Vale) have pulled out and our junior sector has shrunk. By taking away incentives, the government runs the risk of damaging the exploration sector even further.

How would you respond to claims that the current act is antiquated and in need of radical change?

GA: It is true that certain elements of the act are out of date, and various areas are not covered at all. For example, there are no provisions for offshore mining, even though Papua New Guinea is leading the world in offshore exploration and will soon see the world's first producing seabed mine. Similarly, although mine closure systems being followed in PNG are of the highest standards, there is no section governing mine closure within the act. It is also necessary to flesh out and update some

of the regulations regarding social issues. However, notwithstanding these minor issues, it is a sound piece of legislation that requires some revision rather than a full-scale rewrite.

In addition to its range of major mines, Papua New Guinea is also home to a vibrant small-scale mining community. How is the relationship between these two different sides of the industry?

GA: Papua New Guinea is blessed. There is gold to be found in nearly every province, which has led to the development of a phenomenal small-scale mining sector. Recent estimates suggest that there may be as many as 80,000 people involved in alluvial mining, producing up to four tons of gold per year, but accurate figures are hard to produce. Separate to this, we also have a serious problem with illegal miners. This is particularly grave at Porgera, as there is coarse gold running free in the system and outsiders have attempted to break in, rush into the pit and try to recover some of the ore whilst blasting is ongoing. Six trespassers were recently killed in the underground section of the mine after having gained entry to a closed off stope, which collapsed on top of them. As nobody was aware of their presence, it took some time for them to be discovered. The Chamber is now engaged in discussions with the government to develop measures to end the practice.

Many complain that since the closure of Bougainville Copper there has been a lack of quality training in Papua New Guinea. How would you assess the level of training for mining professionals?

GA: It is true that Bougainville provided an excellent level of training and a great many quality technicians and tradesmen came from that mine. However, this nostalgia for the old days is unhealthy and ignores the great strides that have been made by other mines. Both Ok Tedi and Lihir offer full apprenticeship schemes that have graduated several hundred students over the years. There is a shortage of some professional skills, but this is partly because many Papua New Guinean engineers and geologists have been attracted overseas by higher salaries and better living conditions, which in itself is a solid endorsement of the high standards of the national training programs.

In today's highly competitive investment climate, why should foreign resource groups be investing in Papua New Guinea?

GA: Over 37 years of independence, we have always maintained a very pro-mining political environment, which has led to an outstanding record of developing world-class projects. We were able to ride out the last global downturn with minimal economic damage and we look set to emerge from this one relatively unscathed as well. It almost goes without saying that in geological terms, Papua New Guinea is one of the most competitive countries in the world; the challenge now is to line up this geological potential with an attractive fiscal regime to ensure a consistent flow of investment.

Nautilus' underwater miner begins construction

AustralianMining, 26 June 2014, Cole Latimer

Nautilus Minerals seafloor miner's cutter has begun assembly this week. The last part of the Seafloor Production Tool (SPT), the auxiliary cutter, has begun assembly at Soil Machine Dynamics facility in the UK. The auxiliary cutter is designed as the pioneering tool which prepares the uneven seabed for the bulk cutter. These two tools gather the excavated material; the other, the Collecting Machine, will collect the cut material by drawing it in as seawater slurry with internal pumps and pushing it through a flexible pipe to the subsea pump and on to the Production Support Vessel via the Riser and Lift System. It will operate on tracks with spud assistance and has a boom mounted cutting head for greater flexibility. Speaking on this milestone, Nautilus CEO Mike Johnston said "we are pleased that the assembly of the AC, the third and final of the three SPTs has now commenced, with the arrival of the chassis at the SMD facility. The next milestone for the SPTs will be the commencement of Factory Acceptance Testing on the already assembled bulk cutter. "We look forward to reporting on this progress next month." The auxiliary cutter will weigh in at around 250 tonnes once fully assembled.

Sovereign Wealth Fund needs crafting

The National, June 26th, 2014

By GYNNIE KERO

THE sovereign wealth fund needs to be crafted in a way to benefit the mass Papua New Guineans, thus improving the socio economy, National Research Institute director Dr Thomas Webster said. He was speaking at a seminar conducted yesterday to generate public debate on the sovereign wealth fund. Webster said discussions on SWF were very important on what it's going to look like. Bank of Papua New Guinea senior officer Dr Gae Kauzi when commenting on the analysis of the SWF seminar said there should be a comparison on the original organic law and the new law. He argued that the old law was based on years of hard work and strong written policy papers. "We have to distinguish between the old organic law and new law. Which model will serve the stability function model that will strengthen the study. "The new model lacks that ground work. No proper policy ground work and was pushed from the top. "If the study can look at that it will create good debate," Kauzi said.

In relation to the announcement by the Finance Minister, James Marape, earlier this month that both the savings and stabilisation funds would get 25% of all LNG and mineral revenues under the new approved SWF structure, Kauzi said: "Only the dividends will flow into the stabilisation fund, but only 50%. Taxes will not go into stabilisation fund. "Fifty percent of that dividend will go into the future's fund which will replace the development fund under the old model. "So if you have only the dividends to go into the SWF, will that serve the stability function? The answer is no, because you have all other revenues going straight into the budget." He said the country needs efficient and effective budget management so that most Papua New Guineans can benefit from the LNG project. "How can rest of PNG benefit from LNG project? It's all good that media turn to pick up on GDP growth, does that matter for small people? "Answer lies in effective and efficient budget management and that's where SWF will try to address instead of all funds being pumped into the budget for spending, let it be managed through SWF so that and its spent wisely on projects."

Develop traditional sectors to counteract Dutch Disease

The National, June 26th, 2014

DEVELOPING the traditional production sectors in the country is an efficient way to counteract the Dutch disease, an official says. Governor of Bank of Papua New Guinea Loi Bakani said recently in Kokopo that while there were talks about the dutch disease outpricing the traditional sectors of the economy, it was important for stakeholders and the government to note that some of the most efficient ways to counteract the "curse" was investing and developing the traditional production sectors. "In PNG there is no question or doubt that the only sector that can do it is agriculture. The country still has a very long way to go, until an advanced, intensively cultivated, agriculture producing sector, will not satisfy the level of per capita income of the great majority of the population," he said. "Most, if not all developed countries of today went through the process of, advanced, intensively cultivated agriculture development before moving into the technologically advanced producing industries. Bakani said for the country to prepare for more development endeavours, in infrastructures and agriculture development, the government should consider improving the health and education services.

New Zealand no to seabed mining a cautionary tale for the Pacific

ABC Radio Australia, 25 June 2014

New Zealand's Environmental Protection Authority has torpedoed a proposal for the first seabed mining venture off the coast of Taranaki.

Audio: NZ no to seabed mining a cautionary tale for the Pacific. Trans Tasman Resources had proposed mining for iron ore 22 kilometres off the coast. But the EPA said no, citing concerns about the potential environmental effects and the effects of existing fishing and Kiwi interests. The decision raises questions about whether proposed sea bed mining projects across the Pacific could go ahead without causing environmental damage. Phil McCabe, chairman of KASM - Kiwis Against Seabed Mining, says the Taranaki project would have had a severe ecological impact.

McCABE: The marine environment is a very complex environment and this hasn't been done anywhere in the world on the scale of what the company was talking about here. And they hadn't done a strong enough base line study on what exists in the environment and therefore there was no way to predict what the impacts of the activity would have. So too much uncertainty.

ABBOTT: Is that a particularly fragile marine environment?

McCABE: It's a highly active marine environment, reasonably strong currents and a lot of wave action, so you wouldn't think in looking at it from a distance, you wouldn't think it's a particularly sensitive area, but even still, it's a certain environmental destruction that occurs when you undergo this activity. It wasn't acceptable in this case.

ABBOTT: The project for mining at Taranki was approved by the Ministry of Business Innovation and Employment, but knocked back by the Environmental Protection Authority. Is that the way things happen in New Zealand? The EPA has the final word on mining projects?

McCABE: Well yeah, there's two sort of parallel processes that occur, one is it moves through the petroleum and minerals of the government. It goes from a prospecting permit to an exploration permit, to a mining permit and those things there's not a public process for that side of it. The one that just got knocked by the EPA that for a marine consent to actually undergo, do the activity and that's where the public process comes in. And we saw the 99.5 percent of the submissions nearly 5,000 submissions were in Opposition, so it's clear that it was a socially and culturally offensive proposal.

ABBOTT: Is this the only proposal for seabed mining in New Zealand?

McCABE: No, there's the second ever application was lodged just a few weeks ago and it's just become publicly notified about ten days ago, I think it closes for submissions on the 10th. of July, and that's for a massive mine off the east coast of the South Island, on the Chatham Rise. They are looking at a 10,000 square kilometre area, where they would hope to mine 1,000 to 1,500 square kilometres in that area and they are looking for phosphate for fertiliser for our farms.

ABBOTT: Now, I imagine as Chairman of KASM, you would have done quite a bit of study on the prospects for seabed mining, as you say, it doesn't happen anywhere in the world. But the first project is going ahead, the Nautilus Mining Project off the north coast of Papua New Guinea. From what you know about seabed mining, do you believe the Nautilus Project will be safe?

McCABE: Safe for what is the question. It's the guaranteed destruction of an area where the mine. The real question is, is how big an area and what will the impacts be around the mining area? How big an area will those impacts be felt and I haven't looked at the Nautilus one particularly closely, but yes, that's for Papua New Guinea to decide.

The thing that really concerns me is I've watched that process over the last 18 months or so, is the lack from where we stood in New Zealand, it seemed that the people that are likely to be affected had very little knowledge about this proposal up until it had, to the point where it was consented. So I think that's an issue that many island nations will be facing now with governments looking at this as a way to boost economy is that the people on the ground that are facing the environmental consequences, they need to be informed more fully before the governments move ahead. And it's a bit scary that the SOPAC is setting down the framework for these companies to get consent before many people on the ground are even aware that this is a possibility.

ABBOTT: Phil, do you believe it's safe to carry out seabed mining with environmental controls that would be accepted by a group like the New Zealand EPA?

McCABE: We haven't seen a proposal that shows that and, as I said, it's guaranteed destruction and it's just what, what's acceptable to the nation, what level of destruction is acceptable to the nation for economic return.

All of these nations have Exclusive Economic Zones and they are areas that we have the right exploit for economic gain, but we've also got a responsibility to protect those areas and maintain the integrity of the marine environment, so we really have to look at that and our view, KASM's view is that this moving too fast, while we've got the technological ability to mine the oceans, we don't feel that we have the scientific understanding to predict the long term effects. And we know that our oceans are in trouble on many levels, from overfishing and pollution and we think that there needs to be a slow walk towards this as a possibility, rather than the race that's going on right now.

Presenter: Brian Abbott

Speaker: Phil McCabe, Chairman, Kiwis Against Seabed Mining

Bank of PNG Governor: GDP maintains steady growth rate

The National, June 25th, 2014

THE country's Gross Domestic Product has maintained a steady growth rate since 2007, the Bank of PNG Governor Loi Bakani says. He said the GDP growth rate up to and including 2006 was around 2.8% – below the population growth rate. “Therefore the average standard of living of the population in that period of time remained stagnant or even declined slightly,” he said. But in the past seven years, the real GDP growth of around 8% was more than double the population growth rate. Bakani said the non-mineral sector growth rate was more indicative of the standard of living of the great majority of the population. “PNG is enjoying the longest period of economic growth as measured by the increase in GDP,” he said. “The GDP growth rate from 2002 to 2006 was moderate at 2.8% per annum,” he said. “It accelerated to around 8% per annum from 2007 to 2013. It is a very strong performance by all comparisons and standards.”

Solwara 1 will go ahead

The National, June 24th, 2014

THE Solwara 1 Project will go ahead as planned, Mining Minister Byron Chan said. During a visit to his electorate recently, he told locals in Namatanai to prepare themselves for spin of benefits which the project would bring. “As the minister for mining, but more so as your member for Namatanai, I pledge myself to protect and serve you and I urge you to prepare yourselves when the world's first undersea mining kicks off in the near future,” Chan said. He thanked Prime Minister Peter O'Neill for having confidence in him to be appointed as the mining minister. Chan's electorate houses the Lihir gold mine, Simberi and now the seabed mining. He said the former Somare government, which issued the mining license to Nautilus Mineral Ltd over 10 years ago, did it without proper consultation nor without any benefits tied to the project for the host provinces, East New Britain and New Ireland.

“It is this government of O'Neill-Dion that the benefits derived from the Solwara 1 Project of our marine time provinces,” Chan said. His visit to the area attracted people from the seabed mining areas including; Naujama, Panaras, Patlangmat, Bimun, Neliut, Nargaragalap, Kulot, Tembin, Kontu, Lamou, Ujana, Messi, Danu, Damplet, Kalili, Komalu, Konakagogo, Kokola and 20 other villages. Meanwhile, Chan delivered over 240 solar lighting units for eight west coast central LLG wards of which 240 families received the units. He delivered a school truck for Kolube Primary School at Konogogo village. The total solar lights delivered so far was 1410 to families from Konogil, Namatanai, Matalai and Central LLGs respectively. The other LLGs which would later receive the solar lights to include Tanir, Nimamar and LLG's in Central Namatanai.

Letter to the editor

Western Province students depend heavily on Ok Tedi Mining

The National, June 24th, 2014

I HAVE seen Western province students attending tertiary institutions regarding their school fees. Their school fees are fully paid by OTML through OK Tedi development foundation (OTDF) including their air fees and pocket allowance. However, what if there is no OTML, what will happen in terms of building human resource? What if the Western province governor sponsorship programme and MP Boka Kondra's sponsorship programme did not pay any tuition fee for the students attending tertiary institutions who are not benefiting from OTDF? As a result some students have been withdrawn from school. I am a human being with five senses but I still could not understand this sponsorship programme. Remember empty drums make a lot of noise. Morris Krupo, email

Protected forests threatened

The National, June 20th, 2014

A GOVERNMENT-sanctioned protected area bordering Southern Highlands, Western and Gulf is being threatened by logging and oil and gas exploration. According to documents obtained by The National, the Sulamesi Wildlife Management Area (SWMA) was declared a protected area by the then Environment and Conservation Minister William Duma in 2006 along with 11 other areas. SWMA committee chairman Patrick Pate said the region formed part of the proposed Unesco World Heritage Site, the Kikori River Basin or Great Papuan Plateau. "Unsustainable logging has decimated much of the lowland forests surrounding the area (SWMA). "Roads have also been opened giving access to the area from the Highlands and the multi-billion kina PNG LNG Project will bring about untold changes that will negatively affect the ecosystem of the protected area." The World Wildlife Fund (WWF) said the region supported more species of plants and animals than any other place in the country. It said it was also home to species that werenot found anywhere else in the world.

Pate said the committee had recently found out that two companies had already secured prospective and retention licences to carry out mining activities in the area. He said that was done without the knowledge of the committee. Pate also said that unregulated logging by a logging company was stretching further inland and was about to reach the protected area. An officer with the Environment and Conservation Department, who said he was not authorised to speak to the media, confirmed this. He said the mining and logging companies were operating without the knowledge of the department. He said the department was never notified when the licences to operate were sought which was illegal under environmental laws of the country. "In the event that any extractions of natural resources are proposed, the department is always consulted and studies are carried out prior to the actual commencement of operations." "Such an undertaking was never done.

Ok Tedi: Court ruling on mine waste dumping challenged

The National, June 20th, 2014

PASTOR Steven Bagari is challenging a National Court decision to stay ex parte interim orders restraining Ok Tedi Mining Ltd (OTML) from dumping mine waste and tailings into the Fly River. Bagari, through his lawyer Allan Baniyamai, yesterday moved to leave the application for the Supreme Court to determine if his appeal has merits to go to the full bench. Justice Colin Makail, presiding as a single Supreme Court judge, will rule on the leave application next Thursday. The interim ex parte orders of Jan 24 were granted by Deputy Chief Justice Gibbs Salika after Bagari had

started civil proceedings in the National Court relating to OTML. Salika also ordered OTML and the government to disclose to the plaintiffs and to the court records of all dividends it declared and paid to shareholders between 2001 and 2013. The State managed to successfully stay Salika's orders after another National Court judge Justice Derek Hartshorn granted their stay application on Feb 28. Baniyamai argued that Justice Hartshorn lacked jurisdiction to grant the stay for the ex parte orders under the National Court rules. Baniyamai said the orders of Jan 24 stopped OTML from dumping mine waste into the Fly River systems and not to stop OTML's operations.

LNG proceeds to be invested in agriculture, says Pruaitch

Post-Courier, June 20, 2014

THE government has assured that it will ensure revenue flow from the US\$19billion PNG LNG project is invested into the non-renewable sector, including agriculture. The assurance was given by Treasury Minister Patrick Pruaitch while addressing the heads of the agriculture sector during the functional and expenditure review meet in Port Moresby yesterday. Mr Pruaitch said with the start of the PNG LNG gas export, the country is poised to achieve a record Gross Domestic Product (GDP) growth of 21 per cent in 2015. He said this could be likened to the 'years of plenty'. However, he said it is incumbent that the government be vigilant and not neglect investing in renewable sectors like agriculture, which support the livelihoods of the masses. "This is in line with the announcement by the prime minister and the recent trade and investment fair that agriculture will be one of the priority sectors for support in 2015 and onwards. It would mean that a certain portion of the LNG and mining proceeds must be invested into agriculture," he said.

Mr Pruaitch said the recommendations of the functional and expenditure review on agriculture boards and agencies was timely. He said the report indicated that agriculture continues to contribute an average of 31.6 per cent of the total national GDP. However, it only receives 1.1 per cent of total direct government funding. Further that the government's agriculture expenditure is 3.2 per cent as opposed to the a proposed funding of 10 per cent of agriculture GDP. According to the report, the 10 per cent translates to about K400-K500 million per annum based on current estimates. The minister said he is looking forward to the plans stemming from the meeting on how the government can respond through the budgetary process.

Seabed mine rejection 'sets precedent'

Radio New Zealand, 19 June 2014

A Taranaki iwi says the rejection of a seabed mining project has set the precedent for any future applications. Trans-Tasman Resources had asked to mine for iron ore in a 66-square kilometre area of seabed 22km off the coast of Patea. It was the first ever proposal for that type of project. The Environmental Protection Authority says there was uncertainty about the potential of effects on the environmental and on existing fishing and iwi interests. Ngaruahine chief negotiator Daisy Noble said the decision sets the bar for any future proposals. She said it was significant as it showed others their concerns would be taken into account. Ms Noble said it had won the battle so far, but believed Trans-Tasman Resources will appeal the decision, and it has 15 days to do so. Meanwhile, southern Taranaki iwi Te Runanga o Ngati Ruanui says it's ecstatic with the decision to reject the project. Te Runanga o Ngati Ruanui Trust chief executive Debbie Ngarewa-Packer said it made extensive applications opposing the application because of the unproven and unsafe mining methodology. She said she was jubilant its concerns were listened to. Ms Ngarewa-Packer said although Trans-Tasman Resources had the opportunity to appeal the decision, the trust was confident it would not be going through with it.

Mining sector in shock over seabed mining rejection

New Zealand Herald, Jun 19, 2014



Trans-Tasman Resources wants to mine iron sands kilometres off the coast of Taranaki. Photo / Getty Images

Mining industry leaders are in shock over the rejection of an application to mine ironsands from the ocean floor off the coast of southern Taranaki, and one is questioning whether the six month fast-track process administered by the Environmental Protection Authority is too swift for complex mining projects, where changes to plans are often a feature of obtaining consent. A decision-making committee (DMC) appointed by the EPA yesterday rejected TransTasman Resources' bid to mine up to 50 million tonnes of ironsands annually, of which 90 percent would be returned to the seafloor after extraction of titano-magnetite iron ore, which would be shipped to Asian steel mills and would have added around \$150 million annually to export receipts, TTR had argued.

TTR spent seven years and more than \$60 million before seeking the first ever marine consent under a new regulatory regime established for the Exclusive Economic Zone, the vast area of ocean between the 12 mile territorial waters limit and 200 kilometres from the New Zealand coastline, but was told by the DMC that its bid was "premature." The executive director for the minerals lobbyist Straterra, Chris Baker, said he was "struggling with a reaction other than shock." "I understand the level of uncertainty that the DMC identified as being too big an issue to allow them to say yes, but where do we go from here? We've never had a process that's so binary." With more time than is allowed by the EPA's six month process, Baker suggested conditions could probably have been agreed to allow the mining project to go ahead in what he described as "a barren ironsands wasteland", inhabited predominantly by sandworms, which have adapted to re-establish because rough seas in the relatively shallow waters routinely disturb the seabed. "They come back very quickly and we're touching a few percent of it anyway," Baker said.

The DMC was also concerned about the 50 kilometre by 20 kilometre sediment plume that mining would have created, and its impact on the productivity of the marine environment, since it would receive much less sunlight. Uncertainties about the environmental impact of the project were too great to grant a consent, the DMC concluded. "One has to ask the question: has the process let us down and not allowed adequate consideration of the uncertainties and the conditions that would allow these uncertainties to be dealt with," said Baker. He predicted TTR's dilemma now would be whether to appeal the decision on points of law or mount a fresh application, and whether its coterie of mainly Australian, American and New Zealand investors would have the appetite to spend more on a project that had been rejected once. TTR chief executive Tim Crossley has been unavailable for comment since yesterday's announcement, although the company issued a statement expressing "extreme disappointment" at the decision.

Download the full [NZ EPA Decision 17 June 2014](#)

Documentary On New Caledonia Nickel Mine Debuts In New Zealand

'Cap Bocage' discusses pollution of traditional Kanak fishing grounds

AUCKLAND, New Zealand (Pacific Scoop, June 18, 2014) – A groundbreaking documentary about a coastal Kanak community and the pollution of their traditional fishing grounds in New Caledonia will be premiered at the New Zealand International Film Festival next month. *Cap Bocage*, named after the tribal location in the north-east of Grand Terre island, is directed by New Zealand filmmaker and television lecturer at AUT University Jim Marbrook, and climaxes a project that began in 2007 and has involved many trips to New Caledonia. The 74-minute documentary in both English and French languages is a close-up exploration of the forces that came into play when environmental issues and indigenous rights became intertwined in New Caledonia. Marbrook, director of *Mental Notes* and the original *Dark Horse* doco, follows the long environmental campaign that followed the pollution of the fishing grounds from the nearby Ballande nickel mine in 2008. *Cap Bocage* was given an initial small pilot grant by the Pacific Media Centre and was supported by a Creative New Zealand grant. The film festival website describes the documentary:

"At Cap Bocage in New Caledonia in early January 2008, heavy rains washed toxic sludge from the hilltop nickel mines into Kanak customary fishing grounds below. Coastal village people testify that it's the dramatic culmination of a slow and steady pollution that's been going on for 30 years. Aucklander Jim Marbrook's documentary follows independence activist Florent Eurisouké as he and the environmental organisation Mèè Rhaari take on the mining company, Ballande. Refusing any compromise, Mèè Rhaari demands repair and restitution. It's a drawn out struggle, punctuated with judicial interventions and court-appointed environmental reports. Every delay favours Ballande as time and tide gradually disperse the spill into the ocean; meanwhile, Mèè Rhaari can act only with the endorsement of the traditional council leaders. Divisions grow between Eurisouké and the "realists" among the elders. Their pragmatic accommodation to life with Ballande is openly admitted, but the details are, significantly, kept off camera. The charismatic Eurisouké constitutes a dynamic force field in Marbrook's telling picture of a French Pacific territory deeply divided on the issue of independence."

New Zealand: Environment Protection Authority rejects mining project

Olivia Allison, Environment Reporter, Radio New Zealand, June 18, 2014

New Zealand's first proposed seabed mining project off the coast of Taranaki has been turned down by the Environmental Protection Authority because of the unknown environmental effects. Trans-Tasman Resources had asked to mine for iron ore in a 66-square kilometre area of seabed 22 kilometres off the coast of Patea, in Taranaki. In May, a mining permit from the Ministry of Business Innovation and Employment was granted but consent was still needed from the Environmental Protection Authority, as the mining occurs within the Exclusive Economic Zone.

The EPA's decision-making committee said on Wednesday the reason for the rejection was uncertainty about the scope and significance of the potential of environmental effects and those on existing fishing and iwi interests. It said it was not satisfied the environment would be safeguarded or that the adverse effects could be avoided, remedied or mitigated. Trans-Tasman Resources said it was disappointed, and New Zealand was missing out on major economic benefits from the project. TTR said the local community would miss out on hundreds of jobs, and the country will not get a \$240 million increase in GDP each year. There is a 15-working day period for any appeals to be lodged with the High Court, which can be made only on points of law.

Controversial proposal

The mining would have extracted about five million tonnes of iron ore concentrate each year, worth about \$440 million. The process involved removing 50 million tonnes of sand from the seabed each

year, extracting the iron ore and returning 45 million tonnes of sand to the ocean floor. The proposal was highly contentious, with 99 percent of the 4800 submitters opposing it. Most were concerned about the unknown effects of the mining on animals and plants, and the extent of the ash plume that occurs when leftover sediment is dumped back on the seabed. The company had told the authority's hearing panel it was confident about the science. The five-member EPA decision-making committee heard submissions in March, April and May this year.

The committee is independent but the authority can provide it with evidence. It did this in the last week of the hearing, warning that there was not enough information to consider granting consent. It said there is uncertainty about the impact the mining might have on the environment. It also said there was not enough information on how to manage any adverse effects from such a project. Kiwis Against Seabed Mining has been leading the fight against the proposal, with chair Phil McCabe telling the hearing the ecological effects would be massive. The food web would be affected and the science being used to make the decision did not provide a safe level of certainty, he said. Mr McCabe said he is hoping Trans-Tasman Resources will not appeal against the decision.

Nga Hapu o Te Uru said it was destructive and totally unnecessary, and it was concerned the whole west coast would be exploited if consent was granted, while Ngaruahine said the health of the ocean was too important to let the mining occur. It also stressed the importance of the health of the seafood for eating. The Department of Conservation opposed the consent in part and requested further information to assess the effects of the proposed mining. Fishing company Talley said it opposed the mining due to the impact on the health of the fishery. The company said it understood the anxieties people had about the project but that the company was extremely confident about the science, and its economic analysis was robust. Executive chair Tim Crossley said New Zealand had already benefited from the \$50 million which had gone into the project to date and would benefit further from the flow-on benefits. Trans-Tasman Resources also proposed setting up a \$150,000 a year regional community trust, which it said would directly benefit local communities.

Lihir: Newcrest confirms threats

The National, June 18th, 2014

Operator of the Lihir Gold Mine Newcrest has confirmed reports of receiving threats from landowners to close the mine's operations, an official says. Country manager Peter Aitsi said the situation on Lihir Island 'remains normal'. "The situation on Lihir remains normal, we did receive a threat to disrupt mining operations from a faction of the landowners, but have been able to sit down over the last two days with this group under the leadership of the MRA (Mineral Resources Authority) and work through their issues and LMALA are involved in these discussions." He said this after Lihir Mining Area Landowners Association (LMALA) threatened to close the gold mine earlier in the week. Speaking on behalf of the landowners, trainee vice chairman James Laketan said the landowners had resorted to placing a "gorgor" at the plant site which would signify closure of the mine. Laketan claimed that landowners were forced to do so after Newcrest failed to address concerns they raised. He said specific issues including the landowners' compensation agreements related to the Lihir gold mine had been raised during various reviews. But, he said the developer overlooked the issues and did not show commitment to committing to the issues.

Ok Tedi: 'Devastating' effects on mine, people

The National, June 18th, 2014

THE Government's takeover of Ok Tedi Mining Ltd has had a "devastating effect" on the operations of the PNG Sustainable Development Program Ltd, chairman Sir Mekere Morauta says.

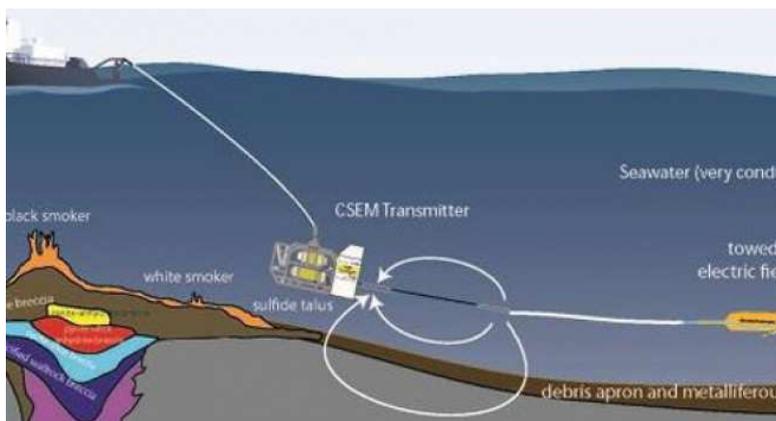
He told the PNGSDP annual results meeting in Port Moresby that the company and the people of Western were affected. The company's annual report for the 2013 financial year was presented at the meeting and highlighted the continuing difficulties "because of the expropriation of the company's 63.4% shareholding in the Ok Tedi mine". "This decision, and the instruction of the prime minister to OTML not to pay dividends to PNGSDP, meant the company received no income during the year and could not fund its development programme or other operations," Sir Mekere said. "These decisions had a devastating effect on the company itself and on social and economic development in Western and elsewhere.

"The company is still managing the effects of those decisions, and the consequences are still being felt in Western, where development has come to a standstill." Sir Mekere said despite these difficulties, PNGSDP remained committed to fulfilling its mandate to provide social and economic development. He said the company was working on ways to resume its development programme once its future became clear with the resolution of a number of legal proceedings that were under way in PNG, Singapore and the International Centre for the Settlement of Investment Disputes. "The basic strategy is to move almost all operations to Western, leaving a small office in Port Moresby, and to focus solely on funding social and economic development projects and programmes," Sir Mekere said. He said to underpin its strategy, the company had developed a long-term vision for the province which included:

- Widespread availability of income-earning opportunities for all Western households;
- all communities have access to reliable and effective health and education services;
- each community be able to make choices appropriate to life in the 21st Century;
- each population centre must have strong civil and social services and be connected with the rest of PNG and the world; and.
- Western to become a model for development in PNG.

Governor calls for debate

Post-Courier, June 18, 2014



THE proposal to mine the sea bed area between the west coast of Namatanai in New Ireland Province and East New Britain needs more public awareness and debate, says East New Britain Governor Ereman ToBaining Jr. Mr ToBaining said proper consultation with the coastal communities in East New Britain, more awareness and more debate must be done by the developer – Nautilus Minerals – which intends to mine the ocean area in the Bismarck Sea, 30km from the nearest coast and at a depth 1600 metres. The ENB Governor said this after inviting Nautilus Minerals chief executive officer Mike Johnson and his team to do a presentation before the East New Britain Provincial Executive Council (PEC).

This is a new approach initiated by Mr ToBaining to welcome developers keen to invest in East New Britain to present their products and make their intentions known to the PEC for debate and awareness or update on the progress of project already underway. Another developer which embraced the opportunity to give its progress was Tzen Group of Companies, the palm oil developer in Pomio and parts of Gazelle district. Mr ToBaining said his government holds the interest of the people and any project set to enter East New Britain Province must go through the PEC for debate and also to get views from the general public. He invited Nautilus Minerals to an open forum next month in Kokopo, and also the general public, especially those living along the coastlines where the intended mine is located.

Solomons Court Case Over Isabel Nickel Mine Nears Completion

Mining rights decision could mean exploitation of large nickel deposit

By James Regan

HONIARA, Solomon Islands (Solomon Star, June 17, 2014) – A court ruling in the Solomon Islands may finally unlock a large nickel deposit that geologists have known about for half a century but have been unable to exploit because of ownership changes and legal wrangling. Japanese giant Sumitomo Metal Mining and tiny Australian explorer Axiom Mining are fighting over the Isabel nickel laterite discovery and will submit final arguments to the Solomon Islands High Court on June 23, following a court case that has already run for 88 days. A ruling is expected soon after and could lead to development of the deposit, at a time when nickel prices have soared following a ban in January on ore exports by Indonesia, the world's biggest supplier. Analysts estimate Isabel compares in size or grade to other large South Pacific nickel mines, such as Vale SA's Goro mine in New Caledonia and the China-owned Ramu mine in Papua New Guinea.

Axiom, with a market value of just A\$55 million (\$52 million), would aim initially to ship unprocessed ore within two years to hungry Chinese buyers to make nickel pig iron. Sumitomo, a metals major and Japan's No. 2 copper producer, has indicated it is interested in a larger, long-term development to produce refined metal. "We have a fast-track program to move to mining," Axiom's managing director Ryan Mount told Reuters. "There's obviously been a bit of a frenzy in the last six months to secure supply, especially among nickel pig iron smelters in China." Nickel prices on the London Metal Exchange have risen a third so far this year, while the price of raw nickel ore has quadrupled as Chinese buyers seek supplies, Mount said. At these prices, the operation could generate around \$50 million in cash flow a year, helping the company raise cash for a potentially larger operation at a later date, he said.

Sumitomo said the deposit was still in the exploration stage and the company, which has exploration rights over other deposits in the region, would decide whether to undertake a broad feasibility study. "If we decide to conduct a feasibility study and make an investment, it will take at least several years to develop," Sumitomo spokesman Masashi Takahashi said.

LONG TIME COMING

Solomon Islands, whose main exports include palm oil, copra, timber and fish, has a GDP of about \$3,450 per capita, putting on par with Ghana and Pakistan. It has little history of mining beyond start-and-stop exploitation of the Gold Ridge gold deposit on Guadalcanal Island. Gold Ridge was worked briefly in 1999-2000 but closed when civil unrest broke out between warring islands, re-starting in 2011 only to be suspended again in April by current owner St Barbara Ltd. The Isabel deposit was discovered in 1956 by Canada's International Nickel Co, now owned by Vale, but it left the region in 1975 around the time of self rule. A second prospector walked away in the 1990s amid weak nickel prices. Sumitomo won an international tender for prospecting licences in 2010.

The licences were canceled in 2011 and similar rights were later awarded to Axiom. Mount, who has lived in the Solomon Islands for four years and speaks the local language Pijin, said Axiom holds legal pacts with landowners giving it direct ownership of 80 percent of the deposit, while local landowners hold the balance. Axiom's funds for the court case have come largely from a series of capital raisings that has tripled its shares on issue since 2011. Sumitomo said before the case began that its exploration rights had been canceled only a month after they were awarded, with no reason given and no opportunity for comment. A High Court ruling may still be subject to appeal, a source close to the matter said.

Call for Solomons miner to consult the people

Radio New Zealand, June 17, 2014

A Solomon Islands anti-corruption watchdog is calling for a mining company to have a proper resettlement plan in place before going ahead with mining on Rennell Island. Transparency Solomon Islands says the Asia Pacific Investment and Development company has applied to the Ministry of Mines for a license to mine bauxite on West Rennell. A spokesperson for the group, Daniel Fenua, says the company has estimated almost half the landowners, who sit on top of the bauxite deposit, would need to be resettled. Mr Fenua says the miner must put concrete plans in place for resettlement and properly consult landowners. "If there is no proper plan you know the chances of people suffering at the end of the mining or during the process are higher so we think accountability is not just only about them trying to bring benefits or development to the people but also consulting more people in the process." Daniel Fenua says he understands the Mines and Mineral Board is expected to make a decision on the licence very soon.

PNG: Mining review 'bad'

The National, June 17th, 2014

THE proposed changes to the Mining Act would have a negative impact on PNG's investment climate, especially the mining sector, the Chamber of Mines and Petroleum says. A delegation from the chamber met with Prime Minister Peter O'Neill and expressed their concerns regarding a ministerial statement presented to Parliament on the proposed changes to the Mining Act. The delegation, led by senior vice-president Peter Aitsi, said new initiatives were proposed with little regard for their economic impacts following inadequate consultations with the industry. "The proposed changes would have a detrimental impact on PNG's investment climate and undermine the existence of a viable mining sector," they advised the prime minister. Among the proposed changes to the act was a plan to raise the State's equity in mining ventures from the current 30% level to 50%, with an additional 20% that could be acquired at commercial cost. The chamber disagreed with the proposed idea to stop fly-in, fly-out practice by mining companies. "It could adversely affect some remotely located mines. This could result in the inherent danger of creating increased inter-ethnic tensions in some instances."

O'Neill assured the delegation that he would refer the proposed amendments to the ministerial economic committee for further discussion. He said the National Executive Council was yet to endorse the proposed changes. Aitsi advised the Prime Minister that while the mining sector had enjoyed good conditions in the past decade, this situation has been reversed in the past two years as a result of falling commodity prices, especially for gold and copper. "As a result there has been a dramatic fall in exploration expenditure. Big multi-nationals such as Newmont from the US and Vale from Brazil have abandoned exploration ventures in PNG while the big Lihir and Porgera gold mines have shed workers and significantly reduced the valuation of their PNG deposits." Mining Minister Byron Chan was also presented with similar views by the chamber.

Sir Mekere: Government attack not deserved

Post-Courier, June 17, 2014

CHAIRMAN of the PNG Sustainable Development Program (PNGSDP) Sir Mekere Morauta says the company has done nothing wrong to deserve the vicious attacks by the government. Speaking during the company's annual general meeting in Port Moresby yesterday, Sir Mekere said the Government has been relentless on its attacks thus forcing the company to take the actions it has taken. He said the company has instituted two separate proceedings, one in the Singapore High Courts and in the United States in Washington which he said has cost millions and likely to go up if the government does not let up. He said these actions had been taken up to protect the value of the company for the future benefit of the people of the Western Province. He said the proceedings and a case in PNG are ongoing and when asked how much it had cost the company to date, he said these proceedings had cost the company little under K2 million. While it could not be ascertained yesterday how much the national government has spent to date on fees, Sir Mekere said they anticipated the costs could go up to K5 million, depending on how far the government is prepared to go with the matter.

He stressed that the company directors had taken this action as they to have a moral and legal duty. Sir Mekere said it is clear that Prime Minister Peter O'Neill has two objectives in mind, the first being the expropriation of Ok Tedi Mining Limited and control of the billion kina annual cash flow, and to control PNGSDP and the \$US1.3 billion in the long term fund. He said Mr O'Neill has achieved the first objective, adding he's still trying and by whatever means "legal or illegal" to achieve the second. "PNGSDP has tried very hard to settle the matter amicably with the state. The directors sought to negotiate a fair and binding compromise solution that would benefit everyone, especially the people of Western Province," Sir Mekere said. "The company consistently negotiated in good faith. But all attempts at compromise including recommendations from Eminent Persons Group have been rejected by the Prime Minister." He said an unqualified report from Price Waterhouse Coopers revealed that the value of the company has dropped from US\$1.35 billion to US\$1.3 billion which he said is a result of government's actions.

Productive year for PNGSDP

Post-Courier, June 17, 2014

THE 2013 financial year has been a turbulent but short productive year for the PNG Sustainable Development Program Limited, its annual general meeting was told yesterday. PNGSDP chief executive officer David Sode told those present that due to the legal proceedings underway in two countries, the board and management would be limited on their statements. He said proceedings are underway in Singapore and in Washington relating to the expropriation by the national government of the Ok Tedi Mine. Mr Sode said until the state's expropriation, it had a performance record that was second to none, with more than K1.18 million spent on more than 600 projects and programs and US\$1.3 billion (K3bn) saved in the long term fund. "The record speaks for itself and I am proud of what we have achieved for the nation and the people of Western Province." He said the company had to close all incomplete projects nationwide totalling 113, of which 55 were in the Western Province. Other projects it had gifted to the people, including the provincial government, to ensure the continuity of services to the people of Western Province.

Mr Sode said despite this, PNGSDP had completed 74 social and economic development projects across the country, 23 of them in Western Province, contrary to comments by critics. The details of the projects are in the company's 2013 annual report. Total spending for 2013 is K159 million on projects, of which K109 million had been on projects in Western Province, K31 million on national projects and the balance of K19 million on provincial projects. "This was a great achievement in the

face of extreme adversity brought about by the state expropriation exercise, its attempts to restructure the PNGSDP and the non-payment of dividends by Ok Tedi Mining Limited (OTML),” Mr Sode said. Mr Sode said the loss of Ok Tedi dividends have had a dramatic impact, with the company being forced to carry out a major redundancy exercise during the second half of the year. He said of the 91 staff, 84 were made redundant and had cost the company K20.4 million. It has also since shut down its Kiunga and Tabubil office, but still maintains its office in Daru.

Mine watchdog says landowners treated poorly in Porgera

Post-Courier, June 16, 2014

Story courtesy of ABC radio A mine watchdog, Mining Watch Canada, says the operators of the Porgera gold mine in Papua New Guinea have ignored the advice of their own consultants on resettling villagers near the mine for the last seven years. It accuses Barrick, which has its headquarters in Canada, of taking out a restraining order against landowners, shortly before PNG's notorious police mobile squads allegedly burnt down 200 homes near the mine last week. Barrick Gold has confirmed it has an injunction against the Porgera Landowners Association but says it's unrelated to the recent raid. It says the injunction is in response to threats to close down the mine made during the review of the Memorandum of Agreement. Barrick says that agreement is only between the state of PNG and Porgera landowners.

PNG economic boom concern raised

Post-Courier, June 16, 2014

Papua New Guinea economic update in Port Moresby has raised issues and concerns over the economic boom with the first LNG cargo shipment. The PNG economic update was organized by the Australian National University and the University of Papua New Guinea within two days. The PNG update was held at the University of Papua New Guinea where Government representatives and academics discussed the way PNG's liquefied natural gas boom should be handled and what role the Sovereign Wealth Fund should play. Treasury Minister Patrick Pruaitch said that with the completion of the US\$19billion PNG LNG project and the commencement of LNG export, Treasury is forecasting the GDP 2015 will pick at around 21% growth rate.

“This will happen before tapering off to just over 3% from annually under current projections,” said Minister Pruaitch. It was reported that the economic boom comes with its challenges and one way to deal with those challenges in economic boom was to park money at the sovereign wealth fund for future generations to come. The deputy governor for PNG Central bank Benny Popoitai said that the key factor is how this sovereign wealth fund is managed. “I think the independence of the board of the sovereign wealth fund is key to the government having trust and confidence of the management of sovereign wealth fund,” Mr Popoitai said during an interview with ABC radio.

New Zealand may kick start race to mine the ocean floor

By Sonali Paul and Gyles Beckford, Reuters, Chicago Tribune, June 15, 2014

MELBOURNE/WELLINGTON (Reuters) - New Zealand decides this week whether to approve an underwater iron-ore operation that would likely become the world's first commercial metals mine at the bottom of the sea. A green light to allow New Zealand's Trans Tasman Resources Ltd to start iron-ore dredging off the country's west coast will encourage others looking to mine copper, cobalt, manganese and other metals deeper on the ocean floor but worried about regulatory hurdles. Along the Pacific Rim of Fire, as deep as 6,000 metres underwater, volcano crusts, "black smoker"

chimneys and vast beds of manganese nodules hold promise for economic powers like China and Japan as well as many poor island states busy pegging stakes on the ocean floor. "A lot of people are watching the Trans Tasman Resources outcome," said Michael Johnston, chief executive of Nautilus Minerals, which is working on a deep-sea project off Papua New Guinea and is also in talks with New Zealand.

Other countries in the Pacific looking at underwater mining include Fiji, Solomon Islands, Tonga and Vanuatu, which have all issued exploration licenses. Cook Islands in the South Pacific plans to put seabed exploration licenses up for bids later this year. In the 750,000 sq km (290,000 square miles) of territorial waters around the Cook Islands are mineral nodules the size of potatoes to lettuce heads and rich in manganese and cobalt, a resource Imperial College marine geoscientist David Cronan estimates at 10 billion tonnes. "If only 10 percent of that resource can be recovered it will be one of the largest mineral deposits ever discovered. It is a world class mineral deposit," says the Cook Islands National Seabed Minerals Policy, approved on June 10.

The push to explore the ocean is gaining momentum as ore grades on land decline and demand grows for metals in high-tech applications, and is more feasible now with the help of technology developed for the deepwater oil and gas industry. Still, there are technological hurdles and fears among scientists and environmentalists that mining could destroy fragile fisheries and exotic creatures at the bottom of the ocean. "Deep sea mining is coming faster than the scientific community can monitor it," said Carlos Duarte, director of the University of Western Australia's Oceans Institute.

WAITING IN THE WINGS

Trans Tasman Resources, which hopes to start mining in 2016, already has a mining licence but needs a marine consent from New Zealand's Environmental Protection Agency (EPA). The is the EPA's first test of regulating mining in the country's territorial waters. Its next is an application from Chatham Rock Phosphate Ltd, seeking to mine phosphate several hundred kilometres off the east coast of the South Island. Others waiting in the wings include Neptune Minerals, with deep sea tenements covering 175,000 sq km off several South Pacific countries, including New Zealand. While the world's biggest miners have no deep sea mining tenements, Anglo American PLC is keeping an eye on underwater prospects with a 5.95 percent stake in Nautilus.

The biggest backers for Nautilus are Omani oilfield services billionaire Mohammed Al Barwani and Russia's richest tycoon Alisher Usmanov's Metalloinvest Holding Ltd [MTALIM.UL], who together own 40 percent. The Canadian company aims to dig up a seafloor massive sulphide deposit, Solwara 1, about 1,600 metres underwater off Papua New Guinea, starting from 2017. Massive sulphide deposits form around deep sea vents that spurt super hot, acidic water with metals dissolved from the earth's crust. The metals drop out when the "black smokers" hit the cooler sea water and form rocky chimneys.

Indonesia: No firm stance from Jokowi or Prabowo on Freeport

Sita W. Dewi and Hasyim Widhiarto, The Jakarta Post, Jakarta/Tasikmalaya, June 12 2014

Presidential candidates Joko "Jokowi" Widodo and Prabowo Subianto have dodged politically sensitive questions over the need to extend the contract of PT Freeport Indonesia to mine the world's largest gold deposit in Papua. When asked on the campaign trail in Tasikmalaya, West Java on Thursday about his take on Freeport, Jokowi merely said that Freeport's extension demand was not an issue that needed to be immediately resolved. "Do you know what year it is now? I will have all the time in the world to take a stance on that," said Jokowi. Freeport, a local unit of US mining giant Freeport-McMoRan Copper & Gold Inc., will see its contract expire in 2021. President Susilo

Bambang Yudhoyono's spokesman for economic affairs, Firmanzah, said the company's demand for an extension would need to be considered by the next administration.

This is because the 2009 Mining Law and a 2010 government regulation stipulate that a proposal for the extension of a mining license must be submitted at least two years before the previous contract's expiration date, or in the case of Freeport in 2019. While Prabowo refused to answer any questions about Freeport, his nephew and top Gerindra Party official Aryo Djojohadikusumo, on behalf of his uncle, said only that Prabowo's administration would maximize the economic value of Freeport while operating in Indonesia. "We want to create downstream industry, open as many jobs as possible and get our royalties paid in full. We also don't want to see any transfer pricing to foreign countries. However, at the same time, we also want to respect our contracts and cooperation with our partners worldwide."

Environmental Group: Safeguards At New Caledonia Plant Not Enough

Vale nickel plant too risky to reopen: WWF

WELLINGTON, New Zealand (Radio New Zealand International, June 12, 2014) – An environmental non government organisation in New Caledonia says the conditions given to the Vale nickel processing plant on its re-opening are not enough to protect the environment. The government of the southern province has said the Goro plant can reopen if safety standards are improved, after an acid spill prompted its suspension almost six weeks ago. It is the sixth spill since 2009. The WWF New Caledonia manager, Hubert Geraux, says the conditions relate to ensuring there is not another acid spill, but do not take into account the risk of ongoing environmental damage caused by the plant. We know that there are other risks of pollution, from the residue storage basins, with the ram-sar zone close to the mining site. There are already some effects on some forest and sub-forests close to the work site. What what we ask really, is the re-think of Vale project's risk management, for all the risks. Hubert Geraux says environmental groups are waiting to have a meeting with Vale and the government of the southern province to raise their concerns.

Solomons Government Lifts Ban On Gold Ridge Mine Workers

Workers returned last week, find site well guarded by Solomons police

HONIARA, Solomon Islands (Solomon Star, June 12, 2014) – Government has lifted the immigration ban it imposed on Gold Ridge Mining Limited (GRML) expatriate workers, allowing the first 10 to return last week. Prime Minister Gordon Darcy Lilo initiated the ban after GRML closed its Gold Ridge operation in central Guadalcanal in the wake of the April 3 flash flood and sent all its expat workers home. The decision infuriated Mr Lilo, who accused the company of failing to inform the government of its sudden departure. Mr Lilo responded by instructing the police to man the mine site, and invited Australian police to assist in the security of the mine facilities. He later imposed the ban to allow relevant government ministries to independently carry out an investigation at the mine site.

But following pressure from landowners and GRML, the government decided to lift the ban last week. Tim Lehany, director of Melbourne-based St Barbara, which owned GRML, said the ban allowed his workers to return last week and carried out site assessment and a range of agreed site works to be undertaken. Mr Lehany said senior executives from the company also recently participated in a cultural reconciliation process with Prime Minister Lilo. "The government has established an Interim Working Group (IWG) comprising the Permanent Secretaries of key departments, representatives of landowner groups, senior government personnel and government advisors, to work directly with GRML to expedite government approvals and reporting processes," he added.

"A preliminary review of the Gold Ridge site indicates that the key assets and infrastructure have been well secured by the Royal Solomon Islands Police Force. "However, a large number of illegal miners have returned to the mining areas," Mr Lehany said. He said the company plans to conduct an agreed range of site works with a particular focus on lowering water levels in the tailings dam, which had risen significantly during torrential rainfall in early April. "The company will also continue to reduce holding costs and assess strategic options for the Gold Ridge Operation." Meanwhile, company secretary Rowan Cole said most of the expatriate workers will return to Gold Ridge during the course of this month.

Porgera villagers flee after mine raid

Post-Courier, June 13, 2014

By JOHNNY POIYA

Many villagers in Porgera have fled after their homes were razed to the ground during the raid on Wingima Village by security forces last week. All illegal miners are alleged to have left while those innocent locals remaining within the Special Mine Lease area are on high alert. Security forces claim only 20 houses were burnt during the violence but local MP Nixon Mangape and his people say 200 houses were torched. The Australian man attacked and injured by locals while trying to take pictures of the burning village has been transported out of the mine for medication. Meanwhile, attempts to get a special village court hearing on Wednesday over the murder of two women in a house in nearby Paiala in March this year proved unsuccessful. Village court officers empowered under 'Operation Mekim Save', the second phase of security operations in the gold rich valley, went into Paiala with members of the security forces for the hearing but one party did not turn up. This was the third attempt to get those responsible for burning to death the two women while asleep inside a house at the Tarunga council ward face the law. Twenty three suspects were identified but each attempt at the court hearing failed because the witnesses, suspects, or relatives of the women never turned up. The officials appealed to all parties involved to come together and set an appropriate time for the hearing.

Deep sea mining-who will win the battle?

Oceana, Author: Agata Mrowiec, June 12, 2014



Commercial deep-sea mining operations are set to become a reality by 2016 in the Pacific Ocean, and will have a negative impact on our planet that we cannot even begin to measure. According to official statistics, only 3 % of the oceans are protected (IUCN), and we have only explored about

1% of ocean floor (NOAA). It is clear that we must humbly recognize that very little knowledge exists about most of the natural processes taking place in the ocean's depths. Yet, the European Commission has placed seafloor mining high on its agenda, as one of the key priorities in their Blue Growth Strategy. What's worse, is that they have gone on to describe deep sea mining as one of the key components contributing towards the achievement of the "smart, sustainable and inclusive growth" outlined in the goals of Europe 2020.

So what is the cost to the environment? Although seabed mining does not require the construction of additional infrastructure, as is the case with land mining, it leaves a permanent footprint on the marine environment. Industrial activities to excavate minerals using large robotic machines result in removing vast sections of the sea floor and damaging marine life. Furthermore, metals disseminated during the process of mining can easily be absorbed into fish, leading to the contamination of the food chain, and directly affecting the health of consumers. While the heated debate around deep-sea fisheries unveils a highly uneconomical and environmentally destructive activity, seabed mining looks like a twin evil. In fact deep-sea bottom trawling below 600 meters depth is known to have devastating environmental impacts, yet large-scale industrial mining projects are developing at the same depth and much deeper!

Scientists know very little about the effects this industry's activity will have on the seafloor: "This is both because it is difficult to model all of the likely impacts of such operations, and because of the limited scientific knowledge on the biological communities of the deep sea and the species that are found in them," confirms prof. Alex Rogers from the University of Oxford. The shortage of raw land minerals, the rise in prices, as well as a growing global demand for metals are the major factors behind the industry's quest for new sources of supply. But the reality is that enough of these materials are already in use, and efficient recycling policies can contribute to more cost-effective and sustainable alternatives to deep-sea mining. The Commission's Directorate General for Maritime Affairs and Fisheries recently launched a public consultation on seabed mining, serving as a platform for an open discussion on the subject. Oceana strongly invites e-activists, citizens and businesses to submit their opinions on the issue, and stand up against deep-sea mining. The question of seabed mining isn't only about economics and investments, it's also about what our society is ready to accept. Don't stay indifferent, take action and be heard!

Say NO to deep sea mining: <http://act.oceana.org/signup/deep-sea-mining-ec/>

Amnesty International Decries PNG Crackdown On Illegal Miners

'Destroying peoples' homes is an excessive response'

MELBOURNE, Australia (Radio Australia, June 11, 2014) – Amnesty International has condemned a police crackdown on illegal miners in Papua New Guinea, labelling police actions "horrific" and excessive. Police raided a village near the Porgera gold mine in Enga Province last Friday, burning a number of homes to the ground. Police say they were targeting unauthorised miners and set fire to 20 houses in the village, while local politicians claim 200 homes were burnt. The PNG government declared a state of emergency in the area in May, in an attempt to address "law and order issues", mostly connected to the Barrick gold mine. Amnesty International Pacific researcher Kate Schuetze says destroying peoples' homes is an excessive response. "That does not by any standards justify the horrific acts against these people which has left many people homeless," she said. Ms Schuetze says the incident is just one more in the ongoing tension between the Canadian-owned mining site and local landowners, which has seen a number of human rights violations against villagers, including rape and sexual assault.

"There have been serious human rights violations happening over a number of years which Amnesty International has documented, not just the forced evictions and destruction of homes," she said.

"Human Rights Watch has reported on sexual assault cases and rape by security contractors employed at the mine." She says the draconian response to illegal miners is inappropriate. "That's not really a solution to any of these issues," she said. "You certainly don't solve it by burning down people's homes and what we're seeing is this 'tit for tat' sort of response which is entirely inappropriate for a credible police force. "There needs to be proper investigation into what's happening and those people responsible need to be held accountable, so if there are accusations that people have acted unlawfully by engaging in illicit mining activities then that needs to go through a justice process the same as the accusations of sexual assault, the accusations of violence and the accusations of burnt down homes."

Deep seabed mining is a new — and lightly regulated — ecological experiment

Living on Earth, Public Radio International, Writer Adam Wernick, June 10, 2014

Undersea mining is an entirely new area of exploitation, the effects of which are not fully known. "We know less about the deep sea than we know about the surface of the moon," says environmentalist Richard Page. "So this is a big experiment." The "experiment" Page refers to is a project launched by a Canadian company called Nautilus Minerals to extract copper, gold and other valuable metals from the seabed off the coast of Papua New Guinea — nearly a mile from the ocean's surface. Page, an oceans campaigner for Greenpeace, says mining companies see a treasure trove at the bottom of the ocean. "There are three different kinds of mineral deposits in the deep ocean that industry is getting interested in," Page explains. "There are manganese nodules, which are found on the abyssal plain of the deep ocean; there are cobalt crusts — mineral-rich crusts — on a lot of the underwater mountains spread throughout the ocean; and deep sea vents, where there are deposits of metals, as well."

Some of the largest mineral deposits are in the Pacific Ocean, but there are others in the Atlantic and the Indian oceans as well. Page says Nautilus Minerals chose Papua New Guinea as its first location for exploration for several reasons. "It's a Pacific island-nation that has a large exclusive economic zone surrounded by water," Page says, "and it has an interesting deep sea geology — which has these large deposits of metals around vents. Relatively speaking, these would be technologically feasible to exploit." The government of Papua New Guinea sees this new venture as an economic opportunity for the country. But because the country is highly dependent on the ocean, seabed mining isn't supported by all of the country's citizens. There are many community groups that strongly oppose the agreement. And they're not alone. Global environmentalist organizations also worry that seabed mining could be devastating to deep ocean ecosystems.

"We all know that mining on land has all sorts of environmental impacts," Page says. "It's very difficult to contain mine tailings, even on land. In the ocean, which, of course, is a fluid environment with all these currents, we can expect widespread pollution." Page says we can expect other ill effects, too — everything from smothering of deep sea creatures with sediment to light pollution, which in the deep sea will have an impact on creatures that have evolved to live in dark environments. Page says Greenpeace is calling for protection measures to be put in place now, before the "experiment" begins. "Less than three percent of the world's oceans are either marine protected areas or ocean sanctuaries," he notes. "And if we're looking at waters beyond national boundaries, then it's less than one percent." Under the Convention on Biological Diversity and World Summit on Sustainable Development, governments and scientists agreed to the need for a global network of ocean sanctuaries, but they haven't yet taken any action, says Page. "What we're saying is we need to get those kind of measures in place before we start adding to the stresses being put on ocean ecosystems."

“What we really need,” he continues, “is a new UN agreement that ties all these different elements together, so we start managing the oceans in a holistic way. ... We need an overarching framework, if you like, to manage our activities under the sea, so we don’t, for example, consider fisheries separate of seabed mining.” Right now, an organization called the International Seabed Authority is in charge of granting licenses to explore for minerals at the bottom of the ocean. Page worries it is not up to the challenge. “The International Seabed Authority was formed ... before the industry was really technologically possible, and at a time when we knew far less about the oceans than we do now,” he explains. “So I would say it isn’t really fit for the purpose. There are rules it has set which will apply to seabed mining operations in international waters, but those rules don’t take into account what is happening in the water column and other activities.”

The greatest fear for Page, and for others already concerned about the state of the planet’s oceans, is that the deal between Nautilus Minerals and Papua New Guinea is the start of a trend. Technological advances, largely developed from deep sea oil drilling, and the huge demand for the precious metals used in all of our electronic devices have created the right conditions for companies and countries looking to exploit the riches of the ocean floor. “If this venture is successful,” he says, “then we can expect to see an explosion of deep sea mining. We’ve [already] got something like 19 licenses, I believe, in international waters, and there are other countries and companies looking to do it within the economic zones of specific islands. So the Papua New Guinea venture is really the tip of the iceberg, I think.”

200 Homes Near PNG’s Porgera Mine Burned By Security Personnel

Allegations that structures housed illegal miners disputed by angry villagers

By Johnny Poiya

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 10, 2014) – More than 200 houses were burnt to the ground in Porgera by security personnel in the call-out operation during an early morning raid on Friday. There have been claims that the houses, belonging to landowners of the special mining lease area, have accommodated illegal miners. Angry locals from Wingima village, where the raid was conducted, in retaliation attacked and injured an Australian man trying to take pictures of the burning houses. Though police sources said only 20 houses built from bush materials were burnt after they were reported to be harbouring illegal miners who entered the open pit and underground mines, local MP Nixon Mangape and several local leaders said more than 200 houses, some of them permanent, were razed to the ground. They called on Barrick and the Government to compensate the landowners immediately for this operation and the previous operations or they would take legal action.

The leaders said Wingima was a permanent settlement for the Tiene tribe, who are the landowners of the mine and not illegal miners. Many families were displaced and lost all their properties, including eating utensils, mattresses, money, and domestic animals worth thousands of kina as their houses were burnt as early as 5am when they were sleeping. Mr Mangape said the police did what the developer Barrick wanted them to do but it was not right as it left thousands of families, including mothers and children, homeless. He said Barrick must relocate the special mining lease landowners immediately as burning down villages like Wingima was a short term fix that does not address the increase in illegal mining. "This is the second time this village (Wingima) was burnt down. The first one was done during the first state of emergency call out operation some six years ago which never solved the problem," Mr Mangape said.

"Why is Barrick not looking at long term solutions like relocating the people out of the special mining lease area? Burning houses in a particular village in the special mining lease area will not solve the illegal mining problem. It’s adding more fuel to a burning fire." ‘Operation Mekim Save’, which

began last Wednesday, is the second phase of the call-out after a month of awareness during the first phase. Throughout the raid, security personnel confiscated a large number of hammers and dishes used by the illegal miners as well as rock dusts collected to be cleaned by mercury to remove gold. Two people were arrested while most of the illegal miners fled into the mountain ravines, leaving genuine landowners behind. The security forces pounded on Wingima village from three different directions.

PNG Gas Shipment Powers Tokyo For 3 Days

\$50 million shipment first of many over next 20 years

By Gorethy Kenneth

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 10, 2014) – Papua New Guinea’s recent gas shipment sold to the Tokyo Electric Power Company (TEPCO) last week for more than US\$50 million has powered Tokyo and other prefectures for three days. *The Post-Courier* contacted the company with questions on the gas and purchase agreement with Papua New Guinea liquefied natural gas Global Company LDC, the seller of LNG from the Papua New Guinea LNG Project last Friday. TEPCO said the gas it purchased helped to supply electricity to Tokyo and parts of Kanagawa, Saitama, Chiba, Tochigi, Gunma, Ibaraki, Yamanashi and east Shizuoka.

TEPCO also stated that they will purchase approximately 1.8 million tons of LNG per year for 20 years starting from late 2014 and that the PNG LNG Project will have an annual supply capacity of approximately 6.6 million tons of LNG. TEPCO’s president Naomi Hirose who met with Prime Minister Peter O’Neill said in his statement that TEPCO considers that the PNG LNG Project is one of the most promising projects that was initially expected to start-up by the mid-2010, however kicked off in mid 2014 and that the overall terms and conditions of the agreement are attractive for both parties. The PNG LNG Project is an integrated development which includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facilities.

PNG church says PM betrays over seabed mining

Radio New Zealand, 9 June 2014

A church in Papua New Guinea has accused the country's Prime Minister, Peter O'Neill, of betraying his people by allowing deep sea mining. The Evangelical Lutheran Church has called on Mr O'Neill to explain why he supported Canadian-based Nautilus in its deep sea mining project despite the objections of 1.2 million Lutherans and the teachings of the Bible. In a letter to the prime minister, the church's Pastor Kinim Siloi, said the church wanted answers. Mr O'Neill is a member of the Lutheran church.

Landowner disputes Porgera mine review

Post-Courier, June 06, 2014

By TODAGIA KELOLA

A NINETY-year-old man who is also the principal landowner of Porgera mine has expressed disappointment that a meeting to review the Porgera project memorandum of understanding (MoA) has been conducted in Kokopo without the participation of young Porgera landowners. Chief Wasa Aliape, who is a principal landowner of Porgera gold mine and one of the signatories to the MOA signed in 1989, personally visited the Post-Courier yesterday to express his disappointment on an article that appeared on Monday with the heading “Govt commits to complete review”. “I was involved in signing the first MOA in 1989 and I know who caused these problems purposely to affect us and

threaten our future economic prosperity in this country,” Mr Aliape said. “In my everyday life, I carried these problems created by Porgera MOA for many years. Now I want to rectify it by asking the State to include my young people under the Porgera Mt Kare Young Generations Association Inc (PMKYGA). “For this reason I do not want anyone including PDA, MRA, landowners association or the provincial government to talk about the review but I want all of us to be united and provide support to our sons PMKYGA so that they must receive what they have fought and win. Let us not work with covertness and jealousy but must see them as our sons and future leaders.”

He also called on other organisations that were established in the Porgera MoA to provide and produce financial reports of the last 23 years of mine benefits. Meanwhile, the PMKYGA has also supported Mr Aliape and said their Association has been recognized by the relevant authorities to review the MoA and there is a court proceeding on foot so the review should not be conducted in isolation because it was the association that pushed for the review and it should also participate in the review. Meanwhile, in a similar situation last year, MRA managing director Philip Samar explained that the landowners themselves nominate their representatives to participate at the MoA reviews and not MRA. He said parties to the MoA review included the State, Porgera Landowner’s Association and Enga Provincial Government. Mr Samar said last year that the group, PMKYGA is welcomed to attend the review but he said the Porgera Landowners Association as the legitimate entity for the landowners.

PNG seabed mining restarts following dispute settlement

Sci Dev Net, 5 June 2014

Speed read

- Canadian mining firm Nautilus will dig up mineral deposits from the sea floor
- The government has an initial 15% shareholding in the Solwara 1 project
- Opponents warn about the social and environment impacts of sea bed mining

[PORT MORESBY] After long delays, the world’s first sea bed mining project in Papua New Guinea (PNG) is back on track despite stiff opposition from green groups, church leaders and scientists. In a press conference last 30 May, Mel Togolo, PNG country director of the Canadian mining firm Nautilus Minerals, announced that the Solwara 1 project is “gaining momentum”, with production expected in 2016, following the settlement of disputes on counterpart funding from the PNG government. He said their firm has also completed the assembly of a bulk cutter on the sea floor, the first of heavy robotic machinery to be used for underwater excavation. Nautilus is the first company to commercially explore the ocean floor for polymetallic seafloor massive sulphides. These sulphide deposits contain high grades of copper, gold, silver and zinc. The firm got its environmental and mining permits in December 2009 from the PNG government to start operations at a location in the Bismarck Sea, north of PNG.

Issues concerning the PNG government’s failure to pay its equity share delayed the project for the past years. But the dispute was resolved last April after the government paid Nautilus a non-refundable deposit of US\$7 million through a loan from the Bank of South Pacific. This is part of the government’s US\$120 million investment for an initial 15 per cent shareholding in the Solwara 1 project. The government is expected to increase its share to 30 per cent in the next 12 months. But in a show of growing resistance, 80 per cent of the respondents in a recent poll by a PNG daily newspaper voted against the deep sea mining venture. In January 2014, the head bishop of the 1.2 million-member Evangelical Lutheran Church of PNG, Giegere Wenge, issued an official statement, entitled “No to experimental deep sea mining in PNG”. The church organisation has also challenged PNG Prime Minister Peter O’Neill, who is a member of the denomination, to “listen to the call of his people”.

Opponents emphasise that more scientific research is needed to ascertain the social and environment impacts of sea bed mining on marine life as well as fisheries, one of the major revenue-earning sectors in the island nation. But Nautilus chief executive Mike Johnston argues that since the project area is located 30 kilometres off land, “there are no villages that need to be disturbed and the economic benefits are also quite pronounced”. Still, scientists such as Richard Steiner, a marine conservation professor from the University of Alaska, expressed fear that by going ahead with sea bed mining, Nautilus would endanger marine organisms or even cause their extinction. In an independent review of the environmental impact of the project, Steiner noted: “Not much is understood yet about the living organisms found around the hydrothermal vents where the mining will take place, including the likely impacts that sea bed mining will have on their existence.”

O’Neill denies Bougainville takeover plan

Rowan Callick, *The Australian*, 5 June 2014

THE fate of Bougainville Copper — with billions of dollars of ore remaining unmined — is being debated again in Papua New Guinea.



O’Neill and Momis disagree over whether O’Neill offered to expropriate Rio Tinto’s stake in Panguna (photo Tony Kaybing)

A statement has been circulated claiming that in February Prime Minister Peter O’Neill proposed the expropriation of Rio Tinto’s 53.6 per cent stake — which Mr O’Neill strongly denied yesterday. The statement comes within a longer message from Bougainville’s President John Momis, within which he claims that during Mr O’Neill’s groundbreaking visit he “proposed to me directly that the national government would repeal the Bougainville Copper Agreement Act and expropriate all Rio Tinto shares in BCL”. Mr Momis continues: “I knew Bougainvilleans would object to PNG controlling the development of mining at Panguna. So I wrote to the PM, opposing what he proposed in the strongest terms.” The two leaders have met since and, according to the statement issued by Mr Momis, Mr O’Neill “then agreed that he would leave all issues about Panguna” — the mine site — “to be decided by the Autonomous Bougainville Government”. The PNG government owns 19.1 per cent of Bougainville Copper.

Mr O’Neill was the first prime minister to visit Bougainville since the civil war there ended in 1997. During his three-day visit in February, he said: “We are not interested in Panguna mine and some of the mining issues that are being discussed. We are interested in bringing development to Bougainville as a whole.” Mr O’Neill told *The Australian* yesterday from Japan, where he is on an official visit: “There is no truth in that (claim of an expropriation threat), and the government position is that any talk of reopening the mine is up to the people of Bougainville. “That is the commitment I made when I visited Panguna.” The context includes the ABG’s tussle to conclude new mining legislation — which faces opposition from the PNG central government, which at present constitutionally retains sovereign control over minerals, and from groups within Bougainville, some of which

are backed by maverick foreign individuals and groups that are seeking to dislodge Rio from its leases and to take them over. Mr Momis said the legislation still in progress was initially developed “to stop foreign companies trying to control mining development in Bougainville through the back door”.

The context also includes Mr O’Neill’s surprise move last year to legislate control by the PNG government of the Ok Tedi mine, taking over the majority shareholding owned by PNG Sustainable Development Program, a trust established to succeed BHP Billiton when it withdrew from the mine. The Prime Minister’s chief of staff, Isaac Lupari, who was present in the meeting with Mr Momis, told *The Australian* that when the issue of reopening the mine was raised, the leaders had discussed the prospect of the two governments buying a bigger stake from Rio Tinto, but “there was never any suggestion of nationalisation, or of repeal of the Bougainville Copper Agreement Act”. Peter Taylor, chairman of BCL and also president of the Australia PNG Business Council, did not wish to comment.

But he told *The Australian* that the joint co-ordinating committee — established about 18 months ago to consider whether the mine should reopen and, if so, under what terms — with representatives of the national and Bougainville governments, the land-owners, and BCL, had already met nine or 10 times. He said: “An actual agreement between the parties, if there is to be one, is still far away, down the track.” More immediately, a formal reconciliation ceremony is being planned for BCL at Arawa on Bougainville, involving people from all areas of the province but prominently including Panguna landowners — the final stage of a series of such ceremonies to have taken place since the end of the decade-long war that began with the forced closure of the mine in 1989. The ceremony is likely to include the presentation by BCL of equipment for technical training and for malaria prevention. A referendum will be held in Bougainville between next year and 2020 to decide the future of the province.

Ramu: ‘Incident not our fault’

The National, June 5th, 2014

THE management of Ramu NiCo (MCC) has ruled out any possible environmental impacts caused by its Basamuk Refinery following the discovery of dead fish, prawns and crabs near the refinery. The company denied any impact from its deep sea tailing placement (DSTP) or gas emission from the refinery following a thorough scientific result and analysed at its Basamuk laboratory. Two months ago locals found dead fish, prawns and crabs at Naglau Beach and Creek. A report by the company’s health, safety and environment officers said the marine incident was a result of induced poisoning to the water by villagers using to harvest.

The locals reported the incident to Ramu NiCo’s community affairs after discovering dead fresh water fish, prawns and crabs at Naglau beach front. The mine’s officers collected water and aquatic samples including fish, prawns and crabs for analysis. The results showed that the refinery and its DSTP operation had no impact on marine. “Further chemical tests from the sea water samples collected on May 28 were sent to the company lab and results were within the required standard,” the incident report stated. “The results obtained from possible venues had indicated that the refinery operations including DSTP system were normal during May 1-26. Therefore it is concluded here that the activities at the refinery operations has to be ruled out as a possible cause of the marine incident at Naglau Beach at the mouth of Naglau Creek,” the report said.

Chan: Probe Lihir mine

The National, June 5th, 2014

By ZONYA GOASA

NEW Ireland's Governor and former Prime Minister Julius Chan is calling for a full audit of the operations at the Lihir Gold Mine. The mine began production in 1997 and was taken over by Newcrest Mining in 2010. Sir Julius said the mine was the third largest gold mine in the world since 1997, but the people of New Ireland did not benefit from any projects. "Something is just not right," Chan said. "The audit should include the calculation of tax credit scheme at 2% of assessable income prior to 2001." He said the province had been cheated out of tax credit scheme income for fifteen years. "One of the benefits provinces are supposed to receive is projects funded under the tax credit scheme," he said. "The national monitors – MRA, the Mining Department and the company are at fault for neglecting the people's interest. "As the project impacted area, they should have received tax credits of K10 million to K20 million every year but not even a toea was received. "Their delays had cost New Ireland K50 million in tax credits from 2010 and 2011 because they could not prepare tender documents and issue contracts on time. "New Irelands has become victims and should be given what they were promised once the audit is done."

Fourth gas project in pipeline

Post-Courier, June 05, 2014

By GORETHY KENNETH

PAPUA New Guinea may have its first major gas downstream processing facility, a \$US2 billion petrochemical project, if the government approves the feasibility study agreement it is currently discussing. An agreement for a pre-feasibility study was signed between a Japanese company, Sojitz Corporation, and the government in June last year for a gas chemical production project using natural gas produced in PNG. Sojitz Corporation is waiting for the green light from the government to allow the feasibility study to kick off at Konebada Petroleum Park. Petroleum industry advisors told the *Post-Courier* yesterday that the project will be the first downstream gas processing production facility in PNG, and the fourth largest LNG project after PNG LNG, Inter Oil's and Total's project and the Stanley gas condensate project.

These are projects that were negotiated under the leadership of former Petroleum and Energy Minister William Duma. Prime Minister Peter O'Neill is in Japan this week to welcome the first gas shipment from the PNG LNG project with executives from TepCo, the company that bought the gas. He also had time yesterday to meet with Sojitz Corporation president and chief executive officer Yoji Sato to discuss the project. The *Post-Courier* was initially advised earlier this year that the Japanese companies, Sojitz and Itochu, presented separate proposals to the government last year to approve a feasibility study to convert gas into methanol, ammonia and urea fertilizer. Officials confirmed that Sojitz made a proposal for a gas chemical project in March last year and that the project would have progressed if Mr Duma was still the minister.

Nautilus mine a concern

Post-Courier, June 05, 2014

The much-talked-about Nautilus mining project is a great concern for the people of New Ireland and the other island provinces. Public concerns have been raised over the Solwara 1 project, attracting the interest of International community. The concerned communities want to see the scientific findings and the environment impact of the mining that must be provided by the people taking lead in the project to show the local community that it will not do any harm to the sea. They are con-

cerned about their sea because they depend mostly on sea for their sustenance. The community of New Ireland in Morobe, including staff and students at the University of Technology, got together in 2011 and called on the government to put a stop to the project because such mines had not operated in the world. If they want to test it here in PNG and if it does not work out it will destroy the marine lives in the sea, the islanders said.

The president of New Ireland of Morobe (NIOM) group Gerard Songi said people in the villages are still confused because there had not done any awareness on the positive and negative impact of the project. The Unitech students have done some and had come up with some ideas that they will provide to the government when they meet next time. They did some research last year. Mr Songi acknowledged the national MPs who had supported them to stop the project from going ahead. He said professional ethics and codes of conduct should be displayed when dealing with the lives of people. He also challenge Nautilus executive Mel Togolo and the company to hold a public forum and tell them the truth and not tell "lies" based on the environmental impact statement which cannot be guaranteed as conclusive by scientists. He also challenged others who are responsible for marine lives and the lives of the people to look at the issue and address it.

Mt Kare: Landowners: No outside talks

Post-Courier, June 04, 2014

BY ANDREW ALPHONSE

MT KARE gold project landowners in Tari, Hela Province will not allow the State and developer to conduct any Mt Kare related meetings with the landowners 'outside of the project area'. Yesterday, landowner leaders and representatives of the 13 major clans from the Huli side warned Mt Kare gold project developer IndoChine Summit Development Limited and the State through Mineral Resources Authority (MRA) not to handpick landowners and whisk them away to the main centers like Mt Hagen, Lae, Madang and Port Moresby for any meetings to do with the Mt Kare landowners. The 13 incorporated landowner group representatives in a show of solidarity through their recently formed umbrella association and mouthpiece, the Tagali Mt Kare Peoples Association (TMKPA) met yesterday in Tari to denounce and condemn moves by IndoChine Summit and MRA to stage meetings outside of Tagali in Tari or Paiela in Enga. Group spokesman and Chief Palipe Aku (chairman of Kawi clan), flanked by Tekela Para (Heli Aka), Jack Hetape, Ilupa Wayape, John Opoli (Toma) and Brian Yuwi (Kawi) yesterday warned MRA and developer IndoChine Summit not to use double standards when dealing with Mt Kare landowners from the Tari and Tagali areas.

The leaders said they have already formed and established the umbrella landowner group which is the TMKPA headed by respected Tari businessman George Tagobe as the interim chairman. The group said they are humbly asking the developer and the State to work with the TMKPA and hold meetings publicly and transparently in the project area, either in Paiela in Enga for the Opene tribe landowners or Tagali in Tari for the Huli landowners. The group made this call after MRA and IndoChine Summit reportedly handpicked and selected few landowner individuals from Tari and Paiela to transport them to Mt Hagen next Monday for a meeting to be held at the Highlander Hotel. The group said Mt Kare landowners would not repeat the same mistakes of their fellow Hela landowners who were enticed with airfares, money, hotels, hire cars and all the luxury into signing gas and oil agreements to the maximum benefits of the developers and the State as in the multi-billion kina PNG LNG project while majority of the landowners were marginalised and made to be spectators in their own land. The landowners said all dealings and meetings for must be done transparently and in public.

Porgera: Parties add new benefits

Post-Courier, June 04, 2014

PARTIES to the Porgera Mine project Memorandum of Agreement (MoA) have resolved to include three new benefits in the MoA. The three are resettlement and grant assistance, business development and grant assistance and “women in mining” and grant assistance. With regards to the issue of resettlement and grant assistance, the Porgera Landowners Association (PLA), Enga Provincial Government (EPG) and State resolved that the State, Barrick PNG Ltd and EPG, will immediately initiate the process of resettling landowners who are living within the mine’s Special Mining Lease (SML) area, to a new piece of land with housing and all basic infrastructural needs. This must happen during the term of the MoA. The lead government agency for this exercise will be the Provincial and Local Level Government (DPLLG) Department.

With the business development grant which was proposed by the PLA, it was resolved that the State through the departments of Treasury and Commerce and Industry, will seek directions from the NEC through an NEC submission. The State will seek directions as to whether the grant will be provided or not. It is understood that there is no policy framework providing for such at the moment hence NEC direction is necessary. The parties have agreed that the State will consider the proposal by women landowners to include women in mining and grant assistance clause in the MoA. In this proposal the women are seeking funding assistance from the government, to be given to organised women’s groups and associations within the SML and impacted communities; to assist women with their business activities and projects.

PNG Gas Development Company Pays Healthy Dividend

Shareholders of umbrella landowner company to get \$2.9 million

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 4, 2014) – The Hides Gas Development Company announced yesterday they will be paying another healthy dividend payment of K7.8 million [US\$2.9 million] to shareholders for the 2012 and 2013 financial years. Hides Gas Development Company Ltd, the ExxonMobil PNG Ltd sponsored and recognised umbrella landowner company for the upstream section of the PNG LNG Project advised yesterday they are set to pay another healthy dividend of K7,777,77.77 to its shareholders for the 2012 and 2013 interim dividend financial year. The dividend payment comes as the result of another successful operating period for the company with increases in core business activities for the company due to the PNG LNG Project reaching its construction peak during 2012 and 2013. The company paid its inaugural dividend for 2011 and an interim dividend for 2012 totalling K7 million [US\$2.4 million] last year. The 2012/2013 dividend will be paid after the board’s approval of payment.

The company’s board chairman Tuguyawini Libe Parindali said the payment of the dividend is a result of prudent financial management and controls put in place, along with sound financial direction from company’s external financial advisor. "The dividend payments by our company reflects the implementation of international standard corporate governance systems and control procedures, processes and safety management systems that we have adopted when we agreed to become the umbrella landowner company providing services to ExxonMobil PNG Ltd and its EPC contractors during the construction phase of the PNG LNG Project.

"This is also the result of the training and upskilling of young Papua New Guineans and the corporate culture that ExxonMobil PNG Ltd promoted and put in place for all umbrella landowner companies to follow and abide by since our infant stages. Mr Parindali said the announcement of the dividend payment also came with successful results recorded by joint venture partners. "Our strategic alliance and partnerships with some of the most reputable companies in PNG has enabled our com-

pany to increase return on investment for our shareholders and I must thank the managements of these companies for the good results in which we are able to pay handsome dividend to our shareholders again," Mr Parindali said.

Commentary

Solomon Islands Mining Bill, A Rushed Bill

By Forum Against Mining On Choiseul

HONIARA, Solomon Islands (Solomon Star, June 3, 2014) – The Mines and Minerals Amendment Bill 2014 (MMAB2014) which the Solomon Islands Government (SIG) passed on the 30th April 2014 is nothing more than a rushed through parliament Bill to make way for mining companies and foreign interests to extract the natural resources of this country and its citizens'. The MMAB2014 is a rushed through parliament bill to quickly access money to prop up the country's base economy as the logging industry which had been the main export commodity for its economy, is coming to an end soon. The MMAB2014 is a rushed through parliament bill without any regard for tribal landowners and landowning communities to have an equal say on the wise and long-term use of their natural resources for future generations to come. The MMAB2014 is a rushed through parliament bill that rewards the rich (mining companies and their counterparts and foreign shareholders) and indirectly disadvantages the tribal landowners and tribal landowning communities, who form majority of Solomon Islanders, sliding them further down the poverty line.

The MMAB2014 is a rushed through parliament bill that clearly serves its foreign counterparts and enslaving its own people into the future. Though mining companies will try and display that they are helping the citizens, through royalty money, plans for building roads, ports and airports etc. Don't be fooled wantoks. The monetary and cost benefit analysis shows that mining is not worth it for our future generations. The tribal landowners get only a few dollars in comparison. The bulk of their share being vanished by expenses such as legal and accounting fees that are incurred in dealing with mining companies and their legal and financial advisors (similar to what the logging companies did to our people) whilst the foreign mining companies, foreign countries and their shareholders turn our extracted mineral resources into millions and even billions of dollars.

However, the small amount of money received by tribal owning communities is not the only issue at stake. The adverse impacts of mining is wider and far reaching. We can only learn from Gold ridge experience and from our neighbouring countries where mining has been happening, that the short and long term economic benefits don't last long. They come to an end. The enormous environmental, social, cultural and health problems they leave behind cannot be compared with the very little money and developmental infrastructure our tribal communities receive. These problems will stay with Solomon Islanders' present and future generations for many years to come, after these mining companies have dusted their feet and are long and gone from our shores. The MMAB2014 Bill that was rushed through parliament is not in the best interest of resource owners, majority of whom belong to tribal landowning communities who are the custodians of our tribal lands throughout the country.

Kanaky Politician Calls For Vale Nickel Plant Closure

Wamytan favors mining, but suggests processing should be moved offshore

WELLINGTON, New Zealand (Radio New Zealand International, June 3, 2014) – A senior New Caledonian politician says after the latest acid spill, the Vale nickel plant should be closed and ore processing done elsewhere, possibly in Australia, New Zealand or Papua New Guinea. Roch

Wamytan, who is the head of the pro-independence Caledonian Union, made the suggestion in his first television interview since the prolonged rioting by young people from St Louis, whose chief he is. He says he is in favour of shutting the Vale plant because spills into the World Heritage Site area have continued despite repeated promises, after earlier industrial accidents, that safety would be improved to prevent such incidents. Mr Wamytan says he is in favour of maintaining the mining activity but move the processing to a less fragile place. The government of the southern province has given conditional approval for Vale to restart its operations after a spill prompted the suspension of all work at its Goro plant a month ago. Late last month, about 34 million US dollars worth of Vale equipment was vandalised by people opposed to the project but so far police have made no arrests.

Nautilus to set up community development scheme

Post-Courier, June 03, 2014

NAUTILUS Minerals is looking at establishing a community development scheme which is set to benefit those from the mine impact communities it will be operating in. This was revealed by Nautilus country manager Mel Togolo last Friday during a project update meeting. Mr Togolo said this to be an initiative the company had resolved to pursue. He said the scheme would be voluntary and its aim would be to contribute to community projects with focus on water and sanitation in East New Britain and New Ireland, where it will soon be opening an office. He said the company will, for every ore that it lifts, inject into a fund K2 adding this is set to grow and on a yearly basis bring in a yield of approximately K4million. He said the fund would be managed by an independent board. "There will be a company representative on the board but the majority sitting on it will be independent and eminent Papua New Guineans who will decide on how the funds will be spent," he said. Mr Togolo said for the creation of the projects, the company would be working in consultation with authorities at the provincial and local level government. He added they would be looking at engaging local expertise in delivering these community projects. The company is also looking at assisting with infrastructure projects along the West Coast of New Ireland.

Sir Julius supports Prime Minister's call for audit trials

The National, June 3rd, 2014

By MURIEL TOVIVI

New Ireland Governor Sir Julius Chan supports Prime Minister Peter O'Neill's move for audit trials for those who misuse project funds. Sir Julius (pictured) said on behalf of the people of New Ireland and as a coalition partner in the O'Neill Government, those who cheated the public should be dealt with by the law. "This has been an ongoing problem where public servants and politicians misuse money which should have been used for the betterment of people," Sir Julius said. He said his province had been a victim of such abuse over the years. New Ireland has been promised large amounts of benefits under the Lihir Gold memorandum of agreement signed in 1995. However, the promises had not come through because funds were not available, Sir Julius said. "This agreement has suffered 18 years of neglect by the planning and various government monitoring agencies." Sir Julius said the Lihir Gold Mine was the third largest gold mine in the world that had not developed the living standards of people. "But it's not the developers to be blamed, it's the government.

"Where is the MRA? Where is the mining and geo-hazards department? "Who is looking out for the people? No one seems to be concerned. "Things are simply been ignored. Public servants are not doing their jobs and the result is that people are being cheated from the benefits they have been promised. "It is time that someone must be called into account." Sir Julius congratulated O'Neill on his initiative. He said hundreds and thousands of highly paid positions should be referred to Ombudsman Commission for incompetence as provided for in the leadership code. "Twenty projects

were not completed and the grant was not been paid for the past 15 years, and by the time we got them, costs had doubled or tripled. “This is the fault of national government, not New Ireland.”

He said that the Finance and Planning Departments had forgotten to include the IDG budget in the 2012 national budget and “we have waited for two years for this correction”. “However, K3 million paid for every year which they were not supposed to.” He said that Lihir Gold (Newcrest) contributed more than K300 million in royalties, GST, personal and company taxes, K7 million in SSG and K3 million in IDG, “if we are lucky and the Government remembers to pay us”. “Even the Government promises us funds that are not delivered. “The 2008 supplementary budget included K20 million for Boluminski sealing, but has never been delivered.” Sir Julius said O’Neill was frustrated. “And so am I. Maybe it’s time to wake up some of his men and women from their deep slumber. “Let the audit trial begin for those who cheat our people. “This has got to stop and I congratulate the PM for taking this initiative to address this issues.”

Government commits to complete Porgera review

Post-Courier, June 03, 2014

THE National Government has reaffirmed its commitment to complete the Porgera Mining Project Memorandum of Agreement review this week in Kokopo. This assurance from the state team came as the parties started the review meeting yesterday. Mining Minister Byron Chan’s first secretary Kathy Kakaraya told the parties on behalf of the minister that the government would like to see the MoA negotiations completed so that stakeholders can realise the benefits of the project. She said the minister was fully supportive and committed to the MoA process. This is the final stage of the review process as the parties have gone through most of the commitments in the MoA document over the last 18 months. The benefits successfully negotiated so far include Paiam Hospital transferred to the Enga Provincial Health Authority, State funding of K10 million for the Porgera-Tari road and the proclamation of Porgera Urban Local Level Government (LLG). The outstanding matters which the parties expect to negotiate in detail this week are the relocation program for landowners living in the Special Mining Lease (SML), and the inclusion of the developer of the project – Barrick PNG Limited – to be a party to the MoA.

Barrick is present at this review meeting but only as an observer. The review meeting chairman and the Mineral Policy and Geohazards Management (DMPGM) Department secretary Shadrach Himata, appealed to all stakeholders to cooperate to achieve a win-win situation for all. He said he expected all negotiations to be completed by Wednesday latest and by Thursday, a draft of all agreed positions to be compiled. Mr Himata told stakeholders that after this round of the review, they would consult with their relevant authorities for final approvals of the draft after which, a document capturing all stakeholders’ agreed positions, would be submitted to the National Executive Council through the State Solicitor’s Office for approval. An official told all stakeholders that the state was represented in the MoA negotiations by all relevant departments and that alone was testament of the state’s commitment to see the MoA successfully brought into completion.

Basil: LNG projects will not benefit PNG

Post-Courier, June 03, 2014

By JACOB POK

The current and future LNG projects will not benefit PNG’s economy due to the Government’s financial mismanagement and high debt overspending, says Deputy Opposition Leader Sam Basil. He said the Opposition was supportive of the first contractual obligations to the ExxonMobil-affiliated PNG LNG gas being exported to Asian markets, which is a historical milestone in this

"new frontier" country. "But the Opposition's support stops there as the factual reality is that all the over committed government spending, in and outside of the 2014 Budget might not be repaid even though most of the revenue interest accruals from the loans accumulated by the O'Neill government," Mr Basil said. He claimed that the Government's financial mismanagement and high debt overspending is a reflection that PNG would not see positive signs to the first revenue streams from its resources.

"Apart from it being visibly experienced in our currency devaluation and signs of high inflation, it is further confirmed by the Bank of PNG who cautioned the government from raising expectations surrounding the windfall revenue which will flow into PNG's economy from the export receipts because improvements into PNG's economy will not materialise," Mr Basil said. He said the government should reveal the truth to the people and should not "cover-up" as its actions would affect the ordinary people on the ground. "What can't be hidden is the fact that PNG will be further placed into a deficit meltdown when our future revenues are supposed to improve PNG's economy rather than be diverted to paying high interest accruals on the large loans," Mr Basil said.

The Bulolo MP also claimed that PNG was on the verge of an economical meltdown likened to what had occurred in European countries because PNG could default on major international loan deals like the UBS loan and the Exim bank loan. "This is frightening when PNG's debt to equity level ratio has now exceeded the 35 percent benchmark because of the government's financial mismanagement of the economy, a benchmark needed to be adhered to if PNG was to move into a budget surplus, equitable inflation levels, improved appreciation of PNG's currency and high employment figures that would see PNG economically strong and financially robust," Mr Basil said.

New Caledonia Province Conditionally Approves Reopening Of Nickel Plant

Vale must improve safety standards

WELLINGTON, New Zealand (Radio New Zealand International, June 2, 2014) – The government of New Caledonia's southern province has given the conditional approval for the Vale nickel plant to resume operations. Work at the site in Goro was suspended almost month ago after yet another acid spill into the environment, which led to days of violent protests near Noumea amid calls for the six-billion US dollar plant to be shut for good. A week ago, three police suffered gunshot injuries trying to clear roadblocks and unidentified people vandalised Vale equipment and offices, causing more than 30 million US dollars in damage. The province's president, Philippe Michel, says the plant can reopen on condition that safety standards be improved. An investigation found shortcomings in the warning system and the way staff handled the situation. As last month's spill was the seventh since 2009 there has been a growing chorus calling for the plant to be closed and Mr Michel says a study has been commissioned to establish the socio-economic impact of a possible shut-down. The Vale plant, which is geared to produce 60,000 tonnes of nickel a year, employs about 3,500 people directly and indirectly.

Solwara 1 eyes 2016

The National, 02nd of June, 2014

By GYNNIE KERO

THE seafloor production tools for the Solwara 1 project by Nautilus Minerals are 90% complete with production expected in 2016, country manager Mel Togolo said. He said the project has been gaining momentum since the company and the state signed an agreement in April. Providing an update on the project last Friday, Togolo said the second tool has been assembled and the final tool

would be assembled this month. “The riser and lifting system which will be used to transfer the mined material from the seafloor to the surface within an enclosed system is over 50% complete,” he said. Nautilus Minerals has started work on expanding its offices in Port Moresby and Kavieng, New Ireland. Togolo said the Canadian seafloor miner was committed to train locals and has begun recruitment positions for human resources, administration and women’s affairs.

He said: “It is Nautilus’s vision to train Papua New Guineans to be the first in the world to operate the seafloor production tools which is truly an exciting and rewarding opportunity for nationals. “The Solwara 1 project will provide real benefits to the people of Papua New Guinea. Nautilus Minerals is now working on a variety of initiatives which they plan to implement by fourth quarter this year. “We’ll bring additional 15% workforce every year, when we reopened office in New Ireland we’ll have two or three people there. “I want Papua New Guineans to get maximum benefit through increase of local hire. “Important thing is Papua New Guineans own 15% of the company, with an option to take an additional 15%.” In terms of regular awareness conducted by the firm, Togolo said: “We’ve been doing serious awareness on a quarterly basis since 2007, on the West coast of New Irelands and East New Britain during that time we have talked to more than 10,000 people.”

Federation backs government resources move

Post-Courier, June 02, 2014

The Resource owners Federation of Papua New Guinea supports the strong stand by Attorney-General Kerenga Kua and New Ireland Governor Sir Julius Chan pushing for the state to return mineral and petroleum ownership rights to the landowners. Federation president Jonathan Paraia in a recent statement said the international community through the United Nations Assembly in its declaration on, the rights of the Indigenous peoples of the world in 2007 requires the PNG Government to adopt that Declaration. “Article 26, requires the State to return land and resource ownership rights stolen in the process of Colonisation to its indigenous owners,” he said. He said almost all members of the UN countries have adopted the Declaration, including the USA, Australia, Canada and New Zealand who initially voted against the bill.

“What is the PNG government waiting for? Most Papua New Guineans are indigenous who have owned the same mineral rights which were stolen by the State, the new entity formed by our colonisers upon their arrival on this island. “The time is now right to protect the indigenous customary landowners and their resources, since non indigenous people, including refugees and multi billionaires now are taking up citizenship in this country,” he said. He said it is time to cut off the pipes that carry the cash flow from our resource development projects to enrich overseas shareholders. He said the customary landowners of this country are significant owners of natural resource capital worth trillions of dollars yet, they end up impoverished beggars on their own land. “The main cause of this is that the laws of this land have been purposely designed and written to achieve this outcome,” he said. Mr Paraia described these laws as racist and unjust and is now being administered by a new entity created by the State called the Mineral Resources Authority. He said the Authority is managed by a board of 9 members with fifty percent comprised of Mining Industry representatives.

Stanley gas project okay after intense negotiations

Post-Courier, June 02, 2014

THE Stanley gas condensate project which had its proposal knocked out of Cabinet several times has eventually been signed and given the green light to commence. After two weeks of intense negotiations, the benefit sharing agreement for the Stanley gas condensate project was finally signed on Friday night. On Saturday, the biggest group, reportedly representing 131 clans out of 138

clans in the project area, signed the agreement. However, only a lone leader from the Storage Facility area who is a detainee at Nigurum jail refused to sign. With the landowners from the pipeline route, buffer zone and storage and loading facilities signing on Friday, the absence of the other group not deter the concerned Minister from signing and presenting the Development License soon after the signing of the BSA in Kiunga sports grounds. During the negotiations leading up to the finalising of the agreement, Petroleum and Energy Minister Nixon Duban made a commitment to seek the National Executive Council's approval to increase the two percent royalty to seven percent.

Meanwhile, it is understood that the bigger group wanted the State to meet the K1.2 million incurred in the preparatory work by them leading to the forum and costs incurred during the forum. The forum began on May 16 and ended on Friday. Mr Duban told a huge crowd at the Kiunga sports grounds on Friday that the NEC refused to approve the development of the project on many occasions. He said the Stanley gas project was introduced to the NEC by the former minister, William Duma and he tried it for 18 months and every time there was no success. "It took 18 months for one NEC submission to go through cabinet," Mr Duban said. "When I brought it to NEC, all our ministers... they knocked it back, nobody wanted to support Stanley Gas, you people of Western Province must know this ...they did not support your project." Mr Duban said the NEC referred the project to Ministerial Economic Committee and then again to the Ministerial Gas Committee. Mr Duban said it took a lot of time and effort to have the project approved by the National Executive Council.

Nautilus: Work begins on machines

The National, May 30th, 2014

NAUTILUS Minerals on Wednesday said the assembly of its second of three tools, the collecting machine, had this week commenced at a facility in the United Kingdom. The collecting machine is the lightest of the three, weighing 200 tonnes when fully assembled. This tool is designed to collect material cut from the seafloor by drawing it in as seawater slurry with internal pumps and pushing it through a flexible pipe to the riser and lifting system. The Canadian seafloor miner said the production support vessel arrangements for the Solwara 1 Project would be in place at the end of the year. Nautilus will mine gold and copper under the Bismarck Sea.

PNG Treasurer Says Economy To Grow By Unprecedented 21%

Export increase of \$3.4 – \$4.1 billion to come from LNG

PORT MORESBY, Papua New Guinea (The National, June 2, 2014) – Now that LNG exports have started, the nation's export revenues will grow by some K10 billion [US\$3.4 billion] to K12 billion [US\$4.1 billion] in a full calendar year, Treasurer Patrick Pruaitch says. He said these revenue flows would greatly boost PNG's balance of trade with the inflow of US dollars from LNG exports contributing to a strengthening of the Kina. Pruaitch was responding to deputy opposition leader Sam Basil's claim that he was unable to explain how the LNG exports would boost the economy and improve the country's exchange rate. "The deputy opposition leader went on to add that the kina was now trading at an all-time low which is absolute nonsense," he said in a statement. He said LNG exports would provide PNG with wide-ranging social and economic benefits, adding that the benefits started before the first LNG export last month. "The benefits to this country from the LNG project have been explained on numerous situations both inside and outside Parliament.

"Most people are already aware that a significant part of PNG's strong economic growth in the past four years was directly related to the start of construction of the LNG project. "It has been stated often enough, by the prime minister and others, that the PNG economy is anticipated to grow by a

record 21%, making it one of the fastest-growing economies in the world. The project has employed several thousands of Papua New Guineans in recent years. "It has been stated often enough, and debated in the media and elsewhere, that PNG needs to guard against the 'Dutch Disease' caused by the strengthening of the kina in the face of surging LNG revenues. "It has been stated that part of the reason for the Government decision to set up a Sovereign Wealth Fund has been to try and cushion some of the negative impacts of the 'Dutch Disease'. "It could be well that Basil had missed out on some of these debates because he might have been on one of his extensive holidays."

PNG Bougainville's Me'ekamui re-states opposition to mining

Radio New Zealand, 29 May 2014

The head of the Papua New Guinea's Bougainville separatist group, the Me'ekamui, says he is against a resumption of mining before a vote on independence. The leadership in the autonomous PNG province has been promoting a return to mining as the filip its economy needs. Don Wiseman has more: "President John Momis says the re-opening of the huge Panguna mine would bring immediate economic benefits that could not be achieved so quickly in other sectors. He says this is vital to show the province is economically viable ahead of the vote on possible independence, which can occur from 2015 onwards. Philip Miriori, who is styled as the president of the Me'ekamui Government of Unity, says the Me'ekamui position is clear. They are not opposed to mining and are happy for the people to decide but this cannot happen until after independence is achieved. Mr Miriori says this would ensure royalties stay in the province. He has also reiterated a call for Rio Tinto to pay compensation to the landowners of ten billion kina, or about two and a half billion US dollars, for damage caused by the mine. And he says the Me'ekamui will not allow access to their areas for government reconciliation efforts. He says President Momis needs to leave the sore to be healed. "

Ok Tedi: Government not trying to take over fund: PM

The National, May 29th, 2014

THE Government is not trying to take over the PNG Sustainable Development Programme's Long-Term Fund but wants to ensure that it benefits the people of Western province, Prime Minister Peter O'Neill said on Tuesday. He said it was agreed with BHP that when the State took over OK Tedi mine, or if the mine closed, all the money would go to the province. "That's all we are trying to facilitate," he said in response to claims by Sir Mekere Morauta, chairman of the PNG Sustainable Development Programme (PNGSDP). In releasing the 2013 financial statements on Sunday, Sir Mekere said the fund had decreased by US\$56 million (about K135 million) from US\$1.35 billion (about K3.26 billion) to US\$1.3 billion (about K3.14 billion) due to "unlawful actions of the Government". He claimed that PNGSDP's performance had been hindered by the lack of dividends from OK Tedi, reducing its ability to invest and carry out development programmes. O'Neill said the money rightfully belonged to the people of Western. "The Government is not trying to take control of these funds," he said. "The money does not belong to Papua New Guinea. It belongs to the people of Western province. "They want to participate in how these funds will be spent for the people of Western province. "What is wrong with that?" O'Neill asked what interest the directors of PNGSDP had in the province. "Western is part of PNG and I have every right to speak for them," he said.

Landowners no to power deal

Post-Courier, May 29, 2014

The request by Prime Minister Peter O'Neill for ExxonMobil to provide some gas for the domestic market for electricity purposes, has not gone down well with landowner leaders. Chairman of the Tuguba tribe, Simon Ekanda said the state had miserably failed to consider gas reserves for domestic use at the initial gas agreement stage and are now begging the developer to reserve some gas for use in the domestic market. "This gas is ours. It is for the people of PNG and it is the Prime Minister's gas. "Why are we begging the developer to give us our own gas that has come from our land," Mr Ekanda said. He said the blunder has been caused by the government itself when it should have negotiated for some gas reserves for domestic use during the agreement stage but failed to do so. "That is why I have been advocating all along that the LNG gas agreement had been fast tracked with a lot of flaws, resulting in the developer out-rightly owning the gas," Mr Ekanda said.

Damage To New Caledonia Nickel Plant Tops \$34 Million

Vandalism, violence from young Kanaks seeking plant closure after spill

WELLINGTON, New Zealand (Radio New Zealand International, May 28, 2014) – The damage caused by vandalism at the Vale nickel plant in New Caledonia is now estimated to be more than 34 million US dollars. The violence, which began at the weekend, has seen days of confrontations at St Louis near Noumea where about 150 riot police have been battling young Kanaks using firearms. Three security personnel have been shot and injured. The unrest has led to repeated road closures and angered residents unable to travel between Noumea and Mont Dore. Dozens of people have expressed their frustration outside the French High Commission while hundreds blocked the access to the SLN plant in Noumea in protest at some workers risking losing their pay because they cannot get to work. The protest by the young Kanaks was accompanied by calls for the Vale plant to be closed for good after another acid spill three weeks ago led to operations being suspended.

Landowners In Solomons' Rennell Island Sign Mining Deal

Indonesian company Bintang Borneo to improve infrastructure

By Denver Newter

HONIARA, Solomon Islands (Solomon Star, May 28, 2014) – Rennell island is a step closer to hosting its first ever mining project after four tribal landowning groups signed a memorandum of understanding (MOU) with an Indonesian mining company Bintang Borneo last week. The historic ceremony took place at Tingoa between landowners from East and West Rennell with the mining firm. A nine-member delegation from the mining firm visited the province to hold talks with the landowners. Renbel premier Lence Tango led the delegation to conduct talks with the landowners before signing the deal. Speaking exclusive to the Solomon Star yesterday Mr Tango said the signing of the MOU is to allow the company to enter the island. "Let me make this clear that the signing does not mean the company will now start prospecting. "The landowners and the company would return again next month for another consultation," he said. Mr Tango said with the MOU would ensure the company can start injecting money and build some infrastructures on the Island. "Landowners have met this nine-man delegation and signed a MOU to allow the company improve some of the existing infrastructures."

A final MOU will be signed later once the landowners agreed to allow for prospecting to start, he said. He appealed to his people to come forward and support the new development. "Renbel people should not resist this development because after many years of remaining idle it's time to develop this province. "My government wants to help the people because they have suffered for so long

without any support and development taking place. "Therefore, we invite this Indonesian mining company to come and help our people and build our economy through the power of our executive members and not me," premier Tango said. The next consultation between the landowners and the company will be held soon. He also acknowledged the four tribes who have agreed and signed the MOU. "This development will help us by making our life easier than what we had gone through in the past years," he said. It's understood the MOU will be forwarded to the Ministry of Mines and Energy this week.

Violence Continues Near New Caledonia Nickel Plant

Police shot, Vale offices, vehicle suffer \$20 million in damage

WELLINGTON, New Zealand (Radio New Zealand International, May 28, 2014) – Two more police officers in New Caledonia have suffered gun shot wounds in renewed clashes near Noumea with scores of Kanak youth opposed to the nearby Vale nickel plant. About 150 riot police with armoured vehicles have been trying to reopen a key road south of Noumea which was first blocked on Saturday when the unrest started. The Vale plant has been shut for three weeks after a further acid spill, which has prompted calls for the six-billion US dollar plant to be closed for good. About 15 people are reported to have been arrested after driving a van into a police car. At the weekend, an unidentified group caused an estimated 20 million US dollars in damage by vandalising Vale offices and wrecking cars and trucks over the weekend. The nickel company has said the plant's closure is out of question.

[PIR editor's note: RNZI reported that New Caledonia business organisation "MEDEF's chief executive, Catherine Weahde, says Vale is waiting for authorisation from the government of the Southern Province for it to re-open, which should happen tomorrow. ... She says some employees have been sent into the plant to set it up for re-start this week.]

Nautilus starts building second underwater machine

By: Henry Lazenby, MiningWeekly, 28th May 2014



Photo: Nautilus Minerals

TORONTO (miningweekly.com) – Prospective Canadian deep-sea miner Nautilus Minerals on Wednesday announced that it had started building its second seafloor production tool (SPT), the collecting machine (CM), at third-party manufacturer Soil Machine Dynamics' (SMD's) facility at Newcastle upon Tyne, in the UK. Nautilus, which plans to mine copper and gold from the Solwara 1 seafloor project, offshore Papua New Guinea, said that it had split excavation and collecting mineralised material into three individual tasks, which would each be carried out by a different SPT. The Toronto-based company explained that the auxiliary cutter (AC) is designed as the pioneering tool, which prepares the rugged seabed for the more powerful bulk cutter (BC), which the company had already built. While these two tools gather the excavated material, the third – the CM – would collect the cut material by drawing it in as seawater slurry with internal pumps and push it through a flexible pipe to the subsea pump and on to the production support vessel (PSV) through the riser and lifting system. “Having already announced in April this year, the completion of the assembly of the BC, we are delighted that the assembly of the CM has now started, with the arrival of the chassis at the SMD facility.

“This is an exciting time for the company as we continue to build the seafloor production equipment. We look forward to start the assembly of the third and final SPT, the AC, when its chassis is delivered next month,” Nautilus CEO Mike Johnston said. Last month, Nautilus reported that the Papua New Guinea government had paid \$113-million into escrow, representing the balance of the State’s 15% share of capital required to complete the Solwara 1 offshore project up to first production. At the end of last month, Nautilus announced that it had resolved the dispute with the State and signed an agreement with the State’s nominee, Eda Kopa (Solwara) Limited, a subsidiary of Petromin PNG Holdings, enabling the project to move forward toward production.



Photo: Nautilus Minerals

With Eda Kopa having paid its share of the project development capital, Nautilus’ focus now shifts to chartering a production support vessel and securing certain intellectual property rights within six months for Eda Kopa. The funds will be released to Nautilus when both conditions have been met. The company is in discussion with potential vessel partners, while also undertaking a tender process with shipyards experienced in building offshore construction vessels. Nautilus own 70% of the project, with the government of Papua New Guinea holding a 30% interest. Nautilus’ share price had more than doubled since the start of the year, spiking to its highest level in two years last month, after the company announced it had resolved its dispute with the Papua New Guinea government. However, in the stock’s recent history, at C\$0.53 apiece on Wednesday, the share price was nowhere close to the lofty C\$3.48 level seen early in 2011.

Stanley gas: K107m for benefits

The National, May 28th, 2014

THE total direct benefits of royalty, development levy and equity, for beneficiaries of Stanley Gas/condensate project is K107.57 million. This is according to the director's proposal presented by Department of Petroleum and Energy Secretary Rendle Rimua. The benefit proposal was presented last week by Rimua on behalf of the State during the project's development forum held in Kiunga, Western. The three main beneficiaries in the project include; the provincial government, local level government and landowners. Landowners were from project impact areas including petroleum development licence (PDL), pipeline route, storage and loading facilities and buffer zone with three local level governments (LLGs) which were Ningrum, Kiunga Urban and Kiunga Rural. Rimua said according to the Oil and Gas Act, all three main beneficiaries would receive 0.33% of total royalty. Under equity, only landowners and LLGs will receive 50% each. The provincial government and local level government were entitled to development levy. Other benefits that the beneficiaries were entitled to include; project grants and other grants which may be in the form of monetary value, infrastructure or services.

O'Neill decries past delivery of services

The National, May 28th, 2014

THE mismanagement of projects in the country's resource provinces by successive governments over the years has resulted in a poor record of delivery of goods and services, Prime Minister Peter O'Neill said. "Coming from a resource province like Southern Highlands and after having over 20 years of oil project in our province, you can see the benefits that our people really have had is little to show," he said. "This is not to say that the developers have not been able to distribute the funds that were committed to our people. It is our governments' inability to manage it properly, making sure that those projects are delivered according to the agreements that we have signed." He said the Government was partly to be blamed for the mess.

He was speaking at the presentation of the 2013 Infrastructure Development Grant (IDG) cheques worth K35 million and the signing of the MOUs (agreements) between the Department of National Planning and Monitoring with the Southern Highlands and Central provincial governments in Port Moresby yesterday. O'Neill assured the governors of the two provinces that the 2014 IDG cheques would be presented to them at the end of the year as the Government had committed. "We can't keep deferring and we are chasing our tail before we even start. The aim is that the projects that have been highlighted in the MOUs you signed today, please let us start delivering some of them. The state committed under the UBSA to pay K1.2 billion IDG, K120 million to be paid over 10 years starting in 2010."

Provinces get LNG funds

Post-Courier, May 28, 2014

By ANCILLA WRAKUALE

TWO impacted provinces of the LNG project were paid their infrastructure development grant in Port Moresby yesterday. Southern Highlands and Central Provinces received their 2013 grants to the tune of about K35 million in total. Prime Minister Peter O'Neill made the cheque presentation to provincial leaders from the two provinces. The funds were part of the umbrella sharing benefit agreement and license based sharing agreement that the national government signed with the provinces in 2006 in Kokopo, East New Britain for the development of the project. The funds will be to implement the priority projects identified in the two agreements. Kutubu petroleum development

licence 2 received K10 million; Gobe PDL 4 received K8.2 million and the LNG Plant Site portion in Central Province got K17.6 million. Southern Highlands Governor William Powi commended the Minister for National Planning and Monitoring Charles Abel and the prime minister on the occasion.

"We have over the years supported the economy of PNG through the Kutubu oil and we stand here proud to support the people of our country through the next phase of gas and benefits that will come out from that," Mr Powi said. He said he will be looking at fixing road infrastructure in the province and building police barracks to strengthen law and order. He said the national government should set the policy framework as to how they should manage the project fund process and deal with accountability issues. Charles Abel said previous funds were not used properly due to a lack of co-ordination that resulted in the ineffective delivery of grant and high impact infrastructure projects.

Previously the funds were issued directly to landowner companies and that contributed to a lack of co-ordination between the various government agencies to monitor the expenditure against projects. This prompted the national government to endorse the shared responsibility model to deliver these projects and it has been facilitated by the Department of National Planning and Monitoring. The model will involve the national and provincial governments and the oil and gas operators to deliver their projects from 2014 onwards. Mr Abel said the funds for the other three impacted provinces in the PNG LNG project of Hela, Gulf and Western Provinces will be made shortly after this. Prime Minister Peter O'Neill said the funds for 2014 will be made before the end of this year.

Protesters attack Vale's New Caledonia nickel mine after effluent spill

Reuters in Sydney, South China Morning Post, 27 May, 2014



A French firefighter extinguishes burning debris that were used to create a roadblock on a road in Mont-Dore in New Caledonia. Photo: AFP

Dozens of protesters have caused tens of millions of dollars in damage to vehicles, equipment and buildings at a nickel mining site in New Caledonia, as anger boiled over at a chemical spill into a local river. The US\$6 billion Vale plant at Goro in southern New Caledonia was closed this month after 100,000 litres of acid-tainted effluent spilled, killing about 1,000 fish and sparking protests at the mine site. The Vale plant had been expected to produce about 40,000 tonnes of nickel this year, out of global supply of around two million tonnes. But it has been beset by problems, including spills and protests. Tensions between the local population and Brazil-based Vale escalated over the

weekend, with young protesters frustrated at the latest spill and a lack of response from indigenous Kanak chiefs, according to local media reports.

Television footage showed images of burned mining vehicles and equipment. "We had burned vehicles, one administration building was damaged, but no damage to the plant itself," Vale spokesman Corey McPhee said. Peter Poppinga, an executive director at Vale, told *Les Nouvelles Calédoniennes* newspaper that damage to the mining site was estimated at at least US\$20 million to US\$30 million, including the destruction of perhaps one third of the truck fleet. "If there is no activity for several months, we will shut the plant, but that's not the case. The closing of the plant is not on the table," Poppinga was quoted as saying. The French Pacific territory's southern provincial government ordered an immediate halt to operations and started legal proceedings under its environmental code after the spill. The local government, which had a leadership change last week, has yet to say when Vale can resume production.

MIDAS (Managing Impacts of Deep-sea resource exploitation) Project and EU DG Mare Stakeholder Consultation on Seabed Mining May 26, 2014

Posted by eucmed in [COASTAL MANAGEMENT & RESEARCH](#). by Magdalena A K Muir

The MIDAS project – Managing Impacts of Deep-sea resource exploitation – is a multidisciplinary research programme that will investigate the environmental impacts of extracting mineral and energy resources from the deep-sea environment. This includes the exploitation of materials such as polymetallic sulphides, manganese nodules, cobalt-rich ferromanganese crusts, methane hydrates and the potential mining of rare earth elements. MIDAS is funded under the European Commission's Framework 7 programme and started on 1 November 2013 for a period of 3 years. The MIDAS project intends to carry out research into the nature and scales of the potential impacts of mining, including 1) the physical destruction of the seabed by mining, creation of mine tailings and the potential for catastrophic slope failures from methane hydrate exploitation; 2) the potential effects of particle-laden plumes in the water column, and 3) the possible toxic chemicals that might be released by the mining process and their effect on deep-sea ecosystems. Key biological unknowns, such as the connectivity between populations, impacts of the loss of biological diversity on ecosystem functioning, and how quickly the ecosystems will recover will be considered. A major element of MIDAS is the development of methods and technologies for preparing baseline assessments of biodiversity in areas of potential commercial extraction, and monitoring activities remotely in the deep sea during and after exploitation.

The MIDAS project intends to use this information to develop recommendations for best practice in the mining industry. A key component of MIDAS is the involvement of industry within the project and through stakeholder engagements to find feasible solutions. It will also work closely with European and international regulatory organisations to take these recommendations forward into legislation. Despite the broad scope of this project, there is no reference to civil society, or the inclusion of any parties other than industry. The MIDAS partners are predominantly academic institutions, industry, and consultants, with the 32 partners listed on the project website here. No environmental non governmental organisations (ENGOS) are partners, though some partners have links with or work with ENGOS. The MIDAS project is referred to by EU DG Mare website in its discussion of seabed mining [here](#), so the project could have an important role in shaping future EU policy. Upon inquiry to the MIDAS project, it was indicated that there may only be an opportunity for ENGOS and civil society to participate in open conferences near the end of the project. Information will also be published on the project website and newsletter. However, information provision is not meaningful engagement or participation. Therefore, there is no meaningful opportunity for civil society organisations and local communities to participate in the MIDAS project, or in the development of best practices for deep sea resource exploitation under this project. In the absence of meaningful civil

society and local community participation, DG Mare should not rely solely or significantly on deliverables of the MIDAS project for determining best practices or any regulatory framework.

EU DG Mare will need to establish a separate process for civil society participation in the development of best practices and the overall regulatory framework for deep sea resource exploitation. This separate process would also be required to facilitate the development of broad social acceptance by civil society and local communities for these deep sea and seabed activities. This social acceptance has been an EU priority for offshore renewable energy and grid infrastructure development in the North Sea, see article [here](#) and been recognized as of great importance by the EU across its many activities. This observation about meaningful participation by civil society and local communities has relevance for the DG Mare Stakeholder Consultation on Seabed Mining. The European Commission's Directorate for Maritime Affairs and Fisheries has initiated a [stakeholder consultation exercise on seabed mining](#). It is posted as an online questionnaire. DG Mare is seeking responses from public authorities, citizens, companies and organisations concerned with seabed mining. This seabed mining consultation is open until 16 June 2014, and it is very important that that civil society and local communities provide their views. EUCC will be participating in this consultation, and will post consultation remarks subsequently through this blog and documentation on the EUCC website.

Further information

EU Stakeholder Consultation on Deepsea Mining:

http://ec.europa.eu/dgs/maritimeaffairs_fisheries/consultations/seabed-mining/index_en.htm

Fiji Gold deal

Repeka Nasiko, The Fiji Times, May 26, 2014

CANADIAN company, Lion One Metals Limited has secured a 21-year surface lease from the iTaukei Lands Trust Board to begin its Tuvatu Gold Project in Nadi. The announcement was made last week after a three-year discussion with landowners. "The agreement for the Tuvatu Surface Lease was reached after nearly three years and well over 200 consultations and meetings with local communities and landowners," said company chairman and CEO Walter Berukoff. "With the surface lease secured and an approved Environmental Impact Assessment we are now focused on securing a Mining Licence for Tuvatu." The company explained it had received approval on their Environmental Impact Assessment from the Department of Environment in February. "In addition, to ongoing exploration activities, the EIA contemplated the impact of both surface and underground mining at Tuvatu. Fiji's Department of Environment has notified the Mineral Resources Department (MRD) that the EIA is approved and recommended to the MRD that mining activities may proceed at Tuvatu. "Lion Metals Ltd filed its application for a Mining Licence with the MRD for Tuvatu in 2013." The company projects that a capital of more than \$9.3million would be retained from the project.

New Caledonia Policeman Shot During Nickel Protest

Kanak chiefs deferring decision on closing Vale plant, sparks unrest

WELLINGTON, New Zealand (Radio New Zealand International, May 26, 2014) – The French authorities say a police officer has been injured near Noumea when young people used firearms against a group of about 80 police trying to remove roadblocks. The blockades were set up with burning tyres on Saturday and prevented hundreds of people from travelling between Noumea and Mont Dore. They were put up for the night in emergency accommodation provided by the council.

Police re-opened the access road yesterday, but it's not known if police made any arrests of those involved in the shooting. The incident at St Louis was triggered after Kanak chiefs in the southern province had called a meeting to discuss whether to call for the permanent shut-down of the Brazilain-owned six-billion US dollar Vale nickel plant at Goro because of yet another acid spill. While the chiefs deferred a decision on the nickel plant, people in favour of the site's closure decided to close the main road in protest. The Vale plant has been closed for more than two weeks. It is not clear if staff will be paid after today.

Pressure on for miners

The National, 26th of May, 2014

ISSUES such as project slowdowns, exploration downturns and workforce reductions are a threat to the country's mining industry, according to the PNG Chamber of Mines and Petroleum. Executive director Greg Anderson (pictured) highlighted that, as reported in the PNG Industry News, at a recent conference in Cairns, Australia. He said the country had a decade of robust times when the industry went through a marked period of growth and opened two projects. Anderson said: "That all finished when commodity prices collapsed in late 2011 when we saw a 30-35% drop in gold and copper. "This put very serious pressures on our industry [resulting in] project slowdowns, exploration downturns and some workforce reductions. "The projects have all had to go into serious self-analysis with a major focus on productivity, optimisation and cost reduction with a parallel reduction in taxes, royalties and dividends."

Anderson said since the commodities crash, PNG had lost an array of majors including Vale and Newmont, while others such as Barrick Gold and Newcrest Mining had pulled out of exploration joint ventures with junior companies. "Many of the junior companies are in a very serious stress mode and unable to raise any funds on the market," he added. "They are literally dormant and unable to meet their exploration commitments. "Some of these companies have a share price you can hardly count and their market caps are dreadful. "Unless these companies are able to raise significant finance in a very short time, there's no way possible they'll be able to continue servicing the number of tenements they have – which all have a minimum annual expenditure commitment per block. "This means we're going to have a drastic ongoing reduction in the number of tenements." Anderson said the chamber was hopeful that the government would make a decision on Ok Tedi's 11-year mine life extension by September. He said the Stanley gas condensate project as a very real power option for the North Fly region.

PNGSDP: Sir Mek blames government for loss

The National, 26th of May, 2014

THE PNG Sustainable Development Program's (PNGSDP) long-term fund decreased from \$US1.35 billion (K2.8 billion) to \$US1.3 billion (K2.3 billion) because of the Government's actions, chairman Sir Mekere Morauta says. Sir Mekere, pictured, yesterday released the 2013 financial statements and independent auditor's report for 2013. "The statements reflect a very difficult year for the company caused by a number of factors," he said. He said the major impacts were:

- The State's expropriation of PNGSDP's 63.4% shareholding in Ok Tedi Mining Ltd, without compensation;
- An instruction from the prime minister to OTML not to pay the 2012 dividends owed to PNGSDP worth \$US222 million (K630 million); and,
- Attempts by the State to take over and restructure the company and gain control of the money in the long term fund.

“The company’s performance was constrained owing to the lack of dividend inflows from OTML, which resulted in a reduction of funds available for investment and the development programme,” he said. “In 2013, the long term fund decreased by US\$56 million, reflecting the non-performance of PNG assets mainly due to the depreciation of the Kina, the lack of dividend income from OTML and actions purporting to restructure PNGSDP.” Sir Mekere said the lack of dividend income meant that the company’s operating costs in 2013 were funded from the previous year’s cash balances in the Long Term Fund and the Development Fund.

Gas export upsets Tuguba tribe

Post-Courier, May 26, 2014

The Tuguba tribe in Hela Province, which hosts part of the PNG LNG project, has restrained itself from involving in any dealings in relation to the export of the LNG gas. Speaking on behalf of the tribe, Tuguba chairman Simon Ekanda told reporters at a press conference recently that the Tuguba tribe, which hosts four project sites in the LNG project, was not consulted prior to the export of the gas and therefore would not involve or partake in any further dealings of the gas export. He said there was no consent from the Tuguba landowners before the commissioning of the export of the gas. He said some landowners from outside the main gas fields purportedly claim to represent the interest of the landowners to support the commissioning of the gas. “This is total nonsense. This whole LNG project is a corporate scam and the biggest blunder ever. How can the developer and the State proceed with the commissioning and exporting of the gas when we, the landowners of Tuguba tribe who own the gas, did not consent to exporting our gas.”

Mr Ekanda said the state has deprived its own people and continuously submitting to the developer when it should protect the interests of its people. “How can my gas and oil in my land leave me unceremoniously and just like that? I have not been recognized and I have not given my consent for any export of my resources,” Mr Ekanda said. He said the four oil and gas fields – Hides PDL 1, Hides PDL 7, Angore PDL 8 and Juha PDL 9 – supply approximately over 70 per cent of the gas and 100 per cent condensates. “With that much contribution, the State and the developer still oppose us, the Tugubas, and continue to cause injustice to us.” Mr Ekanda said the Tuguba people knew their treasure from their forefathers even before scientists or petroleum geologists discovered them. “Tuguba gigira laitebo is spiritual. The gigira laitebo prophesy had revealed to Tuguba everything that he needed to know about his buried treasure.”

Gas Los await petition response

Post-Courier, May 26, 2014

The first PNG LNG cargo has left our shores for the first customer in Japan. PNG and the other project partners celebrated. But the custodians of the gas are still waiting for the deliverance of the commitments made to them. In a statement, Hides leaders Andy Hamaga, Dickson Ango, Hamule Ngiame, Willy Ayule, Ngini Mapuli, Wandiago Kau, John Kaloma, Tom Eganda, Eka Yale and Joe Hapokaia, speaking on behalf of the project landowners, said PNG will benefit greatly on the expenses and sacrifices of the ordinary PNG LNG project landowners who have been committed to put their livelihoods on the line to support the PNG Government to develop this gas resource by signing the UBSA and LBBSA gas development agreements respectively in 2009. The leaders said the Hela and Southern Highlands provinces have a case as raised in the Post-Courier dated May 3, 2013, where the Governor of Hela Province through the Hela Provincial Government issued the State of PNG a 30-day ultimatum.

The leaders have supported the Hela Governor's ultimatum effective as of February 10, 2014 and served another petition to the office of the Prime Minister and copied to the relevant state ministers, members of parliament and the developers of the PNG LNG Project. The same petition was run as a paid advertisement in another newspaper during the same week. The leaders petitioned the State for the implementation and honouring of the commitments in the UBSA and the respective LBBSAs prior to the construction of the LNG project. "We heard nothing to date. Today, we hear that the first LNG cargo is set to reach the shores of Japan in the next few days. "Everyone in PNG is excited and a lot has been said in the media praising everyone and anyone purported to have had a hand in the realisation of the PNG LNG project. We are still waiting for the response for our petition from the State of PNG," the leaders said in the statement.

Western: Signing of gas project delayed

Post-Courier, May 26, 2014

THE Benefit Sharing Agreement (BSA) signing of the Stanley gas condensate project in the Western Province has been delayed. It was hoped that the signing would take place last Thursday but it was postponed to yesterday and now it has been further deferred indefinitely. Prime Minister Peter O'Neill was expected to arrive in Kiunga yesterday to witness the signing of the first ever stand-alone gas condensate project in the country but the trip was cancelled due to the landowners not agreeing to some of the positions of the State. Secretary for Petroleum and Energy Rendle Rimua said the State team has presented the director's proposal and landowner groups made counter proposals, disagreeing with some of the positions of the State. Mr Rimua maintained that the State is bound by the Oil and Gas Act and cannot work outside of the Act and the landowners and the Provincial and Local Level Governments must work together to resolve any issues and work towards the signing of the agreement.

MRDC chief: K240m in oil dividends wasted

Post-Courier, May 26, 2014

By ISSAC NICHOLAS

MORE than K240 million paid as dividends since the first export of oil from Kutubu oil fields has been wasted. Mineral Resource Development Company (MRDC) managing director Augustine Mano revealed this at the opening up of the Petroleum Resource Kutubu (PRK) funded K10 million banking, postal facilities, power facilities in Kikori, Gulf Province on Saturday. Mr Mano said the first oil export started in 1992 and the first dividends was paid out from 2002 to shareholders. He said a total of K245 million has been paid landowner groups and provincial governments since then with nothing to show on the ground. "PRK which was in existence since 1992 started paying dividends since 2002, PRK has paid a total of K245 million to its shareholders, from this K245 million paid out there is nothing to show on the ground where the ordinary people in villages to benefit."

He said because of this the PRK decided change and for group to bring in services directly to rural communities to benefit the local people. Mr Mano said the PRK then agreed to spend K10 million under the community infrastructure fund to build BSP sub-branch, Post Office, a 150 KVA generator, a 50 KVA generator, water supply enough to supply 10 000 litres per day and sewerage system so that the bank will operate independently outside the normal system. "Because we understand that Kikori is isolated and hard for government service to come in so PRK wanted to help because as we celebrated the export of oil, at least the people of Kikori, we will not give them cash but put in banking services, so that those who are public servants, health workers and teachers must remain here and give service. This is PRK commitment. Mr Mano said PRK will also assist other beneficiaries

in Pimaga and Kutubu in Southern Highlands. "We must start where the first white man made their original journey from Kikori into Southern highlands."

Ramu villagers fear mud harming marine life

The National, May 23rd, 2014

BASAMUK landowners fear that red mud from the Ramu NiCo refinery is being washed into their fishing zone and affecting marine life. Mindre villager Terry Kunning, said fishermen found red mud on their fishing hooks near to where the refinery disposed its tailings. "I have some samples at home for interested people or authority to see," he said. He said the red mud had covered the reefs near his house, causing them to lose their colours and turning white as if they were bleached. Madang provincial mines director John Bivi has sent a report on the landowners' claims to the Department of Environment and Conservation and is awaiting a response. He provided photographs. Ramu Nico media officer Mathew Yakai said landowners should report their findings to the company to prove if what they got was the slurry.

Rio Tinto Won't Necessarily Operate Reopened Panguna: Momis

Bougainville copper mine needs to benefit people, President says

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, May 22, 2014) – Bougainville's President John Momis says Rio Tinto and its subsidiary Bougainville Copper won't automatically be allowed to run the Panguna copper mine if it reopens. Consultations are taking place and there is progress towards talks on reopening the mine that sparked Bougainville's civil war in the 1980s and 90s. Mr Momis says landowners from the mine site have consistently indicated they prefer to deal with Bougainville Copper Limited (BCL) rather than a new potential operator. "They talk of preferring the devil they know and not a new devil," he told Radio Australia. "In large part they mean that they acknowledge that BCL both accepts that it played a role in what went wrong at Panguna and is prepared to contribute to finding workable solutions.

"They fear that a new developer may not have the same attitude." Mr Momis has put strict conditions on reopening the mine and says BCL and its 53 per cent shareholder, Rio Tinto, cannot assume they will be the operator. He says Rio Tinto and Bougainville Copper will only get the support of his government if they provide many economic opportunities for his people and ensures community participation in all decisions. Bougainville Copper's executive chairman Peter Taylor says while he's not keen on being seen as the "preferred devil", he is not worried the company will be ousted. "There are criteria that [Mr Momis] expects any potential operator to meet," he said. "We think we will be in good shape to meet those criteria so at that level I am not concerned."

Bougainville Copper's approach 'quite good'

Bougainville is due to hold a referendum on independence from Papua New Guinea before mid-2020 but for there to be a real choice the Autonomous Bougainville Government must have an independent source of revenue. For many on Bougainville, including President Momis, the massive Panguna copper mine is the best hope. Back in 1975, the Panguna copper mine was the revenue source that bank-rolled PNG's independence from Australia. The agreement to get it up and running in time was rushed and its failure to deliver benefits to landowners led to the grievances behind the civil war. Mr Momis, who is determined to get it right this time, says he's pleased with BCL's approach to the negotiations.

"We don't know what Rio Tinto will do because they are so remote from us but I must say Bougainville Copper's approach is very good and I am quite happy that we are collaborating," he said. "I think Rio Tinto is probably being consistently and systematically briefed by BCL. "We haven't heard anything that might mitigate against the process proceeding towards reaching a conclusion, in fact, we are very happy with Bougainville Copper's approach so far." Mr Momis is also working hard to diversify Bougainville's economy. Crops such as cocoa are now providing substantial income for Bougainvilleans but not the tax revenue needed for Bougainville to be self-reliant. Mr Momis sees Panguna having an impact well beyond mining. "Panguna mine will be like a magnet that attracts a lot of other businesses and it only needs Bougainville Copper landowners and ABG to agree and that will attract a lot of these companies to come and generate income for the people and revenue for the government."

PNG Natural Gas Project Ready To Deliver First Tanker-Load

Questions remain about how the 'windfall profits' will be utilized

By Liam Cochrane

MELBOURNE, Australia (Radio Australia, May 22, 2014) – One of the Pacific region's biggest liquefied natural gas projects is just days away from sending its first tanker-load of LNG from Papua New Guinea to Asia. The \$19 billion project is operated by ExxonMobil PNG, and the imminent departure of the first cargo aboard the Spirit of Hela to Japan is the biggest event in PNG's economy in years. "It's a defining moment for us on the project and I think a defining moment for Papua New Guinea," said Peter Graham, managing director of ExxonMobil PNG. Eventually, six tankers will transport an estimated 6.9 million tonnes of liquefied natural gas to China, Taiwan and Japan each year for the expected 30-year lifespan of the project. The gas is drilled from the Southern Highlands province, treated and sent through more than 700 kilometres of buried pipelines to a processing plant just west of the capital Port Moresby. "It's now time to make some money ... and for those benefits to be shared with the appropriate recipients throughout the community," Mr Graham said. Royalties for landowners are being paid into a trust account managed by the PNG government until the completion of a clan-vetting process to determine rightful recipients. But just how to share the government's share of revenue from its 19 per cent stake in the project benefits is controversial.

Handling the LNG windfall

Many of Papua New Guinea's international partners, including Australia, had supported the Government's efforts to set up a sovereign wealth fund to handle the LNG windfall. This fund would invest mostly overseas and have two main functions - to stabilise the local currency and to pay for much-needed development infrastructure. Papua New Guinea is ranked 156 on a UN development index and is not expected to meet any of the Millennium Development Goals for poverty, health and education by 2015. But former treasurer Don Polye says the PNG government has pre-borrowed the future revenue from the gas project to underwrite a \$1.2 billion loan from Swiss bank UBS for another investment. "The sad story is there will not be any funds coming in because the first flow of gas, the monies coming in will be diverted to paying off the debt, the 3 billion kina debt, UBS loan, and therefore no money will go into the sovereign wealth fund," Mr Polye said. It is a claim PNG's prime minister, Peter O'Neill, rejects.

"All the funds that are coming from the benefits of LNG will go straight to the sovereign wealth fund," Mr O'Neill told local station EMTV. Mr O'Neill had promised to explain the terms of the UBS loan in the May session of parliament, but debate was stopped because the ombudsman is investigating the legality of the loan. However, economists in Port Moresby have told the ABC that the sovereign wealth fund has not yet been fully set up. In March, then-treasurer Mr Polye refused to sign off on the loan and was sacked, leading to a cabinet reshuffle. Mr Polye believes the UBS

loan broke PNG's constitution by skipping parliamentary approval and broke the fiscal responsibility act by pushing the country's debt-to-GDP ratio above a 35 per cent ceiling. "Although there was benefit for business and corporate interests, I did not see any commercial benefit for the PNG people," Mr Polye said.

Taking a direct stake in resource projects

The reasons for the PNG government needing the UBS loan are complex and reflect the O'Neill administration's desire to have a direct stake in major resource projects. Five years ago, the government mortgaged its shares in Australian oil and gas exploration company Oil Search in order to secure a 19 per cent direct stake in the PNG LNG Project. When Abu Dhabi's International Petroleum Investment Company declined to sell the shares back, the PNG government was forced to look elsewhere for finance to buy back into Oil Search. PNG's government borrowed \$1.2 billion from UBS and purchased a 10 per cent stake in Oil Search. In the short term, the gamble has paid off, with Oil Search's share price climbing rapidly.

"We have a track record at Oil Search in delivering top quartile returns and I think since 2003 we've had a 1,700 per cent TSR [total shareholder return]," said Peter Botten, managing director of Oil Search. "So it puts us right at the top of company performance in terms of shareholder returns." Oil Search has been exploring in PNG for 85 years. It has a 29 per cent share in the PNG LNG Project and is a top-performing stock. Mr Botten says Oil Search will also help the government deliver roads, schools and hospitals to its citizens. In this way, Mr Botten sees Oil Search's role as more than just an alternative to the sovereign wealth fund. "No, I think it's part of the sovereign wealth fund. The future fund makes investments in infrastructure and in major companies," he said.

Track record in handling future funds

Critics argue the stake in Oil Search concentrates the government's investment risk within PNG and within the minerals sector. "There are many who would argue the state should really stick to the regulatory function and leave the private sector to invest in the projects," said Paul Barker, executive director of the Institute for National Affairs. Papua New Guinea's track record in handling future funds has not been good. The Mineral Revenue Stabilisation Fund - set up to deal with money from mines on Bougainville and Ok Tedi - was bled dry during the 1980s and 1990s. "For many times in the past, we have missed a lot of opportunities because we never manage our proceeds from the extractive industries prudently," Mr Polye said. Mr O'Neill, treasurer Patrick Pruaitch and chief ombudsman Rigo Lua did not respond to requests for an interview.

Papua New Guinea, Tanzania urged to protect child miners from mercury poisoning

The Guardian, IPPmedia, 22nd May 2014

Most governments including that of Tanzania have failed to take stern measures to prevent testing and of treating mercury related conditions in mining area. A statement issued by local environmentalists quoted the Human Rights Watch as saying that it has documented the harmful use of mercury by miners in Mali, Tanzania, Ghana, Nigeria and Papua New Guinea. The World Health Organisation assembly was scheduled to discuss a resolution on the new international treaty on mercury, the Minamata Convention, yesterday. In Papua New Guinea, a doctor speaking to Human Rights Watch researchers about the impact of mercury on small-scale gold miners said: "We have dozens of cases of mercury poisoning.... They stare blankly at the wall. You cannot talk to them, they are not conversant." During a Human Rights Watch investigation in Tanzania, a medical officer in a mining area expressed concern that health workers were "failing to diagnose" people suffering from mercury poisoning because they lacked training.

Mercury is a highly toxic liquid metal that attacks the central nervous system and remains in the environment for long periods of time. It is particularly harmful to children. Much of the world's mercury is used in small-scale gold mining, where an estimated 15 million adults and children use it on a regular basis to retrieve the gold, most of them unaware of its health risks. The metal is mixed into the ore to create an amalgam, and when burnt off, it releases toxic vapours. The new Minamata Convention obliges governments to protect small-scale mining communities from mercury exposure and to develop health strategies for them, including through health worker training, awareness-raising, and data-gathering. In addition, the treaty calls upon governments to prevent and treat all populations affected by mercury, and to strengthen the capacities of health professionals to cope with mercury-related sickness.

“It is vital for public health services to diagnose, test, and treat mercury exposure, and train and equip health workers to do that,” Kippenberg said. “Health ministries should start by conducting surveys in hotspots to identify patients with symptoms of mercury poisoning. The message health ministers should take home is that they need to act quickly to address the threat of mercury,” he said. The Minamata Convention on Mercury was adopted with the approval of 139 governments on October 10, 2013, in Japan. It is named after the Japanese town of Minamata, where one of the worst mercury poisoning disasters in history occurred in the 1950s, after a chemical factory polluted the bay with the metal. According to official figures, 1,700 people died, but the real number is believed to be much higher. In addition, tens of thousands more suffered life-long disabilities, including brain damage, intellectual disabilities, birth defects, and other health problems. Many of the victims were children. The convention will enter into force when 50 governments have ratified it. So far, only one country – the US – has deposited an “instrument of acceptance” with the United Nations, though many countries are preparing the treaty for parliamentary approval.

Rio Tinto cannot assume it will operate mine - Momis

ABC Radio Australia, 22 May 2014

Bougainville's President John Momis says he is not assuming that the Rio Tinto-owned copper mine on Bougainville will re-open or that Rio Tinto or its subsidiary Bougainville copper will be the operator. Moves to re-open the mine have been underway for 5 years but, as the mine was the spark which lit a 10-year civil war on the island in the 1980's and 90's, the issue is a sensitive one. Mr Momis told the Australia PNG Business Forum earlier this week that extensive consultations are underway and that landowners have indicated that they prefer Bougainville Copper.

Presenter: Jemima Garrett.

Speakers: John Momis, President, Bougainville

Peter Taylor, Executive Chairman, Bougainville Copper Ltd

GARRETT: Bougainville is due to hold a referendum on Independence from Papua New Guinea before mid-2020 but for there to be a real choice the Autonomous Bougainville Government must have an independent source of revenue.

For many on Bougainville, including President John Momis, the massive Panguna copper mine owned by Rio-Tinto subsidiary BCL is the best hope.

Mr Momis says altho he initially sought other developers, he and his people are now backing Bougainville copper.

MOMIS: The leaders of the landowners from the mine have consistently indicated that they prefer to deal with BCL rather than a new potential operator. They talk of preferring the devil they know and not a new devil. In large part they mean that they acknowledge that BCL both accepts that it played a role in what went wrong at Panguna and is prepared to contribute to finding workable solutions. They fear that a new developer may not have the same attitude.

GARRETT: Back in 1975 the Panguna copper mine was the revenue source that bank-rolled Papua New Guinea's independence from Australia.

The agreement to get it up and running in time was rushed and its failure to deliver benefits to landowners led to the grievances behind the civil war.

This time President Momis is determined to get it right.

He has put strict conditions on approval of the mine and says Bougainville Copper and its 53 per cent shareholder, Rio Tinto, cannot assume they will be the operator.

While BCL's Executive Chairman Peter Taylor is not too keen on being seen as the 'preferred devil' he is not worried the company will be ousted.

TAYLOR: There are criteria that he expects any potential operator to meet. We think we will be in good shape to meet those criteria so at that level I am not concerned.

GARRETT: President Momis says any mining development must provide opportunities for as many Bougainvilleans as possible, and it must spread the opportunities equitably and ensure participation of Bougainvilleans in decision-making. What are you prepared to do to make that happen?

TAYLOR: Well, I certainly share that view. We will certainly give priority to Bougainvilleans. In terms of training we might do for potential workers in the future, we will employ as many Bougainvilleans as possible. That is common sense any way. You would rather have local employees than outsiders because it is more economic to do it that way, but none the less it also helps us be part of the community rather than just be an operation in the community.

GARRETT: President Momis is working hard to diversify Bougainville's economy.

Crops such as cocoa are now providing substantial income for Bougainvilleans but not the tax revenue needed for Bougainville to be self-reliant.

Mr Momis sees Panguna having an impact well beyond mining.

MOMIS: Panguna mine will be like a magnet that attracts a lot of other businesses and it only needs Bougainville Copper landowners and ABG to agree and that will attract a lot of these companies to come and generate income for the people and revenue for the government.

GARRETT: At this stage how do you rate Bougainville copper's approach to the negotiations?

MOMIS: BCL's approach to the negotiations I think has been quite good. We don't know what Rio Tinto will do because they are so remote from us but I must say Bougainville Copper's approach is very good and I am quite happy that we are collaborating and I think we sort of share in a general way a common vision to generate revenue for Bougainville, of course revenue for the company, and do things under a new paradigm where the ABG (Autonomous Bougainville Government) and the landowners are not just treated as marginalised units.

GARRETT: Is it time Rio Tinto took more interest in Bougainville?

MOMIS: I think so! And I think Rio Tinto is probably being consistently and systematically briefed by BCL. We haven't heard anything that might mitigate against the process proceeding towards reaching a conclusion, in fact, we are very happy with Bougainville Copper's approach so far.

Concerns over spills at New Caledonia nickel processing plant

Radio New Zealand, originally aired on Dateline Pacific, Thursday 22 May 2014

Questions remain over why spills keep occurring at the Vale nickel processing plant in New Caledonia.

A nickel expert says questions need to be asked about Vale's risk management procedures, workers' behaviour and the design of its processing plant in New Caledonia to find out why spills keep happening there. Operations have been suspended at the Goro plant for more than two weeks after 100,000 litres of effluent, containing some acid, ended up in a creek. Environmentalists and the indigenous population are calling for the plant, which is next to a World Heritage Site and has had five spills in five years, to be shut permanently. Gavin Mudd, from the School of Environmental Engineering at Monash University, says the scale of the plant has always raised concern. Dr Mudd told Mary Baines it's up to Vale to find out what's going wrong, and fix it.

GAVIN MUDD: There's always potential for accidents when you're managing large volumes of chemicals. And especially at a plant like Goro, which also has other aspects to it, in terms of high pressure and temperature. There's a lot of wear and tear on equipment, sometimes when you're dealing with such aggressive processing. Therefore the material selection has to be extremely particular, and generally the engineering is done like that. So in some ways the issue becomes is either something failing in process design and their process construction and their overall workers' behaviour - all of these things have to be looked at. I haven't compared the accident rate at Goro to many others, but certainly across the Australian mining industry there's been certainly some very bad accidents over the years as well.

MARY BAINES: What is the significance of the Goro nickel processing plant in a global context?

GM: The Goro nickel resources are certainly amongst some of the largest in the world, certainly good grade in terms of nickel and cobalt, so in that sense it makes it quite valuable as a resource. The problem of course is what we call nickel laterite type deposits, which means it's sort of a weathered oxide type mineral deposit, which is extremely difficult to process, and requires a lot of effort to actually process and get the nickel and cobalt out into sort of metal form or some other form that can actually be used later on in the refining, and then used as nickel and cobalt. Which is why the process that's been built at Goro, in terms of the large processing plant there, is actually quite large and very complex, because that's the amount of effort to get the nickel out.

MB: So what would be the implications of this processing plant in New Caledonia being permanently shut down, as some people are calling for?

GM: Well, nickel plants open and shut all the time around the world, that's not necessarily anything unusual. And certainly there's other nickel laterite plants, so if that did happen at Goro there may be a small term sort of risk of something for the nickel price or nickel supply, but I think the nickel market can adjust very quickly. Primarily I guess the real issues around Goro have been environmental in nature and social in nature, so that scale of activity of the project has always raised a lot of concern.

MB: It's the fifth spill in as many years to have occurred at the plant. Do you have any ideas why this keeps happening?

GM: No, not exactly, I haven't reviewed their internal systems, whether it is risk management or chemical safety assessment or other things, but certainly if you look at many industries, chemical risks and making sure that you store things safely, you transfer things safely, a lot of these are fairly standard day-to-day processes. So, in some ways it is a legitimate question to say well why do they seem to be having some big accidents that are very, very significant, whether it is a spill of sulphuric acid or other things. It's an open question and it's certainly up to Goro at the moment to work out what's going wrong and fix it, and fix it well.

Vale has declined numerous requests for an interview.

LNG construction phase ends, locals lose jobs

The National, May 22nd, 2014

With the PNG LNG Project soon to be producing and exporting liquefied natural gas well ahead of schedule, a meltdown of the LNG construction workforce is sure to follow, Prime Minister Peter O'Neill says. Giving his keynote address at the 30th PNG-Australia business forum in Cairns on Monday, O'Neill outlined the effects the ending of the construction phase would have on the construction workers. O'Neill said a significant downside to the ending of the construction phase of PNG's first LNG project was the reduction in capacity of construction workers. "From a workforce of around 14,000, we will soon see it reduced to a fraction of that," he said. "More than half of the workers are Papua New Guineans and many of them have been trained and skilled by the project managers and their contractors. "Finding immediate employment for them is a challenge we have to

address but our continued strong, economic growth requires us to do so.

O'Neill said spending had been lifted significantly on infrastructure such as roads, seaports, airports, electricity and water supply. He said with such spending, work was provided for private sector construction companies and their employees. "We have lifted spending on schools, training and health which is of enormous social benefit but has an economic benefit as well," he said. "We have given priority to growing our small to medium enterprise sectors, which we see as our future. "A strong and growing small to medium enterprise sector boosts employment across the nation." He said the government was doing everything it could to fast-track approval and development processes for new resource projects as well. The next major LNG project, located in Gulf, has been brought forward to be developed by energy company Total.

Ramu Nickel meeting all criteria

The National, May 22nd, 2014

THE Ramu NiCo project has met all the government criteria and guidelines set by the Department of Environment and Conservation (DEC) for the deep sea tailing placement, an official says. DEC environment officer Gabriel Luluaki said that during a DSTP awareness last week at Basamuk in Raicoast district, Madang. The awareness is in compliance with the National Court Order of July 26, 2011 that Ramu NiCo, the state, and the director of environment under the DEC shall conduct awareness on DSTP on a quarterly basis. This year's awareness covered villages including Mindre, Ganglau and Tugiak around the Basamuk Refinery. Luluaki said the National Government through the DEC was confident the project's DSTP would not have any impact on the marine lives since the official production. Ramu NiCo Management (MCC) Ltd confirmed that DSTP was proven successful as expected according to the preliminary report. The company said an official report would be delivered soon after an independent consultant engaged released the findings. Luluaki said the operator has met all the DSTP criteria including the completion of baseline study, the slope of tailing disposal at 16 degree, gravity feed, and the tailing discharge pipe at 150m.

Ramu Nickel: Mindere clan wants no more sweet talk from MCC

PNG Mine Watch, May 22, 2014

The Mindere landowners at Basamuk showed off their frustrations when they chased the MCC's Health and Safety Department, the Community Affairs Department, the Mineral Resource Authority and the government officials who went to make awareness at their village last week Monday regarding the taro damage which the Basamuk landowners claim was caused by the thick black smoke released by the MCC factory at Basamuk.



Damaged garden crops

Upon their visit last week the MCC Safety Department accompanied by MRA told the Mindere people that the damage to their garden crops was a new taro disease, so the locals must not worry as its not caused by the factory. indere spokesperson Terry Kunnings said, the Mindere people have lived with taro for ages and taro has been their staple food year in year out and they have never experienced things such as taro blite or any new taro decease before and up until MCC started operating in Basamuk and with all the pollution from the factory they are now experiencing such changes in their food gardens. He questioned the visitation last Monday: “Who are you to come and give us answers regarding changes happening in and around our environment? You don’t live here and you know nothing about the type of food we eat, the type of food we harvest, the type of climate we have, the type of traditional calendar we follow the type of food we plant and harvest here, so why should you come here and started making your fancy excuses and try to protect and cover up the mine’s pollution? The frustrated landowners at Mindere said they are sick and have had enough of MCC’s bullshits. Their food harvest is deteriorating and they are suffering because most of them depend entirely on food gardens. Mr Kunning further went on to say that the decisions laid down by the court was not followed properly by the MCC so the landowners are now looking for possible options to open up the case again if worse comes to worse.

Hidden Valley: Villages celebrate new water supply

The National, May 22nd, 2014

VILLAGERS of Manki, in Hidden Valley, Morobe, are celebrating the opening of a new water supply funded by Morobe Mining. The 12 taps will be used by the 300 villagers. The village is located along the access road to the Hidden Valley mine. Villager John Auteto said the people had waited for too long for a reliable water supply. “We have suffered. It’s very hard for our people to walk up and down these slopes to fetch water every day,” he said. “In the dry season, it gets harder. I want to thank Morobe Mining for recognising our need.” Auteto encouraged the people to look after the resources. Morobe Mining general manager sustainability and external relations David Wissink stressed the importance of partnership between the Government, company and people. “Water is very important to us at Morobe Mining. We’d like to see that the health of our local people is being taken care of, and I commend all those who were involved in making this possible,” he said. “I am pleased that with the new water supply project completed, students can now access clean fresh water.” Wissink said Morobe Mining had implemented more than 40 water supply projects throughout the landowner villages and the Watut and Wafi-Golpu areas. Wissink said the company gave school materials to the local elementary school and urged parents to send children to school.

Government warns Western gas landowners

Post-Courier, May 22, 2014

LANDOWNERS of the K800 million Stanley gas condensate project area have been warned that if they fail to come to an agreement on the benefits arising from the project, the government will still issue the development licence. A forum to agree benefits-sharing is currently underway in Kiunga where landowners are discussing how they want to share their per centage of the gas project. The Oil and Gas Act provides landowners with a set percentage but it is up to the landowners themselves and provincial and local level governments, to propose how they want this share divided. Secretary for Petroleum and Energy Rendle Rimua and the negotiation facilitator Michael Nali both warned landowners that if their negotiations failed, the Minister for Petroleum would have no choice but to declare the whole forum failed.

The licence, however, would still be issued and any benefits for landowners or local governments would be held in trust until another forum is arranged and an agreement signed. Mr Rimua said his

hands were tied by the Oil and Gas Act and that there is no room for negotiation on the size of the percentage due to landowners. Under the law, landowners have no say on whether a license should be granted or not – that is a decision made by the national government in consultation with the developer. He told them that the forum must work and the project gets off the ground. Negotiating is continuing in Kiunga and hope to have the agreement signed before the end of the week. The Stanley gas condensate project is the first standalone gas condensate project. While the condensate is extracted and sold to Napa Napa, the gas will be ejected back until a buyer is found.

Western gas: Kondra: All stakeholders must be winners

Post-Courier, May 22, 2014

EVERYONE involved in the Stanley Gas Condensate project in North Fly electorate must be winners, says North Fly MP Boka Kondra. Speaking at the opening of the Benefit Sharing Agreement forum in Kiunga on Friday, Mr Kondra said the landowners, the different tiers of government and the developer must all be winners. He said his people have learned from the Ok Tedi experience and will not allow the same to happen. Mr Kondra said the winner in the OkTedi mine is the developer, the government and landowners lost and he does not want that to happen with the Stanley Gas Condensate project. He has called on his people to work together as one people and allow one leader to lead them.

After the presentation of the government's proposal by Secretary for Petroleum and Energy, Rendle Rimua, landowner leaders said they will work with the government and try to finalise the Benefit Sharing Agreement by the middle of this week. Meanwhile, the Stanley Gas Condensate Project is the first gas condensate project in the Western Province and it is also the first standalone project in the country. Mr Remuna said while it is not that big compared with the LNG project, it will bring some services and economic benefits to the landowners, provincial government and the national government. The secretary said it may also be the first of many similar projects and would be the model for others. The benefits sharing agreement forum started on Friday and is expected to continue to the end of this week.

Suspended Solomons Mine Employees Ask Government For Clarification

Gold Ridge workers concerned about delays in mitigating environmental risks

By Bradford Theonomi

HONIARA, Solomon Islands (Solomon Star, May 21, 2014) – Workers who were forced on suspension as St Barbara Mining officials left operations at Gold Ridge are asking the government what options it has not to allow the company to return and clean up its mess. In a letter, dated 6th May 2014 by GRML employees to the Prime Minister Gordon Darcy Lilo it seeks clarifications to the situation. Including reason behind the delay return of St Barbara, banning of 44 expatriate workers from returning and for refusing the company's return to restart operations, do assessment and clean up the site. This was also addressed to key ministries and figures of the government sighting the employees concern on the prolonging of any decision by the Prime Minister on St Barbara. "The longer the government delay their return, the higher the chances these risks will be. "It is not a time for assessment but time to act," it states.

It added the continuous management of these risks has been an integral part of St Barbara continuous operation and their absence means the absence of that risk management and control. St Barbara needs to come back quickly and stabilize the imminent risk posed to people and environment by chemicals like cyanide. The tailings dam also needs to be drained to avoid overflow which can cause catastrophic disaster to the people living downstream. The workers stated that no one is on a

better position to do the risk control now except for St Barbara technical people. Getting new people will only take more time for them to familiarize with the systems and processes at site thus will again prolong the risk and time. However if it is necessary that the company needs to shut down, then St Barbara need to come back and close operations properly. "They need to sort out their legal responsibility to us the employees, landowners and even the government including the stakeholders. "They need to sort out issues with landowners on royalties, employees to be on rightful redundancy package and NPF contributions needs to be settled even repatriation of its employees.

"We do not want a repeat of what happened with RIPEL workers who are still waiting for their entitlements due to forced closure." Or can the government guarantee all these be done at their expense that is why the Prime Minister did not respond to our letter, or is it a new option on the horizon, questioned the GRML employees committee. This includes the many benefits on workers and scholarships made available by St Barbara. "If St Barbara is forced out, we need to know of the government will be able to settle these issues." It added that GRML employees feel that any decision made concerning GRML need to involve them and to incorporate their welfare and interests. "We do not wish to be unfairly victimized for the decisions that are made without our involvement. We will be fighting to ensure that our interests are upheld and protected." In a statement over the weekend St Barbara management said it is keen to work together with the landowners and government and solve the current situation.

Pacific Civil Society says no to seabed mining

Radio New Zealand, May 21, 2014

A concerned group of NGOs say deep sea mining in the Pacific is being pushed forward without regard for ethics and moral principles. The Pacific Civil Society group has issued a statement, signed by the PNG-based Bismarck Ramu Group, the Pacific Conference of Churches and the Pacific Network on Globalisation, saying there is too much emphasis on financial benefits, and too little on the impact on the environment and people. A meeting in Rarotonga last week had 60 delegates discussing financial measures around the prospect of harvesting 'rare earth' minerals on the seabed around the Pacific. Previous meetings have dealt with environmental concerns and social impacts, and the Secretariat of the Pacific Community has contributed advice from its applied geoscience and technology division. But the Pacific Civil Society group says the Pacific is again being used as a testing ground, after nuclear testing last century, and there has been little consultation with landowners.

State clears K120 million for project

The National, May 21st, 2014

The government has approved a K120 million grant under the Stanley Gas condensate project in Western. This was revealed by the Secretary for Petroleum and Energy Rendle Rimua last Saturday at the benefit sharing agreement forum in Kiunga, Western. Rimua told the landowners that the Government realised that the project was small and approved the one-off grant. Of the K120 million, business development, infrastructure development, high impact project development and special infrastructure project grants would each receive K30 million. He projected that landowners would receive K9.26 million in royalty and K11.36 million in equity once the project gets off the ground. Rimua said the Fly River provincial government and the three local level governments would receive a total of K24.07 million in royalty and the three local level governments would receive K9.85 million each. Meanwhile for a start, the condensate would be produced and sold to the NapaNapa Oil refinery. The project's lifespan is 30 years.

Oil reserves attracts firms

The National, May 21st, 2014

By WATSON GABANA

MORE international petroleum and oil companies are interested in the oil reserves found in Papua New Guinea, the most recent being the British-based Heritage Oil Plc. The company acquired the four licenses initially issued to Kina Petroleum Ltd to farm-in exploration and drilling in four onshore drilling and exploration sites in the country. General manager Jenni Lean said yesterday that Heritage came in last year to operate the onshore prospects, it now has four licences. She said: “Seismic was acquired earlier in the year across the Tuyuwopi structure on PPL 319, confirming a drilling location and plans are underway to drill the prospect in 2014. “This year Heritage has farmed into PPL 337 and PPL 437 where the work programmes are expected to progress quickly, with wells slated for 2014. “These licenses are for the Banam and Raintree prospects respectively in the Ramu Basin, Madang. According to recent reports, it was indicative that Heritage is a versatile organisation, dedicated to creating and increasing shareholder value with a portfolio of quality assets managed by a highly experienced team with excellent technical, commercial and financial skills. The company has producing assets in Nigeria and Russia and exploration assets in Tanzania, Papua New Guinea, Malta, Libya and Pakistan.

RamuNico operating on a deficit budget

Post-Courier, May 21, 2014



By BENNY GETENG

PAPUA New Guinea’s first nickel mine, the Ramu Nickel mine in Madang Province, is currently operating on a deficit budget, according to a company official. Amanda Cai, the MCC corporate office manager, said Ramu nickel mine’s biggest challenge is that they are operating on a deficit budget with most help coming from their mother company in China. “The mother company, MCC in China, is providing funds for our daily operations here in PNG,” she said. She said the price of nickel in the world market today is another factor that the company is very mindful of with having an increase from \$US14,000 per tonne to \$US18,000 (K55,348) per tonne. “With the economic depression and glooming metal market, the management team are forced to make efforts to market the products .Huge input during load commissioning and small output, result in negative cash flow. The company needs to find new loan to make up the cash flow gap.” Other challenges highlighted by Ms Cai included improving product quality “Products quality need to be improved by improving the system specification and lack of skill national operators and experience workers, mining laterate in wet seasons and chromite removal from laterate.”

“We are on the fundamental drive that with the economic growth of PNG currently and in the years to come we can be able to increase our production rate to 70 per cent at around 20,000 tonnes to sell overseas. For this year we are on track to produce 18,000 to 30,000 tonnes. Our current annual output rate stands at annual output (metal equivalent) Nickel 32,000 tonne and Cobalt 3300 tonne.”

Ms Cai said that the current reserves of the mine is at 75.7 million tonnes. She said that Ramu NiCo is committed long-term partner with Madang Provincial Government, Local Level Government as well as the National Government. "Ramu NiCo just comes into load commissioning, like a baby chicken need to be cared by all stakeholders, to grow up and then deliver eggs for people. We have the confidence, with the strong support from all stakeholders, Ramu NiCo project will become a successful model in Madang, and this will also increase the confidence for foreign investor to come to PNG, specially to Madang, to invest.

Governor Kas calls for assessment

Post-Courier, May 21, 2014

MADANG Governor Jim Kas has called on Department of Environment and Conservation Minister John Pundari, to conduct an independent assessment of the mine tailings into Basamuk Bay. Mr Kas told parliament last week that there are three canyons under the sea at Basamuk where MCC is depositing the mine tailings. He said the University of PNG, through a research organisation in France, conducted surveys in the area have concluded that the tailings are now affecting the Basamuk basement. Mr Kas said MCC has stated from their modeling that tailings will not affect the two canyons to the east and west of Basamuk Bay but surveys have shown the two canyons are now affected. "Can you deny or confirm whether this things are happening undersea at Basamuk?" he said.

Bougainville: Panguna landowners prefer BCL

Post-Courier, May 21, 2014

LANDOWNERS from Bougainville's Panguna area that hosts the shut copper mine prefer to work with Bougainville Copper Limited rather than a new operator. Autonomous Bougainville government president John Momis said this yesterday at a workshop which was part of the 30th Papua New Guinea-Australia Business Forum in the Australian city of Cairns. He said leaders representing the landowners of the mine lease areas had indicated that they preferred BCL due to its role as the developer and operator of the mine and the fact that it owns existing legal rights to the land on which the mine sits. "They talk of preferring the 'devil they know and not a new devil'. In large part they acknowledge that BCL accepts that it played a role in what went wrong at Panguna and is prepared to contribute to finding workable solutions.

They fear that a new developer may not have the same attitude. They also acknowledge, quite openly, that BCL did some things very well, especially training of Bougainvilleans," said Mr Momis. "So if the negotiations we are preparing for do get underway later this year, as we hope, they will begin with BCL. But if we are unable to reach an acceptable agreement, the ABG and the landowners will seek other potential developers with a proven track record of developing and managing similar large scale but low grade copper and gold deposits." Women on the island are also of the view that should the ABG reopen the mine said Mr Momis, though on the condition that other issues were addressed and the wealth from the project is fairly distributed to Bougainvilleans. Mr Momis said work on Bougainville's mining policy and legislation was also complete and would see the establishment of a mining department.

Porgera: Call out operation in Wabag eyes long term solution

Post-Courier, May 21, 2014

More than 200 police and PNG Defence Force personnel deployed in the special call out operation in the Porgera gold mine to address the alarming illegal mining activity are optimistic that they will assist the government in coming up with long term solutions. Deputy Commander of the operation Senior Inspector Segi Ewai said their community relation oriented strategy to address the problem by involving the community was showing positive signs about addressing the problem. He said the number of illegal miners entering the open pit and underground mining areas had reduced from 1000 plus to less than 100 since the operation began. He said the security force personnel were helping other government officials from the Prime Ministers Department, Labor and Industrial relations and national planning office apart from doing their normal duty on seeking views from people about long terms with the view to making recommendations to the Government for further action.

Mineral Resources Authority (MRA) coordinator of Porgera and Mt Kare gold projects, Joe Ryangao, said the relocation of people living within the special mining lease (SML) area was among issues that they were looking at addressing as part of coming up with long term solutions. He said the Porgera gold mine was the only project in the world that had people living within the boundaries of the mining operation which made the work difficult for the project developer and the Government. "More than half of the illegal miners are the people who are living within the SML area. They would have been relocated a long time ago but it was never done. It will be one of the major issues that we plan to recommend to the government for further action," he said. Mr Ryangao said the Porgera mine review which is planned to be held in Kokopo next month will further deliberate on the issue.

Cook Islands Considers Modifying Environment Act For Seabed Mining

Regulations needed before undersea mining begins

By Ben Chapman-Smith

RAROTONGA, Cook Islands (Cook Islands News, May 20, 2014) – Changes are set to be made to the Environment Act in preparation for any future seabed minerals exploration in the Cook Islands. Before significant land-based projects can take place, those involved must submit an Environment Impact Assessment (EIA) which clearly outlines the potential risks. A similar process will have to take place with deep sea exploration but regulations first need to be developed to strengthen the EIA clause of the Environment Act, said Vavia. Tangatataia, Manager of Advisory and Compliance at the National Environment Service (NES). "This deep sea mining sector is new so we need to put the rules in place. What we're doing now is trying to incorporate this into the environment permits and consents regulation." Tangatataia said these regulations will sit under the umbrella of the Environment Act. The NES is working closely with the Seabed Minerals Authority, Crown Law and the Secretariat of the Pacific Community to develop the regulations. It is also working with the Commonwealth Secretariat to address the limitations of the Environment Act.

The Seabed Minerals Authority, which last week hosted a regional workshop in Rarotonga, is likely to begin issuing the first exploration licences in the next year. One of the main challenges involved in assessing environmental impact is the depth this work will take place, in some cases up to 5000m below the ocean's surface, Tangatataia said. "For land-based mining it's easy for us to go out and monitor projects. But with these (deep sea mining operations) it involves a lot of money and it's beyond our ability." Accordingly, the NES is trying to develop capacity to identify how proper assessments can be done to make sure the mining operations won't damage the environment. "Even though it's quite deep, you'd be amazed at how much life is down there that needs to be protected."

Dr Kifle Kahsai, Chief Geoscientist at the Secretariat of the Pacific Community, spoke at last week's workshop and warned Pacific Island countries to take their time and weigh up the risks before issuing their first licences for seabed minerals exploration. Tangatataia agreed with those comments. "There's no need to rush, or afterwards, we may regret the impacts of this."

Uncertainty over Vale nickel plant in New Caledonia

Radio New Zealand, May 20, 2014

There is continued uncertainty over when Vale's nickel plant in New Caledonia will resume operations, leaving those employed there in limbo. Operations have been suspended at the Goro plant for almost two weeks after 100,000 litres of effluent, containing some acid, ended up in a creek. Chiefs of the tribes in the Southern Province are calling for the plant to be shut permanently, and have been blocking the plant's entrance. But the business organisation MEDEF has expressed concerns that if the plant is shut down, there will be huge economic and social implications. It has said 1,350 jobs are at stake, and the plant's suspension may have a snowball effect on other industries which subcontract and supply to Vale. Local media has reported those not working during the suspension do not know whether they will be paid. Numerous requests for comment from Vale New Caledonia and Vale International have been unsuccessful.

Hidden Valley: Rife in illegal activities

The National, May 20th, 2014

LOCALS living near the Hidden Valley mine and its tailings storage facility have raised concerns of increased illegal activities at the mine. The villagers in the surrounding communities claim that since the deferral of the signing of the Memorandum of Agreement between the developer, Morobe Mining Joint Venture, the State and the Morobe provincial government, there has been increased illegal activities, including illegal mine trespassing, illegal mining and increased volume of at the mine site. "The MoU is already expired, and the settlers are taking advantage and are entering the mining lease area and conducting alluvial mining. "The locals are concerned that if the company and authorities such as police retaliate, they will attack the innocent villagers if something happens," a man from Hikananguwe said. General manager sustainability and external relations David Wissink admitted that MMJV was aware of illegal trespassers despite warning signs and awareness by community affairs and security personals. "Trespassers who are caught involved in illegal activities on the mining lease will be arrested," he said.

Mining threat to marine, conservation group says

The National, May 20th, 2014

MARINE life in Madang is facing environmental risks created by major development projects in the province, says a non-government organisation. Mas Kagin Tapani Association project coordinator Wenceslaus Magun said the Ramu nickel cobalt mine deep sea tailings endangered marine life. The tailings have already polluted the Basamuk Bay just after two years of mining operations, he said. Magun said waste from various canneries and factories, and the proposed deep sea mining in the Bismark Sea could affect marine resources. "The threat to marine life posed by major development is a challenge for the organisation, which is focusing on the conservation of marine resources such as the leatherback turtles," he said. "There is an urgent need for the community at large to understand this. "The local, provincial and the Government has to be well informed of the proposed developments and their effects on their environment." Mas Kagin is making a positive input through its campaign programme by holding a public forum in Madang. Magun said the organi-

sation was trying to conserve the leatherback turtle and other marine resources. He said conservation of the turtle species was vital as it was a cultural resource for the people. Losing the species would result in loss of their culture and identity." He said donors that support their fight include WWF Melanesia, Global Green grants, South Pacific Regional Environment Programme plus support in-kind from family members. He said the programme put emphasis on the turtle population which was declining.

PNG Governor Proposes Changes To Resource Benefit Sharing

Former PM Chan submits regulatory changes proposal to Cabinet

By Jacob Pok

PORT MORESBY, Papua New Guinea (PNG Post-Courier, May 20, 2014) – Former Prime Minister Sir Julius Chan has made a submission to Cabinet last week to push for a shift on the resource benefit sharing arrangements, in the extractive sector of the country. The submission was on the legal regime on the resource ownership and benefits sharing arrangements in Papua New Guinea, to be reviewed and possibly be changed to benefit the people directly. Sir Julius, who is the New Ireland Governor, said he and his team of experts have been working on the legal regime on resource benefits for the last five years, and have now submitted it to cabinet for it to consider and act on. He said the submission contained all the documents and discussions he had delivered to various forums advocating for the legal regime on the resource ownership and benefits sharing arrangements. The submission contained a proposed Mining (Amendment) Bill 2014 that emphasises for the:

- Change of ownership of mineral resources found within customary land from the State to the customary landowners;
- Enable the customary landowners to actively participate in the mining industry through the exploration and extraction of their mineral resources, and,
- Equally distribute the wealth from mineral resources with the other non mining provinces.

He said under that proposal, the property rights in minerals within a customary land and land under a provincial government jurisdiction is transferred and vested in the customary landowners and the provincial government respectively while minerals found on State land is vested in the State. "For 4000 years, landowners have owned the land and whatever resources the land produces is theirs and the right of ownership should be given back to the landowners," Sir Julius said. He said the Mining Act 1992 needs to be amended to give back the land ownership rights to the people while the State can continue to be the regulator for mining on customary land. "There is no dispute that most of the land in the extractive sector is owned by the customary landowners and it has always been their land. We want to see the landowners own 51 percent of the benefiting sharing arrangements and the provincial government can get 4 percent out of the 51 percent," Sir Julius said. He said the push is so that landowners can benefit rather than the foreign companies.

Cook Islands Sea Bed Mining Briefing ‘Hijacked’ By Activists

Environmentalists ‘making a big noise’ dominate public forum

By Ben Chapman-Smith

RAROTONGA, Cook Islands (Cook Islands News, May 19, 2014) – A seabed minerals update meeting held for the public this week was disrupted by certain individuals who "hijacked" the event, says Seabed Minerals Commissioner Paul Lynch. Organised by the Cook Islands Seabed Minerals Authority (SBMA), the public session was scheduled to run from 6pm to 7pm at the Rarotongan Beach Resort on Wednesday - but ended up finishing an hour late. A group of panellists were on hand to make presentations about deep sea minerals and then respond to questions from the audi-

ence. Lynch said a few loud individuals ended up dominating proceedings and preventing others from asking questions. "It was hijacked by people who didn't want to listen or ask questions of our panel. With locals, if someone's making a big noise they'll go back into their shell." The public meeting came in the middle of a major regional workshop on deep sea minerals - attended by dozens of overseas representatives – which was held in Rarotonga this week.

Lynch said the main purpose of this workshop – and accordingly, the public meeting - was to look specifically at the financial aspects of deep sea minerals. Those that "hijacked" the meeting had no interest in talking about these issues but focused purely on environmental concerns, he said. Jacqui Evans, Marine Park Project Manager for environmental group Te Ipukarea Society (TIS), said she found the meeting "awkward" and "repetitive". "It was long-winded. They should have given an opportunity for panellists to say something and they didn't provide a space for us to ask questions. They kept trying to steer the discussion away from the environment." She said she was more interested in putting questions to the SBMA than the panellists, but was prevented from doing so. "They just kept telling us: 'The panel are specialists and are only here for a short time, you need to ask them questions'." One positive was the presentation from Alison Swadling, an Environment Advisor with the Deep Sea Minerals Project, Evans said.

"She said we need to understand the impacts first before we decide whether to mine or not, because so often the Government has taken it for granted that we will mine without knowing what the impacts will be." Criticism of the meeting also came from visiting environmental activist Sue Arnold, head of Australians for Animals International. "Most of the evening was taken up with long and repetitive sermons that ate away question time. It must have been the only expert panel that didn't receive more than one question as Paul Lynch kept trying to change the focus to financial issues when the environment, cultural, and legal issues are paramount." Arnold said the meeting failed to give Cook Islanders an opportunity to address "the very serious concerns" associated with deep sea mining. Lynch said there will be plenty of opportunity for members of the public to learn more about deep sea minerals and ask questions. SBMA will in time be holding other meetings in community halls to talk about these issues, he said.

Tiefsee ohne Bergbau

Alternativer Meereskongress fordert besseren Schutz der Ozeane

In Bremen erarbeitete ein breites Bündnis eine Resolution gegen Umweltverschmutzung, Ausbeutung der Meere und für faire Schifffahrt und Fischerei.

Neues Deutschland, 19.05.2014, von Burkhard Ilschner



Auch diese eindrucksvolle Drohgebärde wird seinen Lebensraum nicht vor der Ausbeutung schützen. Foto: AFP/Justin Marshall

»Stop seabed mining. Please.« (Stoppt den Tiefseebergbau. Bitte.) - Ebenso nachdrücklich wie emotional appellierte Maureen Penjueli vom »Pacific Network on Globalisation« an die Teilnehmer der zivilgesellschaftlichen Meereskonferenz, die am Sonnabend nach zwei Tagen zu Ende gegangen ist. Der Ruf der zierlichen Frau aus Papua-Neuguinea hatte zumindest einen kleinen Erfolg: Die Schlussresolution des Kongresses beinhaltet »ein internationales Moratorium für den Abbau von Erzen aus der Tiefsee« - ohne Wenn und Aber. »Ein anderes Meer ist möglich!« - unter diesem Motto hatte ein breites alternatives Bündnis nach Bremen eingeladen, um gemeinsam Position zu beziehen gegen den »Europäischen Tag der Meere«: So heißt ein am Montag in der Hansestadt an der Weser beginnender Messekongress der Europäischen Kommission und des Bundesverkehrsministeriums. Brüssel und Berlin haben diese seit 2008 an jährlich wechselnden Orten stattfindende Veranstaltung aktuell unter der Überschrift »Innovation driving Blue Growth« der Meerestechnologie und der nachhaltigen Nutzung der Meeresressourcen gewidmet.

Das Bündnis aus Umwelt- und Naturschutz, Entwicklungs- und Flüchtlingshilfe sowie gewerkschaftlichen und kirchlichen Gliederungen, das den Alternativkongress einberufen hatte, hält diese einseitige Ausrichtung europäischer Meerespolitik auf Wachstum und Nutzerinteressen für falsch. Auf Einladung des Projekts »fair oceans« des Bremer Vereins für Internationalismus und Kommunikation (IntKom) und des evangelischen Entwicklungsdienstes »Brot für die Welt« hatten daher Vertreter der Organisationen, die zusammen mehrere hunderttausend Menschen repräsentieren, gemeinsam mit der interessierten Öffentlichkeit Gegenkonzepte diskutiert und einen umfangreichen Forderungskatalog verabschiedet. Es ist ein beachtlicher Zusammenschluss, der sich da zu Wort meldet: Neben regionalen Initiativen und Netzwerken fanden sich der Bund für Umwelt und Naturschutz Deutschland (BUND), der Bundesverband Bürgerinitiativen Umweltschutz (BBU), die Deutsche Seemannsmission, das Forum Umwelt und Entwicklung (FUE), Greenpeace, medico international, der Naturschutzbund Deutschland (NABU), Robin Wood, die Internationale Transportarbeiter-Föderation (ITF) und die Umweltstiftung WWF zusammen. Sie alle sehen sowohl die europäische als auch die globale Meerespolitik und unser aller Umgang mit den Meeren vor einer Richtungsentscheidung. Der immer stärkere Zugriff auf die lebenden, mineralischen und energetischen Ressourcen der Meere gefährde den Erhalt der marinen Ökosysteme und befördere die ungerechte und ungleiche Entwicklung.

Es gelte, stattdessen die Entschleunigung des globalen Wettlaufs um die Schätze des Meeres in den Mittelpunkt öffentlichen Interesses zu rücken, so das Bündnis. Die Initiative warnt nachdrücklich vor der akuten Gefahr, auf See dieselben Fehler zu wiederholen, die an Land zu Umwelt-, Klima- und Entwicklungskrisen geführt haben und weiter verursachen, und skizziert daher notwendige Alternativen zu einer nur ökonomisch ausgerichteten Meerespolitik. Für den Schutz der marinen Artenvielfalt sei es unter anderem erforderlich, die Tiefsee unangetastet zu lassen und die Vermüllung der Meere zu beenden, auch müssten deutlich mehr Meeresgebiete unter effektiven und kontrollierten Schutz gestellt werden. Die Resolution kritisiert ferner schädliche Fischereitechniken und -subventionen und fordert, die industriell organisierte Überfischung zu beenden sowie die Ernährungssicherung durch Kleinfischerei zu unterstützen. Zudem plädiert das Bündnis für den Schutz der Menschenrechte auf See durch eine andere Flüchtlingspolitik und mahnt eindringlich faire Arbeitsbedingungen in der Schifffahrt an: Das System der Billigflaggen gehöre abgeschafft, nur durch die Bindung der Flagge an Nationalität und Wohnsitz der Eigentümer sei eine Kontrolle der Verantwortlichkeiten an Bord möglich. Kai Kaschinski, Sprecher von »fair oceans« sagte zum Abschluss, die Resolution solle mit den enthaltenen Alternativen »Grenzpfiler fürs Blaue Wachstum« setzen.

Seabed mining: Need to protect environment

Cook Islands News, May 15, 2014 Written by Emmanuel Samoglou

Attendees at this week's deep sea minerals workshop heard about the environmental issues of mining on the seabed floor. A presentation on the topic was made by Alison Swaddling, an Environment Advisor with the Deep Sea Minerals (DSM) Project - a regional training programme jointly devised and implemented by the Secretariat of the Pacific Community (SPC) and the European Union. During her presentation, Swaddling said there are a series of environmental management considerations that need to be looked at, including understanding the effects on marine ecosystems, and understanding, managing, and monitoring the potential impacts of any mining activity. According to DSM Project literature, the Cook Islands exclusive economic zone contains roughly 7.5 million metric tonnes of manganese nodules, which are located at a depth between 3000 and 5000 metres below sea level. It is believed that 32 million metric tonnes of cobalt is located on the nation's seabed floor – 520 years worth of supply based on current global demand. Swaddling said a variety of animals such as worms, sponges, molluscs (snails) live in the surrounding environment or on the nodules themselves – which, on average, fit in the palm of a hand.

Potential impacts to marine life would result from a number of mining activities, from the removal of the target material from the sea floor to the disposal of waste material (tailings) and transport of product to markets. Additionally, light and noise from mining could have the potential to either attract or repel marine life. As an example of the seabed floor's unique and delicate ecosystem, Swaddling showed a 1978 image where nodules were previously recovered. Photographed again some 26 years later, the same area showed the original disturbances on the floor – where it is said a bottom current of less than 5 cm per second exists. Environmental objectives should involve maintaining overall biodiversity and ecosystem health and functions, and if mining sites will be permanently altered, Swaddling said a network of marine reserves should be established to achieve environmental objectives. Additionally, she said mining companies contracted to source the nodules will need to monitor sites, while government officials should have a necessary monitoring regime in place to keep tabs on the contractors themselves.

Regional Director General says not enough data to safely allow experimental seabed mining

Collecting more information about the marine environment is a "critical need" if people are to make informed decisions about seabed mining, said the Director General of the South Pacific Regional Environment Program

PNG Mine Watch, May 19, 2014



David Sheppard, Director General of SPREP

In Papua New Guinea the government has already issued a Mining Lease and Environmental Permit for experimental seabed mining, but that is premature according to the Director General of SPREP, David Sheppard. Sheppard says there is a critical need for more baseline environmental data to be collected to enable Pacific countries to ensure informed decision making and strengthen the responsible management of their deep sea mineral resources. Sheppard also says mining companies like Canadian company Nautilus Minerals which holds the permit in PNG, need to do more scientific work to justify their mining plans. “The companies themselves need to allocate money for independent scientific studies of the biodiversity and the environment in the deep sea. There is good understanding of the mineral deposits but we need to have the same level of information of the deep sea ecosystems where they occur”. Sheppard’s comments were made during a regional workshop in the Cook Islands in January.

Sheppard also said seabed mining needs to be considered within the wider context of the marine environment and its resources. “To date much of the discussion has been focussed on project level EIA but this needs to be done within a wider context of strategic plans and assessments such as marine spatial planning, cost benefit analysis and sustainability appraisals. We need to consider deep sea mining as only one of the potential uses of our ocean resources and consider it in an integrated way along other uses such as conservation, fisheries and tourism paying particular attention to accumulative impacts, setting acceptable thresholds, equity of benefits and long term sustainability.” Sheppard emphasized the need to take a precautionary approach to experimental seabed mining, something the PNG government and its environment agency have manifestly failed to do. “We need to proceed cautiously in line with the precautionary approach especially since this is an activity that has not been carried out anywhere in the world and ensure that public consultation and participation in decision making is at the core of this process.

Owners dispute gas operator

The National, 19th May 2014

LANDOWNERS in Western prefer Talisman Energy to develop the Stanley Gas condensate project and not Horizon Oil as appointed by the state. Team leader representing 122 clans within the project impact area Imen Papa, in the presence of Arts Culture and Tourism Minister and North Fly MP Boka Kondra and other provincial leaders, said the traditional landowners were not happy with the announcement made by the Petroleum and Energy Minister Nixon Duban on the government’s decision to allow Horizon Oil to continue as the operator of the project. Papa said more than 5000 beneficiaries of the project preferred to have Talisman Energy to be the operator. He said: “The landowners were not happy with the announcement of the minister that Horizon remains as operator. The landowners are petitioning on Monday (today) that Talisman Energy should be the operator.

Speaking in Kiunga last Friday, Duban said the National Government was firm on its decision to have Horizon Oil develop Stanley Gas. “We (government) understand that Horizon Oil and Talisman are having a close up on the operatorship of the project – and it has been brought to our attention. Our government respects the fact that it’s a corporate arrangement. And as a shareholder, it is the government’s position that Horizon Oil continues to operate until after the construction of the project. “Today (last Friday) is not the right time to change. We are appealing to Talisman and all the partners to respect PNG government’s position and accept that it is a good decision. “I appeal to leaders of this province to support the government’s position.”

Horizon: Project is significant

The National, 19th May 2014

By SHIRLEY MAULUDU in Kiunga

THOUGH very small compared to PNG LNG project, Stanley gas/condensate is a significant project for Western, operator Horizon Oil said. Chief company representative Kelvin Bramley said the project was valued at about US\$283million (K784.6 million). He said the Stanley Gas represents a very important first step in what the operator believes would be significant development of petroleum resources in the province. Speaking during opening ceremony of the project's benefit sharing agreement (BSA) development forum in Kiunga last Friday, Bramley said Horizon was looking forward to developing the project as resource would be used for the benefit of people of Western.

“We (Horizon) as developers of the Stanley gas project are very keen to see Stanley's gas and condensate – which will be produced right here in Western – processed and used domestically; be it to make diesel fuel in Port Moresby or to feed as gas fired power station to help power the Ok Tedi mine and hopefully provide power to communities along the highway,” he said. Bramley had formally presented Horizon Oil's application for development licence to develop Stanley gas/condensate field in North Fly district – to the department of Petroleum and Energy two years ago. He said the developer, with joint venture partners – Talisman Energy, Osaka Gas and Mitsubishi Corporation – were pleased that the actual delivery of the project was soon to start.

Mine tailings in Basamuk Bay

The National, 19th May 2014

MADANG Governor Jim Kas has asked the Department of Environment and Conservation to investigate findings of a recent study indicating that the two canyons to the east and west beneath the sea in Basamuk Bay have been affected by tailings from the RamuNiCo mine. According to Kas, there are three canyons beneath the sea in Basamuk Bay where the tailings from the mine are being deposited. He said the University of Papua New Guinea and a research organisation from France conducted surveys in the area starting 2010. “In 2010 they found and established some baseline data from that particular area. “MCC says that from the modelling when DSTP saw one of those canyons, the two canyons to the east and west of that canyon will not be affected,”

Kas said in Parliament last Friday. “But according to the recent study done about two months ago, as witnessed by the Member for Usino-Bundi and myself, the canyons are now affected. “Will you confirm or deny that these things are happening under the sea at Basamuk?” he asked Environment and Conservation Minister John Pundari. Kas was concerned that the mining operation was now into its second year and the canyons were being affected. He asked Pundari if measures could be taken to conduct independent studies to establishing the fact that such was happening at Basamuk. I'll be interested in those assessments whoever they are, whether they are independent parties engaged by the Madang provincial government or the district for that matter, for and on behalf of the people,” Pundari said. “I will get my department to assess that and if there is a need for an independent study or further studies to be done I will inform the governor accordingly.”

Solomons Gold Mine Company Agrees With UN Assessment

Gold Ridge: Professional intervention needed to manage tailings dam

HONIARA, Solomon Islands (Solomon Star, May 18, 2014) – Gold Ridge Mining Limited (GRML) says it concurs with the findings of the United Nations Disaster Assessment and Coordination (UNDAC) team that the tailings dam requires timely professional management. GRML director

Mr Lehany said the Site Stabilisation Plan they previously provided to the national government includes action items regarding the tailings dam. "GRML agrees with the view in the UNDAC draft report that only those with the necessary technical skill and sufficient mining experience should undertake work at the tailings dam," Lehany said. "We believe that GRLM is best placed to stabilise the tailings dam, and its technical team has plans ready to stabilise the mine and the tailings dam."

He said they are actively seeking to engage with the Solomon Islands Government in an effort to return to the mine, as soon as the restriction placed upon their employees is lifted, and key logistics and related items are addressed. The government had banned all expatriate GRML workers from returning after they hurriedly left the country last month as a result of the flooding. The ban is still in place and GRML is yet to resume operations. Lehany said all GRML permanent employees remain on 'special leave' and continue to be paid in full, however, this cannot continue indefinitely. "Suppliers continue to be paid in full for contracted supplies. "The company acknowledges the calls from landowner and community groups to return to site as reported in the media. "We continue to engage with the Government on an increasingly urgent basis to allow for our personnel to return to site as soon as possible and undertake the works described above," Lehany said.

Report links ExxonMobil to landslide

The National, May 16th, 2014

EXXONMOBIL has again been blamed for the Mt Tumbi landslide which killed 27 people in Hela, in 2012. A new report, which will be published in the US investigative news magazine The Nation on Monday, says the landslide emanated from a quarry operated by a subsidiary of ExxonMobil – Esso Highlands Limited. It says a year-long investigation by The Nation and the Nation Institute's Investigative Fund sheds new light on the disaster, unearthing evidence that implicates shoddy mining practices and revealing that the company had been warned by its own contractors that mining operations might trigger a landslide. At least 27 people sleeping in their homes died instantly on the morning of January 24, when two million tonnes of boulders, limestone, water, mud and trees came roaring down from the top of Tumbi Mountain. The landslide lasted a few minutes and created a debris field of a kilometre long, several hundred metres wide and 100 metres deep. A precise death count is unknown –no bodies were ever recovered.

The report says EHL, now called ExxonMobil PNG Ltd, had been mining limestone since 2010 for the construction phase of the \$19 billion PNG LNG project. The quarry, which had been mined sporadically by other operators for several decades without incident before ExxonMobil's arrival, was part of a massive endeavour that involved drilling wells for gas extraction and the construction of hundreds of miles of pipeline, storage facilities, processing plants and even an airstrip. The limestone was destined primarily for construction of the nearby Komo airport that would be used to fly in heavy equipment and supplies. The report says ExxonMobil insists that its quarry operations "were conducted in a safe and prudent manner ... consistent with governmental approval" and denies that they "played any role in the landslide". "The LNG project, which has been vexed since its inception by civil unrest and huge cost overruns, was made possible in large part by American taxpayers, in the form of a \$3 billion loan in 2009 from the Export-Import Bank of the United States – at that point, the largest loan by the bank in its 75-year history," the report added.

The report claims that evidence shows the project was deeply troubled in other ways. "Landowners at various sites claim that ExxonMobil and a compliant PNG government cheated them out of their rightful compensation and other promised benefits. And sources close to the project implicate ExxonMobil in subsidising a notorious police unit with a long record of human rights abuses that has provided security for the project." ExxonMobil PNG Ltd this week denied it was responsible for the landslide and that they funded the supply of weapons for the special police units that provided

security for the project. "We disagree with any assertions that operation of the quarry played a role in the landslide," EMPNG's media and communications adviser Rebecca Arnold said. "The project's limited quarry operations were conducted in a safe and prudent manner and consistent with governmental approval. "On security, ExxonMobil has never supplied weapons nor (provided) any funding for weapons to the Royal PNG Constabulary. "Under the terms of a memorandum of understanding with the Royal PNG Constabulary, and due to the remote locations in which the project must operate, we may provide support in prescribed areas, for example, transportation. "Our support specifically excludes provision of weapons."

PNG Government Sees Big Return From Oil Search Investment

Share price increase nets \$278 million after LNG production starts

By Alexander Rheeny

PORT MORESBY, Papua New Guinea (PNG Post-Courier, May 16, 2014) – The PNG Government has made a windfall of more than K800 million [US\$278 million] from its controversial 10.1 per cent equity in Oil Search Limited on the back of record high prices for the company's shares. Oil Search shares have reached a record high thanks to the progress and commissioning of the \$US19 billion ExxonMobil-led PNG LNG Project on Wednesday. The shares reached a high of A\$9.18 per share yesterday on the Australian Stock Exchange, which translates to the Government's shareholding in the company increasing in value by more than 30 percent or over K800 million since mid-March. The Government came under a lot of criticism over its decision to take out a K3 billion [US\$1.04 billion] loan from the United Bank of Switzerland (UBS) to fund its stake in the company.

The shares were purchased at a price of \$A8.20 [US\$7.68] per share in March but its value has now appreciated to A\$9.18 [US\$8.60] per share. The windfall for the State would make Prime Minister Peter O'Neill elated as he signed off on the loan, which ironically triggered the sacking of the treasurer and Kandep MP Don Polye and a subsequent cabinet reshuffle. It is understood OSL managing director Peter Botten will give the good news to the company's shareholders today at their annual general meeting in Port Moresby. The MD of the oil and gas exploration and development company told Bloomberg in a recent interview that PNG's first gas export will go to the Tokyo Electric Power Co. "The project is a platform for a significant corporate transformation for Oil Search," he said. The first series of LNG cargoes from the project will be sold at spot prices, with the development progressively moving into contract deliveries, he said.

Income From Sea Bed Mining In Cooks Could Eclipse Tourism

Cook Islands has "world class resource worth 'a vast sum'"

By Ben Chapman-Smith

RAROTONGA, Cook Islands (Cook Islands News, May 15, 2014) – Mining of deep sea minerals in the Cook Islands could provide an economic return which is at least equivalent to the tourism industry, says a government advisor. Darryl Thorburn, from the Seabed Minerals Authority (SBMA), said he is wary of throwing around figures but the country's seabed minerals resource is worth "a vast sum." "What we know is the Cook Islands has a world-class resource. The likely return, if a mining operation does go ahead, is at least equivalent to the tourism industry." Those returns for the Government would come in the form of income tax and royalties. According to a 2013 survey by marine geochemist David Cronan, the Cook Islands Exclusive Economic Zone (EEZ) contains 10 billion tonnes of manganese nodules, which contain minerals like manganese, nickel, copper, titanium and cobalt.

Thorburn, the SBMA's Minerals and Natural Resources Advisor, said the gross value of the resource as it sits in the ground - based on the content of nickel, copper and cobalt - is about \$US1.7 trillion. "If you could only extract 10 per cent of that, you're still looking at about \$174 billion (of gross revenue for the Cook Islands people)." He said people should not be blinded by those large figures because only a portion of the total revenue would end up in Government coffers. "You've got to take off mining costs and lots of other things. We don't know what these mining costs are going to be yet." Exploration activities are anticipated to take place over the next three to five years, following a licensing process likely to commence later this year.

Part of the exploration work will involve mapping the seabed more thoroughly to understand its topography. This will be done in tandem with geotechnical work, and environmental and ecological studies necessary for understanding the ecology at depths of 5000 meters. Even though the Cooks has a large resource within its EEZ, it is possible that only 1 per cent could be mineable because of undersea volcanoes and "humps", he said. "It's more likely to be 40 per cent which is still a big number." Mining is unlikely to start until at least the end of this decade, depending on the development of cost-effective technology, Thorburn said. A number of concerns have been raised about seabed mining in the Cook Islands, such as the environmental impacts and whether foreign companies will profit more than the country. "It could be that the Cook Islands people say 'No, leave them in the ground'," Thorburn said. He spoke yesterday at a regional workshop focusing on the financial aspects of deep sea minerals, being held at the Rarotongan Resort.

New Zealand: Second seabed mining consent application lodged

New Zealand Herald, May 15, 2014

Opponents to seabed mining are preparing for their second battle this year, with the lodging of a marine consent application for a phosphate nodule mining project on the Chatham Rise off the Canterbury coast. Chatham Rock Phosphate (CRP) yesterday lodged with the Environmental Protection Authority its formal consent application to mine a large area of seabed at the Chatham Rise. It comes as an EPA-appointed decision making committee is considering an application by Trans Tasman Resources (TTR) for a mining project off Taranaki, following a lengthy round of hearings and with staunch opposition from environmental groups, iwi and the seafood industry. CRP is proposing to mine phosphate nodules from the rise, initially within an 820 square kilometre area for which it has a mining permit, and later, potentially a wider 10,192 square kilometre area, dependent on monitoring results and environmental investigations. The company proposes to mine at least 30 square kilometre of seabed each year to meet its annual minimum production target of 1.5 million tonnes of phosphate nodules.

If its lengthy application, representing four years of work and \$25 million in investment, is accepted as complete, it will be publicly notified, beginning a following six-month process expected to lead to a decision in November. It is the second seabed mining proposal under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012. The marine consent is the only major licence that CRP now needs to begin the project. CRP managing director Chris Castle said he was confident the application would meet expected standards. "Our focus has always been two-fold: base the analysis on science and consult with all interested parties to ensure their concerns are addressed through the process," he said. "Input from both stakeholders and scientists is critical to make sure all the bases are covered." Mr Castle said results of the analysis and consultation were that the company understood what the environmental impacts were likely to be, "and we can clearly demonstrate how we can minimise and mitigate them". "We know this project can deliver to its shareholders financially, and to other stakeholders in terms of environmental requirements."

CRP has argued the phosphate mining project would free New Zealand from around \$100 million of imports annually of phosphate, a key input for New Zealand farming, and could produce a new source of exports. Environmental Defence Society chairman Gary Taylor said while the company had kept his group updated throughout the process, it had not yet formed a position on the application. "Our main concern with the proposal is the extent and range of the plume from the seabed disturbance." Mr Taylor said more information had also been needed on how the activity would affect the area's benthic environment. "We don't have enough information to see if the effects are safe or not. I think there are more questions than answers with this project." The EDS was still to analyse the scientific information in the formal consent application before it would look at lodging a submission.

Deepwater Group, a fisheries industry lobby, has also previously voiced concerns about the Chatham Rise project, with fears it could be "potentially catastrophic" for the marine environment. Its chief executive, George Clement, was not immediately available for comment this morning. A spokeswoman for Kiwis Against Seabed Mining (KASM) said the group would oppose the application. Last year, environmental groups expressed outrage that the Government could not vote to protect deep ocean habitats from the threat of seabed mining at the world's largest conservation congress because it had already issued prospecting and exploration permits to CRP. New Zealand was one of a handful of nations at the International Union for Conservation of Nature's World Conservation Congress to oppose a motion which sought a broad range of conservation measures to protect three types of deep ocean habitat from the effects of mining.

Lihir leads PNG mines in gold production

Post-Courier, May 15, 2014

By *BENNY GETENG*

Lihir Gold Mine in New Ireland province as of last year is leading in terms of its output gold production according to Mineral Resources Authority (MRA). Arnold Lakamanga, the manager for information and marketing for MRA during a media resource presentation in Madang last week, said that out of the eight existing operating gold mines in the country, Lihir produced 755,847 ounces of gold while Kainantu out of all of them did not produce any gold at all in 2013. The eight existing gold mines in the country are as follows with their production values including Pogera (Enga province- 499,152 ounces), Kainantu (Eastern Highlands province- Nil), Ok Tedi (Western province- 242,000 ounces), Tolukuma (Central province- 8329 ounces), Sinivit (East New Britain- 1,1800.23 ounces), Simberi (New Ireland- 48,700 ounces), Hidden Valley (Morobe province- 183,869 ounces) and Lihir. Mr Lakamanga said that the total gold production stands at 1,739,085.61 ounces and silver with 2,658,939.23 ounces.

"One of the advanced resource projects in the country, Wafi-Golpu Mine in Morobe province which has a mine life of 25 years has 1 billion tons of resources containing 74 million ounces of Gold and 9 million tones of copper," he said. MRA is determined that by years 2020 to 2025 PNG will be able to increase greatly its gold and copper exports and as well increase exploration opportunities in the country of which some other minerals are not explored currently will be identified. "Amongst these diverse minerals to be explored include Molybdenum and Rehenium (Yandera), Iron, Vanadium and Titanium (Amazon Bay) and Chromium (Salamaua-Morobe)." Mr Lakamanga said that PNG is quite a complex country to do business a lot of investors have however shown confidence in coming into the country and develop the resource sector. "MRA is keen on encouraging investors to come in and do business in the country; we are actually going out to educate investor with the different situations they may face when coming into the country to do business. MRA has started doing its own social mapping exercises within resources project sites as well using local scientists, social scientists (home grown skilled and talented citizens) for example in Mt Kare and Simberi mines."

Ramu Nickel: 36 exports so far

The National, May 15th, 2014

By GYNNIE KERO

RAMU NiCo Management Ltd said it has done 36 shipments to markets in China since it started production two years ago. The main product from its Basamuk refinery is mixed hydroxide precipitate (MHP). The miner said: "It contains valuable metals and other impurities as well. In valuable metals nickel is 10% while cobalt is 1%. In the other constituents, moisture is 70%, impurity metals such as aluminum, chromite, calcium, manganese, copper, iron, magnesium and zinc amounts 3%, sulfate radical is 5% and hydroxyl radical is 12%. "Currently the main market is in China and Ramu NiCo is trying to develop into international markets (India and Australia) to expand its sales channels. "However, as Ramu NiCo is still on the way to reaching its nameplate capacity of 100% in 2015 as planned, there is no revenues so far. "At the moment, the company is at 50% nameplate production and operates on loss. "MHP is used for refining nickel, 60% of all nickel is used to make stainless steel. "Nickel plays several different roles in technologies that have revolutionised the way in which humans communicate, such as mobile phones, laptops and other wireless gadgets. Besides, nickel alloys in batteries of hybrid cars or in the turbines of jet engines enabling us to get from place to place. "In essence, the demand for nickel is high if the products that use nickel are high in demand."

Editorial

A historic day for the country

The National, May 15th, 2014

YESTERDAY, May 14, 2014, the first liquefied natural gas was loaded onto the first specially built vessel, Spirit of Hela, which will set sail for Taiwan, China and Japan. It was a momentous occasion for all concerned. For the American energy giant ExxonMobil, the PNG LNG Project is yet another significant footprint in this part of the world following similar investments elsewhere. For some of the minor project partners, this is the first time to venture into LNG. For the Papua New Guinea Government the sale of the first gas is a triumph because it had been working overtime to ensure it met the demands of the project schedule and budget. The traditional resource owners, the custodians of Gigira Laitepo had witnessed several weeks ago the spirit of the eternal flame depart its home for the LNG plant outside Port Moresby. And it will soon leave for foreign lands. Yesterday's event was a milestone for the country's largest natural resource project undertaken to date. We commend the project developer, the Government, shareholders and other stakeholders involved in the realisation of the project.

We commend the thousands of workers, most of them Papua New Guineans, who toiled over the past four years of the construction phase to complete this massive project ahead of schedule. From the day when gas was first discovered in the country, to the beginning of discussions, through the failed PNG-Queensland gas pipeline proposal to the entry of ExxonMobil and the start of the PNG LNG Project, The National has followed the story untiringly. It has not been positive news and a rosy ride for the project developers and government. Along the way there has been a fair share of criticism over matters such as the LNG agreement, employment, contract allocations and landowner concerns. Questions over the integrity of the project have been raised following the Jan 2012 Tumbi landslide that buried an entire village. It was alleged that a nearby quarry operated by the project triggered the disaster, a charge which ExxonMobil has denied. Another significant setback was when the project announced a potential cost blow largely due to foreign exchange costs.

After yesterday's joyous occasion, those and other minor hiccups in the project construction phase, should now be consigned to history though not to be forgotten altogether but looked to as vital reference points. What the country expectantly looks forward to is greater possibilities now opening up with the export of LNG. Although the LNG agreement makes no provision for local commercialisation of the LNG, that has not completely shut out the government from negotiating with the project developers for possible use in electricity generation. Prime Minister Peter O'Neill has announced in parliament that the Government has been in talks with ExxonMobil and indications were that sometime soon, natural gas powered turbines could replace ageing diesel generators to produce electricity in Port Moresby. Another positive effect of the success and financial returns of PNG LNG project would be a sort of catalyst for others in the exploration and planning stages.

InterOil and Total are developing PNG's second LNG project using the Elk and Antelop fields, in Gulf, while work is continuing at the Stanley gas fields by Horizon and Talisman. LNG, though expensive to extract, once available, simply opens up a world of possibilities for the country, not only in terms of export revenues but for domestic use and downstream processing. Elsewhere in the world, LNG is used for residential and commercial needs, in industry, electricity generation and even as fuel for transportation. A milestone has been achieved at the country's first LNG project. People's attention may now be shifted to developments on the Gulf and Western Province gas fields. ExxonMobil and its partners have been trailblazers in LNG development here and covered geographical, social and legislative territory hitherto unknown. This leaves a challenge for those who will follow and naturally they will be expected to be different, perhaps improving on the first project's failures or oversight.

LNG: Historic moment

Post-Courier, May 15, 2014



A BIG Government delegation led by Prime Minister Peter O'Neill yesterday joined PNG LNG Project developer ExxonMobil and other partners involved in the multi-billion kina gas project to celebrate the first shipment of gas on LNG tanker Spirit of Hela, to Japan. The shipment will leave our shores in the coming days in what PNG's founding prime minister Sir Michael Somare described as a founding moment for the country. THE successful completion of the PNG LNG project and the loading of first LNG cargo for export is a boost for foreign investment in PNG, says Prime Minister Peter O'Neill. O'Neill said the first loading of the LNG cargo yesterday was an historic moment for PNG and something to be proud of. The first LNG cargo was successfully loaded onto the awaiting LNG vessel, Spirit of Hela by O'Neill at the LNG plant site outside Port Moresby. "This project puts PNG on the world stage as a country that can work with foreign investors to deliver projects on time. It instils confidence in this country – and that is something for all of Papua New Guinea to be proud of", O'Neill said.

The event was witnessed by heavies from the industry including major shareholders and landowner companies involved in the project. "On behalf of the country and the people of Papua New Guinea I

wish to express my appreciation to the team led by Peter Graham and his executive management team", he said. O'Neill also expressed his gratitude towards shareholders in the project like Oil Search for its strong support. He also acknowledged others who have been in the initial stages of the project such as former Prime Minister Grand Chief Sir Micheal Somare, Hela Province Governor Anderson Agiru, Arthur Somare, landowner companies like Hides Gas Development Company, Trans Wonderland and others. O'Neill said the Department of Finance has established a dedicated trust account with Bank of Papua New Guinea to safeguard landowner royalties derived from the PNG LNG Project. Royalties will accumulate in a trust account which will be carefully managed and locked away from any disbursement until the completion of the clan vetting project.

He said in the coming decades, benefits will flow to landowners through the payments of royalties. "Additionally, the entire country will benefit as the Government uses the revenues from the PNG LNG Project to deliver our strategic plans and commitments", he said. Former Prime Minister Sir Michael Somare said it was a very long hard road for the project. He said all the hard work and sleepless nights put together to get the project off the ground has finally paid off and was an exciting time for PNG. Managing director of ExxonMobil PNG Ltd Peter Graham acknowledged the support of the Government, stakeholders, partners and landowners involved in the project. "In the next few days this ship, the Spirit of Hela, will depart Papua New Guinea headed for Japan. "It is a defining moment for us on the project and for Papua New Guinea. "I expect the fact that we've been able to deliver the project on time also encourage other investors to come and bring their money to PNG", he said. The LNG vessel, *Spirit of Hela* has a loading capacity of 177,000 cubic meters of gas. The first shipment leaves for Japan in the coming days after the loading.

ID process for LNG locals fair, Duban says

The National, May 15th, 2014

THE Government is confident that its method of identifying landowners who will benefit from the billion-kina liquefied natural gas (LNG) project is fair and valid. Petroleum and Energy Minister Nixon Duban said clan-vetting was thorough and almost completed in nine of the 16 major areas. "While many people may raise the level of criticism against the Government's effort, I want to assure our public and general listeners (about) this system of social mapping and clan-vetting," Duban said. "I think we are a capable government and we will have it completed without any bias to our current delays in terms of release of funding and the commitment by our officers, are minor obstacles in my view and it will be done."

Hundreds of people living in the project area are waiting for the money to flow but that is unlikely to happen until all landowners are identified. Stanley Mamu, administrator of the non-government organisation PNG LNG Watch, told the ABC that there were problems with clan-vetting. "Anybody from Papua New Guinea can claim their clan as part of project areas, (that) they come from the project areas," Mamu said. "The problem that will cause for the future is that is not a proper identifying of that clan so anybody working with the Department of Petroleum and Energy can put his clan into that clan-vetting and claim that he is the landowner and he will get benefits from that project."

Ok Tedi: Prime Minister's desperate tactics will not work

Post-Courier, May 15, 2014

The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, said today the money in the company's Long Term Fund, held to pay for development in Western Province once the Ok Tedi mine closes, is safe and secure. "The Prime Minister's increasingly desperate tactics to get control of the money will not work," he said. "The walls built to protect the money from misuse

and misappropriation remain intact so that Western Province will receive the full development benefit once PNGSDP is able to resume funding projects in the province." Sir Mekere said the Prime Minister's desperation to get his hands on the Long Term Fund had blinded him to the facts about PNGSDP and how it operates. The company's governing documents, the Memorandum and Articles of Association and the Program Rules, were designed in 2001 for the eventuality that has now arisen.

They were specifically put in place to protect the structure, integrity and independence of the company in the face of attempts by the wrong people to use the funds for the wrong purposes. "The Prime Minister is a master of misrepresentation," Sir Mekere said. "In his desperation, he is now starting to believe his own twisted version of the facts." Sir Mekere reminded the Prime Minister that neither the State nor Peter O'Neill owns PNGSDP or the Long Term Fund. PNGSDP is an independent, not-for-profit company set up to fund and deliver social and economic development for the benefit of the people of Western Province. "It has done just that. Since it started operations in 2002, it has spent K1.18 billion on more than 600 projects, mostly in Western Province, and has saved K3.2 billion in the Long Term Fund," he said. "The only reason PNGSDP has ceased spending money on development projects is that the Prime Minister removed the company's only source of revenue when he expropriated the Ok Tedi mine from PNGSDP, without compensation, and refused to allow OTML to pay the 2012 and 2013 dividends due to PNGSDP.

If the Prime Minister is suddenly so concerned about development in the Western Province, perhaps he should divert some of the money he is spending on Paga Hill and other roads in Port Moresby to Western Province. "The Prime Minister has only to visit PNGSDP's web site, www.pngsdp.com, to see the reality of what the company has done. I also encourage members of the public to visit that web site so they are able to distinguish the truth from what the Prime Minister says. "PNGSDP has a proud record of transparency and accountability - and I note in that regard that no sooner had the Prime Minister taken over Ok Tedi, then its web site was closed, and remains closed." PNGSDP has always acted within the law and according to its Memorandum and Articles of Association, and it will continue to do so. It has always acted in the best interest of the people of Western Province, and it will continue to do so. "No one, least of all the directors of PNGSDP, want to see the money in the Long Term Fund misused, misappropriated and misspent by a National Government that is incapable of managing its own money," Sir Mekere said.

"Moreover, the directors have a moral and legal duty to protect the company's assets and income so they are preserved for the benefit of the people of Western Province." In relation to the Commission of Inquiry announced by the Prime Minister, Sir Mekere said that he had not seen any gazettal notice, terms of reference or details about the Commissioners and counsel appointed by the Prime Minister. "Setting up this Commission of Inquiry is an act of desperation, a waste of money and abuse of power," he said. "Which private company - mining or non-mining - will Peter O'Neill investigate next? "It is a diversion; an attempt to justify his illegal actions and mask failure to get control of PNGSDP. I am confident that any investigation will find that since I have been Chairman, PNGSDP has at all times acted commercially, accountably and legally." Sir Mekere said the Prime Minister should be defending his illegal actions in the court in Singapore and in the arbitration case in Washington, rather than spinning twisted stories to the public.

Pacific Islands Urged Not To Rush Into Sea Bed Mining

Regional meeting in Cooks focuses on financial benefits of industry

By Ben Chapman-Smith

RAROTONGA, Cook Islands (Cook Islands News, May 15, 2014) – A regional training workshop focusing on the financial aspects of deep sea minerals kicked off in Rarotonga yesterday. In his

opening address, Dr Kifile Kahsai, Chief Geoscientist at the Secretariat of the Pacific Community, brought a word of caution to the more than 70 overseas delegates. "Historically, mining has negative connotations due to the risks of adverse social and environmental impacts, as well as poor mining revenue management associated with some land-based mining operations." The same problems have been associated with other extractive industries like fisheries and logging, he said. "The real challenge here is to learn from the mistakes of the past and to ensure that those mistakes are not repeated when deep sea mining commences."

Now is the time for Pacific nations to be talking about how to tackle the challenges, Kahsai said. "Unless real benefits and tangible development outcomes outweigh the cumulative adverse impacts of mining, the minerals may best be left in the ground." Kahsai said another major challenge lies in developing the technology for deep sea mining – a sector still in its infancy. "Additionally, mining operators must ensure that ore extraction and processing are performed in an environmentally sustainable manner." He warned the Cook Islands Government to make sure any future revenues generated by seabed minerals are put towards helping the people. "How is the government going to improve the livelihoods of the Cook Islands people? This is a long-term development project."

This week's training course, which runs until Friday, aims to help Pacific countries better understand the likely financial benefits of mining for deep sea minerals, and mechanisms for managing revenues sustainably. The workshop is being hosted by the Cook Islands Seabed Minerals Authority, with funding from the Secretariat of the Pacific Community and European Union's joint regional DSM Project. There are 15 members of the DSM Project, which was set up in 2011 to help Pacific countries prepare for future seabed mineral activity. Members of the public are invited to attend a general seabed minerals update meeting tonight from 6-7 at the Rarotongan Resort.

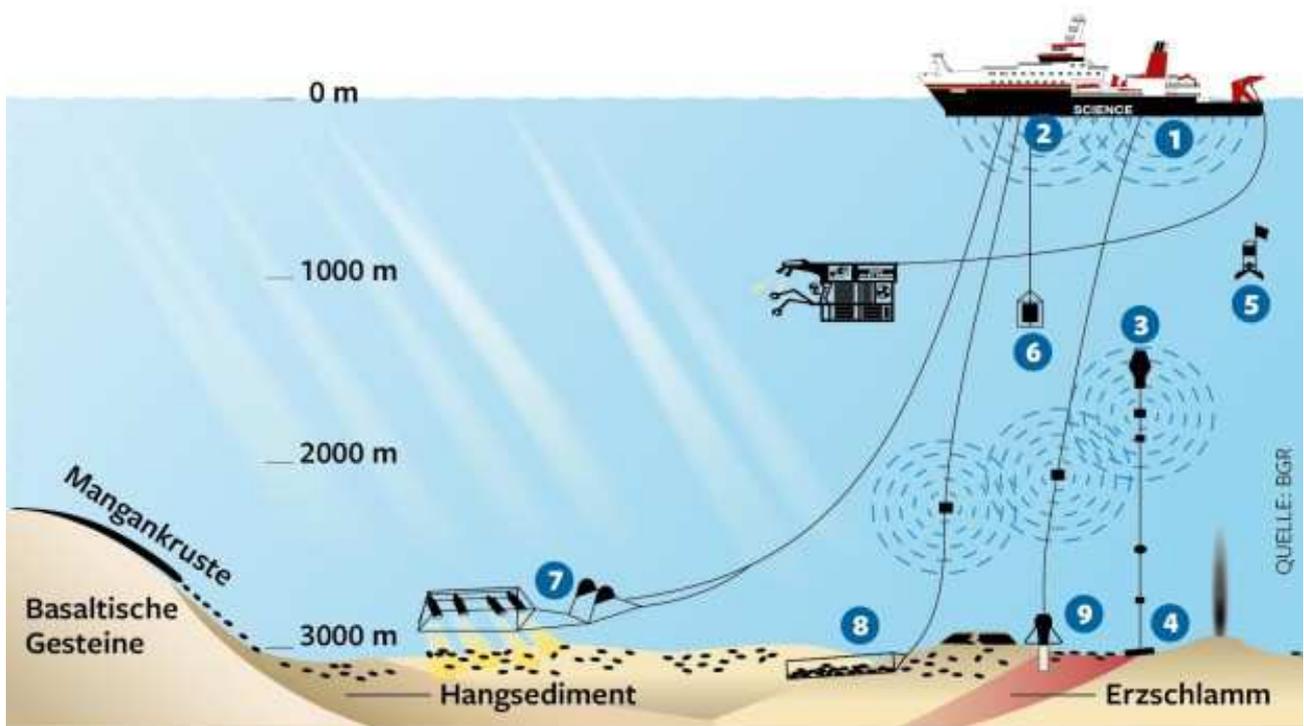
Tensions Rise At New Caledonia Nickel Plant Protest

Residents calling for Vale processing plant to be closed

WELLINGTON, New Zealand (Radio New Zealand International, May 14, 2014) – There is rising tension at the Vale nickel processing plant in New Caledonia as people continue to protest amid calls for it to be permanently closed. Operations have been suspended at the Goro plant for a week after 100,000 litres of effluent, containing some acid, ended up in a creek because of human error. It is the fifth spill in five years to have occurred there. Local media reports tyres are being burnt along the road near the plant's entrance, and anger is rising among residents. The president of the Association for the Protection of Nature, Jean-Louis d'Auzon, says there was a meeting yesterday to discuss the issue. "The chiefs of the tribes in South Province and some people of the tribes ask that the plant be closed. They are fed up with the problems with this plant." Jean-Louis d'Auzon says the government of the Southern Province, which is in charge of monitoring the plant, is yet to be set up properly after Sunday's election. He says this will mean any decisions on the plant will be delayed. If the plant were to close, 14,000 jobs could be at stake. Neither Vale nor representatives of the provincial government, could be reached for comment.

Goldgräberstimmung. Jagd nach den besten Schätzen der Tiefsee

Im Atlantik, im Indischen Ozean und im Pazifik: Von Forschungsschiffen aus erkunden Geologen die Rohstoffe in der Tiefsee. Bei der Jagd nach den begehrten Lagerstätten mischt auch Deutschland mit. Von Holger Kroker, Die Welt, 14.5.2014



DIE WELT

Foto: Infografik Die Welt Die Technik zur Erkundung von Manganknollen: (1) Lot und Echograph; (2) Lot zur Erfassung ozeanographischer Messdaten; (3) Messkette mit Auftriebskörper; (4) Verankerung; (5) Freifallgreifer; (6) Bathysonde; (7) Schleppkörper mit Kamera und Licht; (8) Großprobennahme; (9) Einzelprobennahme zur Knollen- und Bodenuntersuchung

Hell erleuchtet ankert das Forschungsschiff "Sonne" mitten im Indischen Ozean. Gerade geht die echte Sonne hinter dem Horizont unter, schlagartig fällt Dunkelheit über das Meer. Nur die starken Scheinwerfer auf dem Arbeitsdeck des Schiffes bringen Licht in die heraufziehende Nacht. Für den romantischen Sonnenuntergang aber hat hier niemand Augen. Es herrscht gespannte Konzentration. Backbord steht Kapitän Oliver Meyer, er überwacht die anstehende Prozedur, spricht über Walkie-Talkie mit dem Wachhabenden auf der Schiffsbrücke. Bootsmann Torsten Bierstedt und fünf Matrosen warten auf beiden Seiten des Decks an den Winden und Leinen. Bierstedt gibt knappe Kommandos, organisiert die Vorbereitungen. In der Mitte der Plattform stehen die vier Mitglieder der Tauchroboter-Crew vom Kieler Meeresforschungszentrum [Geomar](#) auf ihren Plätzen. Chefingenieur Martin Pieper hält mit dem Headset Kontakt zum Steuercontainer des Tiefseetauchboots ROV Kiel 6000. Von dort kommen die Informationen über die Position des ferngesteuerten Fahrzeugs, des ROV. Pieper gibt sie leise an seine Kollegen weiter.



Foto: pa Metallsuche im Indischen Ozean: Das Forschungsschiff "Sonne" im Hafen von Port Louis auf Mauritius

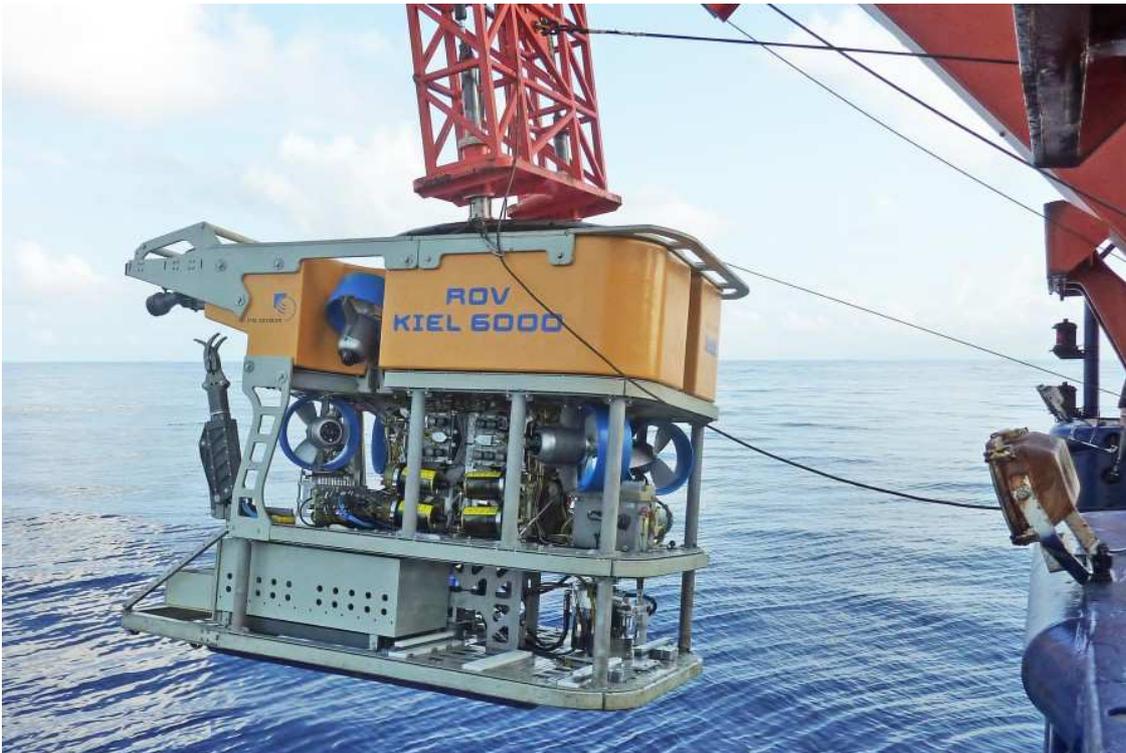


Foto: pa Der Tauchroboter ROV Kiel 6000, mit dem Forscher die Tiefsee nach Bodenschätzen absuchen



Foto: pa Manganknollen sind über riesige Flächen am Meeresgrund verteilt



Foto: pa Aufnahme eines sogenannten Kastengreifer, der ein 50 x 50 Zentimeter großes und rund 40 Zentimeter tiefes Stück Meeresboden mit Manganknollen aus dem Pazifik ausgestanzt hat

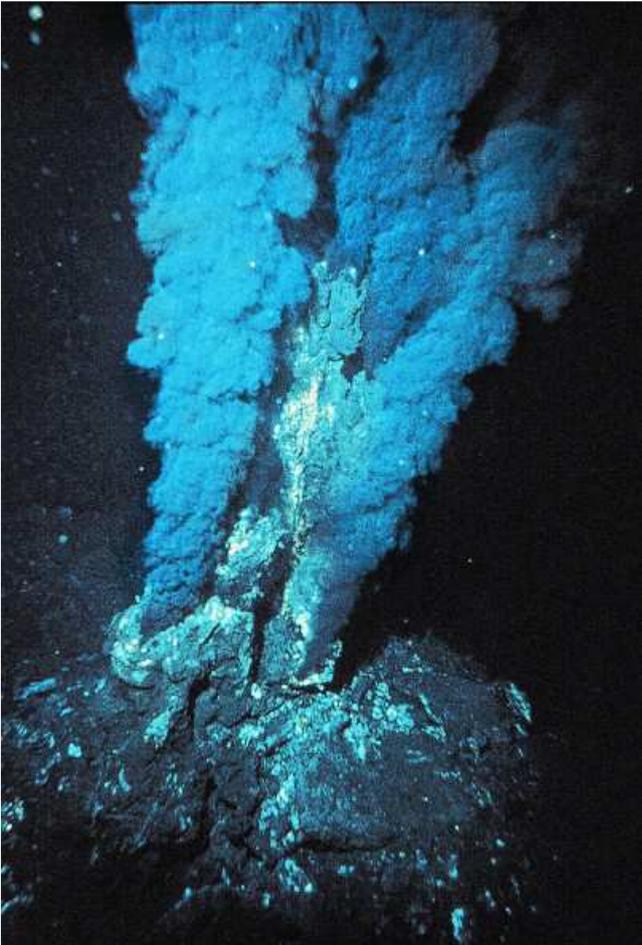


Foto: pa Wo schwarze Raucher sind, ist der Gehalt von Bunt- und Edelmetallen hoch

Das ROV steigt gerade auf, vom Meeresboden in 3000 Meter Tiefe. Seit morgens um 9 Uhr ist es unterwegs gewesen, um am Grund nach Neuem zu suchen. In der Nacht geht seine Tagesmission nun zu Ende. Das Gefährt bringt mit, worauf auf dem Schiff alle sehnsüchtig warten: Sedimente, Gesteins- und Wasserproben und Informationen über die ferne Welt am Boden des Ozeans. Dort vermuten Forscher große Mengen Rohstoffe. Die Crew des Schiffs soll Daten darüber sammeln, ob diese Region wirtschaftlich interessant sein könnte. Die "Sonne" befindet sich rund 1400 Kilometer südöstlich von Mauritius über dem Rand des Südindischen Rückens. An diesem unterseeischen Gebirgszug entsteht neuer Meeresboden. Afrikanische und australische Krustenplatten werden hier auseinandergedrückt.

Schwarzen Raucher enthalten Erze

Auch Dutzende Kilometer neben der zentralen Risszone tritt Magma aus dem Meeresboden aus, und die Energie aus dem Erdinneren speist große Felder von Schwarzen Rauchern. Diese natürlichen Schlote entstehen, wenn in der Nähe der Magmakammer das über Risse und Spalten in die Erdkruste eingedrungene Wasser erhitzt wird und dann unter hohem Druck aus dem Meeresboden herausschießt. Das heiße Wasser laugt das Gestein aus und ist mit gelösten Mineralen hochgesättigt. Beim Kontakt mit dem kalten Meerwasser fällt diese Mineralfracht aus. So wachsen die charakteristischen Schlote. Für Geologen sind solche Hydrothermalfelder interessant, denn sie sind produktive Erzfabriken: In den Kammer der Schwarzen Raucher ist der Gehalt von Bunt- und Edelmetallen hoch. Je heißer es an den Schloten ist, umso wahrscheinlicher sind dort Erze gelöst. Erze, die für die Industrie interessant sind. Tags zuvor hatte Expeditionsleiter Uli Schwarz-Schampera mit dem sicheren Blick des Fachmanns einen unscheinbaren Brocken aus einem Haufen Gesteinsproben vom Meeresgrund gegriffen und in zwei Hälften gesägt. Tiefgrün glänzten die Schnittflächen. "Mindestens 30 Gewichtsprozent Kupfer", hatte der Lagerstättenkundler von der Bundesanstalt für Geowissenschaften und Rohstoffe ([BGR](#)) zufrieden gemurmelt.

Vier Hydrothermalfelder erkundet

Vier Hydrothermalfelder hat die "Sonne" auf dieser Forschungsmission besucht. Bei jedem Tauchgang hat der Kieler Tauchroboter beeindruckende Bilder auf die Bildschirme an Bord übermittelt: Felder voll mit Kissen aus harter Lava, die entstanden sind, als heißes Magma beim Kontakt mit dem Meerwasser erkaltete. Schroffe Grate und Canyons, deren steile Hänge von Schuttfächern bedeckt sind. Sie zeigen, wie aktiv die Geologie am Meeresgrund ist. Einst rissen Erdbeben den Boden auf, später lösten weitere Beben Gesteinslawinen aus, die die Risse zum Teil wieder zuschütteten. An den Computermonitoren beobachten die Forscher tagsüber, wie der ROV an aktiven Schloten vorbeitaucht. Garnelen bedecken die Raucher wie zottiges graues Fell. Ein roter Seeigel sitzt in Tausenden Meter Tiefe. Ein paradiesischer Anblick für die Biologen an Bord. Direkt daneben erheben sich erloschene Schwarze Raucher. Sie ziehen die Geologen an Bord in ihren Bann. Nicht eine einzige Muschel verirrt sich auf das dunkle Gestein. Hier ist Leben rar, hier spielen Erze die Hauptrolle. An Bord der "Sonne" aber warten die Forscher darauf, dass der ROV endlich aus der Tiefe auftaucht. Sie wollen Daten aus dem Roboter auslesen und seine Mitbringsel, die Proben aus der Tiefe, auswerten.

Ohne Hightech sind die Forscher blind

Plötzlich flammt 30 Meter neben dem Schiff, mitten im blauschwarzen Ozean, ein flaschengrüner Fleck auf. Er wird größer und größer, leuchtet heller und heller: Es ist der Kieler Roboter, der mit voll aufgedrehten Scheinwerfern die letzten Meter seiner Mission zurücklegt. Als er durch die Wasseroberfläche bricht, verwandeln seine Steuerpropeller den glatten Ozean in einen grell beleuchteten Whirlpool. Für die Schiffsbesatzung und die Kieler ROV-Crew geht die harte körperliche Arbeit nun los. Während der Roboter langsam heranschwimmt, löst Azubi Sebastian Thimm die Sperrketten am Heck, Matrose Jürgen Kraft geht an das Bedienpult des riesigen Heckkrans und schwenkt ihn weit nach achtern, dem leuchtenden und sprudelnden Tauchfahrzeug entgegen. Die anderen auf dem Deck halten sich bereit. Der Roboter nähert sich dem Heck. Über ihm schwebt der Heckkran

und der massive Aussetzrahmen aus Stahlgitterwerk. Jürgen Kraft senkt behutsam den Kran, das ROV wird angekoppelt. Wie ein Spielzeug wird das 3,5-Tonnen-Gefährt aus dem Wasser gehoben und triefend an Bord der "Sonne" gehievt. Es gerät leicht ins Schaukeln, die Männer an Deck haben alle Hände voll zu tun. Schließlich steht das gut zwei Millionen Euro teure Gefährt sicher an Bord. Die ROV-Mannschaft braucht fünf Minuten für die erste Schnellkontrolle, ob der Roboter den Acht-Stunden-Einsatz in der Tiefsee gut überstanden hat, dann winkt Team-Leiter Fritz Abegg die ungeduldig wartenden Wissenschaftler heran. Endlich wollen sie ihre Proben in Händen halten und untersuchen. Die Fahrt zu vier Black-Smoker-Feldern ist kein Ausflug mit Technologiedemonstration, sondern eine Expedition zur Erkundung von Tiefseebodenschätzen, die bundesdeutsche Firmen vielleicht künftig auch einmal abbauen wollen.

Deutsche sammeln Daten für Lizenzgebiete

Damit es dazu kommen kann, hat die BGR seit 2011 drei große Expeditionen in diese Region des Zentralindischen Rückens durchgeführt. Ihr Ziel: Daten sammeln für ein zweites deutsches Lizenzgebiet für Tiefseebodenschätze. Eine solche Explorationslizenz für Black-Smoker-Felder im Indischen Ozean hat die Bundesregierung im Dezember beantragt. Deutschland steht in den Ozeanen der Welt im Wettbewerb mit zahlreichen Konkurrenten. Er dreht sich um wissenschaftliche Daten und Erkenntnisse und wird mit Forschungsschiffen wie der "Sonne" ausgetragen. Er dreht sich aber auch um Wirtschaftspotenziale und wird von Diplomaten am Verhandlungstisch, etwa dem der UN-Behörde für Meeresböden ([ISA](#)), geführt. Das UN-Organ im jamaikanischen Kingston ist für die Verwaltung und Nutzung der Meeresböden auf hoher See, also außerhalb nationalstaatlicher Einflussphären, zuständig.

17 Erkundungslizenzen hat die ISA bereits erteilt: im Atlantik, im Indischen Ozean und im Pazifik. Im Stillen Ozean besitzt Deutschland bereits seit 2006 ein solches Lizenzgebiet, im ozeanischen Nirgendwo den Pazifiks auf halber Strecke zwischen Mexiko und Hawaii. In dem rund 75.000 Quadratkilometer großen Gebiet liegen potenziell wertvolle Manganknollen. Und jetzt soll ein weiteres Lizenzgebiet im südlichen Indischen Ozean hinzukommen, in der Region, in der das Forschungsschiff "Sonne" seine Erkundungsfahrten unternimmt. Wie groß das Interesse der Staaten an den Rohstoffen am Meeresgrund ist, demonstrierten indische Wissenschaftler vor einem Dreivierteljahr. Wie Deutschland bewirbt sich auch Indien um Teilgebiete in dieser Region.

Nationalflagge auf dem Meeresgrund

22 von 100 möchte der Staat für sich gewinnen. Über die Vergabe soll die ISA entscheiden. Bei einem Tauchgang filmte das Kieler ROV aber bereits eine indische Nationalflagge, die von einem indischen Erkundungsteam in Tausenden Meter Tiefe symbolkräftig ausgesetzt worden war.

"Wir sind jetzt Anfang des 21. Jahrhunderts in der Situation, dass die Metallpreise seit Jahren steigen und dass man dadurch nach neuen Rohstoffvorkommen schaut", erklärt Michael Wiedicke, der bei der BGR die Meeresgeologie leitet. "Wir greifen praktisch den Faden aus den 1970er-, 80er-Jahren auf und versuchen, ihn mit unseren heutigen Methoden weiterzuführen."

Der Run auf die Rohstoffe aus der Tiefsee nimmt wieder an Fahrt auf. Es ist der Metallbedarf der Hightechindustrie, der die erneute Suche nach Lagerstätten in der Tiefsee antreibt. Von Windturbinen bis zu Smartphones – überall werden Rohstoffe verwendet, die selten und daher teuer sind. Gute Lagerstätten am Meeresboden sind entsprechend begehrt. Beim Tiefseebergbau herrscht Goldgräberstimmung. Neben den Schwarzen Rauchern sind es vor allem Manganknollen aus dem Pazifik, die das Interesse geweckt haben. Sie besitzen außer dem namensgebenden Metall auch viel Kupfer, Kobalt und Nickel. Zudem enthalten sie Molybdän und Vanadium sowie Spuren von Seltenen Erden. Die wertvollen Knollen standen vor 40 Jahren schon einmal auf der Wunschliste der Industrie. Auch damals wähten sich die überirdischen Bergbaukonzerne vor einer Rohstoffkrise und entdeckten die Tiefsee. Diese Krise kam jedoch nicht, denn es wurden neue Lagerstätten an Land gefunden - und über Nacht waren all die schönen Tiefsee-Pläne Makulatur.

Konzerne wittern lohnendes Geschäft

Dass der aktuelle Bergbauboom am Grund der Ozeane ebenso schnell in Vergessenheit gerät, bezweifeln Experten allerdings. "Durch die Energiewende werden wir weniger fossile Energieträger einsetzen, gleichzeitig jedoch mehr metallische und mineralische Rohstoffe verbrauchen", sagt etwa Samantha Smith, Umweltmanagerin bei Nautilus Minerals. "Wir werden uns entscheiden müssen, woher diese Metalle kommen sollen." Nautilus Minerals, hinter dem namhafte Bergbaukonzerne stehen, glaubt, dass sich für das Unternehmen am Meeresgrund ein lukratives Geschäft entwickeln kann. Zurzeit kämpft die kanadische Firma noch darum, ihr erstes Bergbauprojekt auf Schwarze Raucher in den Hoheitsgewässern von Papua-Neuguinea realisieren zu können. Ein Streit mit der Regierung des Landes hat die Pläne bislang verzögert. Zwar haben die Parteien gerade eine Einigung verkündet – doch muss die noch umgesetzt werden. Die mögliche Rohstoffausbeute in dem Bergbaugebiet Solwara-1, das 1700 Meter unter der Meeresoberfläche liegt, klingt verlockend. "Der Kupfergehalt in diesem Vorkommen liegt bei sieben Prozent, und wir haben mehr als sechs Gramm Gold pro Tonne Gestein", sagt Smith. An Land werden Lagerstätten mit 2,3 Gramm Gold pro Tonne abgebaut. Allerdings dürfte Solwara-1 insgesamt nicht mehr als 15 Tonnen Gold liefern, so viel wie der südafrikanische Gold-Konzern AngloGold Ashanti in einem einzigen Jahr aus seinem größten Bergwerk, der Mponeng-Mine im westlichen Witwatersrand, gewinnt.

Tiefseebergbau spielt nur eine Nebenrolle

So viel ist auch den großen Unternehmen klar: Der Tiefseebergbau wird gegenüber dem an Land immer nur eine Nebenrolle spielen. Regionen mit Schwarzen Rauchern sind in der Regel nicht größer als ein paar Fußballfelder – und nicht gerade häufig. Bei Investitionen von einigen Hundert Millionen Euro für die Abbaumaschinen würden nur eine große Zahl von Feldern den Abbau wirtschaftlich machen. Ein Vorteil ist, dass ein Bergbauschip von Einsatzort zu Einsatzort gebracht werden kann. An Land ist die Infrastruktur an einer Lagerstätte hingegen verloren, wenn diese erschöpft ist. Anders sieht es bei den Manganknollenfeldern aus. Die Klumpen liegen über gigantische Flächen verteilt, und die Masse macht es. Nimmt man die derzeit gehandelten Wertmetallgehalte als Anhaltspunkt, so ruhen auf dem Meeresgrund des deutschen Lizenzgebiets im Pazifik 25 bis 30 Millionen Tonnen Kupfer, Kobalt und Nickel. Dennoch bleibt die große Frage, wie man die Metalle aus der Tiefsee an die Oberfläche bekommt. Sowohl bei den Black Smokern als auch bei den Manganknollen denkt man an ferngesteuerte Roboter, die den Meeresboden abernten und Material zu einem Schiff an der Oberfläche pumpen. Bei den Schwarzen Rauchern ist es relativ einfach: Sind sie erst erloschen, brechen die Kamine nach einiger Zeit von selbst zusammen und bilden Schutthügel. Diesen Schutt braucht die Maschine nur noch kleiner zu brechen und abzupumpen.

Eingriff in die letzten unberührten Naturräume

Doch es gibt auch starke Bedenken gegen den Tiefseebergbau, schließlich greift der Mensch damit in einen der letzten weitgehend unberührten Naturräume der Erde ein. Deshalb verlangt die ISA, dass die Manganknollen nicht flächendeckend geerntet werden, vielmehr müssen große Schutzzonen ausgewiesen werden, in denen die Natur nicht gestört werden darf. Auch für die Felder mit Schwarzen Rauchern sind Schutzkonzepte vorgeschrieben. Nur unbelebte Felder dürfen abgebaut werden, um aktive Felder werden Schutzzonen eingerichtet. Ob das viel nützt? Vor mehr als 20 Jahren haben deutsche Meeresforscher einen Langzeitversuch vor der Küste Südamerikas gestartet. Sie pflügten eine Testfläche um und kontrollierten nach sechs Monaten, nach drei, vier und sieben Jahren, die Artenvielfalt und die Anzahl der Organismen.

Das Ergebnis: Schon nach drei Jahren lebten wieder so viele Tiere wie vor dem Versuch in dem Areal. Die Artenvielfalt aber hatte sich selbst nach sieben Jahren noch nicht erholt. Vor allem diejenigen Lebewesen, die einen harten Untergrund brauchen, waren betroffen, denn das einzig harte Substrat in den endlosen Schlickebenen der Tiefsee sind in der Regel die Manganknollen. Bis 2017 will die Meeresbodenbehörde Richtlinien für den umweltschonenden Umgang mit der Tiefsee erarbeitet haben. Dann sollen die ersten Explorationslizenzen in echte Abbaulizenzen um-

gewandelt werden. Eine britische Tochterfirma des US-Rüstungskonzerns Lockheed Martin will dann mit der Probeförderung beginnen. Doch bis der Bergbau in der Tiefe in großem Maßstab vonstattengeht, wird noch einige Zeit vergehen. Und es werden noch viele Nächte auf Forschungsschiffen wie der "Sonne" vergehen, in denen Wissenschaftler sehnsüchtig auf das Auftauchen ihrer Tauchroboter warten – um sich dann voller Freude auf ihre wissenschaftliche Ernte zu stürzen.



Foto: Laila S mme/Statoil; So stellen sich Ingenieure die künftige Unterwasserfabrik vor: Auf dem Meeresgrund in 3000 Meter Tiefe sollen fußballfeldgroße Maschinenparks entstehen, die bislang unerreichte Gas- und Ölvorkommen erschließen.

UN Says Solomons Faces Environmental Disaster At Gold Ridge Mine

Abandoned since the floods, tailings dam could overflow

MELBOURNE, Australia (Radio Australia, May 13, 2014) – Solomon Islands risks an environmental disaster unless immediate action is taken to prevent leaks at the country's only gold mine, the United Nations warns. The Gold Ridge mine, operated by Australian company St Barbara, was found to have an extremely high level of contaminated water in its tailing dam following last month's flash floods. The UN has recommended local authorities start the process of 'dewatering' to prevent any breach that may affect around 8,000 people living downstream. It says preparations will need to start immediately for the process to be completed before the wet season begins in November.

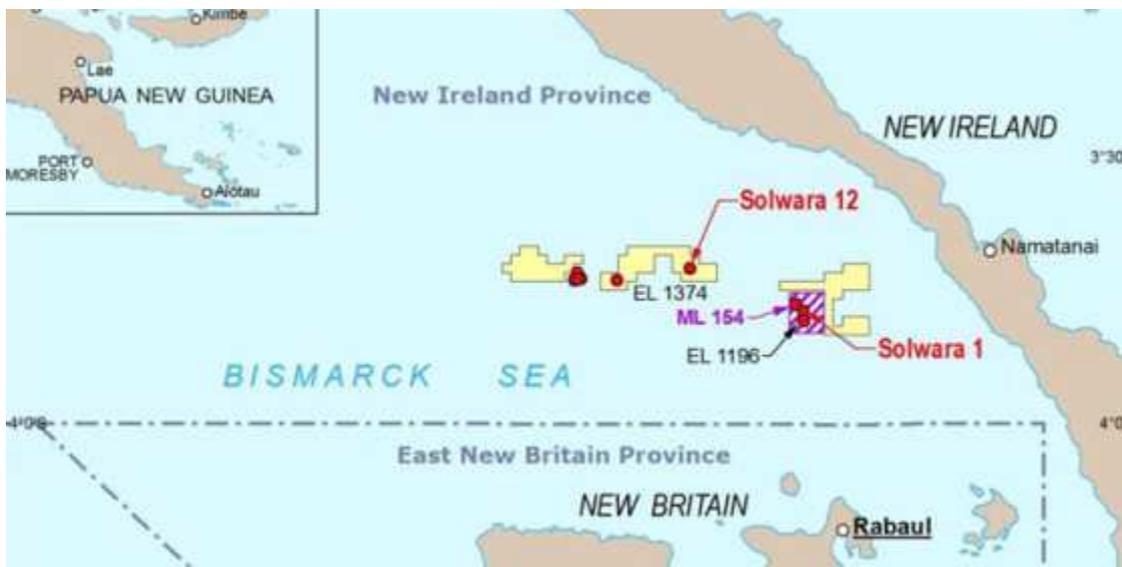
"To be on the safe side and to avoid a potential disaster down the line, the water levels should be dropped," Sune Gudnitz, head of the UN Office for the Coordination of Humanitarian Affairs, told Pacific Beat. "It will take time to lower the water level in a responsible way to dilute the water that comes out of the dam to have a minimal environmental impact." Mr Gudnitz said water in the dam was polluted and believed to contain both cyanide and arsenic. The UN Disaster Assessment and Coordination (UNDAC) team was deployed on April 23 in response to a request by the Solomon Islands Government.

'Living in fear'

The Prime Minister of Solomon Islands, Gordon Darcy Lilo, accused St Barbara of abandoning the mine when it evacuated all staff on April 7. Mr Lilo's government has since barred several expatriate St Barbara workers from returning until an independent review of the situation is complete. Local landowners have been critical of the government's response. "It's not the right course of action. We need St Barbara right back in Solomon Islands on the ground to do the dewatering," said Dick Douglas, chairman of the Gold Ridge Landowners Council. "They have the technical knowhow and they know the system." Sam Maneka, chairman of the Metapona Downstream Association, agrees. "The Prime Minister is wrong in his decision to disallow St Barbara to come over to Solomon Islands and stabilise the situation." Mr Maneka says his people are "living in fear". "I wonder when there's rainfall up there, if the people should be evacuated," he said.

Nautilus petition gets 7,980 signatures

PNG Mine Watch, May 14, 2014



An online campaign to collect signatures to petition against Canadian-based Nautilus Minerals for the undersea mining operation in Papua New Guinea (PNG) has today reached 7,980, just 20 shy of the target which is 8,000. The controversial underwater mining will break up the top layer of the seabed at a depth of 1,500 metres to pump the ore to the surface as slurry. The petition will be passed to the Prime Minister Peter O'Neill after 8,000 signatures are collected. However, environmental campaigners say mining the ocean floor could prove devastating, causing lasting damage to marine life as well as to the health and livelihoods of the people of PNG. Environmental campaigners have long argued that seabed mining will be hugely destructive to deep sea ecosystems. Leakages, spills and pollution from chemicals used to extract ore could all cause irreversible damage to the oceans surrounding the mine site. Despite the wide public outcry, Nautilus Minerals has finalised an agreement with the government of PNG to start deep sea mining in its coastal waters. It will be the first time in the world that ore will be extracted from the ocean floor.

Extractive industry needs tight security

The National, May 14th, 2014

LAW and order in remote areas is needed to support operations of the extractive industry, particularly mining, a resource company executive said. Harmony Gold PNG corporate affairs executive manager Kepas Wali said miners had established their own security firms and partnered with local

governments to enhance the capacity of local police at sites. He said as a project developer, the company ensured that their own security firm and, to the extent possible, the local police adhered to the international codes of human rights protection. Speaking at a resource workshop in Madang recently, Wali said: “It’s a complex issue to manage and requires considerable time and money to make sure it’s done right. “One of the most significant on site security risks to be managed for a gold miner is gold theft. “There are numerous examples of employees being injured in crime related incidents when commuting to a mine site or exploration project. Meanwhile, the South African miner has scaled down the size and expenditure on building its Wafi-Golpu mine, enabling it to raise funding for the project, Reuters reported. The gold and copper project, a joint venture with Newcrest Mining Ltd, sits on deposits with a metal content estimated to be worth US\$85 billion at current prices. The plans unveiled in 2012 called for spending of almost US\$6 billion to develop it.

Mining: Introducing change to ownership

The National, May 14th, 2014

PRIME Minister Peter O’Neill yesterday introduced a constitutional amendment to Papua New Guinea’s ownership of hydrocarbons and minerals. The amendment – PNG’s Ownership of Hydrocarbons and Minerals and the Consolidation and Commercialisation of PNG’s Business Law 2014 – is to add provisions to PNG’s ownership of hydrocarbons and minerals and the consolidation and commercialisation of PNG’s hydrocarbon and mineral resources. It relates to PNG’s ownership of hydrocarbons and minerals and consolidation and commercialisation of PNG’s business, particularly relating to the Kumul Structures. Attorney-General Kerenga Kua told Parliament last week that there would be changes made to mining and petroleum laws to ensure that maximum benefits flowed to landowners and the people. In reply to a question from Kabwum MP Bob Dadae, he said the people had been taken for a ride for too long by resource developers and things must change. Kua said it was strange that landowners and the people had to pay for equity in resource projects which had cost “billions” of kina. According to the draft, the Organic Law provides for compulsory taking of possession of property or compulsory acquisition of an interest in or right over property. The draft in part says: “Hydrocarbons and minerals are, and always have been, the property of PNG ...”

PNG Looking To ‘Outlaw’ Sustainable Development Program Ltd.

O’Neill calls Sir Mekere’s behavior ‘appalling’

PORT MORESBY, Papua New Guinea (The National, May 14, 2014) – The PNG Government will legislate to outlaw the Sir Mekere Morauta-led PNG Sustainable Development Program Ltd, Prime Minister Peter O’Neill says. His media release yesterday confirmed a report by The National last week which quoted a well-placed source as saying that legislative control of the embattled PNG-SDP was the government’s final option in its quest to control the company’s assets worth billions of kina. O’Neill refuted Sir Mekere’s statement that PNGSDP was a “private Singapore company” and therefore could not be investigated by an inquiry in Papua New Guinea. Sir Mekere had said that in response to the prime minister’s announcement on Monday that a commission of inquiry would be set up to investigate the company, including the recent sale of its assets. O’Neill said Sir Mekere had treated the Parliament, the Government, and the people of the Western with contempt.

“Sir Mekere Morauta’s arrogant attitude towards the ownership and accountability of the PNG Sustainable Development Program has defied belief,” O’Neill said. “The PNGSDP was supposed to manage the profits of the Ok Tedi mine for the direct benefit of the Western people, and the nation as a whole. “It was set up by an Act of Parliament which Sir Mekere rushed through when he was prime minister. The same process gave BHP Billiton an unlimited immunity from civil or other ac-

tion for damage caused by the mine when BHP Billiton owned and managed it.” O’Neill said a body set up by Papua New Guinea law surely must be accountable within PNG. “Therefore; we will legislate if necessary to make sure that accountability happens,” he said. “Sir Mekere’s behaviour is appalling. “As a former Prime Minister, he should be ashamed of his refusal to be accountable - which includes being accountable for his own spending.” A company spokesman said Sir Mekere would respond after the Government released the terms of reference of the proposed commission of inquiry.

Letter to the editor

Patience of North Fly people is running out

The National, May 14th, 2014

NORTH Fly MP Boka Kondra is serving his second term in parliament but there is nothing tangible to show in the Ningerum LLG area where he comes from. The people of North Fly, especially his own people of Ningerum, are still waiting for Kondra to deliver much needed services to the electorate. To date, none of his election promises have taken shape in the North Fly district. When is he going to come home and rescue his own people of Ningerum from rotting? Vital public facilities like the Ningerum hospital, LLG office, Ningerum Primary School and others have deteriorated. Today, Kiunga town has become one of those breeding places for outsiders and the township is one of the filthiest places in PNG. It has no proper town plan to improve areas like the airport, shopping centres, streets and proper PMV bus stops. Akun Kosram Maihi, Ningerum

First Loading Of PNG Gas To Take Place Today

LNG shipment will head to Asian markets within days

By Ancilla Wrakuale

PORT MORESBY, Papua New Guinea (PNG Post-Courier, May 14, 2014) – The loading of the first cargo of liquefied natural gas from the PNG LNG Project will take place today, the Parliament was told. Treasurer Patrick Pruaitch said a ceremony will be held today at the LNG plant outside Port Moresby to signal the first LNG loading. Prime Minister Peter O’Neill will be there to officiate at the ceremony. ExxonMobil PNG Ltd said the first LNG shipment to the Asian markets will occur several days after the loading, with a date yet to be confirmed. When asked by Opposition how the revenue from the export of gas would help mitigate the declining kina value, Mr Pruaitch said revenue coming in will be parked in a trust account awaiting government and landowner instruments to be set up. "Once we have the structures then funds will be remitted according to those entities," Mr Pruaitch said. Meanwhile, the Bank of Papua New Guinea recently cautioned the Government and other stakeholders not to raise expectations of windfall revenue inflows in the first year of production.

"Export receipts and revenue for the government may be minimal and therefore expectations of windfall revenue and any associated appreciation of the kina might not materialise in the near term," the bank said. The PNG LNG Project is the largest resource project ever undertaken in PNG. The project is expected to produce more than nine trillion cubic feet of gas over an estimated 30 years of operations. The gas will be sourced from the Hides, Angore and Juha gas fields in the Hela Province and from associated gas in the Kutubu, Agogo, Moran and Gobe gas fields in Southern Highlands Province. The gas will be conditioned at the Hides gas conditioning plant in Hela Province and then transported by gas pipeline to an LNG plant located approximately 20km northwest of the main city of Port Moresby. ExxonMobil said the PNG LNG export terminal just outside Port Moresby will be a 24/7 operation. Ships will load every three to four days. The gas will be exported

to Asian markets in China, Japan and Taiwan. The US\$19billion gas project is operated by ExxonMobil PNG Ltd, a subsidiary of ExxonMobil Corporation (33.2 percent). Other participants included Oil Search Ltd 29 percent, National Petroleum Company of PNG (PNG Government) - 16.8 percent, Santos 13.5 percent, Nippon Oil- 4.7 percent and Mineral Resources Development Company - PNG landowners - 2.8 percent.

Ramu Nickel: Mine tailings threaten bay

The National, May 13th, 2014

JUST two years of operation of the Ramu nickel-cobalt mine has seen tailings smother organisms and sediment in the Basamuk Bay, a research says. Such has been the impact on the biodiversity that organisms have disappeared, it said. Marine researcher and biology lecturer from the University of Papua New Guinea Ralf Mana said: “The tailings of the mine disposed into the bay have overridden the organisms and the sea and the sea floor. “The shellfish, star-fish, worms, sea cucumbers and other invertebrates that live on the ocean sediments are affected.” Mana and two French researchers from the National Museum of Natural History in Paris, carried out a study over 30 days on the research vessel Alis and reported on the impact of the tailings. Mana said they had not seen the organisms that lived on the sediment. “All the organisms have disappeared,” he claimed.

“In 2010 and 2012, similar researches undertaken collected samples of the organisms and sediment on the sea floor. “Only two years after the operation of the mining, tailings of the mine have smothered the organisms and the sediment. The organisms that live above the sea floor might move away or die. “We might lose the different biodiversity in the sea because of the tailings. “I believe the tailing canyon is tilted at six degrees which is too low. This is causing the tailings to accumulate at both sides of the canyon. “The tilt had caused the tailings to move east and west. This is contrary to the tailing disposal model.” The researchers were involved in the Maddeep Kavieng Biodiversity Expedition that started in April and ended at the weekend. The expedition involved taking pictures of living organism and collecting sediment at ocean depths ranging from 200 metres to 1500m. This is where the organisms live without the use of sunlight but rely on other energy sources to survive.

Labour not part of mining safety

The National, May 13th, 2014

THE Labour and Industrial Relations Department administers and regulates the Industrial Safety, Health and Welfare Act which is not applicable to the mining lease area, an official says. Executive manager for the occupational health and safety programme, Donald Lunen, said that in response to a letter to the editor published in The National on April 8. The letter said the OHS programme in the country was not regulated, administered and enforced. Lunen said the OHS policies, legislations, institutions and values were inherited from the colonial era and were prescriptive and evolved in a piecemeal manner. “This is because its scope is narrowly focusing on the industrial revolution pre-occupation with factories and does not cover all work places in the industries,” Lunen said. The letter stated some cases of deplorable working conditions and flawed work practices which had contributed to atrocities in workplaces, such as the 2009 landslide at the Kainantu gold field. Lunen said due to constraints and the incapacity of the department to inspect the whole nation, it was imperative that all work places must have a safety policy and a safety management system.

Prime Minister assures Bougainville on Panguna

Anthony Kaybing, New Dawn via PNG Mine Watch May 13, 2014



The two leaders pose for this TONY KAYBING Picture

Prime Minister of Papua New Guinea Peter O'Neill has assured ABG President Chief Dr John Momis that the National Government will not influence the Panguna issue. Mr O'Neill made this remark during a meeting between the two leaders last week in the nation's capital. The Prime Minister said it is not the intention of the National Government to decide or to take control of the Panguna Mine. The Prime Minister made this remark following the controversial takeover of Ok Tedi Mine by the National Government which saw the PNG Sustainable Program being superseded. The Prime Minister adds the final decision to reopen the mine rest with the people of Bougainville with their legitimate government the Autonomous Bougainville Government. Amongst the issues discussed between the two leaders was the correct calculation of the Restoration Development Grant. President Momis was happy to reveal that both governments have reached a consensus on the issue with the National Government agreeing to pay the outstanding arrears but over a period of time. President Momis also added that the Prime Minister was happy to hear of the ABG's initiative to create its own public service which shows its intent to move towards the creation of its autonomous institutions. Much of what has been discussed between the two leaders will be tabled during the next Joint Supervisory Meeting which is proposed to be held in June of this year.

Namah questions role of Israeli Weiss

The National, May 13th, 2014

By MALUM NALU

OPPOSITION leader Belden Namah has questioned the role of Israeli Dr Jacob Weiss in the purchase of the two K50 million generators from Israel and also the takeover of Ok Tedi Mining and PNG Sustainable Development Program (PNGSDP) Ltd. He told reporters Weiss was a former board member of PNG Sustainable Development Program (PNGSDP) Ltd, a board member of Ok Tedi Mining Ltd (OTML) and a board member of Bank of PNG, and PNG's honorary consul to Israel. "Dr Jacob Weiss, while being a board member of PNG Sustainable Program, brought in a

submission to fund his son's hydroponics farm up at 9-Mile," Namah said. "He was paid K28 million so that he could start that farm, a complete conflict of interest. "Whatever relationship of Dr Weiss or his son Ilan Weiss with Peter O'Neill is reflected in the current decisions to pay K50 million without proper government decision, proper procurement processes, and not following the Public Finance Management Act.

LNG: First shipment to bring in millions

Post-Courier, May 13, 2014

THE first shipment of 150,000 cubic tonnes of the Liquefied Natural Gas (LNG) from Papua New Guinea will bring in millions of kina to the country, says ExxonMobil PNG Ltd managing director Peter Graham. Mr Graham told *Post-Courier* in Madang that an exact monetary figure could not be given as this may affect people's expectations on the project, but he highlighted that it would be in millions of kina. "The loads of shipment for the overseas market will be at a schedule of six day per week, with the first sooner than that was predicted before. "Gas production will begin at 1000 million standard cubic feet per day, to provide for about 6.9 million tonnes per annum of LNG output and export from a two train LNG Plant.

"The overseas markets are our main long term customers, especially Japan, of which the first shipment will go to. Then we have the China and Taiwan market customers that LNG will be sold and supplied to as well," he said. Proceeds from the first sale will be parked under a separate trust account that will be a joint venture agreement between the State and developers, of which after that the funds will then be distributed after all appropriate deductions are made accordingly, he said. The PNG LNG project is operated by Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation, in co-venture with Oil Search Limited, NPCP, Santos, JX Nippon Oil and Gas Exploration and the Mineral Resources Development Corporation (MRDC).

Control mining industry in PNG

Post-Courier, May 13, 2014

By BENNY GETENG

ALLUVIAL mining can contribute to the national coffers twice the amount of money that Hidden Valley Mine, in Morobe, can produce if properly regulated, says an expert. Mineral Resource Authority's manger for small scale mining, Al Comparativo, said the total amount of alluvial gold sold in export earnings in 2011 was valued at over K360 million. He said that was a lot of money the country could benefit from if the industry is properly regulated and monitored throughout the country. "At present it is the simple people on the grounds that are practicing small scale mining for their life sustaining needs. Seventy per cent of gold and silver taken from illegal small scale mining activities is being shipped and unaccounted for, only 30 per cent is being monitored and the export value is being determined and made available."

In the first months of 2014, so far the current export value stands at K100 million and the target is expected to reach K400 million by the year's end. Although the general trends of both gold and silver exports have declined since 2011, which was attributed to the downturn of commodities in the world market, there is a lot of great potential for the industry, he said. "The historic trend of continuing decline in export volumes, value and consequently, levy receipts, in the alluvial sector has shown signs of a reversal with both production ounces and value rising, compared to the same period in 2013," Mr Comparativo said. "If this trend continues, MRA's levy receipts could exceed the K1 million figure for the year and alluvial gold exports could exceed K400 million for the first time.

A combination of business opportunities and resolving conversions could lay the groundwork for a doubling of alluvial production within the next five years."

Ok Tedi: Judge refuses to disqualify himself from case

The National, May 13th, 2014

By CHARLES MOI

A JUDGE has refused to disqualify himself from presiding over the Ok Tedi Mining Ltd court case. Justice Derek Hartshorn refused contentions raised by plaintiffs, Pastor Steven Bagari and others. The case was adjourned to June 27 for inter-party hearing. The plaintiffs' lawyer, Allen Baniyamai, filed the application to disqualify Justice Hartshorn from presiding over the case on an apprehension of bias. Baniyamai submitted that the application was presumed primarily on Hartshorn's conduct of the proceedings on comments made by another judge that Hartshorn may have a conflict of interest. Bagari and others claim substantively, declaratory relief to the effect among others, that certain Community Mine Continuation Agreements are unenforceable, null and void and are of no effect. They argued that the continuous dumping of mine waste and tailings into the Ok Tedi and Fly River systems is in breach of the Mining and Environment Act and is unlawful.

Finance Minister James Marape was in support of the application for disqualification. Mining Secretary Schadrach Himata, the second defendant, and the State, third defendant, opposed the application to disqualify Hartshorn. They submitted that the application made by Bagari was made late given that the plaintiffs (Bagari) were invited by the court at an early stage to make any disqualification applications. But the plaintiffs did not do so until after the ruling on the stay application. Hartshorn, in his ruling, stated that the contention by the plaintiffs and Marape to be that of an objective, fair-minded lay observer. But he rejected this contentious ground by plaintiffs and Marape, saying the enquiry was made by a lawyer during the court vacation. "I was one of the vacation judges at that time and was ready to hear the matter," Hartshorn said. "That I heard the enquiry from a lawyer, in the absence of other lawyers, is not an indication that I would have heard the matter *ex parte* or that I would be predisposed to find in favour of the second (Himata) and third (State) respondents."

PNG Government To Investigate 'Criminal' Sale Of PNGSDP's Assets

Chairman: 'Unlawful expropriation' of Ok Tedi mine forced company to sell

PORT MORESBY, Papua New Guinea (PNG Post-Courier, May 13, 2014) – The Government will set up a Commission of Inquiry to investigate the sale of PNG Sustainable Development Program Limited's assets. Prime Minister Peter O'Neill, when announcing his Government's intention yesterday, said the company's board has no authority to sell off assets as it sees fit. Mr O'Neill said this decision by certain members of the board to dispose of the company's assets is not only illegal but criminal in nature. "This is criminal because the company and its assets belong to the Western Province people. The board has no right to sell off assets whilst the issues are in court. More importantly, any sell off must be done by consent, and in all these cases, no consent was given by the State," he said in a statement. The inquiry will enquire into recent transactions including the manner in which its assets are being disposed. The company structure, its management of finances and asset sales will also be checked.

"Look at the recent sale of Cloudy Bay for a mere K40 million [US\$13.9 million]. This company and its assets were valued at around K200 million [US\$63 million]. "To sell it at a price that is one third its value is not only unjust but outright criminal. Why is the board so keen to dispose of the company's assets at so cheap a price? "Whose interests are they representing? These so-called

board members and directors who are making these decisions are doing so illegally and it amounts to criminality. "Therefore, any decision by this board will now be deemed illegal, when they have not sought the approval of the government and the people of Western Province." But PNGSDP chairman, Sir Mekere Morauta the company is incorporated in Singapore and consequently does not come under the jurisdiction of the inquiry. The Government's "unlawful expropriation" of the Ok Tedi mine forced the company to sell some of its assets and give the others to the Fly River provincial government and village communities," Sir Mekere said.

"The directors of PNGSDP have a legal and moral duty to protect the assets and income of the company from potential misuse and misappropriation and will continue to do so. "The directors of PNGSDP always act in the best interest of the people of Western Province, who are the beneficiaries of the company's activities and assets, including the money in the Long Term Fund," Sir Mekere said. He said the matter is still before the Singapore High Court, which according to him is the appropriate forum to decide the matter. Ironically, the PNG-based inquiry might have to make an application before the same court if it intends to check out the books of the company as the Prime Minister has indicated. In the Singapore proceedings PNGSDP is pushing to block the PNG Government's attempts to remove its board members and CEO and declare that the Government has no authority over its affairs and case files, reports Reuters. In a separate proceeding before the International Centre for Settlement of Investment Disputes in Washington D.C., the company is seeking the return of its 63.4 per cent shareholding in Ok Tedi or compensation for its stake.

SOPAC and the EU continue to push experimental seabed mining despite community opposition

SOPAC continues to push for experimental seabed mining against the wishes of Pacific peoples - while using classic doublespeak to pretend its intervention will ensure positive outcomes, something that is manifestly untrue...

Deep Sea Minerals Finance Workshop: Making sure the Pacific Islands are not left short-changed

Secretariat of the Pacific Community (SPC) Suva, Fiji, The Jet, via PNG Mine Watch, May 12, 2014

Deep sea minerals have the potential to be a game changer for the Pacific. Whether they will bring a change for the good or the bad will be determined by the financial management of governments and their ability to adopt and enforce sensible environmental safeguards. If revenue is managed transparently and prudently while protecting the environment, deep sea minerals could greatly improve the economies and livelihoods of the Pacific Islands countries. To address these issues, the Secretariat of the Pacific Community (SPC) is holding a regional workshop, the fifth in its technical training series. This workshop will be held in Cook Islands on 13–16 May and will centre on the 'Financial Aspects' of the upcoming deep sea minerals industry. The workshop will bring together more than 60 Pacific Island government minerals and finance officials and experts from around the globe for the first regional event of its kind on managing the potential wealth generated from the extraction of deep sea minerals.

Although deep sea mining is yet to occur world-wide, there is much commercial interest in mineral formations, such as nodules, crusts and seafloor massive sulphides that have been discovered on the seabed, thousands of metres below sea-level, particularly in the Pacific Ocean. The event is organised by SPC's European Union-funded Deep Sea Minerals (DSM) Project, working with the Pacific Financial Technical Assistance Centre (PFTAC) – a subsidiary of the International Monetary Fund (IMF). A wide range of interested stakeholders will attend the workshop, from as far afield as South Sudan, Norway, and Mauritius as well as Timor Leste, with the aim of sharing their experiences and

professional expertise. The workshop will discuss how to turn those minerals sitting on the deep ocean floor into new revenue for Pacific Island countries to expand their economies.

The workshop will focus on how countries that choose to proceed to mining can capture a fair 'deal', through good governance of revenue received, and learn from past lessons, both elsewhere and closer to home. This is where the SPC-EU DSM Project regional training events play an important role. The workshops are designed to prepare Pacific Island countries for all aspects of regulating their deep sea minerals. Previous workshops covered other subjects, including environmental, legal, social and geological aspects of DSM. The deep sea minerals industry has the potential to make a positive impact on the lives of Pacific people; however, there are issues, risks and uncertainties that need to be addressed. The DSM Project stresses the importance of engagement and participation among a wide variety of stakeholders, from local communities all the way up to regional non-governmental organisations, to enable Pacific countries to make well informed decisions for their economies, their people, and their islands.

**Mining Companies Don't Take Into Account the Cost of Community Conflicts, Study Says
Opposition by Indigenous Groups Seen as Major Risk to Resource Projects World-wide**
By Ryan Dube, The Wall Street Journal, May 12, 2014

LIMA, Peru—Mining and hydrocarbon companies are failing to take into account the full cost of community conflicts, which are a major risk for resource projects world-wide, according to a new study released Monday. The study, which was published in Proceedings of the National Academy of Sciences in the U.S., looked at 50 projects around the world that have faced community opposition. Protests by rural residents and indigenous groups, often over such environmental concerns as the use of water, have derailed mining and energy projects in areas including Australia, India and Peru. The study found the largest costs that companies face because of the conflicts are the losses when abandoning projects after sinking in a sizable part of their investment. The most frequent costs are due to lost productivity from delays. Researchers from the University of Queensland, Harvard University and Clark University said they identified several cases where a mining project with capital expenditures of \$3 billion to \$5 billion incurred weekly losses of about \$20 million due to delayed production because of community opposition.

"It's counterintuitive, but some of the most vulnerable and marginalized groups, like indigenous peoples and rural communities, have an enormous clout over the economic impact of projects," said Daniel Franks, an author of the study from the University of Queensland's Centre for Social Responsibility in Mining. The study's publication comes at a time when mining companies are focusing on cutting costs as lower metal prices have hurt revenues. A commodities boom during the past decade increased the industry's appetite for projects. However, the push to develop projects also resulted in conflicts with communities over environmental concerns, leading to delays and suspensions. In Peru, for example, some mining projects have been met with violent marches, road-blocks, vandalism and other forms of protest. In 2013, Ernst & Young said in a report on risks to the mining sector that obtaining social approval for a project is one of the top challenges for companies, behind ensuring access to capital, protection of margins and resource nationalism. Indigenous organizations say their opinions on resource development are often overlooked by the government and private sector, and that can boil over into violent conflicts.

"We are not against all investments, that would be absurd," said Roberto Espinoza, an adviser to Peru's biggest indigenous organization, Aidesep. "We only ask that the law is respected, and the law says communities should be consulted...and have the right to determine their own development." The authors of the study released Monday said there are numerous other costs from the conflicts that are difficult to quantify, like the value of reserves, which change due to fluctuations in commo-

dity prices. The suspension of a project also hinders opportunities to expand the reserves. Reserves often increase in size as companies advance projects and become more familiar with the ore body. Researchers said the most overlooked cost by companies in the extractive industries is the time that executives spend dealing with community conflicts, which takes away the opportunity to focus on other business.

In one case, the study said that senior managers spent more than 80% of their time dealing with a community dispute over an asset that was worth about 10% of the firm's income. "This is a very large cost, the time of executives," Carlos Galvez, the chief financial officer of Peruvian precious metals miner Compania de Minas Buenaventura, BUENAVC1.VL -2.41% said in an interview. Buenaventura has a minority stake in Peru's giant Minas Conga copper and gold project. The company and its partners, which includes Newmont Mining Corp., invested \$1.6 billion in Minas Conga before it was put on hold in 2012 due to protests over its impact on the water supply.

The conflict resulted in the companies agreeing to spend about another \$200 million on the project to build reservoirs to ease concerns about the water. Newmont said in an emailed statement that support for Minas Conga has been growing as surrounding communities have been affected by economic losses due to the project's delay and the benefits of the reservoirs. The authors of the study say that resource companies should give experts in sustainable development a greater say in the development of projects to avoid the costs of conflicts. "You can demonstrate the value of good community relations through these costs," Mr. Franks said in an interview. "Companies that run roughshod over communities are pursuing a very high-risk strategy."

Limited resources drives conflicts

Post-Courier, May 12, 2014



By ANCILLA WRAKUALE

LIMITED resources leads to competition and conflicts eventually, says a World Bank representative. Vice President and Compliance Advisor Ombudsman (CAO) for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group, Dame Meg Taylor told a gathering in Port Moresby last week that often lack of resources are the main drivers of conflicts in societies and countries around the world. CAO is the independent resource and accountability mechanism for the International Finance Corporation and Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. CAO addresses complaints from people affected by World Bank Group private sector projects (IFC/MIGA). Dame Meg who spoke on the topic of governance and accountability at international financial institutions said common drivers for conflict included limited resources, land, and major industries like mining and agriculture.

She said where there is competition conflict is predictable. She said through her work with the CAO, Latin America accounts for most conflicts from 2000-2014. She said complaints from Africa

and Asian regions are on the increase. Dame Meg shared that through her work, in Peru, 72 per cent of the conflicts were related to the mining industry. She said in India, mass protests in Uttar Pradesh against land acquisition for infrastructure. She said issue of land acquisition is highly sensitive as about 66 per cent of India's population is dependent on farming. She said CAO is currently working on 49 cases in 19 countries, with one in Madang for Papua New Guinea. She said competition for natural resources leads to conflict. She said thorough implementation is key with slower processes but better projects and having in place checks and balances.

PNG Treasurer: Gas Proceeds To Stabilize Falling Kina

Growth of 21% expected next year as a result of LNG

PORT MORESBY, Papua New Guinea (The National, May 12, 2014) – The value of the sliding kina will stabilise once the proceeds from the Liquefied Natural Gas (LNG) project starts to flow in, Treasury Minister Patrick Pruaitch said. "I want to assure the people that it's a temporary thing," Pruaitch said in response to questions from Chuave MP Wera Mori in Parliament last Friday. "We know that the construction stage of the LNG is winding down and the foreign exchange coming into the construction period is now slowing down. "So the foreign currency that is coming into the country is becoming less and at the same time there is more demand for us to pay in foreign currency." Pruaitch assured the House that once receipts from the LNG started to come in, it would stabilise the kina and top up the currency. Mori asked why it was stated that the country's current economic growth of 6% and was predicted to increase to 21% next year but the strength of the kina continued to spiral downwards. "The people of this country want to know what sort of relief they could get that the little money they have when they go to the shops they are able to have the buying power?" Mori said.

Morauta tells PM to stop twisting the facts

Post-Courier, May 12, 2014

PNG Sustainable Program Chairman Sir Mekere Morauta has called on Prime Minister Peter O'Neill to stop twisting the facts when making statements about the company. "His comments in Question Time on Friday were inaccurate and misleading once again," Sir Mekere said. "I call on the Prime Minister to stop hiding behind parliamentary privilege when making these comments. "The Prime Minister should seek proper advice about PNGSDP, and respect the truth no matter how unpalatable it may be to him. "The Prime Minister claimed that I am a shareholder of PNGSDP and a director for life. This is untrue, and I challenge him to prove it." Sir Mekere said PNGSDP is a company limited by guarantee, and such companies do not have shareholders. "Sir Mekere is a Member of PNGSDP and, as such, does not derive any benefits from PNGSDP other than board fees. "Sir Mekere is not a director for life as claimed by the Prime Minister. "He has a fixed term, like all directors, a reform he introduced along with a fit and proper persons test for directors."

He also said the recent changes to the company's Memorandum and Articles of Association were aimed at protecting the structure, independence and integrity of the company and were carried out in accordance with the Memorandum and Articles of Association and did not require the consent of the State. He also said PNGSDP had not moved its operations to Australia, as the Prime Minister claimed. The company's offices in Singapore, Port Moresby and Daru were operating in their usual capacity. The company had, however, moved some files and equipment to a small Australian office for security reasons. "The Prime Minister is also seriously misinformed about the sale of Cloudy Bay Sustainable Forestry Limited, and PNGSDP's attempts to sell its communications towers in Western Province," Sir Mekere said. "Both decisions were forced on the company by the Prime Mi-

nister's expropriation, without compensation, of the Ok Tedi mine, and by his constant attacks on the structure, integrity and independence of PNGSDP."

PNGSDP dispute drags on

Post-Courier, May 12, 2014

By ISAAC NICHOLAS

THE PNG Sustainable Development Program (PNGSDP) has ceased all projects in PNG and moved its operations to Australia since October last year, claiming it has no funds, Prime Minister Peter O'Neill revealed in Parliament. "However, PNGSDP has realised assets worth tens of millions of US dollars and possibly more," Mr O'Neill said. "(PNGSDP chairman) Sir Mekere (Morauta) refuses to disclose the amount which it has transferred offshore, claiming such assets are needed to pay for salaries and to fund 'the fight for justice'." The Prime Minister was responding to questions from Western province Governor Ati Wobiro about the status of the legal challenges in the Singapore courts. Mr O'Neill said the State has taken an application in the Singapore courts, seeking orders to preserve PNGSDP's assets pending the resolution of the dispute.

"This is to protect the interests of the people of PNG and Western province, who are supposed to benefit from the projects funded by PNGSDP's assets," he said. Mr O'Neill said has been a number of statements made in the media by Sir Mekere about PNGSDP. "These statements are completely unwarranted and I did not wish to get involved in an unnecessary public slanging match with Sir Mekere. However, events have now reached the point where it is necessary to make some clarifying comments." He said PNGSDP commenced proceedings against the State before the Singapore courts and in the International Centre for Settlement of Investment Disputes. He said the State believes these proceedings are without merit and will strongly contest them. "These proceedings arise out of the State's dispute with the persons currently in control of PNGSDP, led by Sir Mekere, over whether they are managing PNGSDP's projects and assets properly for the benefit of the people of PNG and in particular the people of Western province.

Prime Minister clears air on PNGSDP during question time in Parliament

Post-Courier, May 10, 2014

The PNG Sustainable Development Program issue is far from over. Yesterday in Parliament Western Province Governor Ati Wabiro raised the issue during question time. Prime Minister Peter O'Neill clearly was not interested in such question but maintained his stance. "Mr Speaker, there have been a number of statements made in the media by Sir Mekere Morauta about PNGSDP. These statements are completely unwarranted and I did not wish to get involved in an unnecessary public slanging match with Sir Mekere. "However, events have now reached the point where it is necessary to make some clarifying comments," Mr O'Neill said. He said PNGSDP has commenced proceedings against the State before the Singapore Courts and in the International Centre for Settlement of Investment Disputes.

He said the State believes these proceedings are without merit and will strongly contest them. "Mr Speaker, these proceedings arise out of the State's dispute with the persons currently in control of PNGSDP, led by Sir Mekere Morauta, over whether they are managing PNGSDP's projects and assets properly for the benefit of the people of Papua New Guinea and in particular the people of Western Province. "Mr Speaker, I am sure we all recall that PNGSDP was created pursuant to the agreement between the State and BHP. The assets of PNGSDP are to be used solely for projects to benefit the people of Papua New Guinea and in particular the Western Province. "Mr Speaker, the State is entitled to appoint half the directors and BHP is entitled to appoint the other half. The direc-

tors are accountable to the State for how the assets of PNGSDP are being used.” Mr O’Neill said however, beginning in October 2012 and continuing through 2013 and this year, the directors of PNGSDP have amended its Memorandum and Article of Association several times to entrench those currently in control of PNGSDP, all without the State’s consent.

Mr Speaker, this included:

- Installing Sir Mekere as the chairman;
- Reducing the voting power of the PNG-appointed directors in favour of the BHP-appointed directors;
- Admitting Sir Mekere as a member of the company; and
- Even taking away the power of the State to appoint its half of the directors.

“Mr Speaker, the result is that the group led by Sir Mekere is now in total control of the company, without any accountability to the State or the people of PNG. “Mr Speaker, the story gets even worse. Since October 2013, PNGSDP has ceased its projects in PNG claiming it has no funds, and moved its operations to Australia. However, PNGSDP has realised assets worth tens of millions of US dollars and possibly more. Sir Mekere refuses to disclose the amount which it has transferred offshore, claiming such assets are needed to pay for salaries and to fund “the fight for justice”. “Mr Speaker, the State has therefore taken out an application in the Singapore Courts, seeking orders to preserve PNGSDP’s assets, pending the resolution of the dispute.

This is to protect the interests of the people of Papua New Guinea and Western Province, who are supposed to benefit from the projects funded by PNGSDP’s assets. “Mr Speaker, the application was first heard by the Court on 30 April 2014 and has been adjourned for a further hearing on 28 May 2014. I am not able to provide you with further details as the Court has directed that “neither party shall issue any press release or otherwise convey any details of [the hearing] to the press anywhere until further order of the Singapore court.” “Mr Speaker, the State is still attempting to reach an amicable settlement of these matters. “Mr Speaker, I will update Parliament on the status of this matter if there are further developments,” he said.

MCC admits genuine landowners never identified...

... so how did it obtain their free prior informed consent to build its mine?

Land row slows royalty sharing

The National aka The Loggers Times via PNG Mine Watch May 10, 2014

DISPUTES over land ownership pending in court are delaying the distribution of royalty payments to Ramu Nickel project landowners, an official says. This was revealed yesterday during the PNG Chamber of Mines and Petroleum PNG Resources sector media workshop in Madang. Ramu Nickel public relations Officer officer Mathew Yakai said there were too many landowners arguing over ownership in court and delaying the awarding of royalty payments to genuine landowners. Yakai said landowners would have to wait until the cases had been dealt and the genuine landowners identified in the land court. He said Ramu Nickel must be clear on who the real landowners were before it could distribute the royalty payments. Some landowners who had already been declared by the Land Title Commission courts would have to wait for the other pending cases. Arnold Lakamanga, the manager for information and marketing with the Mineral Resource Authority, said Ramu Nickel had improved its operations to meet world mining operation standards. He said Ramu Nickel’s safety standards in its working environment were much improved.

European consortium develops sustainable seabed mining solutions - key role for dredging companies

Dredging News Online - May 9, 2014

The European Commission is helping to take seabed mining to the next level by funding a four-year project entitled: "Breakthrough Solutions for Mineral Extraction and Processing in Extreme Environments – Blue Mining". The overall aims of the project are to develop new cost-effective solutions for environmentally friendly mining and processing in difficult conditions and extreme environments, and to further unlock the large potential of raw materials in Europe. The development of sustainable seabed mining solutions is important in Europe for several reasons. Firstly, it will help to secure raw materials for Europe's high-tech industry, which depends on importing vital metals. Secondly, it will further enhance Europe's leadership in advanced deep-sea technologies on a global scale. And thirdly, it will enable new education, skills and knowledge to be offered by universities and research centres.

The extreme conditions found on the ocean floor raise specific challenges, both technically and environmentally, which are demanding and entirely different from the challenges of land-based mining. The project will be carried out by a group of 19 large European industry and research organisations with various maritime fields of expertise – the "Blue Mining" consortium. The consortium will develop solutions that will bring deep-sea mining a significant step closer. The "Blue Mining" project will address all aspects of the value chain in this field, from resource discovery to assessment, and from exploitation technologies to the legal and regulatory framework. The goal is to create breakthrough solutions for the sustainable exploration and extraction of deep-sea mineral resources. IHC Merwede is leading the project and Uniresearch is providing administrative services.

Key members of the Blue Mining consortium include:

Aker Solutions GmbH - Germany

Dredging International N.V. - Belgium

IHC Merwede B.V. - The Netherlands

IMS Ingenieurgesellschaft MBH - Germany

MTI Holland B.V. – Technical coordinator - The Netherlands

2H Offshore Engineering Ltd. - United Kingdom

Bundesanstalt fuer Geowissenschaften und Rohstoffe - Germany

Fundacao da Faculdade de Ciencias da Universidade de Lisboa - Portugal

Helmholtz Zentrum fuer Ozeanforschung Kiel - Germany

Natural Environment Research Council - United Kingdom

Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek – TNO - The Netherlands

Norges Teknisk-Naturvitenskapelige Universitet NTNU - Norway

Rheinisch-Westfaelische Technische Hochschule Aachen - Germany

SOTON University of Southampton - United Kingdom

Stichting Martiem Research Instituut Nederland - The Netherlands

Technische Universitaet Bergakademie Freiberg - Germany

Technische Universiteit Delft - The Netherlands

Guardship BVBA - Belgium

Uniresearch B.V. - The Netherlands

Nautilus Minerals Inc.: State of PNG Pays \$113M Into Escrow

TORONTO, ONTARIO--(Marketwired - May 9, 2014) - Nautilus Minerals Inc. announces that the Independent State of Papua New Guinea's (the "State") nominee for participation in the Company's

Solwara 1 Project (the "Project") has today placed US\$113,000,000 into escrow, representing the balance of the funding for the State nominee's 15% share of the capital required to complete the development phase of the Project up to first production. On April 24, 2014, the Company announced it had resolved the dispute with the State and signed an Agreement (the "Agreement") with the State's nominee, Eda Kopa (Solwara) Limited ("Eda Kopa"), a subsidiary of Petromin PNG Holdings Limited, enabling the Project to move forward toward production.

Mike Johnston, Nautilus' CEO, commented, "the fact that the State's nominee has placed the money into escrow well in advance of the 31 July deadline in the Agreement further demonstrates the support the State now has for the Project, as we continue to work together as partners in this new deep sea mining industry." With the State's nominee, Eda Kopa, having paid into escrow the funds for its 15% interest in the Project up to first production, Nautilus must now secure the charter of a Production Support Vessel and secure for Eda Kopa, certain intellectual property rights within 6 months. The funds will be released to Nautilus on the satisfaction of both conditions. The Company will now focus its attention on securing a suitable vessel arrangement and is continuing its discussions with potential vessel partners, while also undertaking a tender process with shipyards experienced in building offshore construction vessels.

Porgera: MP wants mine dump check

The National, 09th of May, 2014

Lagaip-Porgera MP Nixon Mangape is concerned about tailings from the giant Porgera gold mine in Enga, which he says pollutes the Strickland and Fly rivers. He raised his concern in a supplementary question to Environment and Conservation Minister John Pundari in Parliament, yesterday. "In the case of Porgera gold mine, there are no facts," Mangape said. "I want the minister to tell the house if the department has in place a system to monitor all the tailings going into the river system. "In the case of Porgera, we don't have a system in place to monitor the tailings all the way down to Lake Murray and the Strickland. "You (department) just rely on the company."

Pundari concurred with Mangape. "The department has to monitor, ensure and oversee environmentally-friendly operations and developers are compliant with regulations," he said. "All mining operations around the country have their own environmental scientists and comply with environmental issues of the department. "From time-to-time, the department does its monitoring that there is compliance out in the operational fields. "Over the years, the department has been underfunded, but it has not sat back and relaxed in so far as significant projects in the country are concerned. Regardless, the department has been on top in its responsibilities as far as Porgera is concerned, and I ensure that the department is up to the task."

Government plans for more share

The National, 09th of May, 2014

PRIME Minister Peter O'Neill says the State will be moving towards having greater equity in mining and petroleum projects in the country. He said that in Parliament in reply to a question from Kerowagi MP, Camillus Dangma, who asked a series of questions about PNG equity in petroleum projects. "This concern has been with me for a long time," he said. "Papua New Guineans are supposed to hold 22.5% of all projects, however, we only get 19%. "Where has this 3.5% gone to? "The State is supposed to hold 22.5% but we lose 3.5% in negotiations. "I see (that) time and again that this is diluted. "Such a huge amount of shareholding is taken up by somebody. "Can the government make an inquiry into this?" O'Neill said the government had a right to hold up to 22.5% in all projects. "When we were developing the oil fields in Kutubu, and gas fields in Hides

and other areas, shareholders contributed into making these developments happen,” he told Dangma.

“At that time, the State did not exercise its option to take up shares. “As a result, there was some dilution. “I realise that we made a mistake and lost part of our shareholding. “I want to assure the MP and the people that I will ask the minister to make a detailed statement on these issues and present it in Parliament.” O’Neill said that mistake would not be repeated and the government would now take up full equity in all projects. “We can hold up to 30% in mining projects, under the law, and 22.5% in petroleum projects,” he said. “We are not going to take anything less than that. “Past governments have made a lot of mistakes. “Our government is making deliberate decisions like taking over Ok Tedi – now we own it 100%. “This year is going to be very profitable because we are managing it well and cutting costs.” “If we can do it at Ok Tedi, we can do it anywhere else.”

Call for more study into seabed mining

The National, 09th of May, 2014

NORTHERN Governor Gary Juffa has challenged the Government to conduct studies on the effects of seabed mining on marine resources. He related this to the Solwara 1 project in New Ireland, which he questioned Fisheries Minister Mao Zeming in Parliament yesterday. Juffa asked Zeming if the ministry or the National Fisheries Authority would conduct an independent study on the effects of seabed mining on the marine resources. He asked what the Ministry’s stand would be if scientists found the project to cause harm to the marine environment. Zeming agreed that the fishing industry would be a concern, however, the developer had already been granted a license to carryout the project by the previous government. He said he would get information from the fisheries authority and make a statement to the House later.

Ramu: Land row slows royalty sharing

The National, 09th of May, 2014

DISPUTES over land ownership pending in court are delaying the distribution of royalty payments to Ramu Nickel project landowners, an official says. This was revealed yesterday during the PNG Chamber of Mines and Petroleum PNG Resources sector media workshop in Madang. Ramu Nickel public relations Officer officer Mathew Yakai said there were too many landowners arguing over ownership in court and delaying the awarding of royalty payments to genuine landowners. Yakai said landowners would have to wait until the cases had been dealt and the genuine landowners identified in the land court. He said Ramu Nickel must be clear on who the real landowners were before it could distribute the royalty payments. Some landowners who had already been declared by the Land Title Commission courts would have to wait for the other pending cases. Arnold Lakamanga, the manager for information and marketing with the Mineral Resource Authority, said Ramu Nickel had improved its operations to meet world mining operation standards. He said Ramu Nickel’s safety standards in its working environment were much improved.

Ramu give contracts

Post-Courier, May 09, 2014

By BENNY GETENG in Madang

MORE than K600 million worth of contracts have been awarded to locals by the Ramu Nickel Mine in Madang Province. This was revealed by the Senior Engineer and Vice President for Ramu Nico Management Limited Wang Baowen during the fourth PNG Resource Sector Media Workshop held

in Madang yesterday. Mr Baowen said that these contracts until 2010 were awarded to local businesses with most procurement happening in Madang Province including spin off benefits to locals. "We support local business through: spin off business opportunities; procurement of goods and services in local area; case studies; Raibus Security has recruited over 190 locals and provides services to all areas across the project region; NCS Raibus provides catering services for the whole project in Curumbucari and Basamuc ; Raibus Engineering has contracted for several engineering directly from the project."

He said. "More than 3000 PNG nationals directly recruited and employed in the construction activities more than half were land owners from the regions. In operation around 700 nationals will be directly employed and offer 5000 job opportunities indirectly." Furthermore Ramu Nico has managed to construct many facilities including schools health centres and roads and bridges within the project affected areas. "The mine has an operational life of 20 years in excess but we are continuing looking at ways to further extend its life span for another 20 years more. We have covered a total of 150'000 people identified as land owners. The master agreement of the mine was sealed in 2005 and in October 2005 Joint Venture Agreement was sealed. The annual output (Metal Equivalent) with Nickel at 32.000 tonnes and Cobalt at 3.300 tonnes."

PNG Defends LNG Landowner Identification Process

'Clan-vetting' nearly complete in 9 of 16 affected areas

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, May 8, 2014) – The PNG Government says it's confident its method of identifying landowners who will benefit from the nation's billion-dollar liquid natural gas project is fair and valid. The government has been criticised for using a process called 'clan-vetting' to decide who can claim royalties from the \$19 billion [US\$17.7 billion] project. It has acknowledged that the landowner identification process won't be finished before ExxonMobil makes its first shipment of gas to Asia in the middle of the year. PNG's Petroleum and Energy Minister, Nixon Duban, says clan-vetting is thorough and almost complete in nine of the 16 major areas. "While many people may raise the level of criticism against the government's effort I want to assure all our public and general listeners (about) this system of social mapping and clan-vetting," he said. "I think we are a capable government and we will have it completed without any bias to our current delays in terms of release of funding and the commitment by our officers, are minor obstacles in my view and it will be done."

The ExxonMobil PNG LNG project - which stretches from the PNG highlands, along a 600-kilometre pipeline to the plant site near Port Moresby - is ahead of schedule. Tens of thousands of people who live within the project area are waiting for the money to flow but that can't happen until all landowners are identified. Traditional owners in all those areas are expecting to receive financial benefits, but the task of identifying who is or isn't a real landowner is fraught with difficulty. More than five years' work has gone into the process, but it is still contested. Stanley Mamu, administrator of the NGO, PNG LNG Watch, says there are problems with clan-vetting. "Anybody from Papua New Guinea can claim their clan as part of project areas, (that) they come from the project areas," he said.

"The problem that will cause for the future is that is not a proper identifying of that clan so anybody working with the Department of Petroleum and Energy can put his clan into that clan-vetting and claim that he is the landowner and he will get benefits from that project." Lawyer Alfred Kaiabe, an oil and gas expert from Hela province, in the PNG highlands, says the clan-vetting system has no legal basis. "There are a lot of problems associated with it," he said. "During the last two weeks

there have been commotion down at the Petroleum and Energy Department because some of the landowners want to know the outcome of the clan-vetting the government has been conducting."

Royalty money held in trust

The final, official list landowners who will benefit from the project will be contained in a ministerial determination. Mr Duban says it is important the information that goes into the ministerial determination is correct. "We must ensure and there must be internal reviews from time to time to ensure that this clan-vetting is true and true and correct in all forms," he said. Mr Duban said he expected the clan-vetting to be 90 per cent finished before the end of the year. Until then, the PNG Government will hold the money in trust. Prime Minister Peter O'Neill is expected to reveal details of how that process will work when he tours project sites in the coming weeks.

Vale NC must improve processes - environmentalists

Radio New Zealand, May 9, 2014

WWF in New Caledonia is urging the nickel company Vale to improve its risk management procedures following its fifth spill in five years this week. Operations have been suspended at its Goro processing plant since Wednesday after 100,000 litres of effluent, containing some acid, ended up in a creek due to human error. The WWF country manager, Hubert Geraux, says the real cause and effects of the spill are not yet clear. Mr Geraux says Vale, and the government of the Southern Province which is tasked with monitoring the plant, should take the investigation of this incident very seriously. He says they cannot let such an incident happen again. "It's really important today to find real solutions to ensure that if this industrial project is still accepted by the local population and the Southern Province, it will have to be totally re-thought regarding the risk management." Hubert Geraux says some locals were blocking the entrance of the processing plant but have since moved. The suspension at Vale has prompted a jump in the nickel price to a two-year high.

Vale says water quality back to normal after acidic effluent leak

WELLINGTON, New Zealand (Radio New Zealand International, May 9, 2014)

Vale in New Caledonia says the discharge of solution from its Goro nickel processing plant has stopped after 100,000 litres of effluent, containing some acid, ended up in a creek. In a statement, the company says the spill happened at two o'clock yesterday afternoon, shortly before the authorities were notified. It says the spill is due to a misconfiguration of the circuits transferring solution between two retention ponds. Vale says response teams have helped limit the impact by pumping the ponds, and the water quality of the creek is now back to normal. It says some fish were found dead in the creek. In February, five New Caledonian environmental groups won nearly half a million US dollars in compensation from Vale over a major acid spill at its plant five years ago.

Operations At New Caledonia Nickel Plant Suspended

26,400 gallons of effluent from Vale processing plant ends up in creek

WELLINGTON, New Zealand (Radio New Zealand International, May 8, 2014) – The president of New Caledonia's Southern Province Cynthia Ligeard has ordered immediate suspension of operations at the Vale nickel processing plant at Goro after an estimated 100,000 litres [26,400 gallons] of effluent ended up in a creek. The spill contained some acid but it is not immediately clear how strong the concentration was. The provincial government has sent a joint mission with the environmental authority to the six-billion US dollar plant for an evaluation of the spill. It's the fifth such spill in five years at the Goro plant. Vale has confirmed that there's been an incident but has given

no details yet. The French High Commissioner, the President of the territorial government of New Caledonia, as well as the mayors of the municipalities of Mont-Dore and Yate have been advised of the spill. The Southern Province president has activated a crisis unit to evaluate the impact of this industrial accident and to put in place urgent measures to limit its effect. In February, five New Caledonian environmental groups won nearly half a million US dollars in compensation from the Vale nickel company over a major acid spill at its plant five years ago.

Experimental seabed mining is not ‘world class’

Rosa Koian via PNG Mine Watch, May, 8, 2014

‘World class’ has become such a nice catch phrase that even members of parliament ride with it without really giving some thoughts to what it means. This week member for Chuave Mr Wera Mori decides to come out of his shadow and be a mouthpiece for Nautilus Minerals and welcomes ‘world class experimental seabed mining ‘ in PNG. Mr Mori however, fails to realize that for PNG to be the first to test a technology for seabed resource extraction is never best for this country. The seabed mining technology is never going to be Papua New Guinea’s. Poverty and pristine ecosystem destruction however, will be Papua New Guinea’s. Nautilus Minerals has ignored all calls to stop this destructive test project. They have bullied PNG into an, unnecessary arbitration outside of the country and forcing PNG to pay up US\$118 million. In a country stricken by poverty US\$118 million will go a very long way to help with health and education services and the long overdue police housing. To throw away this amount of money on an unprofitable exercise is a miserable mistake for PNG.

As well as the Solwara 1 experiment Papua New Guinea has added to its ‘world class’ list the dumping ground for all sorts of rejects; lamp flaps, sheep tongue, chicken feet, used clothes, used cars, used barges, outdated medicine, factory rejects of consumer items and the list goes on. How low can PNG go for a very high traditional culture that boasts thousands of years of crafting, that an experiment is allowed to take away the only shark calling culture in the world? Shark calling is by Papua New Guinea standards world class and is not an import but created by Papua New Guineans. ‘World class’ often promises good, best, the first, the richest and so on and even though Papua New Guineans are not new to the negative impacts of terrestrial resources extraction, particularly mining, many leaders bend when dollars dance. Words like these (world class) make human minds lazy and turn populations into dependent and expectant communities. The will to produce anything disappears and they wait for outsiders to bring them gifts and oftentimes they end up with gifts of unhappiness and poverty. Papua New Guinea would do well if its leaders like Wera Mori would do a little bit of homework before picking up the microphone

Pogera: Awareness on illegal mining

The National, May 8th, 2014

A local community within the Pogera mining area is carrying out an awareness to stop illegal miners from entering the mine. Leaders from the Kulapi community, near the Pogera Special Mine Lease (SML), have joined hands with the Barrack Illegal Mining Control Unit to stop the illegal mining of gold as it will affect mine operations and the landowners in terms of benefit and development. Kulap is located outside the perimeter of the mine fence and has been used by illegal miners as an entry point to the mine pit. Leader of Kulapi Joshua Yako, who works with the control unit and the asset protection department, has initiated programs on bringing out awareness to the community. He said the communities were taking responsibility as land owners to stop such illegal activities as they have seen a lot of social issues affecting the community because of the illegal mining activity. “The mine must continue to operate so my community can continue to benefit. Any person

who is not a landowner and does not have genuine reason to live in Kulapi community must leave,” said Yako. Councillor Jim Yapo, who is employed by the mine, said as landowners they had to take ownership and responsibility to make sure the mine operated successfully without any intervention from illegal miners and outsiders. He said the mine brought benefit and development to the Kulapi community.

Cook Islands Hosts Deep Sea Minerals Workshop

Financial aspects of mining to be discussed

By Ben Chapman-Smith

RAROTONGA, Cook Islands (Cook Islands News, May 7, 2014) – Dozens of overseas delegates are coming to Rarotonga next week for a deep sea minerals workshop focusing on the financial aspects of mining. The training course, which runs from Tuesday to Friday, aims to help Pacific countries better understand the likely financial benefits of mining for deep sea minerals, and mechanisms for managing revenues sustainably. Paul Lynch, Cook Islands Seabed Minerals Commissioner, said the fact that this Deep Sea Minerals (DSM) workshop is being run here is a major endorsement for development of the Cook Islands seabed minerals sector. "It shows we're in the international mix of seabed minerals activities now. Our DSM resource and work was unknown for many years to many people overseas." He said it's also recognition that the Cook Islands is making good progress on developing a sound regulatory framework for these future activities. "We're a small nation, but have been taking the right advice and the right steps."

The workshop is being hosted by the Cook Islands Seabed Minerals Authority, with funding from the Secretariat of the Pacific Community and European Union's joint regional DSM Project. There are 15 members of the DSM Project, which was set up in 2011 to help Pacific countries prepare for future seabed mineral activity. There have been four training workshops so far, looking at environmental and social issues. This fifth workshop will be the first to specifically focus on the financial aspects of seabed minerals activities, in addition to the associated legal and fiscal frameworks. About 80 overseas and local delegates are expected to attend. Lynch said there has been no licensing of seabed minerals exploration in Cook Islands waters yet but everything needs to be in place before exploration licensing begins in the next year. "We're ahead of the game at the moment because we've already passed the world's first, dedicated Seabed Minerals Act in 2009, and recently tax and royalty regulations, and commenced the set up of our own national Sovereign Wealth Fund." According to a recent geological assessment, the Cook Islands' exclusive economic zone contains 10 billion tonnes of manganese nodules, which contain minerals like manganese, nickel, copper, cobalt and rare earth elements. Members of the public are invited to attend a general seabed minerals update meeting on Wednesday May 14 from 6 -7pm at the same venue, organised by the SBM Authority.

Local activist to pressure state on seabed deal

The National, May 7th, 2014

A local activist group is not ruling out taking further actions against the state over its recent decision to buy a 15 % share in the Solwara 1 deep sea mining project in the Bismark Sea. Act Now programme manager Effrey Dadamo has accused the government of letting down the people of PNG and said it would be held accountable, as reported by Radio Australia. He said the communities were still concerned as no social impact studies were conducted on the impacts of the project. In a recent trade fair between the PNG and Korea government, Mineral Resources Authority managing director Philip Samar had said the drop in copper production in the country was a reason why the government permitted the Solwara 1 project to go ahead. On average the country produces 60 ton-

nes of gold similar amount of silver and just under 200 tonnes of copper. “The mining industry is bringing on other copper projects like the Solwara 1 to beef up the depletion of resources in OTML...depletion with some qualification. “We (state) have permitted the Solwara 1 Project; it is currently refinancing itself and hopefully in next three years will come on stream that is a new frontier that we are excited and looking forward to,” Samar said.

Mining, petroleum firms clear air on tax exemptions

The National, May 7th, 2014

THE concerns raised by the public over millions of kina being lost through tax exemptions were clarified by mining and petroleum companies. Certain companies are granted tax exemptions depending on the nature of the investments. Ramu NiCo company in Madang said it was given a 10-year tax holiday – which was from start of construction until full scale operation. “This is because the company had to seek most of its machinery and construction equipment from overseas. “Moreover, most of the items required for nickel/cobalt processing and construction are not available locally for that matter.” “Other companies were also given tax exemptions during construction phase.” ExxonMobil, operator of PNG LNG project said: “As you know, we have been in a construction phase for the past four years and have made no revenues, hence we have no profits to be taxed upon.” “Even though we have made no money over the past four years, we still have invested in PNG, spending more than K10 billion in PNG, employing and training thousands of local workers.”

Development and progress in Sandaun

The National, May 7th, 2014

THE remote Telefomin district in Sandaun is experiencing development and steady economic growth, local MP Solan Mirisim says. Unlike other centres, Telefomin is only accessible by air and the cost of service delivery is high. Mirisim has pushed for a K30 million highway to connect the Southern Fly district, in Western, and Telefomin. He said the road would connect Oksapim LLG in Telefomin to link to Lake Kopiago in Hela. Mirisim said road construction was expected to start late this year. Another major investment undertaken by Mirisim was the distribution of about K1.5 million to tertiary institutions around the country to pay for tuition fees of students from his district. Mirisim donated a new portable sawmill last weekend to the people of Afox to build aid posts, classrooms, bridges, churches and their own homes, while generating income for the community by selling surplus timber. “I plan to buy walkabout milling machines for every area in Telefomin so they could cut their own timber and build aid post, schools, churches and bridges,” he said. Mirisim urged people to take care of the equipment so they could benefit from it. He donated more than K140,000 to build an aid post and water supply for the people.

ATTORNEY-General: Report is inaccurate

The National, May 7th, 2014

ATTORNEY-General Kerenga Kua has denied that the Singapore High Court has dismissed the State’s application for the appointment of a receiver to control the PNG Sustainable Development Program Ltd’s assets. However, he did not deny or confirm whether the Government was considering legislation to outlaw the operations of the Sir Mekere Morauta-led PNGSDP in light of the Singapore court decision. The National reported on Monday the high court’s ruling last Wednesday to dismiss the State’s application. It issued several orders, one of which barred the Government and PNGSDP from speaking to the press about the court decision. A well-placed source said legislative control of the embattled PNGSDP was the Government’s final option in its quest to control the

company assets worth billions of kina. Kua said in a letter to The National yesterday that “your report, including its headline, is inaccurate and misleading”. “The hearing of the State’s application (for inter alia, a receiver to be appointed to take control of PNGSDP’s assets) has not been completed and is still pending before the Singapore High Court.

“I am unable to give you any further details as the court has directed that ‘neither party shall issue any press release or otherwise convey any details of this hearing to the press anywhere until further order of the Singapore court’. But the State’s application has certainly not been dismissed.” PNGSDP, which is registered in Singapore, started proceedings in the high court to protect itself and its assets from actions by the State. The State responded by filing an application for orders which would, if granted, prevent the company from dealing with its assets. It is understood that other orders issued by the court last Wednesday were for the State not to contact any of the company’s fund managers and banks, PNGSDP to file an affidavit within two weeks setting out its assets and where they are held, and the State to submit a counter claim for relief. The hearing has been adjourned to May 28. Meanwhile, it is understood that Bank of PNG Governor Loi Bakani has written to former governor Sir Wilson Kamit requesting him to step down as the bank’s representative on the PNGSDP board. An inside source told The National yesterday that Bakani’s decision was based on a recent change made by the PNGSDP board to Article 24 that empowers the central bank governor to make the appointment.

Bank of PNG cautions on LNG revenue

Post-Courier, May 07, 2014



By ANCILLA WRAKUALE

The Government and other stakeholders involved in the LNG project, have been cautioned by the Bank of Papua New Guinea not to raise too much expectations of windfall revenue inflows in the first year of production. The Governor of the Bank of Papua New Guinea, Loi Bakani issued this warning in the bank’s quarterly economic bulletin for December Quarter 2013. He said while it was good news that the LNG production will commence ahead of schedule, most likely before June, the Governor has cautioned the Government including all stakeholders not to have high expectations from the revenue from the sale of gas. “Export receipts and revenue for the Government may be minimal and therefore expectations of windfall revenue and any associated appreciation of the kina might not materialise in the near term.

“With the completion of the construction phase of the LNG project, the Government should coordinate its efforts and priorities towards utilising the labour and capital that are released from the project. In addition, the Government should continue to develop the agriculture sector and invest in vital infrastructure projects in order to enhance the productive capacity of the economy. A diversified agriculture sector, including downstream processing, can broaden the export base and build PNG’s resilience to withstand external shocks by lowering instability in export earnings”, Bakani said. The developer of the project, ExxonMobil PNG Ltd announced last week that the \$US19 billi-

on (K52 billion) gas project was ahead of schedule with first shipment of LNG to the Asian markets in the coming weeks. The PNG LNG export terminal located just outside Port Moresby will be a 24/7 operation. Ships will load every three-four days. The PNG LNG is expected to produce more than 9 trillion feet of gas.

Government to change resource ownership laws

Post-Courier, May 07, 2014

THE Government will amend legislations on ownership of resources in the country, Attorney-General Kerenga Kua said in Parliament yesterday. He was responding to questions raised by Kabwum MP Bob Dadae on bringing to parliament his people's concerns on resource ownership, foreigners owning exploration license and why the Government could not make locals as partners. He asked if the Government had in place a law that would govern the changes in these ownership. East Sepik Governor Sir Michael Somare also raised a supplementary question and said there was already one law in place where resource owners/landowners should be given 5 percent of equity. But Mr Kua said over more than 40 years there has been a leakage in ownership and the Government was now moving to amend the leak. "This has been a question for the generations as to how we could deal with it in Parliament," Mr Kua said.

"And in equity that arises from a situation where the government owns the resources on behalf of the people but somehow, somewhere along the way, it loses the ownership and swayed back into it again. That has been the problem which we have not been able to find the solution, not able to identify the cause. "With no provision being made from compensation, that has been the very point where we have been dispossessed of our ownership rights. We have been disposed for appropriate compensation for that loss, now this is where the leakage has been, so we are now moving to plug the leakage. "The Government is earnestly in the process to deal with it systematically, firstly by reforming the participatory vehicles or nominee in mining and petroleum – to prepare the platform firstly. "There will only be one vehicle for mining and likewise in petroleum so they come through one door. "The best vehicle to use is to involve a production sharing arrangement. What it means is this, when a developer comes in and makes a commercial discovery; it will pay for all the development costs."

Prime Minister: Simbu limestone project will go ahead

Post-Courier, May 07, 2014

A project to convert Simbu province's vast limestone to cement will kick off this year, Prime Minister Peter O'Neill announced yesterday. It is a massive multi-million kina project that is set to transform the economy of the province, whose people rely on small holder coffee, animal husbandry and subsistence farming for their livelihood. The Prime Minister told Parliament that the province's district of Chuave has limestone resource that will be commercially developed under a project that has already been brought before Cabinet for its approval. The Prime Minister said K28 million has been allocated for a feasibility study to be carried out, and a viable partner to be found to kick start the project. "The NEC has approved K28 million for this project. We are now insisting that a credible partner be found to fully develop this project. "Once this partner is confirmed, the government will transfer the money to the project," he said. He said this project has been on the drawing board and discussed for so long, but not moved forward.

"This project has evoked the people's expectations, and we can't keep them waiting. We have to proceed with it," the Prime Minister said. Mr O'Neill revealed all these when answering questions from Chuave MP Wera Mori during question time in Parliament. The Chuave MP said people in his

electorate had expectations about the development of the limestone resource in their area, but were not sure if the government has allocated money to get the project off the ground. It is understood the project is being jointly sponsored by the Department of Commerce, Trade and Industry, and the Independent Public Business Corporation (IPBC). Cement produced from the limestone project will be supplied to a number of major projects being planned, including the Purari Hydro in the Western province, the Daru port, and emerging mining and petroleum projects in the country.

Porgera: Amean supports call out

Post-Courier, May 07, 2014

By PHILIP KEPSON

Enga Provincial Administration Dr Samson Amean has described the combined police and PNG Defence Forces call out operation as “the way forward” for addressing the alarming illegal mining activity in the Porgera gold mine. Dr Amean said during the launching of the operation where more than 300 security personnels were deployed last Friday in the mining town of Porgera that he was happy with the change of strategy from the use of force to community relation oriented approach towards seeking lasting solution to the problem. He said many similar operations in the past had failed because all parties to the Porgera gold mine were not involved in establishing the root causes of the problem. “I am happy that the strategy on the call out operation has been changed to involve all parties in seeking long terms solutions to the problem,” he said. He said it was not proper to point finger at the project developer Barrick or the Government for causing the problem as it required a collective effort to addressing the problem.

He said the issues such as the relocation of landowners including illegal miners from the SML (special mining lease) area and other issues were the matters for all parties including the landowners, Barrick, the Enga Provincial Government and the National Government to discuss towards coming up with a lasting solution. “We cannot just say its Barrick’s problem. The issue of illegal mining is something that all the parties involved must look at towards seeking a lasting solution. This includes the reviewing of the existing mine agreement,” he said. Dr Amean urged the landowners to act reasonable with the security forces and other government department officials who were on the ground to ensure that the illegal mining activity was brought to an end once and for all. “We have this township because of the mine operation. Its (the gold mine) our garden. We have to fight against the evil that tries to come into spoil our garden collectively,” he said. Enga Governor Peter Ipatas who did not attend the event because of commitment in Port Moresby also relayed a message on supporting the call out operation.

Government eyes new approach on Porgera

Post-Courier, May 07, 2014



By JOHNNY POIYA

Security forces deployed to Porgera have a new strategy to eliminate illegal mining and other crimes in the valley permanently. This was announced on Friday during the launch of the government's call-out. Soldiers and police were brought to Porgera a week ago after local police and mine security faced difficulties to contain illegal miners and the rise in criminal in the area. Operation controller Norman Kambo and Highlands divisional police commander Teddy Tei, who launched the call-out, said the past two state of emergencies at Porgera did not work because the local population was not involved. They said the call-out would involve local communities to sustain law and order once foreign troops on the ground left in three months. Soldiers from Moem Barrack in We-wak and Police Mobile Squad Units 5 and 7 from Mt Hagen are currently there. Chief Superintendent Kambo said: "This operation must be owned by the people, communities and stakeholders in Porgera to allow the flow of this operation to continue after we're done. It's the people themselves and not the mine operator Barrick or the government who should extend the operations."

Mr Kambo said the social trend in Porgera was similar to some African countries where sexual immorality and the consumption of alcohol, homebrew and drugs was rife and if the relevant government agencies were not careful and didn't make the people aware of the dangers, the whole population in the valley would become extinct. The operation's aim is to unite the tribes in the valley and curb illegal mining as well as curb the the law and order issues. Mr Tei said: "In previous state of emergencies, the people of Porgera were caught by surprise and they did not know our aim; while we were not aware of theirs. This is different. Everybody is involved so we can collectively address the issues." He responded to the large crowd who called for a year's extension of the call-out by saying the new strategy was to involve them to carry on the extension and not the security forces. He told the large crowd that only a handful of people were criminals and for peace and normalcy to be restored in the valley, the people needed to take ownership of the call-out and help the security forces identify and bring in those law breakers. Executive mine manager Greg Walker thanked the Government for the call-out.

ExxonMobil Defends Links With PNG Police

LNG company says reports it provide weapons untrue

WELLINGTON, New Zealand (Radio New Zealand International, May 6, 2014) – Exxon Mobil defends its links with the Papua New Guinea mobile police squads in the Highlands region as Exxon's major LNG gas project is about to start production. The International State Crime Initiative says serious questions remain over Exxon Mobil's relationship with police in Papua New Guinea where the company's major LNG gas project is about to start production. This follows revelations in an article published by The Nation last week that PNG's notorious Mobile Police Squads have been used to secure the project in the Highlands region where the gas fields are based. The Hela province Police Superintendent Jimmy Onopia said that Exxon Mobil paid for food and living expenses of the Squads as well as weapons.

The State Crime Initiative's Dr Kristian Lasslett says this arrangement is problematic "And if that allegation by the Police Superintendent is indeed true, that is in breach of a Memorandum of Understanding that Exxon signed with the police force. The Mobile Squad operate through a modus operandi of fear and violence. They come in, they come in hard. They burn down homes, they shoot dead livestock. Sometimes they beat up and kill people, they rape," says Lasslett. However, Exxon Mobil says it has never supplied weapons nor any funding for weapons to the PNG police. It says it has no power to control day-to-day operations or decisions of the police or any other security personnel assigned by the government. Exxon says that under the terms of the MOU, it may provide support in prescribed areas, for example, transportation.

Mining watchdog worried by state of emergency in Porgera

Radio New Zealand, 5 May 2014

A mining watchdog says it is worried by a state of emergency in place in the Papua New Guinea mining town of Porgera, following previous incidents of violence. The police says the Government approved the state of emergency due to a rise in law and order problems and illegal mining at the Barrick Gold-owned mine. MiningWatch Canada's Asia/Pacific spokesperson, Catherine Coumans, says a previous state of emergency in the area in 2009 sparked violence and the burning down of people's homes.

CATHERINE COUMANS: It's going to be very hard to know exactly how this is going to play out. We are going to see what actually happens but the last time that this happened there had been very strong messages sent by people associated with the mine, both the local mine manager as well as a visit that came from headquarters in Canada just before the state of emergency, the operation Ipili in 2009 was launched, in which there were a lot of complaints by the mine manager and the executive that came from Canada about the fact that they needed more police forces up in the area so there was a direct request security issues around the mine and of course ultimately it is the state that sends these forces but you know, there was a very direct link between requests to have more security around the mine site and also very positive and welcoming statements made once security forces moved in. So it is very troubling to know that these forces are moving in and it will be very interesting to see what actually happens in Porgera during these days and I am very happy to know that there are media out there paying attention to this because that may be somewhat protective.

AMELIA LANGFORD: Let's focus on the illegal mining. What drives people to go onto the mine and illegally scavenge or mine? And what needs to be done?

CC: So what people need to understand is that this mine has taken over all of the land, all of the available land that people used to use for their gardens, and what they call their gardens is their agricultural plots, this is the last area in PNG that saw white people. It is still very agricultural, it is extremely rural, it's extremely remote, the road that goes to the mine ends at the mine, there is nothing after that and people lived off the land and they lived off the water they could get from the river and as the mine has expanded and not just the mine but its massive waste dumps - these huge huge waste dumps that just wind through all the valleys around the mine, people are getting squeezed sort of up the mountains and onto these little islands with waste all around them and where they are being squeezed up the mountains they are in an area where they can't even grow most of their crops anymore because it is just too cold so people have lost their traditional way of living and maintaining themselves and what has happened to replace that is that women will go into the waste dumps and pan for gold literally in the waste of the mine because that waste still contains enough gold that it is worth their while and young men will go into the pit and they will actually try to get, you know, scavenge rocks from the pits that have gold in them and then they will take those rocks out and then they will process that with mercury and this is also a huge problem up at the mine site with people having mercury contamination, women children and men who quite visibly have mercury contamination so this is an incredibly unhealthy and dangerous situation and this has been going on for years and the company has put up a fence but that really is not changing the reality of people needing to find a way to support themselves and what people have been calling for for many many years is to be resettled.

It is really hard to imagine how gruesome this place is. It is like a hellish place. There is waste everywhere, there's constant operation of the mine, there's blasting, houses are being shaken by the blasting, the waste is corroding away the sides of the mountains and so there's actually whole houses and a whole school that disappeared into the waste. It's just not a place that is fit for human habitation and people have been extremely clear that they want to be moved. URS, a major international consulting firm, actually polled people and issued a report that had a very strong statement upfront that said that yes in their polls it was very clear that the majority of people wanted to be moved, wanted to be relocated. and at that point, Barrick had just taken over the mine as the report was issued, I think in 2007, and Barrick said that they were going to relocate everyone, which is the

normal thing to do - you don't have people living right up against the pit, right up against the waste, but then the understanding is that they decided against it because of the costs that were going to be incurred in doing this so everyone is just staying put and they only moved people on a sort of 'need to be' basis. In other words, if their house is about to fall into the waste dump, they call that geotechnically unstable areas they will move people or if they want to expand the mine they will move little patches of people, but in all my travels up there and all the people I've talked to everyone says 'these are clans - these are people who want to be moved as a whole and not piecemeal'.

Resources boom in coming years

The National, May 5th, 2014

By GYNNIE KERO

FOUR large scale productions are primed for commercial production in the next 10 years, Mineral Resources Authority managing director Philip Samar said. He said the country was focused on diversifying its minerals base with the Frieda River, Yandera (Madang), Mt Kare and Wafi Golpu projects between 2015- 2025. Samar said: “PNG started with mining as its backbone, first copper mine out of Panguna. “Of course we heralded the PNG LNG gas project that will now take off from here. “On average PNG produces something like 60 tonnes of gold, similar amount of silver and just under 200 tonnes of copper. We have one copper mine currently producing and that is Ok Tedi Mining Ltd (OTML). “Looking over the horizon over the next 10 years to 2025, there’s about four to five large world-scale operations to be brought on for commercial production. “With the coming on stream of the Ramu NiCo project last two years, we’ve added nickel and cobalt so we are and have a mandate to further diversify our mineral base. PNG has challenging operating environments; however he added that miners have received significant returns from their investments. “There is one mine currently under application with the Mineral Resources Authority and it’s the Woodlark gold project (Milne Bay). We hope to turn this project around in the next two months.”

State loses Sustainable Development Program case

The National, May 5th, 2014

THE Government is understood to be considering legislation to outlaw the operations of the Sir Mereke Morauta-led PNG Sustainable Development Program Limited. This follows a ruling by the Singapore High Court last Wednesday that dismissed the State’s application to appoint a receiver to take control of PNGSDP’s assets. A well-placed source said that legislative control of the embattled PNGSDP was the Government’s final option in its quest to control the company’s assets worth billions of kina. The proposed legislation is expected to be tabled during the May sitting of Parliament which begins tomorrow. PNGSDP started an action in the Singapore High Court to protect itself and its assets from actions by the State. The State responded by filing an application for orders which would, if granted, prevent the company from dealing with its assets. It is understood the Singapore High Court issued several orders, which included one that requiring both the State and PNGSDP not to speak to the press “anywhere in the world”. This was confirmed via email to The National on Friday by the State’s Singapore-based lawyer and a PNGSDP media spokesman.

“The parties have been directed by the Singapore (High) Court not to convey any details of the court proceedings to the press until further order,” Joy Tan, a partner with Wong Partnership LLP, the Singapore law firm representing the Government, said. PNGSDP media and communications director Mark Davis added: “There is a court order preventing us and the State from talking about it to the media in any way, shape or form anywhere in the world.” However, The National understands the other orders issued by the court were for the State not to contact any of the company’s fund managers and banks, PNGSDP to file an affidavit within two weeks setting out its assets and

where they are held, and the State to submit a counter claim for relief. The hearing has been adjourned to May 28. PNGSDP chairman Sir Mekere Morauta had said earlier that pending the court decision, the company was fully entitled to go about business as usual.

He criticised a statement by the Government in relation to the company's sale of Cloudy Bay Sustainable Forestry Ltd, in which the State threatened to investigate PNGSDP. Sir Mekere pointed out that PNGSDP was forced to sell Cloudy Bay due to lack of funding after the State cut off the income stream for its development programme by expropriating its 63.4% shareholding in Ok Tedi Mining Ltd (OTML) in September last year. He added that the K40 million sale of Cloudy Bay had been completed "according to due process and in compliance with the law". PNGSDP is proceeding with its international arbitration case against the State at the International Centre for the Settlement of Investment Disputes in Washington DC, USA. The company is seeking to have its 63.4% shareholding in OTML reinstated or for compensation to be paid by the Government.

Editorial

Learning the lessons from the past

The National, May 2nd, 2014

THE moment has arrived; Papua New Guinea is standing on the threshold of becoming an exporter of liquefied natural gas (LNG). Unprecedented levels of revenue will flow from the sale of gas which, is going to happen slightly ahead of schedule and that, in the words of Oil Search managing director Peter Botten, is excellent news. For a project of its size and complexity to complete all construction work and arrive at production slightly ahead of schedule is no mean feat. The gas is from mainly the new Hela province but to bring it port, the project pipeline of about 700 kilometres runs through Southern Highlands, Gulf and eventually Central province. It was quite an achievement. Aside from the intricacies of landowner issues and problems with the public service operations involved, generally, the news this week that production has started must have got everyone happy and excited. In the midst of all the excitement, there is every reason to be on guard to avoid us falling into the same pitfalls of squandered and misspent revenues from previous resource projects.

In the 1970s, with the opening of Panguna, touted as the world's largest copper mine then, Papua New Guinea shifted from purely an agricultural economy to start earning foreign exchange from its mineral wealth significantly. Years later, more mines such as Ok Tedi, Porgera, Lihir, Tolukuma joined the club of mineral exporters pumping millions of kina into the economy. Then in the 1990s, PNG became an oil exporting nation, albeit a somewhat insignificant one in comparison to the Arabs and North Africans. Yet that signalled another page in our economic history. So we had money coming in from agricultural produce, minerals and crude oil. Today, liquefied natural gas will be included in the list of commodity exports from Papua New Guinea. Many learned commentators, both local and visiting international experts, have pointed out that ours is not an issue of resource availability but one of managing those resources. On the eve the country's first shipment of LNG abroad, we should look back in history at how we had fared managing our mineral and hydrocarbon revenues.

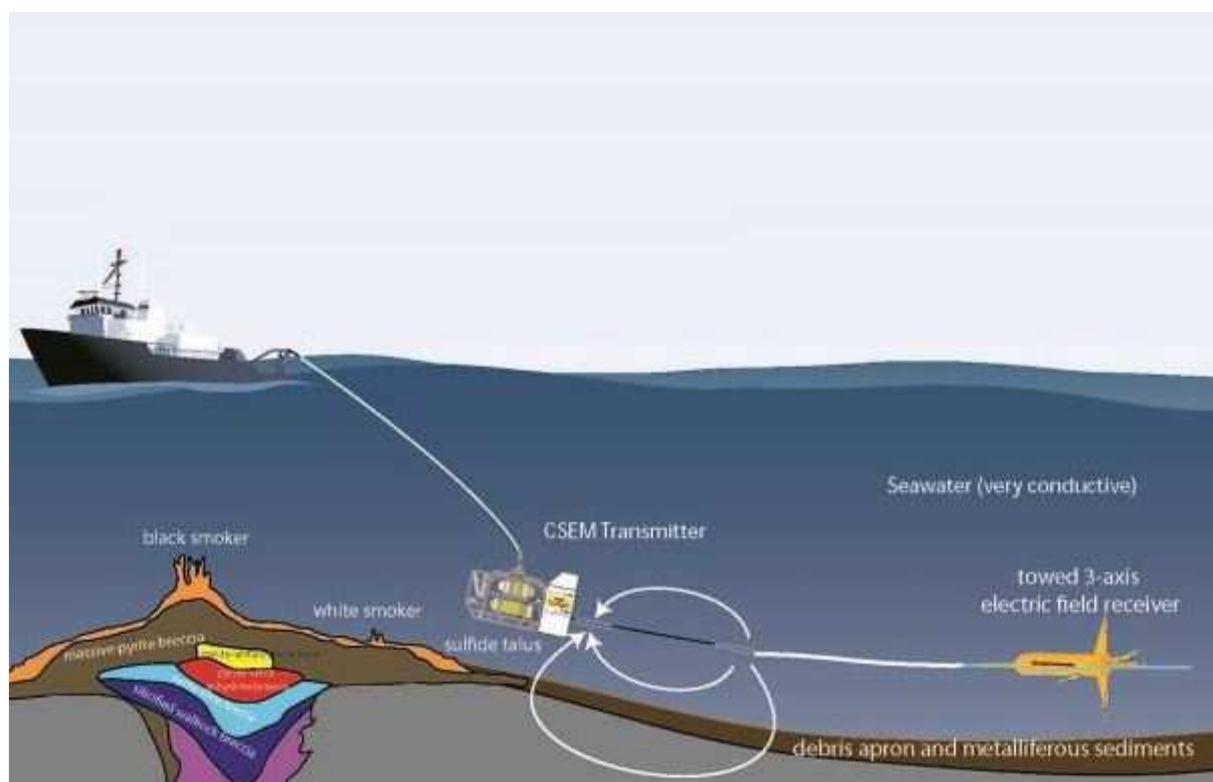
Panguna, at one stage, gave the country's its largest slice of revenue from its 19 per cent stake in the mine yet there was growing discontent among Bougainvilleans as little was going to them in the 17-year mine life. That was compounded with claims of environmental destruction, which led to its closure and 10 years of civil war on the island. When oil began flowing from Oil Search fields at Kutubu, Gobe and Mananda, the country again realised a fresh injection of foreign earnings. While the principal company and others indirectly associated with the export of oil, saw significant growth

in capital and expansions, the local resource owners have had mixed fortunes. A handful of landowner companies have been outstanding success stories but elsewhere the story is rather bleak. “There is nothing to show for all oil flow,” has been an oft-repeated cry from some quarters. Admittedly, governments, landowner groups and individual tribal leaders have missed great opportunities to properly manage and invest the revenues. There has been a lot of wastage, and resulting misery for families and clans.

Because of the anticipated millions to come from the LNG project over a period of 30 or more years, there are well-founded reservations about the country’s ability to use the benefits prudently. The creation of a sovereign wealth fund therefore gives hope that such revenue will be stowed away for the future. Provided such a fund retains its independent status and integrity and is free from all manipulation, Papua New Guineans can rest assured that there would something to fall back on in time of need. The country’s accession to standards of the Extractive Industries Transparency Initiative (EITI) should promote openness and accountability in the management of resources. Natural resources belong to a country’s citizen’s. Extraction of these resources can lead to economic growth and social development. However, when poorly managed this has resulted too often in corruption and conflict. We have walked down that road before.

European consortium develops sustainable seabed mining solutions

Blue Mining, May 2, 2014



Delft, The Netherlands, 02/05/2014. The European Commission is helping to take seabed mining to the next level by funding a four-year project entitled: “Breakthrough Solutions for Mineral Extraction and Processing in Extreme Environments – Blue Mining”. The overall aims of this project are to develop new cost-effective solutions for environmentally friendly mining and processing in difficult conditions and extreme environments, and to further unlock the large potential of raw materials in Europe. The development of sustainable seabed mining solutions is important in Europe for several reasons. Firstly, it will help to secure raw materials for Europe’s high-tech industry, which depends on importing vital metals. Secondly, it will further enhance Europe’s leadership in advan-

ced deep-sea technologies on a global scale. And thirdly, it will enable new education, skills and knowledge to be offered by universities and research centres.

The extreme conditions found on the ocean floor raise specific challenges, both technically and environmentally, which are demanding and entirely different from the challenges of land-based mining. The project will be carried out by a group of 19 large European industry and research organisations with various maritime fields of expertise – the “Blue Mining” consortium. The consortium will develop solutions that will bring deep-sea mining a significant step closer. The “Blue Mining” project will address all aspects of the value chain in this field, from resource discovery to assessment, and from exploitation technologies to the legal and regulatory framework. The goal is to create breakthrough solutions for the sustainable exploration and extraction of deep-sea mineral resources. IHC Merwede is leading the project and Uniresearch is providing administrative services. Website: www.bluemining.eu

LNG: Growth expected

The National, May 2nd, 2014

EXXONMOBIL PNG Ltd expects economic growth generated by the PNG LNG Project to increase employment opportunities in different industries, an official said. “We expect the economic growth generated by the Project (PNG LNG) will result in increasing employment opportunities in many different industries,” ExxonMobil’s lead media and communications adviser, Rebecca Arnold said. “The work experience and training that people have received through working on this project will put them in a good position for other employment opportunities,” Arnold said. Jacob Siviri from Central is among the growing group of PNG LNG Project workers whose dedication to their work has landed them jobs elsewhere. After four years at the LNG Plant outside Port Moresby Siviri is off to Angore, in Hela, where he has joined a team constructing a 250-man camp for the project. Senior project manager Yow-Yeen Lee said skills development has been a huge focus for the PNG LNG project. Overall, the company has trained more than 10,000 PNG citizens for construction and operation roles, delivering over two million hours of training in total.

Lee said: “Inevitably, as construction of the project comes to an end, the numbers of people we need declines, but the training we’ve provided means that people have the skills and experience they need to get other jobs. Jacob is a great example of this.” Siviri’s experience at the LNG plant began in 2010, and he has since worked for a number of LNG plant subcontractors. Since starting on the project, Siviri showed interest in developing his skills and, over time, became proficient in operating equipment, including bobcats, excavators and front end loaders. Siviri said: “I have learned so much. I’m grateful the project has developed a potential in me that I never thought I had when I was back in the village.” “Although the environment is new, I’m confident that my focus on safety will ensure a smooth and successful three months of work,” he said. “My motto has been and continues to be ‘stop, think, identify, plan and proceed’.”

LNG Landowner: Outstanding issues must be dealt with before export

Post-Courier, May 02, 2014

The chairman of the Tuguba tribe in Hela Province, which hosts part of the LNG project, says the highly expected export of the first LNG gas would be impossible. Tuguba chairman Simon Ekanda, who is also an advocate of indigenous rights, said yesterday that there was a lot of outstanding issues which the state and the developer ExxonMobil need to settle before the first export takes place. He said he had already delivered copies of a letter containing his grievances to the office of the Prime Minister and other relevant ministries and departments to consider. He said copies were

also delivered to the developer ExxonMobil and Oil Search Ltd. "I maintain since day one that ExxonMobil and Oil Search failed to undertake full-scale social mapping and landowner identification studies and therefore the Kokopo UBSA Forum was illegal.

Senior Supreme Court Judge Justice Kadakasi made it very clear in April 2009 that the Kokopo UBSA was not going to be a Development Forum by parties to negotiate and enter into any binding agreements. He said it should only be an avenue to discuss issues and agree on the way forward. But that order was ignored," Mr Ekanda said. He said it was now a big joke when the state is carrying out Clan Vetting exercise when that activity, which is very important, was supposed to have been done before the landowners were invited to the Kokopo UBSA. "This simply confirms the illegality of the UBSA Forum. The UBSA was not signed by the Tuguba Tribe. "Tuguba is the principal owner of most land in Hides PDL01, Hides PDL07, Angore PDL08 and Juha PDL09. I am the undisputed leader and Chairman of this Tribe. I even disputed the Gas Agreement before it was signed in 2008," Mr Ekanda said. He said a court case he had filed against the developer and the state was pending at the National Court.

"I will still battle for the rights of my indigenous people. Former Petroleum Minister William Duma dismissed me by alleging that I was not a legitimate landowner. "This was televised on Kundu 2 national television. How could I be an undisputed Tuguba Tribe Chairman if I was not a legitimate landowner and tribal leader and son of Tuguba who owns four gas fields supplying gas to the PNG LNG projects? Mr Ekanda asked. He said the State had failed miserably because it was not leading but was being driven. "The fact that I as a legitimate landowner from Yugu Clan in the Tuguba Tribe has not be recognised by the State and ExxonMobil clearly confirms that they failed to identify all the legitimate landowners, therefore it raises serious doubts about the integrity of their approach and work," Mr Ekanda said. He said the Prime Minister and senior ministers have to know that the existing issues he raised were far from over and he will continue to advocate as a mandated leader on behalf of Tuguba tribe to right the wrongs and reclaim his rightful position.

LNG: Prime Minister to visit Hela

Post-Courier, May 02, 2014

By ISAAC NICHOLAS

PRIME Minister Peter O'Neill has announced that he will visit Hela province to talk to the people about the LNG benefits and to take over of some key infrastructure facilities including the Komo International airport. He said Papua New Guineans including landowners must be proud that the country has delivered a \$20 billion LNG project. Mr O'Neill assured the landowners that all monies from the LNG project will be parked in a trust account to be jointly managed by ExxonMobil and the Government until proper clan vetting is completed for the sharing of those benefits. While commending the early and historic completion of the PNG LNG project, the Prime Minister acknowledged that provinces like Hela, SHP and Gulf still lack development yet they have been contributing to this country since oil and gas first flowed since 1990 and now gas from these areas will fuel the PNG LNG project.

Minister for Finance and Member for Tari Pori James Marape said in response to PM's announcement of his planned trip to Hela to announce key large scale infrastructures. He welcomed the Prime Minister's announcement of sealing of Mendi to Tari and Komo to Tari road, and Koroba town sealings, Komo international airport take over by State. "The Prime Minister's announcement that it has been wrong for Hela not powered with electricity from hides since 1990 and his instruction to Exxon, Oil search and Barrick of Porgera to partner PNG power and give electricity to Hela is a welcomed bonus." Minister Marape is happy that the Government of which he is a senior

Member of is now ready to give Hela, SHP Gulf and Central what is their entitlement at the eve of their traditional gas leaving their land forever.

"This government and Prime Minister understands your views, knows your cries and plight. I call upon all including leaders and landowners to allow Government to tick off the big development items missing in Hela like sealed highways and airports, electricity and telecommunication. We are also working as government to declare national highway from Tari to Kikori, Mendi to Kikori and a sea port in Kikori. "I would like to thank the prime minister for his tireless efforts in the last two years preparing for this announcement of development packages for Hela, the timing could not be better especially on the eve of first gas export." "I want to inform Hela that these projects PM announces will take shape because we are leaders from these areas and we know past failures hence we will make sure sealed roads, electricity and other developments takes shape before this government goes to elections in 2017.

Activist groups slam seabed mine decision

Post-Courier, May 02, 2014

By KONOPA KANA

THREE environment activist groups have condemned the state decision to fund the controversial seabed mining project in New Ireland Province. Bismarck Ramu Group, Act Now and Pacific Network on Globalisation (PANG) raised concerns of the government neglect to fully consult the west coast landowners of the unknown environmental impact that will result in construction phase of the project. This follows the signing by Bank South Pacific and Petromin Holdings Limited giving a nod for the developer Nautilus Minerals to go ahead with the preparation of the controversial Solwara 1 project. NGO organisation ACT NOW program manager Effrey Dademo said that the government has completely failed to answer any of the serious community concerns about the project. Ms Dademo claims that the environmental impacts are unknown, the mining system is completely untested, the potential financial returns are tiny and the mining will probably be unlawful.

Bismarck Ramu Group confirmed that over 20,000 landowners have signed a petition opposing the seabed mining project. Mr John Chitoo said that the government has also ignored church leaders in PNG and across the Pacific who have voiced their opposition and the scientists who have expressed their serious concerns". A vocal landowner Oigen Schulze claims that there is not enough consultation with people within the project impacted areas. He said that the government officers have been quietly conducting meetings with only selected representatives from the project area while the rest of the people are not aware of what was happening. Fiji-based Pacific Network on Globalisation (PANG) said that PNG government has also ignored a legal opinion which says the proposed mining will breach the international precautionary principle. According to PANG this means any potential mining operation is wide open to legal challenge through the courts.

Islander backs MPs over sea mine

Post-Courier, May 02, 2014

A Manus Islander has come out in support of Northern Governor Gary Juffa and Sumkar MP Ken Fairweather's stand against Nautilus Minerals Solwara 1 deep sea mining project in the Bismarck Sea. Mr Norman Sike, founder-director of the Port Moresby Institute of Matriculation Studies (PIMS) and the recently established Norman Sike Institute (NSI) is not convinced that deep sea mining is marine environment friendly. Sike believes all maritime provinces bordering the Bismarck Sea face a distinct possibility of unimaginable environmental degradation of their marine resources in the future in the event of unforeseen disaster from deep sea mining. Mr Sike said international

environmental organisations such as Green Peace and others advocated for the total ban of deep sea mining on the planet and we would do well to heed their warnings. "We must consider the dire consequences of this project very carefully and seriously," he said. "Livelihood of generations of simple people in and around the Bismarck Sea is being offered as a sacrifice to a concept with no precedent. Mistakes, which invariably occur when new concepts and technology is trialed, will severely affect and probably destroy the migratory fish species within the waters of the Bismarck Sea," Mr Sike said.

The former UPNG Academic stressed that as a Physicist and Mathematician, he was very well aware that untried scientific theory and practices always had its supporters and detractors. "Scientist project probable future outcomes by working from the diligently tested, trialed and proven data with all possible variables factored in. In the Solwara 1 case there is no precedent anywhere else on the planet and very little data on all possible variables. Any and all mistakes that will result from deep sea mining will happen in the Bismarck Sea. Our sea and marine resources are guinea pigs for untried technology," the former UPNG Lecturer said. He said migratory fish species in the Bismarck Sea moved according to the 'rhythm of life' established at creation and were not bound or restricted by arbitrary man made sea boundaries in their life cycles. "Who is to say that disastrous effects in the marine food web will not be felt as far south as Oro and Milne Bay or far north as East and West Sepik and the Western Islands of Manus?" Sike posed.

He said his Rei village, Lou Island, Manus is in the Bismarck Sea, north of the vicinity of the Solwara 1 project area. "Lou Islanders and other South Manus Islanders within the Bismarck Sea, Madang Coastal and Island people, East and West Sepik Coastal and Island people, people on the northern coast and islands of East and West New Britain and people from the coast and islands of Tewai-Siassi in Morobe, not to mention people from the west coast and islands of New Ireland, have no inkling of the effects of a Pandora's Box in the process of being opened on their doorsteps," Mr Sike said. He said the people in and around the Bismarck Sea are expected to take the word of deep sea mining proponents on faith that nothing will go wrong. "All we have is their word. This is living dangerously. Similar assurances were made to the people of Western Province regarding Ok Tedi. Now latest research shows the dire effects reach as far as the waters of the Gulf Province as well. Such projects should be viewed with an open mind and judged by the evidence of negative effects of other major extractive projects," Mr Sike said.

Bougainville: Call for wider reconciliation

Post-Courier, 2 May 2014

By ROMULUS MASIU

THE reconciliation (bel kol) being organised by Rio Tinto and Bougainville Copper Limited to Bougainvilleans should not be done only in Central Bougainville but throughout the island. A concerned Bougainvillean and chief of South Bougainville, Paul Lapun made the call yesterday as BCL and Rio Tinto are starting to do the ground work to sort out the Bel Kol with Bougainvilleans over the Panguna Mine which sparked off a decade long war that saw more than 15, 000 lives lost on both sides of the conflict. "It is very interesting to note that BCL is planning a big reconciliation to include up to 3000 locals in Central Bougainville. This is a big step as well as for the company to establish its office in Arawa and continue to negotiate with the people and the stakeholders to prepare for the eventual opening," Mr Lapun who is principal of Arawa Secondary School said.

Mr Lapun said that the reconciliation costs will be huge but it would be wise to conduct the reconciliation ceremonies in all the three districts including South and North Bougainville and not just Central Bougainville to seal and heal the blood of 15,000 Bougainvilleans who sacrificed their lives on both sides of the conflict. "Furthermore, the new landowners are recently recognized by the Au-

onomous Bougainville Government including the lower tailing, middle tailing and upper tailings and South West economic corridor groups should be fully involved and engaged in any negotiations as they are legitimate who were marginalized and dumped with pollutions and effluents along the Jaba River to the Empress Agusta Bay Sedimentary Basin extending from Torokina to Mamagota in the south-west part of Bougainville.”

Mr Lapun said the Panguna landowners should understand that re-opening the mine will need the wide consultation with the Autonomous Bougainville Government and stakeholders of Bougainville to implement the Mining Policy, which is Bougainvilleans for the best interests of all. “Similarly, all Bougainvilleans wish to see a reformist company that should herald the aspirations and needs of the people in a modern economic environment on the win-win basis to move the autonomous region forward. If it fails that, pockets of rivalry sentiments will continue to emerge which will impede and challenge development and progress.” Mr Lapun added that the new era must be open and transparent and Bougainville Copper Limited initiatives must be spiritually, socially, environmentally and economically driven, that is humanitarian in every approach. “The Bougainvilleans with their government will be empowered to participate in the developments the company will envisage for the prosperity of both peoples and the returning resource developer,” chief Paul said.

Mt Kare Landowners pledge unity

Post-Courier, 2 May 2014

By MELISSA MARTIN

The Hetapula Landowner Association of Mt Kare Resource area is intact and stands ready to work in partnership with the developers and the government to revive the project. The Association has given its full support to the developer Indochine and its subsidiaries in the development of Mt Kare’s Gold Project. The Association Chairman and Heli Chief Hondole Dagili stated this yesterday in a press conference in Port Moresby. The Hetepula Association is an umbrella association that was incorporated in 1988 to be the political mouth-piece of the Mt Kare landowners. “The Hetepula Association was and is still the Umbrella Association of the interested people of Tagali and Paiella Local Level Governments. “The name Hetapula stands for He = Heli tribe, Ta= Tawini tribe, Pu = Puyaro tribe and La = Landopa tribe in Paiella,” he stated. The vision of this association is to provide a strong leadership with respect, cooperation, unity and fairness to lead and guide our people to achieve the maximum benefits, in accordance with the existing and upcoming laws, policies, regulations, acts and agreements.

Mr Dagili stated that the mission of this association is to work together strategically with government agencies and the developer, to help develop Mt Kare Gold Project effectively and efficiently to achieve the common objective of gold production. “This association appreciates the efforts and commitment shown by the Government through the Mineral Resources Authority (MRA) and the current Developer – Indochine Mining Ltd to do the Land Investigation Studies (LIS). “We would appreciate the publication of the LIS report on the media so that the public and the landowners will know from the start in which category primary, secondary or tertiary areas within Exploration License (EL) 1093 exists,” he added. The Chairman said the umbrella association is opposing any expression of interest to register any new associations with Investment Promotion Authority to represent the Mt Kare landowners. “This is our role as a stakeholder in the project to minimise and manage the landowner politics and to avoid erection of landowner tussles that we have seen experienced by other project area landowners in the petroleum industry.

“This association will provide a strong leadership to minimise and reduce causes of unnecessary project delays and stoppages which incurs huge capital costs and delay project completion on time as per the schedule,” he said. Mr Dagili has appealed to those landowner leaders both from Tagali

and Paiella to refrain from making many unfounded statements to promote themselves and their new associations by making media publicities. "Instead, I welcome you to represent your clan as a member on this established association and be part of it and make constructive contributions. "I welcome Indochine Mining Ltd as the Project Developer to Mt Kare and PNG to develop the Gold Project at Mt Kare," he added. He has appealed to all stakeholders to work together peacefully to develop the Mt Kare Gold for the benefits all the stakeholders. Mr Dagili is the Paramount Chief of Heli Aka clan through natural inheritance rights of Area Two where the current Gold Development Project initiates. He has been in the forefront organising and leading the people of Hela and Paiella as chairman of Hetapula Association since 1988 and is happy with the progress.

Ramu Nico Mine remain silent over 'unknown gas' leak at Basamuk

Post-Courier, May 02, 2014

By FRANKLIN KOLMA

A prominent landowner from Basamuk, Terry Kuning has been seeking avenues to publicize what appears to be a threatening pollution issue from the nearby refinery site owned by Ramu Nico in Madang Province. According to Mr. Kuning, villages near Basamuk were woken by the sound of an explosion at the refinery, this occurred in the early hours of Monday 17th February. Mr. Kuning reported the explosion occurred around 2 a.m. Explanations detailed a huge cloud of heavy thick gas seeping out of the Acid Tank at Basamuk Refinery. At dawn, this unusual thick white smoke had already advanced southwards via strong winds towards Mindre and Dein villages. What remained in its path was widespread damage on garden food crops and plants. Pictures taken show obvious browning or orange-like colors sustained by food crops and plants. Mr. Kuning stated that villagers' worst fear was their health, as people living directly in the path of the gas had definitely inhaled it. Mr. Kuning referred to villages near the Basamuk mine refinery as "sitting ducks". So far the Ramu Nico Company has remained silent over the issue.

Morauta: Recent government statement about company is wrong

Post-Courier, May 02, 2014

The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, said today that recent statements about the company by the National Government were false. The matter is in relation to the O'Neill Government's claims, all existing directors, including directors representing the State, Western Province and the independent business sector, remained directors. PNGSDP said the company has always acted within the law and according to its Memorandum and Articles of Association, and it will continue to do so. "Most importantly, the company has always acted in the interest of the people of Western Province, who are the intended beneficiaries of the money in the Long Term Fund," he said. Morauta said on behalf of the directors of PNGSDP that they have a moral and legal duty to protect the company's assets and income so they are preserved for the use of the people of Western Province. "That entails protecting the company against unlawful attempts by the Prime Minister to seize control of the Long Term Fund, following the expropriation without compensation of PNGSDP's 63.4 percent shareholding in the Ok Tedi mine.

"No one, least of all the directors of PNGSDP, wants to see the money in the Long Term Fund misused, misappropriated and misspent by a National Government that is incapable of managing its own funds. As far as the Company is concerned, the purported appointment by the State of Mr Arthur Somare as a director has no legal effect, nor does the purported appointment of a "Transitional Management Team." He also said the recent changes were aimed at protecting the structure, independence and integrity of the company, and were carried out in accordance with the company's Memorandum and Articles of Association. These were matters within the sole purview of the

PNGSDP board. "I am also astonished by the O'Neill Government's claim that these changes would mean PNGSDP would be controlled by BHP Billiton directors," he said. "How can that be? There is only one remaining BHP Billiton-appointed director on the board." "The statement that no new appointments can be made to the board is also wrong," he said.

New appointments can and will continue to be made according to the company's Memorandum and Articles of Association." Sir Mekere said these and other issues are the subject of court action in Singapore initiated by PNGSDP to protect itself from further unlawful actions by the O'Neill Government. He also criticised another recent statement by the O'Neill Government in relation to the company's sale of Cloudy Bay Sustainable Forestry Ltd, in which the State threatened to investigate PNGSDP. Sir Mekere pointed out that PNGSDP was forced to sell Cloudy Bay due to lack of funding after the State cut off the income stream for its development program by expropriating its 63.4 percent shareholding in Ok Tedi Mining Limited in September last year. "The National Government has no basis for investigating PNGSDP," he said. "The K40 million sale has been completed according to due process and in compliance with the law."

140 officers for Porgera

The National, May 2nd, 2014

A GROUP of 140 military and police officers will be deployed in a state of emergency operation in Porgera, in Enga. The group is made of a platoon of PNG Defence Force soldiers and two police mobile squad units, according to Chief of Police Operations and deputy commissioner Simon Kauba. The operation will be launched today and run for an indefinite period until the Government decides to stop it, Kauba said. The state of emergency was declared by the Government six weeks ago because of the increase in law and order problems and illegal mining activities. "Soldiers have been made special constables with arresting powers," he said. "Members of the security forces were deployed two weeks ago and have been doing education and awareness programmes with locals there. "We have made an impression on the locals, provincial and national leaders that we need their assistance to restore law and order to the mining township and the surrounding area." The combined security force will be under the command of Chief Supt Norman Kambo. The Porgera Gold Mine is a large gold and silver mining operation in Enga located at the head of the Porgera Valley.

Kiribati: Multi-million dollar coconut oil industry benefits tiny Pacific island community

Pacific Correspondent Sean Dorney, Australia Network News, 1 May 2014

A tiny Pacific island is fast becoming a booming coconut oil producer, several decades after its lucrative phosphate mines closed. The raised coral island Banaba, part of Kiribati, was so denuded by years of phosphate mining that the British colonial authorities relocated its people to Rabi Island in Fiji. Now, one Banaban islander and his Australian wife, whose family was involved in phosphate mining for four generations, have built up a company offering work for as many Banabans as the mining once did. It produces coconut oil destined for the booming international market. Business owner Ken Sigrah, was uprooted from Banaba with the rest of his people and resettled in Fiji, when the island was rendered uninhabitable after 80 years of phosphate mining. He says almost 95 per cent of the island was destroyed by mining. "Now almost all you can see on Banaba is a forest of pinnacles 80 feet high," he said. "You can't grow anything there!"

He says the islanders were promised their land would be regenerated and they would receive compensation, but that never happened. The island's elders asked Mr Sigrah to collaborate with Stacey King, whose family had worked in the mine, in writing a book. "Even though my great-grandfather

worked as the chief overseer for the mining company he had taken glass plate photography of old villagers, Ms King said. "It wasn't just of mining, it was of the people. "And I realised when I wrote the book this was all lost ... because of mining, because of what our families, all these Australians and New Zealanders (did). "We're all part of it." The couple says part of their motivation for starting the coconut oil company was to help the Banaban people. Mr Sigrah says his adopted Fijian brother suggested coconut oil. He says they had no idea how to begin, but they set up in their garage in 2004 and haven't looked back. The product is mostly sourced from a farm in Fiji employing Banabans. "They now employ 50 of our Banaban families," Stacey King said.

"And that means they get a house provided, their families live there, they're educated at the school there. "And they're always looking for more people to come over from Rabi and work there." And the business is booming, especially their edible virgin coconut oil. Ms King says turnover this financial year could top \$AUD3.8 million. "Every year we sort of jump another million or we're sort of doubling," she said. "Our profit gains have been between 55 per cent, up to 73 per cent, to 113 per cent, so it's just gone beyond our wildest imaginations really." And export orders are growing, with orders from Australia, Germany and Canada. Along with its focus on providing work for the Banaban community, the company has also set up an education foundation for Banaban children back on Rabi. "The project has actually expanded to about 135 students," Ms King said. "So we started with just the little primary school children and now it goes up to high school. "You know, things that we could not even imagine at the start we are able to do now because of a simple coconut and coconut oil."

PNG Police Deploy To Enforce State Of Emergency At Mine

Porgera operations continue despite challenges

WELLINGTON, New Zealand (Radio New Zealand International, May 1, 2014) – The police in Papua New Guinea say 140 security personnel including a platoon of 40 soldiers has been deployed to the gold mining town of Porgera to enforce a state of emergency. The town in Enga province will officially be under a state of emergency from today although security forces have been on the ground for the past two weeks. Police Chief of Operations Deputy Commissioner, Simon Kauba, says extra security includes 40 soldiers from the PNG Defence Force and two Mobile Squads from the Royal PNG Constabulary. Mr Kauba says the state of emergency will run for an indefinite period until the Government decides to end it.

[PIR editor's note: RNZI reported that "Canadian miner (Barrick Gold) ... says its Porgera gold mine in Enga province is continuing to operate normally, despite a declared state of emergency in the area." They also reported that "A mining watchdog says Papua New Guinea's Porgera gold mine is a hellish and gruesome place and locals are still waiting to be resettled by the Canadian miner.... MiningWatch Canada ... says it has a range of concerns about the Barrick Gold-owned mine including environmental, health, and human rights violations."]

He says the Government approved the state of emergency about six weeks ago due to a rise in law and order problems and illegal gold mining activities. PNG Defence Force soldiers have been made Special Constables with arrest powers.

LNG Landowners stage peaceful rally over clan vetting

The National, May 1st, 2014

LANDOWNERS from the PNG LNG Project site in Hela yesterday staged a peaceful protest over clan vetting in Port Moresby. They sat outside the Department of Petroleum and Energy at Kone-

dobu as the PNG LNG gas production began at the plant outside the capital. They were not happy with the vetting process carried out by the department last December, which collected names of landowner beneficiaries of the project. The landowners camped outside the department office but were later told by police to leave. Councillor Erenest Malingi, the deputy president of the Hayapuga local level government, said they had nothing against gas production but were concerned about the way clan vetting had been done by the department. “Clan vetting has not been done properly and our gas is now being produced for export,” he said. “Who’s going to benefit? “Papua New Guinea benefits and the whole world benefits but the gas is on our land. “Where do the landowners come in?”

LNG Project ‘greatest thing’ in PNG

The National, May 1st, 2014

By MALUM NALU

THE PNG LNG project has been hailed as the “greatest thing that has happened in the country and should not be misused”. National Petroleum Company of PNG managing director Wapu Sonk was commenting on the K52.5 billion LNG gas project which had started production ahead of schedule. The firm holds the government’s 16.6% equity in the LNG project and is a non-operating partner. “It means that we will see an increase in government revenue through tax and additional revenue through NPCP, through our equity participation,” he said. “We are stepping up our revenue sources. “We will have a lot of money to spend, we will just need to have the right spending mechanisms and make use of the Sovereign Wealth Fund. “Our revenue is going to jump up by quantity in the coming years.” Sonk said the start of LNG production by ExxonMobil was an historic milestone for the nation. “It’s really a milestone for everyone involved, particularly for us as the nationally-owned entity involved in the project,” he said.

“We’ve now joined the LNG club of countries. “We congratulate the country as well for making it all possible, in executing a project that is so complex. “It involved five provinces and between 60,000 and 70,000 people to make it all happen. “It starts off in the Highlands at Hides and ends in Port Moresby, about 700km. “It’s a complex project but ExxonMobil has been able to deliver on time and on budget. “What is even more exciting is that it was brought forward ahead of schedule. “This is really good for the country and everybody involved. “I’m very happy and excited for the future of the country. From here, PNG is a country that can deliver complex projects. “It says a lot to the outside world that we can deliver complex projects of this magnitude, that’s a very positive story. “We have been behind ExxonMobil for the past four to five years and we’ll be with them for the next 30-plus years.”

Porgera State of Emergency Operations to be launched tomorrow

Post-Courier. May 01, 2014

The State of Emergency in the gold mining township of Porgera in the Enga Province will be launched tomorrow (Friday May 2). Police Chief of Operations Deputy Commissioner Simon Kauba said a total of 140 security personnel, which includes a platoon of 40 soldiers from the PNG Defence Force and two Mobile Squads from the Royal PNG Constabulary will be engaged in the SOE operations. “The SOE will run for an indefinite period or until the National Government decides,” Deputy Commissioner Kauba said. The Porgera SOE was approved by the National Government about six weeks ago due to a rise in law and order problems and illegal gold mining activities. The PNG Defence Force soldiers have been made Special Constables with arrest powers. “Members of the security forces were inserted over the last two weeks and have been carrying out education and awareness programs with the local people around and within the mining township. We have impres-

sed upon the landowners as well as the leaders, both local as well as provincial and national, that we need their assistance to bring back normalcy to the mining township and surrounding areas," Deputy Commissioner Kauba said. The commander of the security forces is Chief Superintendent Norman Kambo.

PNG MPs Criticize Government Investment In Sea Bed Mining

Newly revised Nautilus project criticized as bad for country

By Imelda Wavik

PORT MORESBY, Papua New Guinea (PNG Post-Courier, May 1, 2014) – The national Government's intention to buy a K300 million [US\$105 million] shares in a proposed mining project has been criticised by two Members of the Parliament. Oro Governor Garry Juffa and Sumkar MP Ken Fairweather have both expressed grave concerns over the Government's proposal of buying the shares from Nautilus limited's Solwara project which is still in an uncertain situation. Mr Juffa has stated that the project, which concerns sea bed mining, will have a dangerously negative effect on coastal areas in the region and eventually throughout the country. He highlighted that the government's intention to buy shares in the project may be a good one financially for the people of this country, but the project itself will do no good. Governor Juffa also voiced grave concerns that many elected members of parliament were against sea bed mining but had been very quiet on the matter because they did not wish to upset the government. But he said leaders had to speak up about their concerns for their people, the environment and the future interests of Papua New Guinea.

The governor stressed that there is no revenue needed from this project as it is a dangerous project which will cause more harm than good. "We do not need the revenue from this illegal project that may cause much damage to our coastal communities' livelihoods," he said. Mr Fairweather said he was not satisfied with the intention of the government. The member has expressed great dissatisfaction with the government betting money on an untried process. He said the government's money would be better spent on other promising projects such as the palm oil project in East Sepik. He said the money proposed to be spent on the untried Solwara-1 project would be better spent in East Sepik where it could create plenty of jobs. "You would have a better chance of getting a return by betting on the Melbourne Cup," he said. He said the Government is trying to hide this in an obscure company no one has heard of. "The whole policy of investing in resource projects is flawed and must be challenged. Whatever verbal spin the government wants to put on this is a con job. I agree totally with Governor Juffa," he said.

Ok Tedi: Sir Mekere: PNGSDP acted within law

The National, May 1st, 2014

THE PNG Sustainable Development Programme Ltd says it has always acted within the law. Chairman Sir Mekere Morauta was responding to a Government statement yesterday condemning the company's decision to remove the representatives of the State and Western from its board by amending the Article of Association. Sir Mekere said "the company has always acted in the interest of the people of Western who are the intended beneficiaries of the money in the Long Term Fund". "That entails protecting the company against attempts by the Prime Minister to seize control of the Long Term Fund, following the expropriation without compensation of PNGSDP's 63.4% shareholding in the Ok Tedi mine," he said in a statement. "As directors of PNGSDP, we have a moral and legal duty to protect the company's assets and income so they are preserved for the use of the people of Western province." Sir Mekere said contrary to the Government's claims, all existing directors, including directors representing the State, Western and the independent business sector,

remained directors. He said as far as the company was concerned, the State's appointment of Arthur Somare as a director had no legal effect.

ExxonMobil's New Guinea Nightmare

How a US government loan to the oil giant enabled an environmentally destructive project plagued by lethal landslide, police repression and civil unrest.

Ian T. Shearn, April 30, 2014. This article appeared in the May 19, 2014 edition of The Nation.



Tumbi Quarry, July 2013 (Olivier Pollet)

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Monday, January 23, 2012, was a routine day for 15-year-old Jackson Piwago. Like every other weekday, his father met him after school, and the two walked hand in hand back to their home in Tumbi, a small village in the remote, mountainous Hela Province of Papua New Guinea. There, at the foot of the Gigira Mountain Range, Jackson went about his chores: looking after the family's pigs, collecting firewood, fetching water and cooking sweet potatoes. He chatted with some of his father's nine wives, as well as his many brothers and cousins. As on most evenings, dinner was boisterous and joyful. Then, just as he did every night, Jackson fell asleep alongside his father, using his dad's arm as a pillow. Jokoya Piwago, a prominent Ware tribal chief, recalled that night vividly in a recent conversation. He remembered his son imploring him, "Please, Daddy, buy me the bicycle that I need to go to school and come back.... Buy me a bicycle tomorrow." Jokoya paused and said, "That's the last word that he spoke to me." Jokoya Piwago rose at sunrise on January 24. He

was running late for work, and his ride was waiting outside. He woke up Jackson, then jumped into the car, shoes in hand. Minutes later, three loud, rapid-fire cracks filled the air. To some, it sounded like the discharge of an AK-47 rifle. Other villagers said it sounded more like a thunderclap. No one could find words to describe the sound that immediately followed.

It was the sound made by 2 million tons of boulders, limestone, water, mud and trees roaring down from the top of Tumbi Mountain. It was the sound of homes being buried by the landslide, which after only a few minutes had created a debris field a kilometer long, several hundred meters wide and 100 meters deep. At least twenty-seven people sleeping in their homes died instantly, according to a lawsuit filed by the victims' families. Twelve of them, including Jackson, were in Jokoya's family. A precise death count is unknown—no bodies were ever recovered. The landslide emanated from a quarry operated by a subsidiary of ExxonMobil, Esso Highlands Limited. Since 2010, EHL had been mining limestone for the construction phase of Papua New Guinea's \$19 billion Liquefied Natural Gas (LNG) project. The quarry—which, according to local residents and a former member of the country's Parliament, had been mined sporadically by other operators for several decades without incident before ExxonMobil's arrival—was part of a massive endeavor that involved drilling wells for gas extraction and the construction of hundreds of miles of pipeline, storage facilities, processing plants and even an airstrip. The limestone was destined primarily for construction of a nearby airport that would be used to fly in heavy equipment and supplies. ExxonMobil has trumpeted the “multiple benefits” that locals would receive from the project, including jobs for “around 10,000 Papua New Guineans” and “more than 650 million kina [about \$300 million] invested in community and infrastructure projects.”

The LNG project, which has been vexed since its inception by civil unrest and huge cost overruns, was made possible in large part by American taxpayers, in the form of a \$3 billion loan in 2009 from the Export-Import Bank of the United States—at that point, the largest loan by the bank in its seventy-five-year history. This massive government loan to one of the world's largest oil giants was issued despite sharp rhetoric from the Obama administration on climate change. Indeed, the loan was approved by the administration just four days before the president delivered his address to the December 2009 United Nations Climate Change Conference in Copenhagen. “As the world's largest economy and the world's second-largest emitter, America bears our share of responsibility in addressing climate change,” Obama said then. “That is why we have renewed our leadership within international climate negotiations, and worked with other nations to phase out fossil-fuel subsidies.” The ExxonMobil loan was hardly the only exception to the president's stated position. Since Obama took office, the Export-Import Bank has invested more than \$27 billion in fossil-fuel endeavors, while lending less than \$2 billion to clean-energy projects.

In the months before the landslide, villagers in Tumbi had been complaining to quarry officials about the operation—which they believed was unsafe and contaminating their water—with no results. But immediately after the disaster, government officials swung into action, dispatching additional police to Tumbi along with a team from the National Disaster Center. “This is a very huge landslide,” Bill Yomba, an NDC spokesman, told CNN the next day. “We are still trying to find out the cause, but at this stage, we believe the gas project run by Esso Highlands Limited was a contributor because they had been digging for limestone in this area.”

That was the last time the NDC would publicly connect ExxonMobil's subsidiary with the landslide. By the next day, the official story was in place. The NDC released a report stating: “The Tumbi Landslide was caused by continuous heavy rainfall which weakened, or undermined, the existing topography and the limestone formation. Naturally occurring geological weaknesses assisted by abnormally high rainfall combined to cause subsidence to the immediate North West of the Quarry, triggering a landslide of composite debris.” The report specifically discredited Yomba, saying that “unauthorized statements by NDC officers [have] resulted in widespread community confusion.”

ExxonMobil insists that its quarry operations “were conducted in a safe and prudent manner... consistent with governmental approval” and denies that they “played any role in the landslide.” With few exceptions, media outlets in Papua New Guinea and Australia have gone along with this claim, calling the landslide “a natural disaster” in their coverage. Then, less than a week later, the story was quickly upstaged when a former PNG prime minister attempted a coup d’état. Days later, more than 100 people drowned when a ferry sank off the country’s northern coast. The Tumbi disaster vanished from the news cycle.



Mobile Police Squad, April 2012. Human rights groups have reported flagrant, systemic abuses by PNG police. (Oscar Mareve)

But suspicion over ExxonMobil’s role in the landslide, and the demands for an independent investigation, persist. There are many in Tumbi, including Jokoya Piwago, who firmly believe that the quarry operation was responsible. A year-long investigation by *The Nation* and the Nation Institute’s Investigative Fund sheds new light on the disaster, unearthing evidence that implicates shoddy mining practices and revealing that the company had been warned by its own contractors that mining operations might trigger a landslide. Evidence shows that the project was deeply troubled in other ways. Landowners at various sites claim that ExxonMobil and a compliant PNG government cheated them out of their rightful compensation and other promised benefits. And sources close to the project implicate ExxonMobil in subsidizing a notorious police unit with a long record of human rights abuses that has provided security for the project.

ExxonMobil hired a number of contractors to work on the project. One of these was MCJV, an Australian firm hired in 2009 to operate the quarry. On his first visit to the site, in March 2011, Gerson Yakasa, an engineer employed by MCJV, was taken aback by several things he saw there, including limestone being extracted from a steep slope high at the top of the quarry where there were also large piles of topsoil. Yakasa immediately noticed there were not enough “benches” (a series of steps cut into a quarry slope to stabilize it, contain rockfalls and prevent landslides) to allow the extraction to be done safely. The benches, he said, were too few and far apart to meet accepted industry standards. “My analysis was that someone was in a hurry,” Yakasa said. It was a view shared by D’Appolonia, an independent consulting firm hired in 2010 by the project’s creditors, including

the Export-Import Bank, to monitor the project's compliance with international social and environmental protocols. In a March 2011 report, the firm found that Esso Highlands quarry workers were under tremendous pressure to meet deadlines. "The overall impression...is that incidents and situations have developed because the Project has circumvented correct procedures in the interest of schedule," D'Appolonia said in its report. "The Project will need to make sure that schedule does not dominate decisions." (In a subsequent visit three months before the landslide, D'Appolonia concluded that conditions at the quarry had improved.)

Even more troubling, Yakasa said, he saw numerous large cracks in the quarry face. He said MCJV had installed culverts to redirect the flow of Tumbi Creek, a large underground stream that flowed out of the quarry face, with the point of exit adjacent to the largest of these fissures. Most disturbing to him, however, was clear evidence of "settlement," meaning the quarry face was slowly shifting downward—a sure sign of slope instability. The quarry, Yakasa concluded, was not safe. Afraid "the mountain could come down," Yakasa spoke to the MCJV project supervisor, who dismissed his concerns. "He was not an engineer; he was a go-forward kind of a guy," Yakasa said. So he put his concerns in writing and, in April 2011, sent them by e-mail to his construction manager and about a dozen other supervisors, including construction managers at both MCJV and Esso Highlands. Yakasa attached an explanatory sketch, along with photos of the cracks and water gushing from the mountain. "I told them the quarry was risky and should be shut down immediately," he recalled. "I thought the quarry could collapse." Yakasa said he never received a response from anyone.

A lawsuit filed in the National Court last October on behalf of 435 surviving villagers alleges that no environmental impact study for the quarry was ever conducted, and that instead the PNG government issued a "blanket permit" for all of the project's construction sites. (The government has not responded to numerous requests for comment.) The lawsuit also alleges that "poor workmanship standards and negligent acts and omissions...triggered" the landslide. A document attached to the complaint—the Tumbi Quarry Landslide Investigation Report, which was commissioned by a local clan chief shortly after the disaster—also alleges that ExxonMobil had been warned that the quarry was dangerous. "The contractor was mining there when the landowners complained that the practice was not right because below it there is a deep cut into the earth with hanging rocks like an open cave," said the report, which was conducted by a team of engineers, scientists and lawyers, adding: "The locals also recalled that one national supervisor even mentioned the risk of this and was terminated from his job."

In September 2011, Yakasa was transferred to another site within the project. He said he heard from colleagues after he left that an internal investigation of the quarry was being conducted, which he assumed was at the direction of MCJV or Esso Highlands. Around the same time, three or four months before the landslide, according to the Investigation Report, MCJV shut down quarry operations. During the months that followed, villagers began to observe troubling signs. In a 2013 sworn statement, whose key elements he confirmed in an interview last July, Jokoya Piwago recalled an ominous event that took place about a month before the landslide: "A huge boulder weighing about 30 tonnes burst out of the quarry rock wall and rolled down the Tumbi mountain down to the LNG road," he said in the affidavit. "At that time [the quarry operator] for unknown reasons withdrew its machineries...at the Tumbi quarry without informing us, the employees and the villagers the reason as to why." The Investigation Report notes that three to four days before the landslide, local landowners complained to quarry operators that Tumbi Creek, the stream running under the quarry face, was blocked, prompting MCJV to remove its equipment from the site with the aid of the police. In its initial legal response to the lawsuit, ExxonMobil denied that "the landslide was caused or contributed [to] by the acts or omissions" of its subsidiary or any of its contractors. The company has filed a motion to dismiss the suit, saying it "lacks any legal or factual merit."

David Petley, a geographer and landslide expert at Durham University in Britain, closely followed the Tumbi landslide and wrote about it numerous times on his blog. Petley has consistently criticized the NDC's conclusion that the disaster was the result of excessive rainfall, arguing that the agency's key assumptions don't hold up scientifically. In a recent interview, he said that the Investigation Report, which lays blame for the landslide on unsafe practices at the quarry, presents a much stronger premise. "Without wanting to prejudge the outcome, my view is that the claim is well-made and just, and the basis of the claim is correct," Petley said. "Poor quarry management appears to have led to instability; the instability was manifested as a result of excessive water pressures, a weakening of the rock mass and changes to the stress state. These combined [to cause] a catastrophic failure of the slope and a long-run-out landslide. There is a wide range of very well-established techniques available to quarry managers to avoid exactly this problem."

Petley said the only way to put the matter to rest would be to conduct an independent scientific investigation, which has yet to materialize. According to a source with direct knowledge of the quarry operations, Esso Highlands quietly commissioned its own investigation into the cause of the landslide and dispatched a team of geological experts to the quarry in the summer of 2012. The findings of that report have not been made public, and requests to ExxonMobil to confirm the existence of an internal investigation, and to provide a copy of the report if there is one, were ignored. The day after the landslide, PNG Prime Minister Peter O'Neill, accompanied by Esso Highlands managing director Peter Graham, flew to the site, where 3,000 mourners had gathered. "I came here today to say sorry to the relatives and families of those buried in this landslip," O'Neill announced, before promising that he would immediately initiate recovery of the bodies and establish an independent investigative team to determine the cause of the landslide. Neither ever occurred. ExxonMobil extended its condolences by means of a press release, followed quickly by a message that seemed more directed toward creditors and shareholders. "Our hearts go out to the people who have been affected by this tragedy," it read. "The Project is currently working to get full construction activities back to normal."

According to interviews with villagers and reports in the blog PNG Watch, Esso Highlands, despite its array of heavy excavating equipment, offered no assistance as the survivors frantically dug through the rubble to find the remains of their loved ones. (ExxonMobil denies this and claims that its subsidiary "provided timely assistance to the response and recovery effort.") There was, it seems, a more pressing matter to be addressed: the landslide had buried a portion of a major road that connected the quarry to nearby Komo Airfield, which was being built to handle cargo planes bringing in material and heavy equipment for the more than 400 miles of pipeline. The airport and road were essential to the construction phase of the LNG project. But Esso Highlands needed the consent of local landowners to rebuild the road, and the landowners were not in a giving mood. Protesters blocked access to the road several times in the weeks after the landslide, demanding compensation and an independent probe into the disaster. The government promised millions in humanitarian assistance; at the same time, according to press accounts, additional military and police forces—including the notorious Mobile Police Squads—arrived to quell protests and secure construction to open the road.

"It was getting a bit tense," said Catherine Wilson, an Australian freelance journalist who visited the site in March 2012. Local landowners told her they were summoned to a community meeting the previous month, where they were informed, she said, that "there is a document at the Mobile Police Squad station, and they are expected to go...and sign that agreement," which allowed Esso Highlands access to repair the road. Anyone who didn't, they were told, "will face the full force of the law." That same month, Joseph Warai, a local village leader, made similar allegations. According to Radio New Zealand, Warai said that "government and disaster officials, as well as police and military, have told locals that the 10 million kina [then about \$5 million] in disaster-response funding promised by the government was conditional on the road being cleared." Fearful they would

lose the aid, the landowners signed the documents permitting the work. As it turned out, the landowners received only \$1.5 million. The remaining \$3.5 million was spent on the road, according to both Warai and Jokoya Piwago, who was responsible for receiving and distributing the funds.



The LNG project, which will destroy 7,000 acres of tropical rain forest, has installed more than 400 miles of pipeline. (Olivier Pollet)

By early March, the road reopened—directly above the bodies of the buried victims. “In our culture, when a body is dead under the rock, there should be no one going in there,” Piwago told Wilson that month. “We respect our dead, but the government and companies, they did not listen. They just did the road on top of the bodies.” Community protests and work stoppages continued, accompanied by frequent clashes with the police. In late March, landowner insurrection forced Esso Highlands to withdraw workers by chartered aircraft from a nearby wellhead and conditioning plant. Prime Minister O’Neill threatened to declare a state of emergency for the entire Hela Province. Work on the project resumed two weeks later, but the protests and shutdowns were now exacting a financial toll. In late 2012, ExxonMobil announced a \$3.3 billion cost blowout for its construction budget, a third of that amount attributed to work stoppages and protests over land access. Before the project began in 2009, there were only a handful of police officers in the area. By last year, more than 1,000 Mobile Police Squad officers, as well as army soldiers, were stationed there. Their mission was clear: to quell the frequent protests, over everything from wages and employment to land ownership and despoliation of the local environment, and keep the project running.

For years, human rights monitors have reported flagrant and systematic abuses of civilians by PNG police and soldiers, particularly the Mobile Police Squads. A 2005 Human Rights Watch report noted: “[I]ndividuals we interviewed described mobile squads raiding villages and urban settlements, burning houses, killing pigs, destroying gardens, and beating and sexually assaulting residents.” A 2009 Amnesty International report noted that earlier that year, officers with the Mobile Police Squads burned down at least 130 buildings near a gold mine in Wuangima, and in 2010 AI detailed reports of rape and assault surrounding the eviction of villagers for the project. Kevin Munday, who was employed by MCJV as the Tumbi Quarry superintendent, said protest and insurrection were commonplace throughout his time there. “You didn’t go more than four days without a

shutdown or a disturbance,” he said. According to Tumbi village leader Warai, in February 2012, a month after the landslide, police providing security for the project opened fire at a *haus kraikrai*, a gathering of family and friends to mourn the deceased. That April, according to Warai, Royal Papua New Guinea Constabulary (RPNGC) officers opened fire on LNG project workers in the wake of a protest by landowners that their only source of water had been contaminated by pipeline construction. One worker was killed and two were injured.

In June 2013, Alfred Kaiabe, a lawyer and former member of Parliament, sent a letter to Peter Graham, the Esso Highlands managing director. Among several complaints, he addressed the use of Mobile Police Squads. “In recent times, your contractors have engaged the service of the police...to arrest landowners along the pipeline route and Angore wellhead areas and locked them up at Tari police cells.... They were beaten for standing up to [protest] intruders on their customary land.” Police Superintendent Jimmy Onopia, the Hela Province commander for the RPNGC, made a similar assertion in an interview last year. He said ExxonMobil not only pays for the food and living expenses of the Mobile Police Squads; it also pays for their weapons. And former PNG police commissioner Gari Baki was even more direct in a 2010 interview with Radio Australia: “The LNG operations up in the southern highlands [are] basically being funded by ExxonMobil,” he said. “All police operations up there [are] entirely funded by ExxonMobil.”

If Onopia is correct about the weapons, it would violate ExxonMobil’s memorandum of understanding with the RPNGC, which specifies the “types of assistance that can be provided by EHL (food, lodging, fuel, vehicles, travel) and types of assistance that are prohibited (provision of weapons, ammunition).” If ExxonMobil has been paying for weapons for the Mobile Police Squads, “then clearly that’s outrageous,” said Kristian Lasslett, a lecturer with the University of Ulster and a PNG coordinator for the International State Crime Initiative. “If that is accurate, then Exxon is becoming complicit in crimes that are being committed by the mobile squads.” ExxonMobil says that its Esso Highlands subsidiary, now called ExxonMobil PNG Limited, “is committed to conducting business in a way that protects the safety and security of its personnel, facilities and operations, and respects human rights.” It notes that the PNG government “has responsibility for maintaining law and order” and says that “EMPNG cannot, and does not, control the day-to-day operations or decisions of the PNG police or any other security personnel.” Furthermore, it insists that while “we may provide support in prescribed areas, for example, transportation,” such support “specifically excludes provision of weapons.”

ExxonMobil’s relentless pursuit of new oil and natural gas reserves around the globe has often led the firm into treacherous terrain, requiring it to make alliances with unstable, corrupt governments and their security forces in places like Indonesia, Equatorial Guinea, Chad and Nigeria. According to Steve Coll, author of *Private Empire: ExxonMobil and American Power*, the company “has tried to wring as much risk out of its operations as is humanly possible to do, through rule-making, manuals and a rigid corporate culture. But the dilemma they have is, their business model keeps driving them into places that are full of political risk.” In Papua New Guinea, ExxonMobil went deep into the remote highlands of a country known for tribal conflict, violence and political corruption. More than 97 percent of the region is controlled by indigenous communities, in which land is owned and administered in accordance with tribal customs and conveyed to the next generation orally. It is a complex and delicate arrangement that has endured for centuries in an agrarian society that consists of hundreds of different tribes and languages, and where land disputes have often been resolved through violence. It is not a system that’s convenient for a foreign multinational looking to install 400 miles of pipeline, wellheads and a huge liquefaction plant on deadline.

In its contract with the PNG government, and in accordance with the PNG Oil and Gas Act of 1998, ExxonMobil was required to carry out “social mapping and landowner identification” (SMLI) studies, which would have to be approved by the PNG government before petroleum development li-

censes could be granted. For the LNG project, this task was enormous, affecting 117 villages, including some 3,000 landowners and nearly 34,000 residents. That critical SMLI process would determine who would get land compensation payments up front and, now that gas production has begun, equity interest and royalty payments. From the outset, the project was plagued by disputes over land ownership and appropriate compensation. ExxonMobil claims that its surveys “were compiled by highly regarded Australian anthropologists with extensive experience in PNG cultures, and the reports were reviewed and approved by the Department of Petroleum and Energy.” From scores of interviews with PNG landowners and tribal chiefs, a different story emerges: the SMLI was rushed and incomplete, and it depended heavily on questionable “paper owners”—many of them residing hundreds of miles from the sites, in the capital city of Port Moresby—who signed over their “rights” without a proper claim to the land. These assertions came from landowners along the pipeline and wellheads, as well as those around the new airport in Komo and the liquefaction plant near Port Moresby.

Many believe the fix was in from the start. In the spring of 2009, more than 2,000 people identified by the PNG government as the affected landowners gathered for a legally mandated development forum and negotiation in Kokopo—the capital of the island province of East New Britain, and hard to get to from Hela Province. This forum would culminate in the signing of an Umbrella Benefits Sharing Agreement (UBSA), a complex contract outlining terms for the disbursement of billions of dollars in royalties and equity payments, as well as funds for infrastructure improvements and seed capital for landowner businesses. The project’s SMLI was far from complete, but ExxonMobil was staring at a December 8 final investment deadline, and this was one of the key remaining criteria that had to be met before the project could move forward. Transparency International, the global anticorruption watchdog, was invited to serve as an independent observer of the proceedings in Kokopo, but Esso Highlands withdrew the invitation at the last minute, for no clear reason. What the group missed, according to the accounts of landowners, elected officials and attorneys who attended—accounts that are bolstered by court documents—was an exercise in fraud, crudely orchestrated by the PNG government. The forum was punctuated by chaos, with dissenters forcibly removed by security forces.

One of those in attendance was Alfred Kaiabe, the lawyer and former MP. Kaiabe co-wrote the 1998 PNG Oil and Gas Act, which established guidelines for such projects and required benefit-sharing arrangements between the government and landowners. Kaiabe was evicted from the forum when he protested the legality of the affair. “The over 2,000 people flown to Kokopo were kept on bribery money under the guise of allowance money, to keep them busy and occupied with liquor and women,” Kaiabe wrote in a letter last year to Peter Graham of Esso Highlands. “Their cheaply and fraudulently obtained signatures iced the Kokopo UBSA fraud.” Kaiabe and others say the PNG government “handpicked” the participants and flew in people of their own choosing from around the country. The ones from his area, not far from Tumbi, “were picked up at 2 o’clock in the morning while everyone slept,” Kaiabe said. He charges that in return for their signatures, they were given seed-capital money, financial commitments from the relevant ministries and sometimes cash on the spot, interactions he claims to have personally witnessed. (“Official bribery,” Kaiabe calls it.) Jubilee Australia, an NGO that has published two extensive reports on the project, described it this way in the summary of its 2012 report: “Improper consultation, and pressure applied by the Government to force the landowners to sign.” A few months after the Kokopo agreement was signed, local media sources reported, millions of dollars meant for landowner compensation under the agreement vanished from government trust accounts. In 2013, according to Radio New Zealand, Commerce and Industry Minister Richard Maru revealed that \$50 million intended for business-development grants to landowners had gone missing as well.

ExxonMobil, for its part, says “landowner identification for the purpose of benefits distribution is the responsibility of the Department of Petroleum and Energy,” and that “neither EMPNG nor the

other PNG LNG Project participants are signatories to the agreements; the [Benefit Sharing Agreements] are the responsibility of government.” Even so, it insists that signatories to the UBSA “and the subsequent License Based Benefit Sharing Agreements are recognised leaders and community representatives. These agreements were developed in a highly consultative manner” and “overseen by several eminent PNG citizens.” Apparently, the PNG government doesn’t agree: although it received ExxonMobil’s SMLI report in 2009, last summer William Duma, the country’s then-minister of petroleum and energy, declared that the company’s studies were inadequate.

To this day, the Kokopo agreement remains a festering point of contention in Papua New Guinea. Gas has just started flowing through the project’s 400-mile pipeline, headed for a plant where it will be turned into liquid and shipped to customers in China and Japan. Soon, the big money will start flowing for ExxonMobil and its equity partners, including the PNG government and the officially designated landowners. But the landowners who were left out—and the villagers, like Jokoya Piwago, who lost their loved ones in the landslide and have seen their land and water destroyed by the project—will not be happy. Nor is it a safe bet to expect them to go quietly. “We are highlanders, and we are known for fighting,” said Kaiabe. “Fighting is a way of life, and we will fight to the death to protect what is ours if we have been cheated.”

See the video: <http://www.youtube.com/watch?v=m3YOmjAIB7k>

Die Chancen und Risiken des Tiefseebergbaus

Die Herausforderungen sind immens, aber angesichts der hohen Rohstoffpreise interessieren sich immer mehr Staaten und Firmen für den Tiefseebergbau. Der "World Ocean Review" trägt Fakten zusammen. Von Birgitta von Gyldenfeldt, Die Welt, 20.2.2014

Gold und Silber, Kupfer und Zink. Diese und weitere seltene Metalle, die zum Teil Ausgangsbasis für High-Tech-Teile sind, sind heiß begehrt. Bisher werden sie in Minen an Land abgebaut, doch der weltweite Hunger nach Rohstoffen und die daraus resultierenden hohen Preise rückt auch Lagerstätten in der Tiefsee ins Visier von Staaten und Firmen. So "sollen künftig Erze in Form von Manganknollen, Kobaltkrusten und Massivsulfiden in bis zu 4000 Meter Tiefe abgebaut werden", um den wachsenden Bedarf an Rohstoffen zu decken, heißt es im ["World Ocean Review III – Rohstoffe aus dem Meer"](#), der am Donnerstag in Hamburg vorgestellt wurde. Heute sei die Arbeit in der Tiefe allerdings noch unwirtschaftlich. In dem 168 Seiten starken Bericht haben Wissenschaftler des Kieler Exzellenzclusters "Ozeane der Zukunft" und international renommierte Experten Fakten über die bekannten Öl- und Gasvorkommen zusammengetragen und informieren über mineralische Ressourcen.

Staaten und Firmen stehen in den Startlöchern

"Rohstoffe im Meer haben großes Potenzial", sagte der Sprecher des Kieler Exzellenzclusters "Ozean der Zukunft", Prof. Martin Visbeck anlässlich der Vorstellung des Berichts. "Aber man kann wohl sagen, trotz der steigenden Metallpreise ist derzeit noch niemand bereit, sehr viel Geld für den Tiefseebergbau in die Hand zu nehmen." Dennoch, "die wirtschaftliche Nutzung mariner mineralischer Rohstoffe rückt angesichts des Anstiegs der Rohstoffpreise und globaler Verknappungsszenarien bei bestimmten Rohstoffen immer mehr in den Fokus und könnte mittelfristig eine größere Bedeutung erlangen". So steht es beispielsweise im "Nationalen Masterplan Maritime Technologien" Deutschlands. Und auch Unternehmen zeigen Interesse an den mineralischen Schätzen der Ozeane. "Natürlich gucken sich Firmen da nach neuen Lagerstätten um", sagte Visbeck. Weltweit gibt es bisher noch keinen kommerziellen Tiefseebergbau von Metallen. Allerdings stehen schon einige Staaten wie Deutschland und private Firmen in den Startlöchern und machen Erkundungsbohrungen oder haben Lizenzen dafür beantragt. Es sei sinnvoll, diese Pilotvorhaben wissenschaftlich zu begleiten, Umweltaspekte zu berücksichtigen und herauszufinden, ob das grundsätzlich überhaupt darstellbar ist. "Da sind Industrie und Forschung gemeinsam unterwegs", sagte Visbeck.

Pro und Kontra des Abbaus

Ein Abbau sei immer mit Risiken und Umweltbelastungen verbunden, darüber müsse diskutiert werden, sagte der Kieler Ozeanograph. So sind sich Wissenschaftler laut Bericht beispielsweise darin einig, "dass der Abbau von Manganknollen einen erheblichen Eingriff in den Lebensraum Meer darstellt". So könnte durch den Lärm und die Vibrationen, die bei Abbau, Herauspumpen und Reinigen der Knollen entstehen, Delfine und Wale gestört werden. Und im durchpflügten Bereich würden alle Tiere sterben, die nicht schnell genug fliehen könnten, Würmer, Schnecken und Seegurken beispielsweise. Zudem werden die metallischen Rohstoffe beispielsweise als nachwachsend bezeichnet – zu Unrecht. "Man muss ganz klar sagen, da ist nix nachhaltig", sagte Visbeck, "die Vorkommen sind endlich." Zudem sei ein Abbau sehr kostspielig. Auf der anderen Seite vermeide Meeresbergbau Landnutzungskonflikte, heißt es im "World Ocean Review. Und Staaten, die über keine eigenen Rohstoffreserven verfügen, erlangten ein Stück weit Unabhängigkeit von den Exportnationen. Eine Empfehlung oder einen Ratschlag für oder gegen den Tiefseebergbau jeglicher Art, gibt der Bericht nicht. "Wir wollten Hintergründe und Fakten bündeln und auf den Tisch legen", sagte Visbeck. Auf dieser Grundlage könnten alle Beteiligten in Politik, Wirtschaft, Wissenschaft und Gesellschaft nun sachlich diskutieren, ob und in welcher Form der Tiefseebergbau gewünscht sei.

Scientists warn over coming era of deep sea mining

The Independent (UK), February 17, 2014



Strip mining and vacuum mining are coming to the seafloor

The last great unexplored wilderness on Earth is about to experience industrial-scale mining that could change the face of the pristine seabed of the deep ocean for generations to come, scientists have warned. Access to the mineral deposits and rare-earth metals that are known to exist on the seabed has never been easier with the help of robotic submarines and there are already 19 leases for prospecting in international waters and another five leases that are pending, they said. Strip mining involving giant underwater cutters, where vast areas of the seabed are removed and brought to the surface as a slurry, and vacuum mining where the seabed is literally sucked up by machines, are the kind of mining operations that could be commonplace in a few years time, they told the American Association for the Advancement of Science.

“The deep ocean is a vast repository of natural resources and we’re going to be going in there if not now, then within the next 50 years,” said Lindwood Pendleton of the Duke Nicholas Institute for Environmental Policy Solutions in Beaufort, North Carolina. “We’re really in the dark when it comes to the ecology of the deep sea. We know a lot about a few places, but nobody is dealing with the deep sea as a whole, and the lack of knowledge is a problem for decision-making and policy,” Dr Pendleton said. Without careful controls the physical habitat of the sea bed hundreds of feet below the surface could be irrevocably destroyed along with the unique wildlife it supports, said Cindy Lee Van Dover of Duke University in North Carolina. “The deep sea is out of sight, out of mind, and because there isn’t a specific human society that will be directly impacted by the negative consequences of extraction, there’s a whole level of concern that isn’t being expressed when it comes to deep sea industrialisation,” Dr Van Dover said.

“There’s just so much that we don’t know about the deep sea, and we need that basic research before we form policy, but we urgently need policy before this window of opportunity closes,” she said. “One hundred years from now, we want people to say they got this right based on the science they had, and they weren’t asleep at the wheel,” she told the meeting. One mining company prospecting off the coast of Namibia intends to remove between 1 and 5 metres of seabed silt and ship it to the land for extracting phosphate deposits before the waste slurry is siphoned off and dumped back into the sea. Bronwen Currie of Namibia’s National Marine Information and Research Centre in Swakopmund, said that concerns about the environmental impact of the phosphate mining has led to the government imposing a moratorium until further assessments can be made about its long-term effects. “The biggest concern is the accumulation of effects. We need research on the impact on fish stocks. There is no real knowledge of the real impacts of this kind of mining,” Dr Currie said.

Die riskante Rodung am Grund des Ozeans

Das Meer ist auch ein noch nahezu ungenutztes Reservoir an Energie – und Rohstoffen. Mit Pumpen und Schläuchen sollen tonnenweise Gold, Erze und Mangan abgebaut werden. Das hat Folgen für die Umwelt. Von Thomas Jüngling, Die Welt, 26.01.2014

Rundherum ist es stockdunkel, nur wenige Strahler beleuchten die gespenstische Szenerie. Eine 300 Tonnen schwere Baumaschine schiebt sich langsam über den Boden. Das monströse Gerät ist bestückt mit einem rotierenden Zylinder. An deren Unterseite sitzen acht Zentimeter lange Metallzähne, die sich in den Boden fräsen und das Gestein lockern. Der Maschine folgt ein weiteres Untertum, dessen 200 metallische Wolfram-Zähne das Gestein in fünf Zentimeter kleine Stücke zermalmen. Trotzdem ist nur ein dumpfes Grollen und Rumpeln zu hören, schließlich spielt die Szene etwa 3000 Meter unterhalb der Meeresoberfläche. Noch ist sie nur als Animation auf dem Computerbildschirm zu sehen, doch Unternehmen wie das kanadische Nautilus Minerals wollen in wenigen Jahren solche autonom fahrenden Maschinen auf dem Meeresboden arbeiten lassen. Das Meer bietet dem Menschen nicht nur reichlich Nahrung und Trinkwasser. Es ist auch ein noch nahezu ungenutztes Reservoir an Energie – und eben Rohstoffen. Davon liegen Unmengen direkt auf dem Meeresgrund oder einige Meter darunter. Abgesehen haben es die Abbauunternehmen vor allem auf sogenannte Massivsulfide und auf Manganknollen. Massivsulfide entstehen, wenn Eruptionen Material aus dem Meeresboden herausschleudern, zum Beispiel in den Schwarzen Rauchern, aus denen regelmäßig Sedimente ins Meerwasser strömen. Oder wenn kaltes Meerwasser in Spalten eindringt, dort auf bis zu 360 Grad Celsius erhitzt wird und wieder austritt. Dabei nimmt es Schwefel und Metalle aus dem Gestein mit. Die Metallsulfide fallen nach Abkühlung durch das Meerwasser wieder auf den Boden.

Gold in rauen Mengen

Darin enthalten sind in hoher Konzentration zum Beispiel Kupfer und Gold. Beim Abbau an Land kommen auf eine Tonne Gestein etwa 0,6 Prozent Kupfer, bei dem vom Meeresboden sind es sie-

ben Prozent. Bei Gold ist die Ausbeute ebenfalls sehr effizient. Aus Goldminen an Land kommen auf eine Tonne Abbauprodukte im Durchschnitt 2,3 Gramm Gold, beim submarinen Bergbau sind es mehr als sechs Gramm. Enthalten sind zudem Silber und Indium, mit dem zum Beispiel Flachbildschirme beschichtet werden. "Wir haben das für eine Massivsulfid-Lagerstätte in den Hoheitsgewässern von Papua-Neuguinea einmal durchgerechnet: Bei einer Abbaumenge, die ungefähr das halbe Olympiastadion in Berlin füllt, ließen sich Metalle wie Kupfer, Zink, Gold oder Silber in einem Wert von zwei Milliarden Euro gewinnen", sagt Peter Herzig, Direktor des [Geomar-Helmholtz-Zentrums für Ozeanforschung](#) in Kiel. Auch Seltene Erden kommen in den Flächen auf dem Meeresboden vor, zum Beispiel Scandium und Neodym, die für Hochleistungsbatterien, als Leuchtmittel in Displays oder als Dauermagneten in Windkraftanlagen eingesetzt werden.

Realistische Ziele

Weltweit sind mehr als 500 Felder mit Schwarzen Rauchern bekannt. Ein Drittel davon bietet Vorkommen mit Massivsulfiden, die für den Abbau interessant sind. Dazu kommen noch die schwer aufspürbaren erloschenen Raucher. Die Technik für den Abbau ist zu 80 Prozent schon entwickelt, heißt es bei Nautilus Minerals. Die Crawler und Cutter mit Wolfram-Zähnen sind bereits im Bau. Die Maschinen bewegen sich mit nur einem Meter pro Minute über den Boden, schlucken das Gestein und zerkleinern es. Ein riesiger Kollektor sammelt die Brocken ein, und eine 150 Tonnen schwere Pumpe bringt sie durch eine gummierte Röhre – verstärkt durch Stahl und Kevlar – zum Produktionsschiff. Nur in Küstennähe gibt es den Abbau in ähnlicher Form schon, um Diamanten vor Namibias Küste aus der Tiefe zu holen. Doch Herzig ist sich sicher, dass auch der Rohstoffabbau vorankommen wird und Nautilus Minerals es schaffen könnte: "Das ist keine Briefkastenfirma, die werden es bestimmt hinbekommen. In den kommenden fünf Jahren wird da sicherlich etwas passieren."

Riskant für die Umwelt

Neben den Massivsulfiden sind vor allem Manganknollen interessant, in denen zahlreiche Metalle stecken. Wie Kartoffelroder sollen Maschinen die Felder in bis zu 6000 Meter Tiefe beackern und die Knollen abernten, die dann über Pumpen und Schläuche an die Oberfläche gebracht werden. Die Technik ist jedoch umstritten. "Die Knollen liegen in 5000 bis 6000 Meter Wassertiefe auf dem schwach verfestigten Sediment. Fährt dann der Kollektor darüber, wirbelt er dieses extrem feinkörnige Material auf. Das beeinträchtigt definitiv die Lebenswelt auf und unterhalb des Meeresbodens im Abbaugbiet. Darüber hinaus werden die Sedimentwolken durch Bodenströmungen verdriftet, dadurch sind auch angrenzende Flächen davon betroffen", sagt Herzig. Bis sich eine Abbaufäche davon wieder erholt hat, kann viel Zeit vergehen. Es braucht eine Million Jahre, bis sich eine ein Zentimeter dicke Schicht an Sedimenten auf dem Meeresboden wieder absetzt. Umweltfreundlicher könnte da schon der Abbau der Massivsulfide sein – obwohl die Schwarzen Raucher ganz besonders dicht von Lebewesen besiedelt sind. Die Massivsulfide sind jedoch an vulkanisches Gestein gebunden und nicht an Sedimente: "Dadurch würden beim Abbau nur wenige Erz- und Gesteinsteilchen hochgewirbelt. Die sind deutlich schwerer als Sedimentpartikel, werden also nicht weit verdriftet und setzen sich sofort wieder am Boden ab", sagt Herzig. Für die Knollenernte aber "brauchen wir dringend schonendere Abbaumethoden, die sind aber noch nicht entwickelt. Deutschland kann hier eine Vorreiterrolle übernehmen, um den Abbau von Manganknollen in der Tiefsee umweltverträglich zu gestalten. Technische Innovationen sind hier jetzt gefragt", sagt Herzig.

Manganknollen im Fokus

Deutschland ist tatsächlich dabei: Seit 2006 hält es eine Lizenz zur Erkundung der Manganknollenvorkommen im Zentralpazifik. Schwindelerregende Zahlen zu den Rohstoffvorkommen im Meer sind im Umlauf: Sieben Milliarden Manganknollen sollen abgebaut werden können. Darin dürften dann 340 Millionen Tonnen Nickel und knapp 300 Millionen Tonnen Kupfer stecken. Neben dem Abbau von stark nachgefragten Metallen soll das Meer auch als Energiequelle dienen. Zum Beispiel über Kraftwerke wie Sea Gen, bei denen Propeller die Strömungen aufnehmen, oder durch Wasser-

schlangen, die Wellenbewegungen in Energie umsetzen. Der norwegische Energiekonzern Statoil will schon in wenigen Jahren eine Plattform auf den Meeresboden setzen, um nach Öl zu bohren. Vor allem Methan ist reichlich im Meeresboden vorhanden, zwölf Billionen Tonnen sollen in Hohlräumen lagern. Es steckt in erstarrtem Wasser. Wird dem Kohlendioxid zugeführt, tauschen die Gase die Plätze. Das Kohlendioxid rückt in die Struktur, das Methan entweicht – und lässt sich auffangen. In etwa 3000 Meter Tiefe müssten sich die Anlagen zur Methangewinnung befinden und möglichst auf ebenen Flächen stehen. An Hängen, zum Beispiel denen der Kontinentalplatten, könnte es dagegen zu Erdbeben kommen, wenn das Methan dort unkontrolliert entweicht. Das kennen viele Leser des Romans "Der Schwarm". Dort führt ein solcher Erdbeben direkt in die Katastrophe. Und tatsächlich beschreibt Frank Schätzing kein reines Science-Fiction-Szenario, sondern eine ganz reale Gefahr.