



# Resource Project Update and National Content

## National Content Conference

State Function Room | Parliament Haus | Port Moresby, PNG

25 November 2024

**Richard Kassman, OBE**  
Senior Vice President



**Papua New Guinea Chamber of Resources & Energy**

Helping Papua New Guinea Develop its Full Potential

# PNG – Resource Setting

Resource dependent economy – in 2022, 87% of export earnings from Mining and Oil and Gas.

## 1: Mining Projects

Current Projects	Future Projects
<b>Lihir [Gold]</b> (large scale)	Wafi Golpu
<b>Ok Tedi [copper, gold]</b> (large scale) (Government run)	Frieda River
<b>Ramu [nickel/cobalt]</b> (large scale)	Woodlark Gold Project
<b>Porgera [gold]</b> (large scale) - resumption	Solwara Project
<b>Kainantu [gold]</b> (medium scale)	Central Lime Cement Project
<b>Simberi [gold]</b> (medium scale)	K92 Expansion
<b>Hidden Valley [gold]</b> (medium scale)	Ramu Expansion

There are Others in exploration and non-operation.



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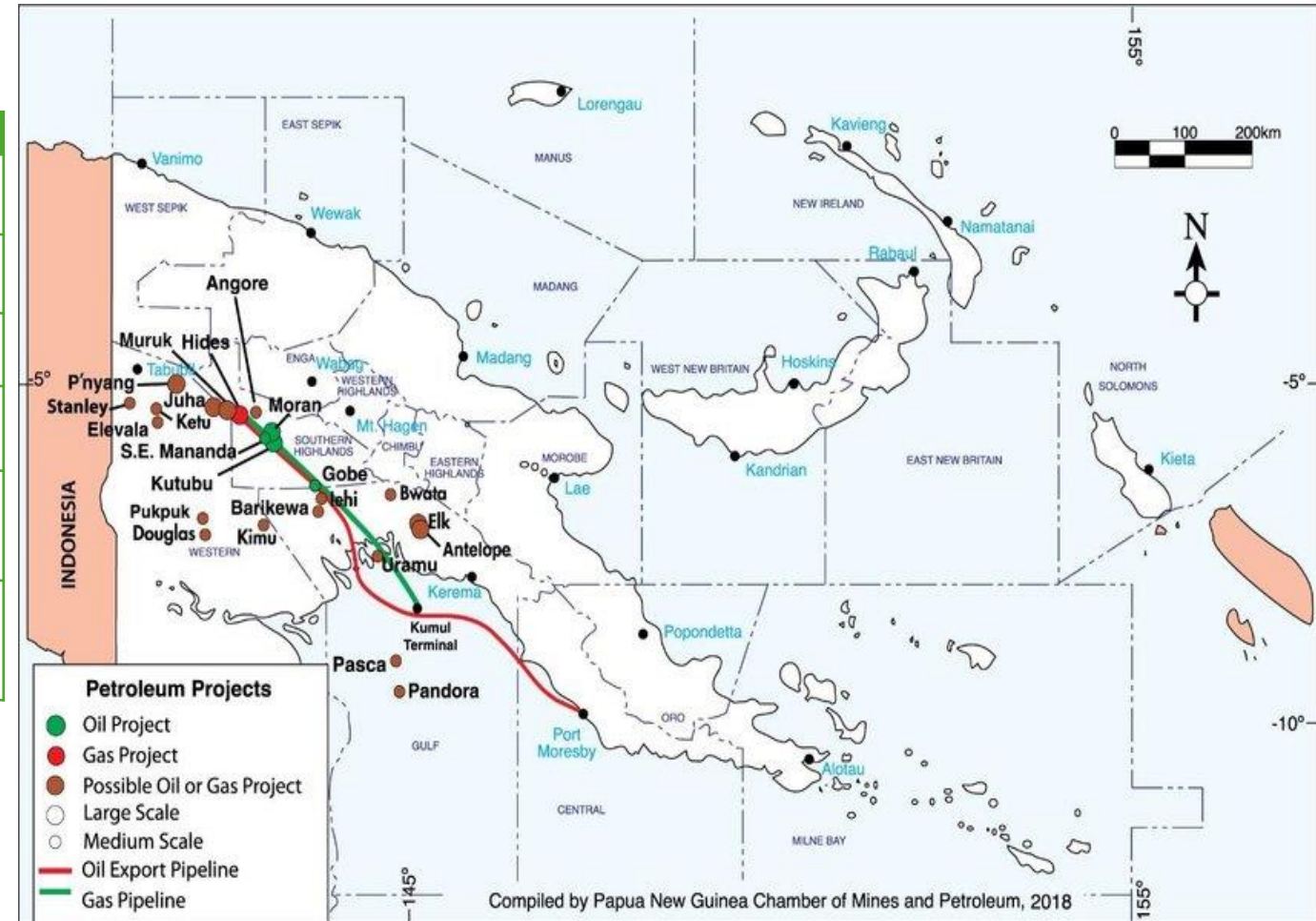
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# PNG – Resource Setting

## 2: Oil and Gas Projects

Current Oil & Gas Projects	Future Projects
<b>Gobe Project</b> (Main & SE)	Papua LNG Project
<b>Kutubu</b>	P'nyang Gas Project
<b>Moran Projects</b> (Central & NW)	Pasca A project
<b>Hides GTE</b> (PDL 1 small scale)	Stanley Project
<b>PNG LNG Project</b>	
<i>Includes PDL 1, 7, 8, 9, 2, 4, 5 &amp; 6.</i>	
<b>Exploration Potential</b> in Gulf, Central, New Ireland basins	

*There are numerous potential currently in exploration*



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# Resources Industry – Major Contributor to GDP in 2022

**PGK45.5b** in oil and gas and mineral exports in 2022

**63%** contribution to GDP growth from prior year in 2022

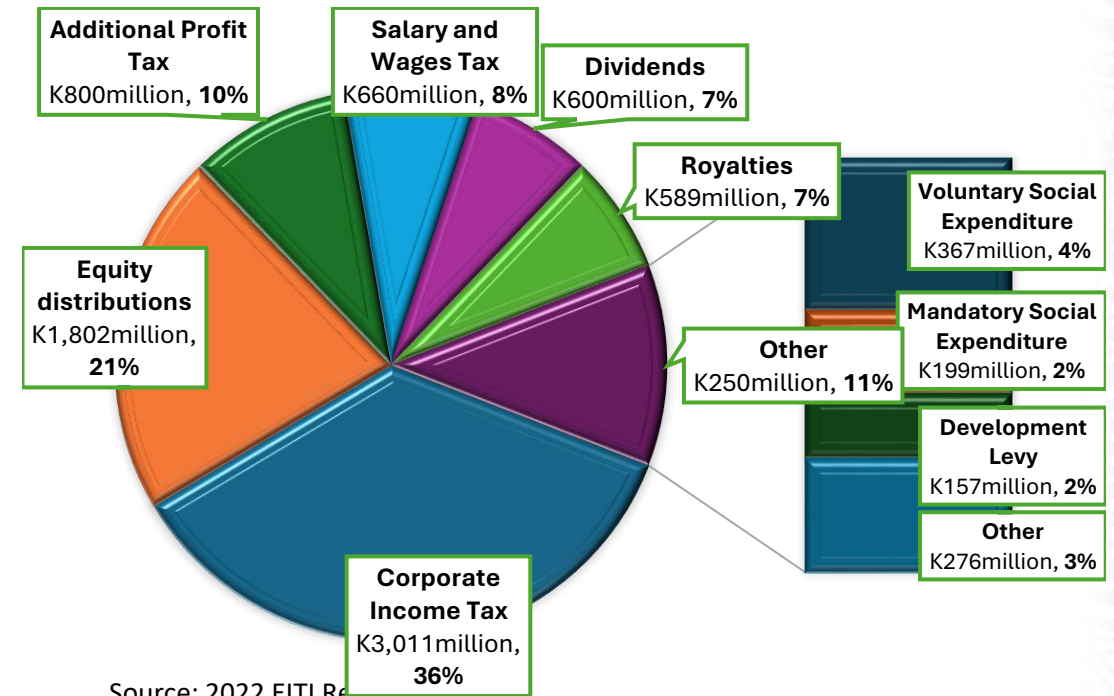
**32%** contribution to GDP in 2022  
(Real and Nominal Gross Domestic Product)

**6%** Employment average growth for the mineral sector in 2022  
(Material reporting entities reported employment of 10,807 PNG Nationals in 2022)

**PGK566m** Social Expenditures in 2022  
(Refer to Chapter 6: Social and Subnational payments)

**27%** Contribution to Government Revenue in 2022  
(Other sectors contribution does not include other revenues collected from respective government agency, regulator or authority)

- PNG is in the “Top Ten” of most Resource Industry dependent economies in the world (World Bank)
- We cannot underestimate the importance of the resource sector to the PNG economy
- Continued Investment in Resources plus diversification of the economy need to occur in parallel



# Other Planned large-scale industrial projects

*Many large-scale industrial projects are planned that will possibly add to Workforce and Supplier Development and Foreign Direct Investments*

Active	Very Likely	Likely
Airport Expansions	AIFFP/ADB PNG Laitim Hauslain Distribution Grid Project	Ramu 2 hydro
Central Cement Lime Project in Central Province	Pasca A Project	AIFFP - Ports Infrastructure Investment Program
AIFFP Wau & Sepik Highways	Wafi Golpu	AIFFP - Papua New Guinea Solar Plant Powering homes and businesses in Papua New Guinea's Yalu village
Papua New Guinea Laitim Hauslain Project	Kainantu Gold Mine Expansion	ADB/WB Water, Road, and Power Projects
Energy Performance and Reliability project—Rehabilitation and Upgrade of Electric Supply Facilities	Papua New Guinea Resilient Transport Project	Woodlark Gold Mine
ADB - Power Sector Development Project	Connect PNG Road Infrastructure	Special Economic Zones
Small & Medium-Sized Construction Projects in Lae & Port Moresby	Papua LNG	
Porgera Mine		



# ***Extractive, Energy and Infrastructure – Building Papua New Guinea***



*... Resource Sector is More than just constructing, extracting and exporting*



**1: Impact and Support to Biodiversity preservation, Culture, and Ecosystem**



**2: Rural Connectivity  
(Infrastructure, transport & communications)**



**3: Enabler for service delivery  
(health, education & agriculture)**



**4: Made possible through Tax Credit Support and Corporate & Social Responsibility Initiatives**



Opportunities for more and greater collaboration



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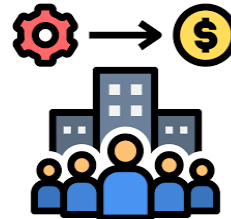
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# Industry Policy Statement - National Content

PNG CORE is committed to promoting and advancing the principles of National Content within the industry and at the same time recognizing the importance of obtaining a fair and equitable balance among the diverse interests of all stakeholders.



**1: Promoting Local Employment:**



**2: Facilitating Local Procurement:**



**3: Capacity Building and Skills Development:**



**4: Enhancing Community Engagement:**



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# Thank you

PNG Chamber of Resources & Energy  
PO Box 1032, Port Moresby, NCD 121, Papua New Guinea  
Level 7, MRDC Haus, Corner Musgrave Street and Champion Parade  
Ph: +675 321 2988 | Website: <http://pngcore.org>



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# TotalEnergies committed to developing Papua LNG project

By The National June 20, 2024



## Papua New Guinea's other gas project: Arran Energy's Stanley

15 Jun 2022 by Business Advantage PNG 3 Comments

While the Papua LNG and P'nyang projects are the main game in Papua New Guinea's gas sector, Arran Energy's smaller Stanley gas project in Western Province looks set to beat both into production. *Business Advantage PNG* talks to Executive Chairman Michael McGowan to find out more.

## PASCA project expected to generate first revenue by 2028

Tuesday, 13 August 2024, 3:12 pm



## Angore to strengthen LNG production, says minister

By The National November 19, 2024



## Potential in Wildebeest

By The National June 18, 2024



## Potential gas find in New Ireland

By The National December 14, 2023

## Marape Welcomes Ramu Nickel Expansion Plans

BY INSIDE PNG 18/10/2023

## Kainantu gold mine set to quadruple production by 2027

29 Oct 2024 by Nadav Shemer Shlezinger Leave a Comment

The Kainantu gold mine in Papua New Guinea's Eastern Highlands Province has been in continuous expansion since its acquisition by K92 Mining in 2015. CEO John Lewins shares his company's aspiration to become the PNG's mining sector's largest taxpayer – and the investment underpinning it.

# PM Announces Progress In Wafi-Golpu MDC

Home » Media Release » PM Announces Progress In Wafi-Golpu MDC

## Kua: Juha gas field yet to start production

By The National January 20, 2022



## Large untapped hydrocarbon potential

by BRAMO TINGKEO OCTOBER 17, 2024



Mosquitoes eyeing prey  
by SIMON KESELP NOVEMBER

Tsiamalili Jnr hands body of late Graham Osborne to family in Raluana

## Central lime project into phase 2

by PCADMINPNG AUGUST 14, 2024



# Investor vs State Goals

There are more similarities than differences in the goals of Governments and Investors

## Investor Goals

Maximise return on investment

- Maximise net present value
- Increase capital for future investments
- Return profits to investors as dividends

Book reserves

- Grow company value through reserves base

Invest in local communities

- Local skilled labour preferable

Minimise environmental impact

- Social License to operate
- Achieve positive outcome for local communities

Work within a stable fiscal framework

- Long term investment decisions

Potential conflict



Aligned



Aligned



Aligned



Aligned



## Host Government / State Goals

Strengthen the economy of the Nation

- Maximise State take
- Fund State Budget
- Attract private sector investment

Understand state resource endowment

- Energy self sufficiency (security)
- Future view of resource development

Improve education and social services

- Training of locals
- Technology transfer
- Local content in construction

Minimise environmental or social disruption

- Ensure compliance with Government regulations

Attract Private Sector investment and tax profits

- Grow local economy
- Predictable revenue flow



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# DAI Local Content Masterclass

DAI is a British Accreditation Council-accredited short-course provider.

Now, more than ever, countries and companies are trying to identify effective measures to drive local sustainable development when sourcing or making new investments. This challenge is particularly hard when seeking to find the right balance between promoting the use of local enterprises and workforces without compromising other critical factors such as cost competitiveness, quality, safety, and schedule.



#### Join the ranks of our distinguished graduates from:

- National and international oil and gas, renewables, and mining companies
- National and international companies involved in other capital-intensive sectors such as infrastructure, transportation, utilities, and water management
- Government policy-making authorities
- Host-country regulatory agencies
- International and large-scale domestic contractors/suppliers
- Local supplier business and trade associations
- Specialists from international development agencies and development finance institutions

*Certainly the prime local content course in the market. Highly recommended.*

Local Content Manager,  
international oil field services company

#### Training modules DAY 1

##### Core topics covered

- Local/national content origins, economic theory, and definitions
- Global political economy of local content
- Experiences with local/national content—what has worked and what has not
- Principles and methodology for determining a fit-for-purpose local content strategy and/or policy development approach
- Core elements of a robust local content strategy and/or policy
- International trade implications
- Methodology for developing a local content strategy and policy
- Case studies with analysis of local content laws, regulations, and policies
- Understanding of supply and demand for local content
- Local content forecasting methodologies and mapping the local industrial base (enterprises and workforce)

#### Training modules DAY 3

##### Core topics covered

- Supplier evaluation and gap assessment methodology
- Using online registration and pre-qualification portals and tools
- Assessing local workforce skills and qualifications

#### Training modules DAY 2

##### Core topics covered

- Developing a local content plan
- Contracting and tendering strategies
- How to integrate local content into procurement procedures
- Data governance and collection systems, processes, and methods
- Selecting the right metrics, KPIs, and impact measures
- Understanding and interpreting data
- Communicating results and engaging key stakeholders
- Identifying the right digital solutions to streamline reporting

- Evaluating supplier financing needs and mechanisms to support
- Using different drivers to develop entrepreneurship and innovation programs
- Measuring local training capacity of technical, vocational, and higher education institutions
- Designing and implementing local content—supplier and workforce—development programs
- Review how local content is being achieved in the renewables sector



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