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PNG LNG - A history in Making

A proud day of celebrations for PNG

By Frieda Sila Kana

IN that defining moment on Wednesday May 14, 2014, Prime Minister spoke into the walkie talkie these words that opened the gas tanks into the waiting vessel, "Spirit of Hela", "This is Prime Minister Peter O'Neill. I am thrilled to authorise you to begin the process to prepare the Spirit of Hela for the loading of the first cargo of the liquefied natural gas from the PNG LNG Project."

Indeed what a thrilling moment for the Prime Minister and an honour to be the CEO of the nation especially him being a son of Southern Highlands, from which Hela Province was born.

The Prime Minister, Peter O'Neill stood in the presence of witnesses of both the government of PNG, the companies who helped to put in place foundations and the infrastructure, the landowner representatives and their provincial government heads, and the lead company, ExxonMobil PNG Limited's managing director and staff, and read the ultimate command for the Liquefied Natural Gas of Hela Province to leave the shores of this land of the 'unexpected' and sail off into the horizons to 'light up' the world and bring back hope to the people of this nation, more in particular, the people of Hela, Gulf, Western and Central provinces.

A few days later, the vessel "Spirit of Hela" sailed off with the first load of liquefied natural gas (LNG) from ExxonMobil PNG Limited's US\$19 billion PNG LNG Project bound for the first customer in Japan, Tokyo Electric Power Co. Inc (TEPCO). This load is the first portion of the 9 trillion cubic feet of gas. Papua New Guinea has been

allowing companies to extract minerals from its land for more than 100 years now including gold, silver, copper, nickel zinc, nickel, oil and others. And now after more than 30 years of exploration work under the management of PNG Gas Project at Hides and Komo, ExxonMobil PNG Limited has proudly exported liquefied natural gas. ExxonMobil operates the Project on behalf of a number of different companies, Oil Search, the National Petroleum Company of PNG, Santos, JX Nippon Oil and Gas Exploration, Mineral Resources Development Company and Petromin.

On May 14th 2014, Prime Minister Peter O'Neill and the founding Prime Minister, Grand Chief, Sir Michael Thomas Somare, government ministers and the governors of the provinces of the PNG LNG, and the 'tribal chiefs' the representatives of the landowners of the source of the LNG were present to witness the launch of the shipment of the first LNG cargo.

On the occasion also representatives from Chiyoda JGC, the joint venture that built the LNG Plant were there, Misui OSK Lines, the company responsible for chartering the vessels that deliver the LNG to buyers. Misui OSK Lines owns and operates the Spirit of Hela, as well as the Gigira Laitepo, Kumul and Papua, four the vessels that will ship gas to the first customers in Japan, TEPCO, CPC Corporation, Osaka Gas and Sinopec.

Peter Graham, managing director for ExxonMobil PNG had said on the day of the launching of the LNG that, "The volume of liquefied natural gas to be exported is huge, beyond an ordinary Papua New Guinean's imagination. Mr Graham attempted to simplify the 9 trillion

cubic feet of gas to be produced over the life of the project and compared it to 'filling up Lake Kutubu around 40 times'. And the lifetime of the project is 30 years from 2014.

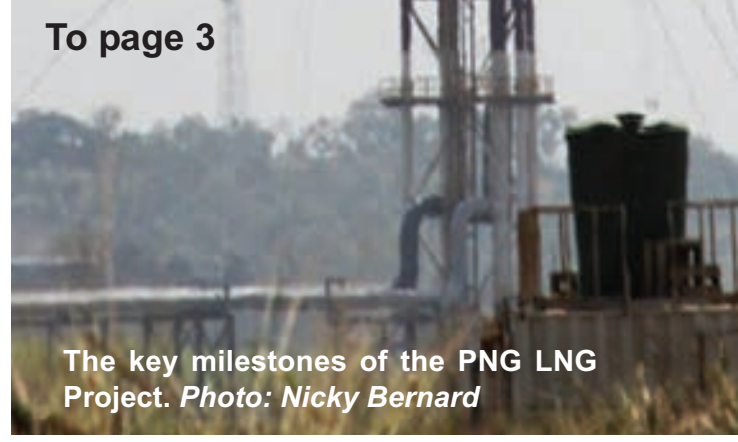
What do the landowners say about the benefits?

Pastor Daniel Hewali, a community leader in National Capital District is from the PDL 1 Nogoli- Hides area of the LNG. He explained that the flame of the LNG now appearing at the Papa-Lealea LNG site is called, "Gigiria Laitepo" and it means that Lai is a tree that grows on the garden fence and in the old gardens, it is a small but strong tree used for firewood. The fire keeps burning even when the firewood is covered in the ashes to preserve fire for later.

"It is what the ancestors prophesied will happen and now it is being fulfilled," Pastor Daniel said.

There is a myth of the ancestors in the gas basin area that the fire of Laitepo will be lit again in the last days and be distributed to the entire world to light up the whole world. And when that happens the people will get together to eat a feast and that gathering is called 'Napa napa' in the local Huli language. The myth says that when this happens, the world will come to an end.

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The key milestones of the PNG LNG Project. Photo: Nicky Bernard

Fighting the school fights


By Fr Giorgio Licini-Catholic Reporter
HOW do we stop school fights in cities like Port Moresby and Lae?

The Tokarara suburb in the National Capital District has found its own way. On Tuesday 27 May the first batch of Grade 8 students from the four Primary schools in the area held their joint day of formation on "Building a Culture of Peace, Harmony and Care for our Mother Earth". They gathered at the convenient venue of Saint John the Apostle Catholic parish which is also home to one of the four schools. In the next three weeks all the Grade 8 students will go through the program and conclude with a grand 'Grade 8 Sports Day' on 26 June.

"This is the second year we hold this activity - said Josephine TaiabuBaupua - Principal of Tokarara Primary School. It was first suggested by the local parish priest, Fr Silvestre Saladaga, when school fights erupted in 2012. The community, the four schools and the District Education Board endorsed the activity which we now plan to hold every year." "The boys come to realize that they are brothers and in recent times we never had any school fight. The Grade 8 students go back to their schools and share their experience and the message of peace with the younger students", further commented the senior teacher. The 2014 program includes talks on law and order, personal and community health, and protection of the environment. Besides the Tokarara Primary school, led by Ms Baupua, Ororo, June Valley and St. John's Primary participate in the program with representatives from the teaching staff.

Other stories inside...

Today Music Scene



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YOUTH SAY... Empowering youths in the 21st Century

with **Issac Liri**



Let's hear what Sandra, Loretta, and Josiah have to say about the challenges they face today as youths, and their thoughts to become good youths and better leaders in the future.....



Name: **Sandra Amuru**
Age: **25**
Origin: **Manus Province**
Dream Job: **Journalist**
Current Employment: **Administration Secretary and Purchasing Officer**

My challenges as a youth today:

One of my greatest challenges as a working youth is to complete my given tasks before the deadline. Time management is another one, to be at the right time and place at all times.

And lastly, attitude, to work humbly and behave in an appropriate manner.

What youths must do to become better citizens:

Youths should have an open and clear understanding of things and the people around them. Youths must always hang around with the right peer group. Youths must also be happy of who they are, and ignore the negative things that others say about them. Youths must always think positive about themselves, they must learn to have confidence in order to build a good character.

Youths should be involved in church activities, they must learn to be ethical at all times. Youths must try as much as possible to avoid conflicts with others, unity is better than living divided.



Name: **Loretta Baniyamai**
Age: **21**
Origin: **Milne Bay/ Central**
Dream Job: **Administration Officer**
Employment: **Trainee Administration officer at Port Moresby Medical Service**

My challenges as a youth today:

Unemployment is one major challenge I experience as a youth. Life becomes hard without

employment today. Everyone needs money to survive today, and through employment, one can be able to meet his or her needs.

Gossiping is another challenge to me. Gossiping affects young people psychologically, and we experience difficulties in giving our best in work and studies.

Peer pressure is another challenge to me. Hanging around with the wrong group of people leads us astray.

What youths must do to become better citizens:

Youths must be involved in church activities because it can shape them to become good Christian youths. Youths must also choose their friends wisely. Hanging around with the right peer group can help steer youths in the right direction and avoid trouble.



Name: **Josiah Kana**
Age: **18**
Origin: **Madang**
Dream Job: **Lawyer/Journalist**
Employment: **Student (Kilak-ila Secondary School)**

My challenges as a youth today:

As a youth, I've been through a lot of challenges and I am still facing some today. Most of my peers are engaged in alcohol consumption, drug abuse (marijuana),

fighting, vandalising, and at times, they tend to laugh at me for not being included in their groups.

During my primary schooling days, I was once offered a smoke but I refused, and I am happy I made the right decision that time.

What youths must do to become better citizens:

I believe that youths today must possess guiding principles to guide them on the right path towards their goals. In order for a youth to be obedient towards his or her principles, he or she must set boundaries to prevent being engaged in activities which will not be beneficial in the future.

Before having principles and setting up boundaries, discipline must be the core thing to consider.

Great people who achieved their dreams are the ones who had discipline when they were young.



A striving local reggae sensation

By **Isaac Liri**

REGGAE is one of the most popular music genres in Papua New Guinea. Well known reggae sensations such as Bob Marley, Lucky Dube, Jimmy Cliff and UB40 are loved by many Papua New Guineans both young and old.

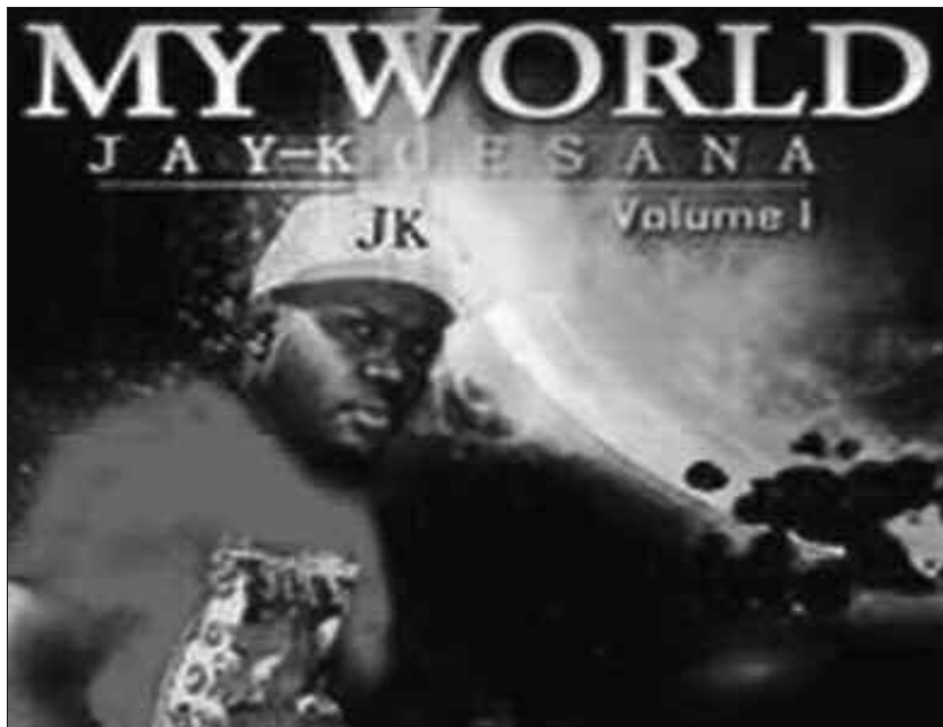
Jason Sareke Aka Jay Koesana from Buka Island in the Autonomous Region of Bougainville is a 30 year old talented singer and a big fan of these reggae artists.

Jason has successfully fulfilled the first step of his solo music career by completing his first album under Soul Music Studios in Port Moresby. Most songs in his first album titled My World are arranged in reggae style.

"I personally like all types of music genres, but I chose reggae to be the principal music genre in this album because I believe that reggae is the appropriate style of music one can use to communicate with various audiences," Jason explained.

Most of the lyrics in Jason's album describe real life experiences and have positive messages for various groups of people. An example of such is Nikang Mesi.

Nikang Mesi is sung in the Nagovis dialect of South Bougainville, and the song talks about the land issues in Bougainville that led to the



Jason's album cover of his first solo album titled My World

1989 conflict. The song can also relate to the native people of Melanesia who view land as the most valuable thing in their lives. Jason is not new to the music industry in PNG. A couple of years ago, Jason was a member of a group called Erabitz who recorded an album titled Black Roots man

under CHM. In this group he was featured with some popular PNG artists like Dadiigii and Skylon 5. However, Jason said that Erabitz lacked commitment, and to him it was an unsuccessful project. Currently, Jason is working endlessly to build his own fan base in Papua New Guinea and abroad.

Most of the lyrics in Jason's album describe real life experiences and have positive messages for various groups of people.

By doing so Jason is distributing copies of his album to radio stations to play on air. He is also marketing his product by giving copies of his CDs to outlets in the Autonomous Region of Bougainville and Papua New Guinea to sell.

"I have received positive feedback regarding the current sales back at home (Buka), hopefully the same works out for me in Port Moresby and other parts of Papua New Guinea," said Jason. Jason's interest in music developed when he was young. As a lad growing up with his family in Buka,

his mother's taste in reggae greatly influenced him.

"She's a big fan of Bob Marley, Jimmy Cliff and Lucky Dube. She had these greatest hits collections, and she played them frequently, and that really had a huge impact on me," Jason recalled.

Apart from being a musician, Jason is a Primary School Teacher who graduated at Madang Teachers College and is currently teaching at Wardstrip Demonstration School in Port Moresby.

"After graduating from College I started teaching, however, I wasn't committed to my job as a teacher. I drank frequently and I was all over the place. I got suspended from teaching and for four years I stayed home with my family doing nothing. During this period, the urge to record an album or do something with my life was so strong. I tried painting and other forms of art but I wasn't skilled in these areas unlike music. I knew I had to take up the guitar and write songs. I had skills and knowledge in music and all I had to do was put more effort in what I had in mind," said Jason.

When Jason decided to focus on music and do an album, he found it not so difficult. He established relationships with various well known PNG artists, and finally he has accomplished his goal to record a solo album.

HIV/AIDS kills! Stick to one partner...

PNG LNG - A history in Making

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"Napanapa" in the Huli language means, 'let's eat together.' Ironically the gas refinery is called 'Napanapa' Refinery and the light of the gas waste at the LNG processing and shipment site is called, Laitepo. So, is it the prophesy being fulfilled with the gas being carried overseas but also being used here in the country to provide power?

Pastor Daniel said that according to most landowners, the contracts are being restricted and there is lip service to landowners by the developer companies and the government. The agreements signed by the government with UBS and others were not made known to the bulk of the landowners. They hope that the payments from the LNG will follow the ILG and names in the group and will be paid accordingly.

"We have missed out on the first part. Developers signed the agreement to bring infrastructure service and projects but they are slow in producing and so far people's livelihood has been disturbed immensely. This agreement needs to be revisited on how it will benefit the people. There are a very minimal number of individuals who are benefiting in the projects and not the rest of the landowners," Pastor Daniel said.

"Governor Anderson Agiru and the three MPs must talk on behalf of the people. God gave it to our forefathers and they prophesied over it so the benefit must go evenly to the people. Current government has to spell out how much profit is being received on the first shipment of the gas. They must be careful leaders and must be transparent about it and people of the land must get maximum benefit.

"Next 30 years Hela foundation is being extracted. The land is shrinking, garden lands in the forests are turning to grassland. Source of life is being destroyed, river system is affected, hunting grounds are affected, gardens are affected. Therefore long term benefit required for business spin off must be shared evenly. Profits must be used for long term benefits.

"First harvest of this shipment must be given to God because God gave us this land to settle on it and live off it. Our fore fathers believed there's a good man above called "Tatagali Wape". He looks after the people. In the book of Deuteronomy 8:18 it says, "But you shall remember Yahweh your God, for it is he who gives you power to get wealth; that

he may establish his covenant which he swore to your fathers, as at this day." Therefore 10% of the shipment and profit must be given to the work of God. Don't tie it to projects but the government must give it in cash to churches to look after workers. Israel now has presence in the Hela province and Hela is working in partnership with Israel.

"Then the God of Israel is our God too so 10% must be given to the church. It can be given through the Hela Council of Churches to distribute evenly to the 3 groups of churches; the mainline churches, evangelical churches and the Pentecostal and para church groups," Pastor Daniel said.

"When and how money will be paid, "needs to be spelt out." There has been a lot of abuse in missing people's funds. We need fair and just leaders to distribute the wealth fairly for greater benefit." Pastor Daniel concluded.

However since the beginning of the project in 2007, it is clear that the projects had covered the length and breadth of this nation to educate and communicate the intention of the company and the government. They have considered much of what is going to happen to the indigenous people who are on the land. In a number of Information, Communication and Educational (ICE) materials stories of projects being implemented to benefit the people are evident in terms of improved agriculture and some other infrastructure development in the area. But then again one only has to go through a monitoring and evaluation through appreciative inquiry to really determine as to how much of benefit is coming to the people in terms of having a sustainable and prosperous life through the life of the LNG.

One thing is for sure, "life is not the same" any more for the people of Hela. Perhaps we can only hope and pray that the wealth distribution will be fair to all inhabitants to whose hands the "Creator God," had given the land to care for and in return get the most out of it.

"The project milestones achieved along the way provide clear footprints of the various phases of development leading up to the historical event today," Prime Minister O'Neill had



Peter O'Neill and founding Prime Minister, Grand Chief Sir Michael Somare Photo: Nicky Bernard

said on the day of the launch. These milestones include:

- | | |
|------------------|--|
| 1) June 2007 | Gas Agreement Term Sheet |
| 2) 13 March 2008 | CDOA |
| 3) 22 May 2008 | Gas Agreement |
| 4) 23 May 2009 | UBSA completed |
| 5) Sept 2009 | Early works began |
| 6) 09 Dec 2009 | LBSAs completed |
| 7) 09 Dec 2009 | Project Sanction |
| 8) 12 Mar 2010 | Funding closure |
| 9) 12 Dec 2012 | Offshore Pipeline Complete |
| 10) April 2013 | Komo Airfield complete |
| 11) Sept 2013 | Commissioning gas in LNG Plant |
| 12) Dec 2013 | Commissioning of gas at Hides gas Conditioning plant |
| 13) Feb 2014 | Onshore Pipeline complete |
| 14) May 2014 | First Gas |
- "Congratulations to ExxonMobil PNG Limited for achieving these milestones," said Mr. Peter O'Neill.

Case study of late Mrs. Gidano

Two medivac call were received from two elementary teachers for separate patients at different parts of Josephstaal on the 5th of May 2014 at 11:00 pm. The two cases were one Mrs. Gidano and Mr. Sebastian.

Mr. Sebastian is from Minidivi in Josephstaal who once had an amputation for the left hand after being chopped by a youth. He was discharged and now developed severe pain on the affected upper limb which now affects the all body. Due to development of acute abdominal pain he was unable to be assisted by Josephstaal Health Centre due to drug shortage for the last three months.

Mrs. Gidano, a mother of three (3) with her fourth (4) pregnancy has been from Mungumat village of Josephstaal LLG in the Middle Ramu District of the Madang province

Mrs. Gidano has been sick for the last four weeks during her last trimester of her pregnancy. Being very sick she could hardly reach for health care due to long walking hours, drug shortage in all levels of health facilities, closure of airstrip and no road connection of road from Bogia to Josephstaal and absence of staff in all newly built aid posts and staff shortage in the main centre at Josephstaal.

In her antenatal period, the nearest health facility has been Temandapor Health Centre. She could not receive medical care because; Temandapor Aid Post could not provide antenatal care due to the closure of the facility. The closure of the facility has been due to the absence of health worker. The health

worker has been in town for more than six months due to unavailability of medical supplies.

Her next alternative was to seek antenatal care at Josephstaal. Getting to Josephstaal for antenatal care would be possible but can't afford to because of six (6) walking hours from Mungumat to Josephstaal for the all antenatal period of nine (9) months.

Mrs. Gidano could not reach for Josephstaal due to walking distance and the closure of Josephstaal airstrip which would not allow for medivac via air. Her next alternative for medical assistance during delivery was Daigul Health Centre which is also six (6) hours walk from Mungumat to Yoro and to get on a vehicle to Daigul Health Centre

While dealing with these tough situations, she finally reached her term and delivered last four (4) weeks ago. She had a village delivery under the assistance of elderly women from the community. The type of delivery techniques were all village oriented from their experiences and more traditional believes and cultural oriented.

During her four weeks of post partum period she fell very sick. A direct mobile call has been done to Daigul Health Centre but they cannot make it to Guam bridge to pick the patient. The elementary teacher than made another call to the Provincial Health Office for assistance. Provincial Health Office immediately arranged for medivac. Two vehicles left for the two patient. Patients were picked up at Guam bridge at 11:00pm.

Mrs. Gidano finally died at Ariangon

Junction at 1:30am, and was taken back to Guam for the relatives to take the body home.

Now what would be the main causes of Mrs. Gidano's death?

1. Closure of the Josephstaal Airstrip
2. No road link to Josephstaal
3. No Aid Post staffing
4. Inadequate health workers at Josephstaal Health Centre
5. Medical supplies shortage
6. Poor referral system

The National Health Plan 2011-2020 aims to improve health service delivery to rural majority and the urban disadvantage. The National Health Plan is one of the National Governments directives which are aligned with the Vision 2050. Provincial Government represents the National Government in the province to ensure the directives are implemented at the provincial levels. Funds are allocated by the National Government to the province as provincial grants and also through the political grants such as the PSIP, DSIP, and the LLGSIP. These sources of funds are to ensure the directives of the National Government are implemented.

However the point in here is why Mrs Gidano should die, if there is existence of government in the province. Why dying when there is obvious evidence of the province and local level government in the province. When the town is blooming with fleshy luxuries the poor people in the remote areas of our province become the victims of our own government.

Expect the Unexpected...

State of Origin is played in Australia, PNG sustain the injuries...



PNGSDP tokaut long 2013 fainensel risal

Wanpela ful yia developmen promis bilong ol pipel bilong Westen Provins i bin bagarap long taim Praim Minista i mekim disisen long tekova long Ok Tedi.



PNG Sustainable Development Program Ltd, tude i tokaut long Fainensel Stetmen na ripot bilong independen odita bilong yia i pinis 31 Desemba 2013.

Ol dispela Stetmen i soim wanpela yia we kampani i bungim planti hevi em planti samting i bin kamapim, namba wan as bilong ol hevi em pasin we Stet ov Papua Niugini i bin brukim lo na mekim. Ol dispela bikpela hevi i bin kamap:

- Gavman i tekova nating long 63.4 pesen seaholding bilong PNGSDP long Ok Tedi Mining Limited, we em i no baim kompensesen.
- Instraksen bilong Praim Minista i go long OTML long no ken baim 2012 dividen i go long PNGSDP inap long \$US222 milien, o samting olsem K630 milien long eksens reit bilong tude.
- Gavman i traime long tekova na wokim ristraкса long kampani, na kontrolim mani bilong Long Term Fund.

Wok bilong kampani i no bin kamap gut bikos i no gat dividen moni i kam long OTML, olsem na i no gat mani long investmen na ol developmen program.

Bikpela impek bilong ol hevi Gavman i kamapim em Long Term Fund i bin pilim. Long 2013, dispela Long Term Fund i lusim \$56 milien we i bin gat \$US1.35 bilien (K2.8 bilien) i kam daun long \$US1.3 bilien (K3.2 bilien).

Dispela i soim non-pefomens bilong ol PNG asset (as bilong dispela em bikos strong bilong Kina i bin pundaun), i no gat moni bilong dividen i kam long OTML, na ol eksen long kamapim ristraкса long PNGSDP.

Na tu, bikos i no gat dividen moni, ol operating kos bilong 2013 em moni bilong kes balens bilong Long Term Fund na Development Fund long narapela yia, i bin baim.

Dispela samting i orait aninit long ol lo i bosim kampani, bikos i no gat narapela rot bihain long disisen bilong Praim Minista long tekova nating long Ok Tedi na i no laik baim ol dividen peimen bilong PNGSDP.

"PNGSDP i no gat rot bilong kisim moni long Ok Tedi olsem na i stopim ol projek na i mekim wok bilong stretim gen straksa bilong ol operesen bilong en. Dispela i karamapim tu bikpela pen na moni i go long pinisim klostu olgeta wok lain na ol bagarap i kamap long ol invesmen bilong en bikos long dispela eksen bilong Praim Minista, na bai kampani i pilim yet pen bilong dispela samting.

Long taim em i statim ol wok long 2002, PNGSDP i wanpela gutpela eksampel

tru bilong developmen ejensi. Long pinis bilong Mas 2013, em i spendim klostu long K1.18 bilien long moa long 600 developmen program long kantri, na moa yet long Westen Provins.

Long 2013 fainensel yia, PNGSDP i pinisim 74 sosel na iekonomik developmen projek long olgeta hap long PNG na 23 bilong ol i stap long Westen Provins.

Total moni mipela i spendim long ol developmen projek em K159 milien: K109 milien long Westen Provins, K31milien long ol Nesenel projek na K19 milien long ol projek long ol Provins.

PNGSDP i bilip dispela i bikpela mak tru maski Gavman i tekova nating long Ok Tedi main, na i traime long mekim ristraкса long PNGSDP na i no baim ol dividen mani bilong Ok Tedi.

PNGSDP i laik tok tenk yu long ol patna ogenaisesen bilong mipela, husat i helpim mipela long mekim bikpela kontribusen i go long developmen bilong dispela kantri. Kampani i laik tenk yu na tok amamas long ol wokmanmeri long wok ol i mekim long nem bilong ol pipel bilong Papua Niugini.

Maski ol naraela lain i kamapim dispela hevi, yumi bung wantaim long kamapim gutpela senis long laip bilong ol pipel husat i no gat narapela rot bilong kisim helpim.

PNGSDP i sanap strong na abrusim dispela taim nogut bilong operesen na fainensel hevi em Praim Minista i bin kamapim.

Namba wan objektiv bilong kampani long 2014 em long banisim na was gut long mani bilong Long Term Fund na gohet long kot egensim Gavman, moa yet long intenesenel abitresen we mipela i askim long kisim bek sea bilong kampani long Ok Tedi, o sapos dispela i no inap, orait bai mipela i askim long ful kompensesen.

Dispela 2013 Fainensel Stetmen i bin gat independen odit bilong Pricewaterhouse Coopers na ol i sainim we i no gat ol kwalifikesen long ripot.

"Long tingting bilong mipela, ol konsolidated fainensel stetmen bilong Grup na balens sit bilong Kampani i bihainim stret lo aninit long Singapore Companies Act na Singapore Financial Reporting Standards, long givim trupela na stretpela luk-save long wanem samting i kamap long ol wok bilong Grup na Kampani long Desemba 2013, na ol risal na senis long ikwiti na kes flo bilong Grup bilong fainensel yia i pinis long dispela taim." PwC i bin tok long dispela odit ripot.

**Mekere Morauta, KCMG
Siaman**