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**KEYNOTE ADDRESS BY PRIME MINISTER HON. JAMES MARAPE,  
MP, ON THE OCCASION OF THE OFFICIAL OPENING OF THE 16th  
PAPUA NEW GUINEA MINING AND PETROLEUM INVESTMENT  
CONFERENCE**

**“PNG RESOURCES – SECURING THE NEXT WAVE OF  
RESPONSIBLE INVESTMENT”, HILTON HOTEL, SYDNEY**

**5th DECEMBER 2022**

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**MC, thank you for your warm introduction,**

**Hon. Pat Conroy, MP, Australian Minister for International  
Development and the Pacific,**

**Ministers and Vice Ministers of the Independent state of Papua New  
Guinea, Governors and Members of Parliament,**

**President and members of the PNG Chamber of Mines and  
Petroleum,**

**Investment Partners,**

**The Business Community,**

**Distinguished Guest Participants like Ms Julie Bishop and others,**

**My landowner representatives who are here today,**

**Media,**

**And before I speak, I would like to acknowledge and pay my respect to the indigenous landowners of this land we meet.**

**Ladies and Gentlemen,**

It gives me great pleasure to be here in Sydney to speak at this Conference as we all recover from the COVID-19 pandemic and it is indeed nice to meet, greet and personally interact with you all.

So it is fitting that I would like to start my speech by offering a big thank you as a token of my country's appreciation to the mining and petroleum industry.

I firstly thank the chair of this session to allow me to speak in this opening segment.

Secondly, I thank the President Anthony Smare and his Team from the PNG Chamber of Mines and Petroleum who have organised this auspicious conference.

Thirdly, I thank all of you who have spent money and time to be here attending this conference.

I would like to thank in a big way all present investors, your financiers, your companies and shareholders whose decision to invest in PNG has ensured that the mining and petroleum sector contributes to my country's economy.

And last but not the least, I thank Creator God Almighty under Whom all these resources were placed in PNG.

Exploration and harvests of mineral and petroleum resources have been ongoing in PNG for about 100 years now since the Wau-Bulolo gold rush in the 1920s; and as a case in point, in July 2019, we celebrated 90 years of Oil Search Ltd; and just a few weeks ago we celebrated 100 years of ExxonMobil landing in Rabaul Port, PNG.

Global mining and petroleum conglomerates like BHP, Rio Tinto, Barrick Corporation, Newcrest, Harmony, Chevron, BP, ExxonMobil, Total Energies, Santos, JX Nippon, to name a few, have or had addresses in PNG. All these plus others, including some of you here, have invested in exploration and development in PNG and I thank you all.

**Ladies and Gentlemen,**

Our Nation's many years with a track record as a host to Investors speaks for itself as a mining and petroleum nation. And I want to appreciate all of you who continue to show faith in my country.

We are a mineral and petroleum nation. We know how to give incentives, embrace and protect investors, and allow investors to make a fair and profitable return on their investments;

Look around and ask, for instance, two of Australia's big companies, Newcrest and Santos, and see how their PNG investments and assets add onto their total balance sheet.

Look at the recent example of Santos. They merged with Oil Search assets in 2021, and in 2022, their gain in PNG LNG possibly outperforms all their other investment portfolios and they would have recovered cost of the transaction.

PNG has always been a good place for mining and petroleum business, amidst obstacles we have, but where else on earth are there no obstacles?

Ask Santos on their recent loss in an Australian Northern Territory court to indigenous landowners, as an example of problems that exist on all parts of earth.

So, in PNG, the State plays a dual role as a regulator and business partner to ensure investments are safe.

Equities held by our national mining and petroleum companies, plus landowner companies through Mineral Resources Development Company (MRDC), have always played a cushioning and buffer role to ensure that the projects are safe. This is something the industry must realise and appreciate.

Our experiences from Bougainville, Ok Tedi and Porgera compels us to ensure we negotiate a fair agreement that allows investors to have a global benchmark return on their investments while PNG parties, including landowners and Provincial Government, s have a share in an improved benefit-sharing arrangement.

And if you may allow me to emphasise that PNG is a fair place for investments. The State always is on the lookout to protect our investors because to not to do is negligence of our responsibilities.

You only have to look at what we do to protect our investors:

- We offer fiscal stability;
- We pay our equity;
- We carry our landowners' interest;
- We carry our provincial governments' interest;
- We approve tax credit projects;
- We finance key enabling infrastructure;
- We step in on law-and-order;
- We are a rules-based country and honor agreements to their full terms; and
- We allow companies to make a return on their investments.

These few pointers are indicators of our performance as a country since 1975. And even when we make transition to a production-sharing regime in 2025 and beyond, the above fundamental principles are timeless, especially on investors making a secured return on their investments.

We, as a country, have never failed to honor all our project agreements and they have run the full course. Look at Porgera, SML 1, which ran from 1989 to 2019 as agreed. Look at Lihir and Ramu Nickel, look at PNG LNG running its course with Government support. Agreements secured with past governments will run their full tenure period.

These projects have been good and beneficial for the country and we honor them; but it is time now new projects, the next wave, must emerge. If the projects of the first 44 years of PNG grew our economy from K5 billion in 1975 to K79.6 billion in 2018, the inputs we put today in our next wave of responsible investments will move PNG's economy from the K113 billion that International Monetary Fund says we presently are to the K200 billion target I set in 2019.

For I did say that by 2029, we must be a K200 billion economy.

The next wave or first waves of responsible investments, or I would rather say 'responsive investments', are our big five projects that my government has worked on the last three years where deep in my planning office we label them as "PPPPW".

They are Papua LNG, Pogera Gold Mine, P'nyang LNG, Pasca Gas Condensate and Wafi-Golpu mining project. We are in 'deep waters' in as far as various stages of those projects in as far as agreements and developments are concerned. There is no stopping or turning back and

we look forward to substantial concrete progress and project agreement closures and progress to project development.

In my humble opinion these projects developed from 2023 to 2032 will be the impetuous, the next responsive wave responsible for my country's economy to be catapulted surpassing the K200 billion economy I envisioned on May 30th, 2019, when I made my maiden 'Take Back PNG and richest black Christian nation' speech.

Every other project that you all have interest in like Frieda, Kili Tege, Yandera, Pandora, Stanley, Ketu Elalava, etc, is a bonus on top of my big five projects (the PPPPW).

I ask investors who already have an interest or an asset in my country: Please progress the project to the next stage because 2025 is coming upon us. If we, in the last three years have had our petroleum and mining negotiating teams plus our State Negotiation Team progress the PPPPW simultaneously, we can handle your project too.

I say this because in 2025 we will shift all licenses and project that have had no substantial progress into a new hybrid production-sharing regime, hence, if you want to enjoy the present concessional regime we have, then you must progress to show your seriousness.



Our Royalty Tax concessional regime will run its full course with those projects that have made substantial progress in exploration, data update and development endeavours.

However, those warehousing licenses with no activity in either exploration or development will face natural redundancy, as PNG migrates into a hybrid production-sharing regime that we will negotiate with the PNG Chamber of Mines and Petroleum.

Please secure an appointment with International Trade and Investment Minister Hon. Richard Maru, who heads all our investments and trade negotiations, or the two sector Ministers in Hon. Kerenga Kua (Petroleum) and Sir Ano Pala (Mining); They are available to progress your projects.

For those new investors who want to come invest in PNG, let me tell you some good news and competitive advantages PNG has as an investment destination, apart from what I alluded to earlier.

- We will always allow our investors to make profit based on globally competitive IRR, even in production sharing regime;
- We will give investor incentives for exploration dollars spent in country;
- Whilst our 'Take Back PNG' philosophy demands we have 60 to 65 percentage of the total project pie, we will respect each project's

development peculiarity and projects will be negotiated on their own merits guided by the operative laws;

- We can give fiscal and legislative stability but at a negotiated premium;
- PNG is closer to active markets and State will use its network as bilateral and multilateral partner country to APEC, ASEAN and other global economies to market for the export of PNG products;
- PNG's independence of Judiciary is a safety assurance to Investors that security of your project agreement and tenure-ship is guaranteed into its full length of time; and
- Government will not only partner with investors in equity but put social license money as we did with IDG for PNG LNG and we are now doing for Porgera, Wafi-Golpu, Papua and P'nyang.

We are open for business; we have always been responsive and government-friendly to investors and we will partner you all to return to your shareholders a healthy profit.

On our part, Government is and will invest in law-and-order including fighting corruption, we will save some money for the future with the Sovereign Wealth Fund, we will build enabling infrastructure, we will invest in health and education of our people and we will do endeavor to do our best to take our people, the resource owners, with us.

On December 8, 2009, at my Nogoli tribal land at Hides Gas field, when we were signing the project agreement with ExxonMobil, one of my then compatriots the then Member for Komo Hon. Francis Potabe, asked ExxonMobil to take the landowners with them into a developed future.

The honest question Government asks itself and all of you stakeholders is the question of whether we have taken PNG people with us; whether we have a given better life to people in Panguna, Ok Tedi, Porgera, Lihir, Ramu, Tolukama, Simberi, Misima, Hidden Valley, Kutubu, Hides, Gobe, Moran, and others from which we have harvested over the last 47 years.

Your answer is as good as mine. I conclude by asking you all: My country will respect your rights as investors to make profit but help secure my PNG for a better world.

As my State team and Government instruments work with you, make no mistake, we want you to make profit because we understand you not a charity but take my people with you in a fair benefit regime.

Our negotiations will not only be on royalty, tax, levy, rates and equities.

But we will also push higher on greater local content in both construction and operational phases as well as move to full downstream processing of

PNG products including refining gold and copper to export finish products and full utilization of gas for domestic use at the earliest.

We would also asks all investors in PNG to offset your global and PNG carbon footprints by participating in the conservation of my country's tropical rainforest and mangroves, because that is also making PNG better.

This is the fulfillment of taking back PNG and taking our people with us to a better PNG.

A better PNG economically will mean:

- We save our rain forests for Planet Earth;
- We save our biodiversity;
- We utilise other energy sources like what Fortescue Future Energies is doing for cleaner energy;
- A safer Indo -Pacific region; and
- You investors and your shareholders will be morally satisfied that you have transformed a third-world PNG into a better-developed PNG.

**Ladies and gentlemen,**

I wish the meeting successful deliberations and encourage all participants to capitalise on the occasion to exchange your business cards and maintain the dialogue, and most importantly, ensure the projects that are being progressed and negotiated are effectively implemented.

It is now my pleasure to open the 2022 Mining and Petroleum Conference.

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