MINING & ENERGY

PAPUA NEW GUINEA'S PREMIER RESOURCES SECTOR MAGAZINE

2025/26

- Project updates
- Exclusive interviews
- Market trends & insights

KUMUL PETROLEUM Holdings Limited

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KUMUL MINERALS HOLDINGS LIMITED THE NATIONAL MINERALS COMPANY

KUMUL MINERALS HOLDINGS LIMITED

Kumul Minerals Holdings Limited is a company established under the Companies Act 1997.

Under the **Kumul Act 2025**, we are:

- A commercial enterprise active in the mineral sector in PNG and abroad,
- Not a State entity, and our assets are privately held,
- The State's nominee for exercising options in new mining projects.

Our core business spans the **entire mining value chain**—from upstream exploration to midstream processing and downstream operations.

Kumul Minerals Holdings Limited is the **majority shareholder** of **Ok Tedi Mining Limited (OTML)**, a 100% nationally owned copper mining company based in **Western Province, Papua New Guinea**. Kumul Minerals holds a **67% stake** in OTML.

The Government has welcomed **Barrick Niugini Limited (BNL)** as a joint venture partner to restart mining operations at **Porgera**. Following the resumption, **first gold was poured in January.**

Kumul Minerals Holdings Limited holds a 36% stake in New Porgera Limited, reflecting its strategic role in the project.

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Welcome

Welcome to *Business Advantage PNG*'s second annual *Mining & Energy* edition.

Business Advantage International has been covering business in Papua New Guinea, including its mining and energy sector, since 2006, when we published our first annual snapshot of PNG's economy, *Business Advantage PNG.*

Today, *Business Advantage PNG* is the most established and respected business media in PNG. In print, and online at businessadvantagepng.com, our journalism – based on exclusive interviews with business leaders and in-country research – has a genuine worldwide readership.

We launched *Mining & Energy* in 2024 to provide the world-class resources journalism that PNG's most important export industry deserved.

With major projects approaching and the global energy transition accelerating, the industry is arguably set to play an even more important economic role over the coming decade.

I'm delighted to confirm *Mining & Energy* will now be published annually and also have regular online presence.

In preparing this 2025/26 edition, our editorial team has interviewed dozens of key industry executives, both within PNG and internationally, from both majors and juniors. We've also talked to many business leaders that provide products and services to the sector.

The past year has seen Twinza's Pasca A gas project enter its front-end engineering and design stage as well as the tie-in of the Angore gas field into the ExxonMobil-led PNG LNG project, now in its second decade. Meanwhile, in mining, PNG's existing operators have firmed up expansion plans, and the country's first cement and lime project has achieved a positive final investment decision.

Now, all eyes are on Papua LNG's final investment decision (expected in early 2026), which could well kickstart a decade or more of gas development. More certainty on the timing of the Wafi-Golpu copper-gold project is also expected soon.

As industry analysts note, amid high world demand for its commodities, PNG is in the right place at the right time. We're delighted to be here to help make sense of exactly what's going on and where the opportunities for businesses of all sizes lie in the years to come.

Andrew Wilkins
Publishing Director
Business Advantage International

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CONTENTS

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Cover image: Aerial view of the Kainantu mine. Credit: K92 Mining

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WE'RE NOT JUST YOUR BANK, WE'RE YOUR PARTNER FOR LIFE

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Proud to have walked alongside Papua New Guinea through 50 years of independence, and 115 years of shared progress.

The location of the Papua LNG project area in Gulf Province, close to the Purari River.
Credit: Oilmin

Positive signs for investment decision

After delays to key resources projects Papua LNG and Wafi-Golpu, there are signs that final investment decisions and other key milestones are drawing closer. Meanwhile, M&A activity in the sector is heating up.

By Nadav Shemer Shlezinger

While progress on PNG's next major resources projects has gone more slowly than many in the business community were hoping, there are signs that good news is around the corner.

The TotalEnergies-led Papua LNG project – PNG's second major gas project – is now officially targeting a final investment decision (FID) early in 2026, according to the CEO of Santos, one of the joint venture (JV) partners in the project.

"Our confidence in the Papua [LNG] project is increasing, and we're looking forward to getting FID ready around the end of this year and then taking FID, hopefully, early in the new year," Santos CEO Kevin Gallagher said in a late-August earnings call.

This aligned with comments made in June by PNG Prime Minister James Marape, who said he had spoken with TotalEnergies' global CEO Patrick Pouyanné, and that "all looks set to start in 2026 as far as FID is concerned."

Papua LNG had been expected to reach FID in early 2024, but the decision was postponed after a first round of bids from engineering, procurement and construction contractors came in with a US$18 billion price tag.

ALL LOOKS SET TO START IN 2026 AS FAR AS FID IS CONCERNED.

Prime Minister James Marape

Marape told a Port Moresby business forum that Pouyanné "gave me assurance that the project is still running at cost."

"They've curtailed it down to a project of between US$14 billion and US$15 billion. At US$14 billion, they will settle," the Prime Minister said.

While Papua LNG would be the next big transformational project for PNG, the smaller Pasca A gas project being pursued by Twinza is significant for a different reason.

Now in its front-end engineering and design stage, the joint venture with PNG's Mineral Resources Development Company looks set to be the first of several promising hydrocarbons projects in PNG's territorial waters (see page 24).

Wafi-Golpu talks ongoing

Negotiations on the US$5.4 billion Wafi-Golpu copper-gold project have been ongoing between Newmont Corporation and Harmony Gold Mining Company, 50/50 partners in the JV that owns the project, and PNG's State Negotiating Team. Under PNG law, the state may acquire up to a 30 per cent participating interest in Wafi-Golpu, with 20 per cent expected to be held by state nominee Kumul Minerals Holdings (KMHL) and 10 per cent by the Morobe provincial government and local landowners.

Newmont CEO Tom Palmer said in a July earnings call that the talks

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MINING, GAS BILLS ON AGENDA

PNG's Department of Mineral Policy and Geohazard Management released the latest version of a new draft Mining Bill for public comment in early 2025.

If passed, the bill will introduce "sweeping reforms to overhaul the country's mining sector," replacing the current *Mining Act 1992*, according to Sarah Kuman, partner in the Port Moresby office of international law firm Allens.

The bill introduces several notable reforms, including one providing for the state to acquire up to 30 per cent equity in any mining project, Kuman wrote in a piece for Allens, republished with permission on the *Business Advantage PNG* website.

Under the current *Mining Act*, the state may take up a participating interest, but the size of the interest is not specifically enshrined in law, Kuman wrote.

Additionally, "it appears that the government has sought to introduce downstream processing of minerals through the new [mining] licence in the bill," Kuman wrote.

"The bill proposes to introduce the requirement that mining leaseholders in PNG must offer at least 50 per cent of their mine products to local smelters, refineries, or other secondary processing plants, if such facilities exist and can process the products competitively."

Industry concerns

John Lewins, CEO of K92 Mining and the chair of a committee set up to present the mining sector's response to the bill, expressed concern about a number of provisions covering areas such as the fiscal regime and renewals of existing mining licences.

"We are working through the proposed changes with government as there are significant areas of potential negative impacts and unintended consequences. An example would be the proposed change to the renewal process for mining leases which would allow the state to refuse a renewal without due cause," Lewins tells *Business Advantage PNG*.

The provision raises concerns about security of tenure, he says, arguing that it could discourage investments in keeping mines operating beyond their lease.

He outlines a hypothetical situation in which an operator has eight years of reserves but only five years remaining on their licence.

"The operator would preferentially mine the highest-grade ore and extract the maximum amount they can, and [then] potentially make the rest of it unviable because they've high-graded it," he says.

New oil & gas legislation

Meanwhile, Petroleum Minister Jimmy Maladina said recently that the government is finalising a new production-sharing framework for the oil and gas sector, which will operate separately from the existing *Oil and Gas Act*, according to local media reports.

Maladina previously spoke about the longstanding plans at the 2024 Papua New Guinea Investment Week in Sydney, in which he said that the framework "will define the way PNG manages its resources, ensuring a fair return for the investors and a timely realisation of the benefits for the people of Papua New Guinea."

were focused on converting the existing memorandum of understanding into a mine development contract, which would then pave the way for a special mining lease.

"These negotiations are important in getting some clear stability around any investment decisions that may come down the track," Palmer said.

Sarimu Kanu, KMHL's Managing Director, tells *Business Advantage PNG* that an FID on Wafi-Golpu "will probably come in the second half of 2027 to mid-2028."

M&A activity on the rise

While PNG's business community waits patiently for the green light on Papua LNG and Wafi-Golpu, a recent increase in mergers and acquisitions (M&A) activity shows there is high interest in PNG's resources sector.

In July, PNG's Independent Consumer and Competition Commission approved state-owned Ok Tedi Mining Limited's (OTML) acquisition of Kingston Resources' Misima gold project in Milne Bay Province.

PIPELINE OF MAJOR GREENFIELD EXTRACTIVE SECTOR PROJECTS IN PNG

PROJECT	PROVINCE	SHAREHOLDERS	TOTAL CAPEX US$bn	ANNUAL OUTPUT	CONSTRUCTION	PRODUCTION
Papua LNG	Gulf	TotalEnergies, 37.55%, ExxonMobil, 37.04%, Santos, 22.83%, JX Nippon, 2.58%	14+	5.6 million tonnes LNG	2026	2030
Pasca A	Gulf (offshore)	Twinza, 50%, Mineral Resources Development Co., 50%	1.5	7 million barrels hydrocarbon liquids / 750,000 tonnes LNG	2026	2028/31
Wafi-Golpu	Morobe	Newmont 50%, Harmony Gold, 50%	5.4	161,000 tonnes copper; 266,000 ounces gold	2027	2030
Frieda River	East Sepik/ Sandaun	PanAust	7.2	175,000 tonnes copper; 230,000 ounces gold	2029	2035
P'nyang LNG	Western	ExxonMobil-Ampolex JV, 49%, Santos, 38.5%, JX Nippon, 12.5%	11	2.7 million tonnes LNG	2030	2034

Seismic shothole drilling at a Kumul Petroleum Holdings prospect.
Credit. KPHL

OTML's majority shareholder, KMHL, has also been open about discussions to buy into other active mining operations (see page 26), and in December 2024 signed a memorandum of understanding to purchase a 20 per cent share of St Barbara's Simberi gold mine.

At the time of writing, the biggest potential deal – a US$18.7 billion bid for Santos by the XRG Consortium (a group comprising the Abu Dhabi National Oil Company, Abu Dhabi Development Holding Company and private equity investment firm Carlyle) – had just been withdrawn by the bidder.

While the due diligence process appears to have proceeded as expected, ultimately the two parties couldn't come to acceptable terms.

Santos' PNG assets, which include stakes in both the PNG LNG and Papua LNG projects, were recently described by its Chairman Keith Spence as "the jewel in the crown of the Santos portfolio."

While the XRG bid was withdrawn, the interest could be viewed against a recent global trend towards consolidation in the oil and gas sector (according to recent EY study, M&A activity in the sector increased by 331 per cent last year in the US alone).

Downstream plans

Meanwhile, the government continues to push its downstream ambitions, with Richard Maru, Minister for International Trade and Investment, telling the 2025

Business Advantage PNG Investment Conference that "we need to downstream process all of our materials."

The Marape-Rosso government has shown its readiness to provide incentives for downstream projects, recently approving special economic zone status for the Central Cement & Lime Project (see page 42).

Additionally, KMHL is at the centre of studies into a local gold refinery and nickel refinery and smelter, detailed in our interview with Sarimu Kanu on page 26. ◆

PNG'S ACTIVE MINING AND GAS OPERATIONS

OK TEDI
Mine type: Open pit
Province: Western
Production – 2024: 266 koz Au, 103 kt Cu
Production – 2023: 256 koz Au, 87 kt Cu
Ownership: Ok Tedi Mining Limited (Kumul Minerals Holdings, 67%, three Western Province landowners entities 33%)

PORGERA
Mine type: Open pit & underground
Province: Enga
Guidance – 2025: 285 - 388 koz Au
Production – 2024: 188 koz Au
Ownership: New Porgera Limited (Barrick Niugini Limited, a 50/50 JV between Barrick Gold and Zijin Mining, 49%; Kumul Minerals Holdings, 36%; Enga provincial government and local landowners, 15%)

KAINANTU
Mine type: Underground
Province: Eastern Highlands
Production – 2024: 150 koz AuEq
Production – 2023: 118 koz AuEq
Ownership: K92 Mining

SIMBERI
Mine type: Open pit
Province: New Ireland
Production – 2024: 54 koz Au
Production – 2023: 65 koz Au
Ownership: St Barbara

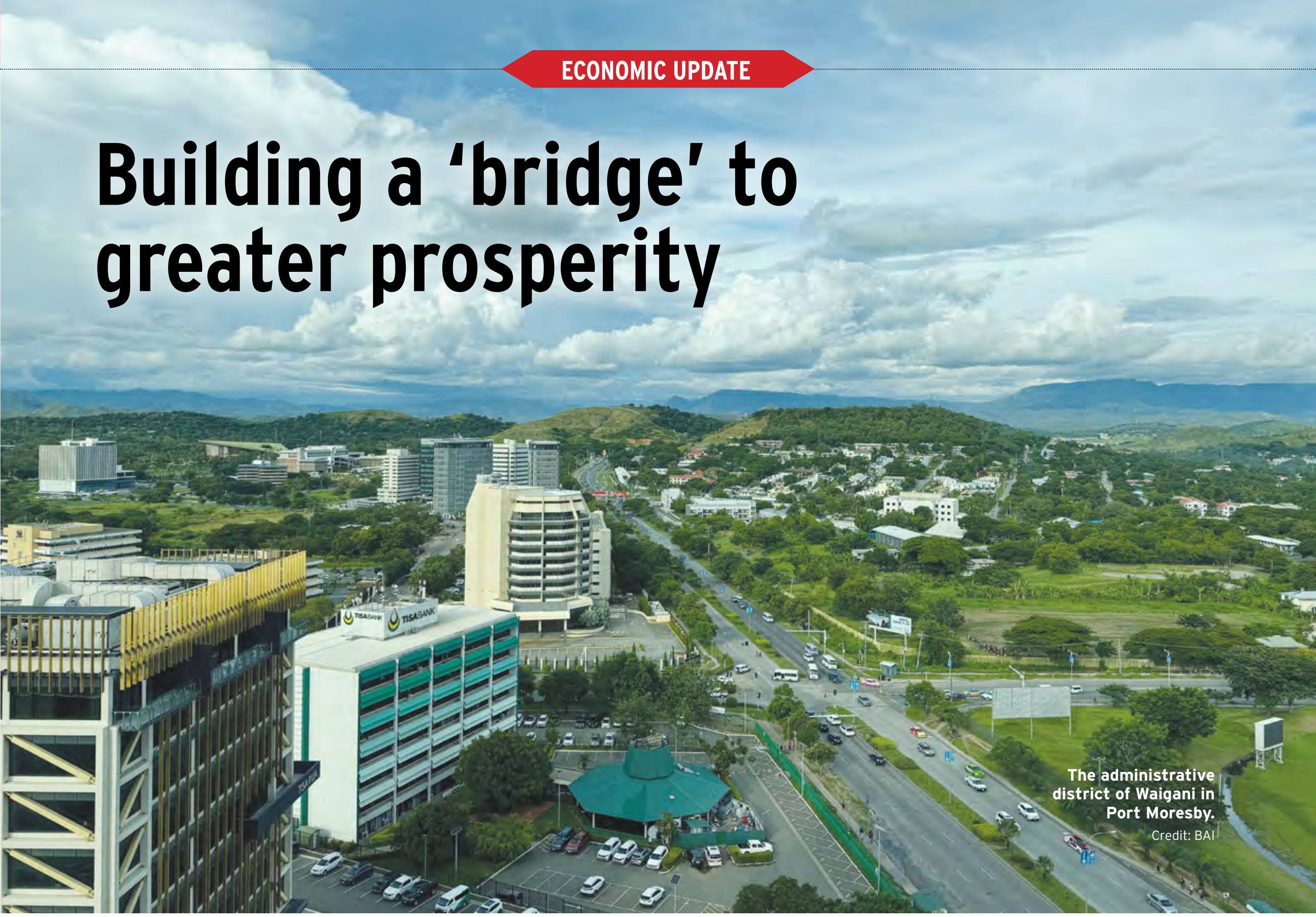
LIHIR
Mine type: Open pit
Province: New Ireland
Production – 2024: 614 koz Au
Production – 2023: 626 koz Au
Ownership: Newmont Corporation

RAMU
Mine type: Open pit
Province: Madang
Production – 2024: 28,669t Ni, 2,625t Co
Production – 2023: 33,604t Ni, 3,072t Co
Ownership: Metallurgical Corp of China, 85%, Nickel 28, 8.56%, Mineral Resources Development Company, 6.44%

PNG LNG
Type: Integrated project including gas production and processing facilities
Province: Hela, Southern Highlands, Western, Gulf and Central
Production – 2024: 8.1 million tonnes LNG
Production – 2023: 8.5 million tonnes LNG
Ownership: ExxonMobil, 33.2%, Santos, 39.9%, Kumul Petroleum Holdings, 19.4%, JX Nippon Oil & Gas Exploration, 4.7%, Mineral Resources Development Company, 2.8%

HIDDEN VALLEY
Mine type: Open pit
Province: Morobe
Production – 2024: 164 koz Au, 3,014 koz Ag (year-end June 2024)
Production – 2023: 140 koz Au, 3,542 koz Ag (year-end June 2024)
Ownership: Harmony Gold

Building a 'bridge' to greater prosperity



The administrative district of Waigani in Port Moresby.
Credit: BAI

As PNG celebrates 50 years since it obtained full independence from Australia in September 1975, its economy looks on track to deliver a sustained period of solid economic growth. *Business Advantage PNG* talks with economists and business leaders to find out why.

By Andrew Wilkins

"Our GDP growth projection for this year is around 4.7 per cent, and we're broadly in line with our projection as of August," Sohrab Rafiq, PNG Resident Representative of the International Monetary Fund (IMF), tells *Business Advantage PNG*.

This percentage of growth places PNG on a par with larger Asia-Pacific economies such as China, Malaysia and Indonesia.

"We're seeing good movement on the domestic front overall, encouraged by organic growth as well as improved commodity prices," agrees Justin Smirk, Senior Economist at Westpac, who notes that the high prices for gold, coffee and cocoa are offering PNG a "nice bridge" until a next major project begins.

However, he cautions, "we still need to get the fundamentals right to lift domestic investment."

This year's performance is part of a positive trend, according to Rafiq.

"We've had positive growth in 2022, 2023, 2024 and in 2025. This is one of the longest periods of sustained positive growth in PNG's history," he observes.

It is worth noting too that these positive economic

The IMF's Sohrab Rafiq (centre) and POMCCI's Rio Fiocco (right) at a 2025 Port Moresby Chamber of Commerce and Industry event.
Credit: POMCCI

forecasts do not make any allowance for the potential boost to PNG's economy from anticipated major projects such as TotalEnergies' Papua LNG project or the Wafi-Golpu copper-gold project.

If these multi-billion dollar projects get the green light as hoped, "potentially, the upside is huge," observes Rafiq.

Improved fiscal conditions

Stable growth has been accompanied this year by something that businesses across the country have really appreciated: improved foreign exchange (forex) availability.

Availability has been slowly improving since the Bank of Papua New Guinea, PNG's central bank, introduced a "crawling peg" exchange rate in March 2023.

A combination of improved export receipts and IMF-assisted market interventions from the central bank has significantly reduced waiting times for forex orders this year, after 10 long years of forex shortages.

"We've had a big improvement in the forex situation, which had been the number-one concern for businesses," confirms Rio Fiocco, President of the Port Moresby Chamber of Commerce and Industry.

While PNG's currency, the kina, has depreciated by around 16 per cent in nominal terms against the US dollar since 2023, IMF figures suggest inflation in PNG is tracking below its long-run historical average.

At the same time, PNG is experiencing a gradual and much-needed improvement in public finances since embarking on a series of IMF-supported programs at the start of the decade.

While Rafiq says that PNG's government currently still faces "a bit of a cash constraint," he observes that it is on the path to address longstanding budget deficits.

"The country has built up a track record of being able to meet its fiscal targets in terms of narrowing the fiscal deficit. The plans that have been confidentially shared with us suggest that they will hit a balanced budget by 2027," says Rafiq.

He adds that in 2025, for the first time in close to 15 years, public debt as a share of GDP will fall.

> THIS IS ONE OF THE LONGEST PERIODS OF SUSTAINED POSITIVE GROWTH IN PNG'S HISTORY.
>
> Sohrab Rafiq, PNG Resident Representative, International Monetary Fund

Changing business challenges

Improved forex availability isn't the only green shoot being noticed by business in PNG. Greater competition and more investment has seen PNG's telecommunications sector well on the way to becoming a business enabler rather than a business impediment.

"In 2015, the World Bank did some forecasts on how much data PNG would use in the future. We are eight years ahead of that forecast," observed Vodafone PNG's Chief Strategy Officer, Ronald Prasad, at the 2025 Business Advantage PNG Investment Conference.

The issuing of new banking licences to CreditBank, TISA Bank and the National Banking Corporation, and the prospect of more to come, is also improving competition in PNG's banking sector.

Power to the people

Other areas are still a work in progress.

"In the regional centres, we see still face a lot of constraints, in terms of connectivity, logistics, energy access," observes the President of the Business Council of PNG, Susil Nelson-Kongoi. "These are things we have to address."

While there have been positive moves to address the fuel supply issues of recent years, the parlous condition of state-owned power utility PNG Power Limited is a matter of record. However, moves are being made to turn the business around under a new CEO (see page 44).

Security and law and order remain a challenge. The Business Council of PNG's June 2025 *Business Protection Report* highlights a rise in "survival crimes" (where the intention of the offender is to have basic needs to consume food, clothing and hygiene), as

Justin Smirk, Westpac Senior Economist. Credit: BAI

well as rising cyber crime and weak law enforcement as key risks facing business.

"We've really called on the government for urgent action, especially in relation to expanding the police coverage to protect critical infrastructure such as the ports and the ICT networks, and also to strengthen the national cyber security centre," said Nelson-Kongoi.

With new resources projects lining up in PNG from 2026 onwards (see page 6), there will also be focus on PNG's skills capacity.

"We've got pockets of world class technical skills but there are also skills gaps that still exist, especially around project management and managerial/supervisory roles," acknowledges Nelson-Kongoi, who is also CEO of key training organisation the Institute of Banking and Business Management.

Greylisting an opportunity

One shadow on the horizon is the likely greylisting of PNG next year by the Financial Action Task Force.

"It means that the country has been identified as having strategic deficiencies in its systems to combat money laundering, terrorist financing and proliferation financing," explains Zanie Theron, Partner-in-Charge of KPMG's South Pacific practice.

While he believes greylisting will make it harder for PNG to attract new sources of funding, Justin Smirk is of the view that its impact won't be too serious "as long as it doesn't last too long."

"In PNG's case, it's more about enforcement. The financial institutions have done a great job of making sure we've got the right systems in place," Daniel Faunt, Group General Manager Corporate Banking at BSP Financial Group, explained. "If we can use it [grey listing] to correct and address our system challenges, particularly on enforcement, then there's no reason why we can't end up like Tanzania and South Africa and be removed from the grey list."

A special all-of-government taskforce has been established to meet this challenge. ◆

The Business Council of PNG's Susil Nelson-Kongoi.
Credit: BAI/Stefan Daniljchenko

Perspectives

Industry leaders and analysts provide their personal takes on Papua New Guinea's mining and energy prospects.

“Our strategy is to look at stranded prospects around the country that have been drilled to a level of confidence that we can start feasibility studies on and bring to development.

The other thing we talk about in our consolidation strategy is shared-use infrastructure.

When we build a wharf or supply ourselves with power, it must be accessible to the community.

We are not just trying to maximise profits. We are trying to give back to the community.”

Sarimu Kanu
Managing Director, Kumul Minerals Holdings

“The resources sector is one of our largest contributors.

We're hearing that projects will start soon, which means we need to prepare ourselves to onboard more members.

It's not just about contributions for employees of the resources companies themselves. If Papua LNG enters development, then not only will you see TotalEnergies, ExxonMobil and Santos increasing their manpower; you will also see all the companies that indirectly service the project increasing their manpower.”

Rajeev Sharma,
Chief Executive, Nasfund

“PNG has an outstanding track record as a mining destination. It's close to markets, particularly in Asia.

We already know that it has an outstanding and remarkable resource endowment, particularly with respect to copper and also gold.

We need to have that supply coming to market.”

Gavin Wendt
Founding Director and Senior Resource Analyst, MineLife

We've certainly invested ahead of the curve. We're long-term investors. Two or three years ago, we invested about K300 million in shipping, getting ready for what we see and still do see today as a couple of decades of strong sustained growth.

That's investment in the assets, but, also importantly, investment in the people.

Chris Daniells
Managing Director, Steamships Trading Company

The secret ingredient of our success has been our commitment to exploration. We spent US$20 million on exploration in 2024 and our board has approved in principle doubling of exploration expenditure over the next two to three years.

Depending on the success of this exploration program, that could rise to anywhere up to US$40 million in 2026 – which is more than PNG's entire exploration spend this year.

John Lewins
Chief Executive, K92 Mining

Surveys have identified the potential for several very large prospects and changed the understanding of the Torres Basin.

Potentially you've got a new oil basin here in PNG. It's probably one of the few in the world that hasn't yet had a well put in it, so it could be a game changer.

If this system works, it could launch PNG into the realms of one of the biggest oil exporters in the world.

John Chambers
Managing Director, Larus Energy

Supply concerns present golden opportunity for PNG

International concerns about the supply of LNG, gold and copper are making PNG a more attractive market for both buyers and investors, as Nadav Shemer Shlezinger learns from two top analysts.

Security of supply is becoming increasingly important to buyers of liquefied natural gas (LNG), with Papua New Guinea well-positioned to capitalise, according to one of Australia's top LNG analysts.

For a long time, cost and flexibility were the top priorities for buyers. But, amid the ongoing wars in Ukraine and the Middle East, "security of supply is again front of mind for LNG buyers in Asia," Saul Kavonic, Head of Energy Research at MST Financial, tells *Business Advantage PNG*.

"This is where countries like Papua New Guinea are so important, because they're near markets, particularly in northeast Asia," Kavonic says, "and independent of some of the choke points in the Middle East."

Cost-competitive LNG

Another advantage for PNG is that it "should be relatively cost-competitive compared to global LNG sources," Kavonic argues.

High gas prices have been the norm since 2022, when Russia invaded Ukraine and turned off gas supply into Europe, forcing European buyers to look elsewhere for LNG.

"We've seen a structurally very tight market since then, as very little new LNG has come online and the market around the world has been readjusting," he explains.

While a new wave of projects had been anticipated, Kavonic says delays to key projects in the United States and Qatar have meant "that risk of oversupply is moving later [into the future] and might not materialise at all."

As a result, he predicts long-term prices will range from US$10 per million British thermal units (MMBtu) to US$12/MMBtu, which will have "big implications for energy costs, but also the next wave of supply developments for LNG."

Asked about the implications for the Papua LNG project, Kavonic's message is clear: get the timing right.

"Papua LNG is a project that many in the industry wish they could have seen start five years ago. These projects have their windows. When they miss them, it can take a number of years before the window of opportunity comes back again," he says.

Bullish case for gold...

The bull case is strong for the two other main commodities produced in PNG, gold and copper, according to Gavin Wendt, Founding Director and Senior Resource Analyst at MineLife.

SECURITY OF SUPPLY IS AGAIN FRONT OF MIND FOR LNG BUYERS.

Saul Kavonic, Head of Energy Research, MST Financial

Gold was trading at an all-time high spot price of more than US$3,600 per ounce (oz) at time of writing, around double the price of three years earlier.

Wendt puts this down to several factors, led by increasing levels of sovereign debt.

"That has weakened the value of the major fiat currencies," Wendt tells *Business Advantage PNG*. "We've [also] seen inflation emerging recently, and central banks have been buying gold increasingly in record numbers."

Looking forward, he predicts gold will continue to rise, particularly due to global trade uncertainty and the impact of US-enforced tariffs.

"There's a lot of momentum in the market, and I think gold prices can head towards that US$4000 per oz mark based on ongoing geopolitical and financial uncertainties," Wendt says.

...and for copper

Wendt is also confident on the long-term fundamentals for copper, due to its importance to the energy transition and energy-hungry artificial intelligence (AI) technology.

"With AI, with renewable energy, with electric vehicles, we're probably going to need 10-to-15 times more mining to address the imbalance between where copper supply is now and where we need it to be," he says.

Additionally, he says, "one of the biggest usages for copper is going to be re-electrification: [such as] the hardware for transmission lines."

The three-month future price of copper was trading at more than US$9900 per tonne on the London Metal Exchange at time of writing, about 11 per cent off the all-time high recorded in May 2024.

Wendt says potential supply constraints should push up the price in future.

Most of the world's largest copper mines, particularly in Chile and Peru, are suffering from declining grades, a trend which is adding to costs and making end users "quite nervous," he explains.

Furthermore, a lack of approvals for new projects has raised the prospect of "a significant shortfall," he adds.

Like Kavonic, Wendt believes this presents an opportunity for PNG. ◆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Steamships' Portside Business Park development in August 2025.
Credit: Pacific Palms Property

Businesses gear up for long-awaited resources projects

While the timing of a final investment decision on Papua LNG remains uncertain, Papua New Guinean businesses are busy preparing for an announcement. Nadav Shemer Shlezinger reports.

Almost 16 years after a final investment decision (FID) was made on PNG LNG, hopes are high for green lights to be given to the next wave of major Papua New Guinean resources projects, beginning with the TotalEnergies-led Papua LNG project.

While the timing remains uncertain (see page 6), PNG business leaders tell *Business Advantage PNG* that they are already cautiously preparing for the day after FID.

"Once these projects are announced, there will be an expectation for things to happen almost overnight," says Ronald Prasad, Chief Strategy Officer of Vodafone PNG.

The telecommunications provider is actively preparing for Papua LNG and remains confident in its ability to support the nation's growth through expansion of robust telecommunications infrastructure and investment in building capacity and innovative business solutions.

> ONCE THESE PROJECTS ARE ANNOUNCED, THEY WILL WANT MANY THINGS TO HAPPEN ALMOST OVERNIGHT.
>
> Ronald Prasad, Chief Strategy Officer, Vodafone PNG

"We're managing the balance carefully. Our outlook remains bright, and we're excited about the possibilities ahead," Prasad says.

Timing the run

The impact of Papua LNG is likely to be felt well beyond the resources sector itself.

As Justin Kieseker, CEO of the Remington Group – which has interests across information and communication technology, retail and manufacturing – notes, the opportunity to work with "the services businesses that serve all of these projects is just as important as the project itself."

"All of these long-term projects that have been talked about for the last five years – we're already in there in one form or another," he says.

Rajeev Sharma, CEO of Nasfund, PNG's largest private sector superannuation fund, says that Papua LNG could create not one but two major "liquidity events" for the fund.

The first, positive event will come in the project's construction phase, when up to 12,000 project workers start to receive their compulsory superannuation contributions. A

PREPARING FOR INCREASED BUSINESS TRAVEL

One sector eagerly awaiting FID is PNG's hospitality sector, particularly in the capital, Port Moresby.

Steamships Trading Company subsidiary Coral Sea Hotels is planning an extensive 15-month renovation to its iconic Grand Papua hotel in downtown Port Moresby, "starting very soon," Steamships' Managing Director Chris Daniells tells *Business Advantage PNG*.

Renovations to its Gateway Hotel near Jacksons International Airport are already halfway to completion, while its Ela Beach Hotel & Apartments will undergo renovations at the same time as the Grand Papua, according to Daniells.

Also by the airport, the Constantinou Group's premium Airways Hotel is preparing to upgrade suites in its executive Dakota wing in preparation for its 40th birthday celebrations in mid-2026.

Airways Hotel.
Credit: Airways

Meanwhile, the Mineral Resources Development Company's (MRDC) Star Mountain Plaza, home of the Hilton Port Moresby Hotel & Residences, is currently in its third stage of development, during which it is adding retail and office space and a second 200-room four-star business hotel.

John Tuaim, the MRDC's Chief Investment Officer, tells *Business Advantage PNG* that additional stages are being planned to coincide with future resources projects and demand from PNG's new National Rugby League team, due to begin playing in 2028.

These plans include a three-star hotel, 10 floors of office space, and a two-to-three level complex consisting of high-end retail, restaurants and a gold-class cinema.

second, less-positive event could come after the construction phase, when that workforce is expected to drastically decline in size, and laid-off workers start to draw down their super balances.

Sharma hopes that another major resources project – such as Wafi-Golpu or the ExxonMobil-led P'nyang gas project – begins construction straight after Papua LNG, thus warding off the second liquidity event.

But he says that Nasfund must "prepare ourselves," including upskilling its own staff so they can educate fund members about the importance of maintaining super balances for retirement.

Building skills capacity

One theme that came up repeatedly in interviews conducted by *Business Advantage PNG* for this publication was the importance of training enough locals to meet the labour requirements of the upcoming resources projects.

PNG's Institute of Banking and Business Management (IBBM) was established to play a key role in training local suppliers to work with the big engineering, procurement and construction contractors to the PNG LNG project. It is currently preparing for a similar role with Papua LNG, according to CEO Susil Nelson-Kongoi.

The IBBM already offers bachelor programs and diplomas for a variety of management roles. Nelson-Kongoi says the next step is to offer technical and vocational education and training (TVET).

"I've had a lot of discussions with TVET institutions," she says, "I know that the Australian government has given funding to look at TVET institutions around PNG and how to revamp them from being supply-driven to demand-driven."

Like Prasad and Sharma, Nelson-Kongoi is conscious of timing. She says TotalEnergies' April 2024 decision to postpone a Papua LNG final investment decision to late 2025 or early 2026 gave the industry more time to train Papua New Guineans.

"But then the threat is that you develop them and then they take their skills offshore," she says. "It's really about making sure that we know the timeline [for FID] so that we can actually train people."

Skills and recruitment are also front of mind for the likes of Andrew Candelet, PNG Country Manager for health services provider International

Susil Nelson-Kongoi, CEO, IBBM (right) speaks alongside Rio Fiocco, President, Port Moresby Chamber of Commerce and Industry (left) and Rajeev Sharma, CEO, Nasfund (centre) at the 2025 Business Advantage PNG Investment Conference.
Credit: BAI/Stefan Daniljchenko

PORTSIDE BUSINESS PARK TO OPEN SOON

Steamships broke ground on its 38-hectare Portside Business Park to great fanfare in 2024. Alan Heyns, General Manager of its property division, shares its impressive progress so far with *Business Advantage PNG.*

By Charlotte Armstrong

Steamships' "big play" in the Port Moresby area, the Portside Business Park, will complete its first phase of infrastructure development by the end of 2025, according to General Manager of Pacific Palms Property, Alan Heyns.

The 38-hectare park is strategically located: adjacent to the Motukea international port and on the road between Port Moresby and ExxonMobil's LNG Plant at Caution Bay.

Pacific Palms, which manages the development under the Steamships banner, is spending close to K100 million on infrastructure upgrades to the site, with the goal of offering a "value-creating asset for the whole [commercial] ecosystem," Heyns tells *Business Advantage PNG*.

"We're very much considering what is required to build value for businesses," he says. "In any emerging economy, infrastructure is key."

Infrastructure at Portside will include water, sewage, waste disposal, power generators and provision for data connectivity. The site will be a secure facility, including access control and double fencing.

By year end, the site will have the first four warehouses completed and a logistics hub, as well as 20 management-level one-bedroom apartments, which are already available.

A wharf with barge access is also in the planning phases, with tenders currently under adjudication by Pacific Palms Property.

"We'll be pretty much open for business next year," Heyns says.

Pacific Palms Property's Alan Heyns.

> IN ANY EMERGING ECONOMY, INFRASTRUCTURE IS KEY.

Preparing for FIDs

While Portside will be open for a variety of commercial enterprises, Heyns sees a particular opportunity for it to support second- and third-tier contractors to major resources projects.

While delays to a final investment decision (FID) on Papua LNG have impacted tenancies, Heyns says the outlook is positive.

"Before the postponement of the Papua LNG FID in 2024, anticipation surrounding the project was tangible across the market. Pacific Palms Property recorded a notable surge in demand across its residential, office, and industrial portfolios, as prospective tenants moved quickly to secure top-tier accommodation, premium office space, and secure industrial properties in a market constrained by limited quality supply."

SOS, and Fintan Lalor, General Manager at OM Holdings, parent company of Oilmin.

Candelet says his firm aspires to employ locally and in the lead up to FID will begin recruiting and training additional Papua New Guinean doctors, nurses and health extension officers.

"We need to make sure we can meet the demand when it does come," he says.

Joint ventures

Oilmin has been providing field services to PNG oil and gas projects since 1992, and Lalor believes its strategic joint venture (JV) with Jerilai Pujari Holding Limited, the landowner company representing all the clans in the Papua LNG project area (Petroleum Retention Licence 15) in Gulf Province, puts it in a strong position.

"It's the first joint venture that Oilmin has formed in 33 years. We see the value of joint ventures with strategic partners as the best approach to position for these big resource projects, enabling the JV to draw on the resources and strengths of both parties," he says.

Oilmin is also in the final stages of talks with a registered training organisation to provide courses for skills such as construction, scaffolding and steel fixing.

"We see a gap in the market for Australian-certified training being delivered by Papua New Guinean-certified trainers in PNG," he says.

Meanwhile, in Central Province, location of the ExxonMobil-operated LNG plant that will process the gas from Papua LNG, Steamships Trading Company has launched a transport and logistics joint venture with Laba Holdings Limited. ◆

The factors behind Papua New Guinea's LNG success

It is now more than a decade since PNG joined the exclusive club of gas-exporting nations, with the advent of the ExxonMobil-led PNG LNG project. ExxonMobil PNG's Chairman and Managing Director Dinesh Sivasamboo reflects on the keys to the development and growth of the country's natural gas industry – and its future.

By Andrew Wilkins

When the first cargo of LNG from PNG's first gas project, PNG LNG, left ExxonMobil's Kumul Terminal in May 2014 carrying a cargo bound for Japan, it marked the start of a new industry for the country.

It also, in Dinesh Sivasamboo's view, marked the successful culmination of a period in which PNG developed a legislative and regulatory structure still largely in place today.

"Key legislative frameworks were crafted to enable the development of the oil and gas industries that, to this day, provide regulatory clarity and stability for operators," the Chairman and Managing Director of ExxonMobil PNG tells *Business Advantage PNG*.

"A stable regulatory environment, fiscal certainty, contract sanctity, strong partnerships, and a talented workforce together set the stage for the commercial success of the PNG LNG Project."

PNG has certainly been a beneficiary of this groundwork.

"The project routinely produces more than 20 per cent above its nameplate capacity of 6.9 million tonnes per year of LNG," notes Sivasamboo.

"Through July of 2025, the PNG LNG Project has generated more than K32 billion for the state of Papua New Guinea through its various revenue streams since production commenced."

The benefits to PNG have also not just been fiscal, he points out:

"Today, 90 per cent of our 3500-strong PNG LNG project staff are Papua New Guinean. Each day, they are making meaningful contributions to our business, advancing in their training and development and growing into leadership roles. In fact, several Papua New Guineans are currently engaged by ExxonMobil in the United States, where they are bringing the skills and knowledge they have acquired on the PNG LNG project to train and develop others in the LNG industry."

ExxonMobil PNG's Dinesh Sivasamboo

Adding more resource

In recent years, ExxonMobil's focus has been on adding more resources into the PNG LNG infrastructure. In late 2024, the K5 billion tie-in project to connect the nearby Angore field to the project unlocked an estimated one trillion cubic feet (TCF) of additional natural gas.

"The Santos-operated Agogo Production Facility Tie-In Project is another multi-billion-kina project in the queue," says Sivasamboo. "This could enable production of an additional 1TCF of natural gas resource as early as 2028. Work to advance this concept is well underway."

Future projects

ExxonMobil is also one of the venture partners involved in the TotalEnergies-led Papua LNG project, with a 37.04 per cent stake. The project, which ExxonMobil's Senior Vice President Jack Williams recently suggested would go into production "post-2030," will utilise some of the PNG LNG project infrastructure, including its LNG Plant outside Port Moresby, which would be expanded for the project.

"The Papua LNG and P'nyang LNG projects are poised to be the next chapters of LNG development in PNG. Exciting exploration opportunities also exist, such as the Wildebeest prospect in Gulf Province," observes Sivasamboo.

"Collectively, if all these were to progress to development, these projects could support a 13-year window of continuous LNG construction activity in the country." ◆

COLLECTIVELY, IF ALL THESE WERE TO PROGRESS TO DEVELOPMENT, THESE PROJECTS COULD SUPPORT A 13-YEAR WINDOW OF CONTINUOUS LNG CONSTRUCTION ACTIVITY IN THE COUNTRY.

KPHL's steel fabrication facility is in development at Caution Bay.
Credit: KPHL

Kumul Petroleum steps up on national content, gas development and energy security

As PNG's state participant in both PNG LNG and the expected Papua LNG project, Kumul Petroleum Holdings is playing an increasingly central role in the development of the country's energy sector.

By Andrew Wilkins

Kumul Petroleum Holdings (KPHL), PNG's national petroleum and energy company and the state nominee in all petroleum developments, is expected to take up a 22.5 per cent equity stake in the TotalEnergies-led Papua LNG project once a final investment decision (see page 6) is announced.

It already holds a 19.4 per cent interest in PNG's only current gas operation, PNG LNG.

While Papua LNG's costs are still being finalised, current estimates suggest the project, based on the Elk and Antelope gas fields (Petroleum Retention Licence 15) in Gulf Province, will cost at least US$14 billion to develop.

Two per cent of its equity is expected to be carried for another state entity, Mineral Resources Development Company, which receives project revenues due to landowner beneficiaries under PNG's *Oil and Gas Act*.

Preparing for Papua LNG

KPHL has not been idle while it awaits the FID on Papua LNG. Under the leadership of Managing Director Wapu Sonk, it has been helping the country prepare for not only the engineering, procurement and construction (EPC) phase of Papua LNG, but also for the resources projects expected to follow closely behind it, such as ExxonMobil's P'nyang gas project.

> THE INTENT IS FOR KPHL TO "DE-RISK" THESE DISCOVERIES AS MUCH AS POSSIBLE, THEREBY MAKING THEM MORE ATTRACTIVE TO COMPANIES THAT MAY WISH TO FARM IN.

KPHL is currently constructing a steel fabrication facility and associated technical training facility at Caution Bay northeast of Port Moresby, adjacent to ExxonMobil's LNG plant (which will process the gas from PRL 15).

These facilities will make it possible to increase national content in future large-scale projects in PNG, by producing technically skilled Papua New Guineans and enabling in-country fabrication of a range of steel piping and other modules.

Construction has been underway all year. The training facility is expected to be completed during 2026, while the fabrication facility is expected to be ready the following year.

The intent is for the facility to have the capacity to produce 20,000 tonnes of steel modules annually and provide employment for up to 3,000 people.

The site has been granted a provisional Special Economic Zone (SEZ) licence by PNG's Special Economic Zone Authority. The intent is for KPHL, through a subsidiary, to manage the development of the SEZ, dealing with potential investors who wish to locate in an area that is increasingly becoming a major industrial corridor.

Gas exploration

In addition to preparations for Papua LNG, KPHL has been actively investing in future LNG production.

In 2020, it applied for and was granted operatorship of the previously discovered Kimu, Barikewa, Uramu and Pandora gas fields, which collectively contain more than 2.4 trillion cubic feet of recoverable gas resources.

The intent is for KPHL to "de-risk" these discoveries as much as possible, thereby making them more attractive to companies that may wish to farm into the licences and assist with their development.

In April 2025, KPHL completed additional seismic studies at the two onshore licences, Kimu and Barikewa, to confirm and expand their assessed volumes of gas. According to KPHL sources, this seismic campaign (carried out by local contractor Oilmin) has both increased the gas reserves in these two licences and identified other drill targets.

The next step – a requirement under the PRL conditions – is to drill at least one more well to confirm the gas reserves indicated by the seismic campaign.

Offshore, KPHL has commissioned a pre-FEED feasibility study from international EPC specialist Wison on a proposed Floating LNG facility to covering the offshore Uramu and Pandora fields, which are located in the Gulf of Papua. ◆

KPHL's Jet A1 storage tanks.
Credit: KPHL

FUEL SECURITY

Another area KPHL has ventured into recently has been fuel importation. In response to a supply crisis caused by major fuel importer Puma Energy ceasing operations, KPHL stepped in to organise vital imports of Jet A1 and diesel fuels.

To help secure ongoing future supply, it is currently constructing a fuel facility at Motukea, adjacent to Port Moresby's international port. Four 3,000-litre Jet A1 storage tanks should be operational by the end of 2025.

KPHL is the joint owner of Niupower, operator of the gas-fired Port Moresby Power Station. Therefore, it also has an interest in greater domestic utilisation of gas produced in the country for power generation, replacing diesel and heavy fuel oil.

All eyes on PNG's offshore oil and gas

Twinza's Pasca A project in the Gulf of Papua.
Credit: Twinza

PNG is on track to become an offshore gas producer before the end of the decade, thanks to Twinza's Pasca A project. There are also hopes of large offshore oil discoveries, with two separate drilling campaigns being planned in a prospective new offshore basin.

By Nadav Shemer Shlezinger

Papua New Guinea looks set to join the ranks of the world's offshore oil and gas producers in the next three to four years, following the recent Pasca A Gas Agreement between project owner Twinza and the PNG government.

The December 2024 agreement (see box on page 25) enabled Pasca to enter front-end engineering and design (FEED) in February 2025, with an eye to reaching a final investment decision (FID) on the first phase in mid-2026.

Progress on FEED has been "good" and the project is on track to meet its timelines, according to Roppe Uyassi, CEO PNG for Twinza.

"The important stage will be when we start our tendering later this year. That's when we'll have a good handle of where we're looking at with the FID target date," Uyassi tells *Business Advantage PNG*.

WE'LL DO WHAT WE CAN TO GIVE EXPOSURE TO PAPUA NEW GUINEANS.

Roppe Uyassi, CEO PNG, Twinza

Ease of developing offshore

The project's offshore location means its workforce requirements will be smaller than for onshore oil and gas projects, Uyassi says.

"In saying that, we have an exciting opportunity to create employment and to give offshore oil and gas exposure to Papua New Guineans," he says.

"Our workforce will be largest during the production phase," Uyassi explains, "and that's where a lot of our local employment opportunities will come into play. We've got time to plan that out."

An updated independent assessment in 2023 concluded that Pasca could deliver K15 billion in revenues to PNG over a 25-year production life. The study also highlighted Pasca's potential to sequester up to 200 million tonnes of CO_2, something which could prove supportive in attracting project financing.

"I'm in no doubt that we will have those conversations where we have to talk in detail about ESG [environmental, social and governance]," Uyassi says.

Offshore exploration heats up

The development of PNG's offshore oil and gas resources reflects a worldwide trend, with a Global Energy Monitor study finding that the vast majority of new projects discovered, sanctioned and started up in 2024 were located in the oceans. At least 12 projects reached FID in 2024, all of which were offshore. At the same time, 85 per cent of new discoveries by volume were located in offshore fields.

In PNG, state-owned energy company Kumul Petroleum is also looking to prove up gas reserves in two offshore fields close to Pasca A in the Gulf of Papua and is exploring the possibility of a floating LNG solution to speed up their development (see page 22).

Meanwhile, in the Torres Basin southeast of Port Moresby, TotalEnergies and Malaysia's Petronas are preparing for drilling for hydrocarbons at their jointly owned Mailu-1 exploration well (Petroleum Prospecting Licence 576), PNG's first deepwater well, in the final quarter of 2025.

Noble, a leading offshore drilling contractor for the oil and gas industry, says it has received a US$34.2 million contract for the approximately 47-day program, with an option to drill three additional wells.

Unlisted Australian explorer Larus Energy is also hoping to drill the Nanamarope Prospect in the adjacent PPL 579 in 2026.

"We want to follow TotalEnergies' drilling of Mailu-1 to test a different play type in the Torres Basin testing the Miocene sand reservoirs at Nanamarope, which is different to the Mailu-1 well's target of Eocene carbonate reservoirs," Larus Managing Director John Chambers tells *Business Advantage PNG*.

"Both prospects however rely on a similar hydrocarbon source rock which has been proven from seeps onshore and offshore in the Larus acreage," he says.

Larus is currently in talks with several large international oil companies – some of which have never operated in PNG – to participate in a potential joint venture.

"We're trying to get a farm-in partner to pick up equity in return for funding an [exploration] well," Chambers says, noting that the costs of the drilling campaign could reach around US$100 million.

"Exploration in deep water takes deep pockets but we are finding interest from both private investors and large oil companies."

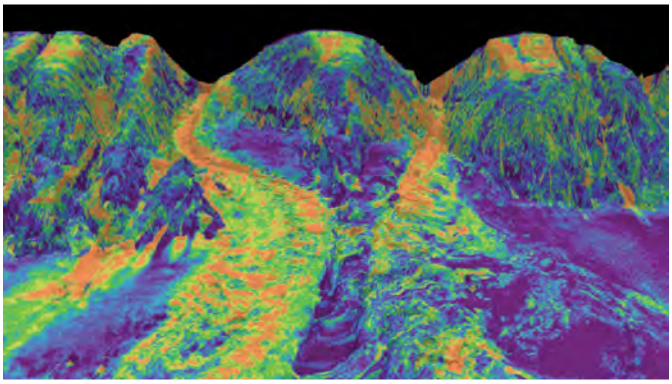
Potential 'game changer'

Larus has been active in PNG since 2009, although for a long time it only explored onshore or in shallow waters offshore. It ventured around 100 kilometres offshore into deeper waters in 2023 when it contracted PXGEO 2, one of the world's largest seismic vessels, to conduct a 3D survey over 1,865 square kilometres.

Chambers, who previously served as vice president of Santos PNG, says the survey identified the potential for several "very large prospects" and changed the understanding

PXGEO 2 **in Port Moresby before embarking for the Larus/Searcher Nanamarope 3D seismic survey.**

Credit: Alaister Shakerley / Larus Energy



Deep water depositional systems observed in 3D seismic data at PPL 579.

Credit: Larus Energy

of that part of the Torres Basin.

"Potentially you've got a new oil basin here in PNG. It's probably one of the few in the world that hasn't yet had a well put in it, so it could be a game changer." ◆

PASCA A IN A NUTSHELL

The December 2024 Gas Agreement set in motion the acquisition of up to a 50 per cent interest in Pasca A by the state-owned Mineral Resources Development Company, through its special purpose entity Hevehe Petroleum Limited, for US$160 million (about K660 million).

Twinza envisions a two-phase development for Pasca. The first phase will comprise a minimal wellhead platform, mobile offshoring production unit, floating storage and an offloading vessel, delivering around seven million barrels-equivalent of hydrocarbon liquids per year. The second phase would be completed three years after the first, adding a floating LNG facility and producing up to 750,000 tonnes per year of liquefied natural gas.

Kumul Minerals' Sarimu Kanu.
Credit: BAI/Stefan Daniljchenko

Building a diversified national mining company

State-owned Kumul Minerals Holdings Limited (KMHL) is a key player in PNG's mining sector, with majority ownership of Ok Tedi and a key stake in Porgera. Its Managing Director Sarimu Kanu sat down with *Business Advantage PNG*'s Andrew Wilkins to discuss plans to diversify and participate in projects across the mining value chain.

Andrew Wilkins (AW): Ok Tedi has been a cornerstone of KMHL's portfolio. How is it performing today?

Sarimu Kanu (SK): Ok Tedi is doing exceptionally well. In the first quarter of this year, we declared K100 million in dividends, and in the second quarter K200 million. We will surpass last year's guidance significantly in terms of dividend payments, profit delivery and operational excellence.

As a board, we made the decision to extend mine life from 2033 to 2050 and beyond. By extending the life of mine, we will deliver up to K30 billion in additional social benefits and allow time for sustainable projects to take root.

We are also investing in new technology – moving towards fossil fuel-free mining equipment, reducing Ok Tedi's carbon footprint and exploring into deep-seated deposits. From current drilling, the results are exceptional. We are very excited about the future of Ok Tedi going deeper.

AW: And what about Porgera? How has the 2023/24 restart progressed?

SK: Porgera is one of the most challenging mines in the world. We have a law-and-order situation, tribal fighting, landslips and up to 2,000 illegal miners coming in droves every day.

How is it going? Exceptionally well! In the first half of 2025 alone, we [New Porgera Limited] declared US$230 million [K955 million] in dividends and paid K460 million in corporate income tax. We are bringing in a lot more forex than what was negotiated [in the agreement that led to the mine's restart in 2023].

Trust has been built. Barrick Gold trusts us as a partner. We cannot do without the expertise and the management that they bring.

For all the challenges, we are still hitting production targets. This year, production will be around 400,000 ounces of gold, and next year it will reach 600,000 to 700,000 ounces.

AW: Turning to Newmont Mining and Harmony Gold's Wafi-Golpu copper/gold project, what's the status of negotiations?

SK: We are concluding the mine development contract; once we have this signed, the special mining lease

[SML] will be issued.

I think we have overcome the main sticking points. Now it's a case of don't over-lawyer things, let's push the petty things out of the way and get this over the line.

The next stage will be detailed engineering and design. The cost profile has changed since the original costings were done in the SML application in 2018. That will carry on for a period of time, and a final investment decision will probably come in the second half of 2027 to mid-2028.

AW: You've also been active on your Milne Bay Province consolidation strategy, as demonstrated by Ok Tedi Mining Ltd's acquisition of the Misima gold-silver project...

SK: Our strategy is to look at stranded prospects around the country that have been drilled to a level of confidence that we can start feasibility studies on and bring to development.

> WE HAVE MOVED A LONG WAY IN THE MERGERS AND ACQUISITIONS SPACE. WE ARE BEING VERY AGGRESSIVE ON THAT FRONT. IT'S ABOUT DIVERSIFICATION OF OUR REVENUE BASE.

Our consolidation strategy has started in Milne Bay because there are a lot of prospects there. If you consider that Porgera will [potentially] produce 750,000 ounces of gold, if we consolidate all the prospects in Milne Bay – these could potentially match Porgera's production.

Kumul Minerals drove the Misima acquisition. If we can build a central processing plant there that's big enough to mine the other prospects [in Milne Bay] and feed into the plant, then we will economise them. We think that's the best way to develop these stranded projects. Some are high grade – we are looking at a six grams-per-tonne prospect on one of the islands – but they are small. You cannot develop them on their own.

The other thing we talk about in our consolidation strategy is shared-use infrastructure. When we build a wharf or supply ourselves with power, it must be accessible to the community. That's why we call them projects of national importance: we are not just trying to maximise profits, we are trying to give back to the community.

Aerial view of the Ok Tedi mine's crusher operations. Credit: Ok Tedi Mining Limited

AW: How does that feed into KMHL's broader acquisition strategy?

SK: Since last year, we have moved a long way in the mergers and acquisitions space. One which has already been announced publicly [in a December 2024 memorandum of understanding with mine owner St Barbara] is our acquisition of 20 per cent of the Simberi gold mine.

We are well advanced in other discussions with operating mines. We are being very aggressive on that front. It's about diversification of our revenue base. We are earning significantly from Ok Tedi, we want other sources of revenue. By the end of this year, we will announce major acquisitions.

AW: Finally, what progress is being made on plans for downstream processing in PNG?

SK: We are nearing completion of the definitive feasibility study on the gold refinery. The refinery will be 100 per cent owned by the state and KMHL can finance it. It will be located at Port Moresby's Jacksons International Airport.

We have a lot of illegalities in the alluvial sector. We want to feed those into the gold refinery, as well as all our gold prospects going in – like Misima – and any other projects where we partner with big players. We are aggressively trying to complete this one and get to the groundbreaking ceremony.

In terms of nickel, MCC [Metallurgical Corp of China, majority owner of the Ramu nickel-cobalt mine; see page 32] has announced that it is building a nickel smelter-refinery. This will be jointly owned by MCC and Kumul Minerals, and will be based at Basamuk, where the [Ramu] processing plant is. The good thing about MCC, being one of China's biggest mining and manufacturing companies, is that financing is easily accessible.

We have completed the pre-feasibility study. After the gold refinery, the nickel smelter-refinery will be the next big news for PNG. ◆

KUMUL MINERALS IN A NUTSHELL

Established: 2015 (by the *Kumul Minerals Holdings Limited Authorisation Act*)

Mandate: To participate across the mining sector, including exploration, development, operations, downstream processing and closure.

Key assets: Ok Tedi mine (67%), Porgera mine (36%)

Workers at the K1 vein, one of two subparallel veins that are part of the Kainantu gold mine's Kora epithermal vein system.
Credit: K92 Mining

Kainantu gold mine continues expansion

K92 Mining is pushing on relentlessly with the growth of its Kainantu mine in Eastern Highlands. CEO John Lewins provides a progress report and shares the secrets to the operator's success.

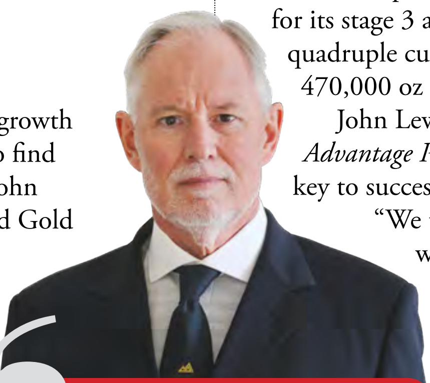
By Nadav Shemer Shlezinger

World gold production has seen very little growth since around 2018, as "it's getting harder to find gold, permit it, finance it and operate it," John Reade, Chief Market Strategist at the World Gold Council, said in a recent interview with CNBC.

All the more impressive that K92 Mining has succeeded in continuously expanding production at its Kainantu gold mine since pouring first gold in 2018.

Kainantu's processing plant was initially capable of handling 200,000 tonnes per annum (tpa) of ore throughput – enabling 50,000 ounces per annum (oz pa) of gold-equivalent production – before its stage 2 and 2a expansions took the plant to 600,000 tpa by May 2023.

The Canadian operator recently announced another major milestone in its growth trajectory: the commissioning of its Stage 3 expansion processing plant, which will be capable of handling 1.2 million tonnes per annum. It has now spent or committed 86 per cent of the US$320 million earmarked for its stage 3 and 4 expansions, which are expected to quadruple current gold, copper and silver production to 470,000 oz pa of gold-equivalent by 2027.



John Lewins, CEO of K92 Mining, tells *Business Advantage PNG* that the staged expansions have been key to successfully ramping up production.

"We took the view that the staged expansions would create higher cashflow [at a] relatively low cost," he says, explaining that this would allow K92 to fund each stage from the cash that it has built up.

"What that means is that we don't build a debt, we haven't got interest payments. The [only] bad news is you keep paying tax because you can't write off interest payments or whatever else."

> WE TOOK THE VIEW THAT THE STAGED EXPANSIONS WOULD CREATE HIGHER CASHFLOW [AT A] RELATIVELY LOW COST
>
> John Lewins, CEO, K92 Mining

Enabled by exploration

According to Lewins, the other secret ingredient in K92's success has been its commitment to exploration. It spent around US$20 million on exploration in 2024 – roughly half of PNG's entire mineral exploration spend – and its board has approved in principle for this figure to double over the next two to three years.

"Depending on success, that could rise to anywhere up to K180 million [US$40 million] in 2026 – which is more than PNG's entire exploration spend this year," he says.

This continued commitment to exploration has enabled K92 to increase measured and indicated resources at its producing Kora and Judd deposits from 1.6 million ounces of gold equivalent (Moz AuEq) in 2017 to 2.7 Moz AuEq in 2023, while also announcing a maiden 14.6 Moz AuEq inferred resource at the Blue Lake deposit in 2022.

K92 currently has 11 drill rigs operating across its exploration sites, including four at Arakompa – a newer discovery located outside of the mining lease area.

Lewins expects to announce a maiden resource for Arakompa in 2026 and believes results from the 92 holes drilled so far are already cause for excitement.

Several holes have made the weekly or monthly top-ten gold or copper intercepts in the world, according to Fynd Exploration, a content platform for mining investors.

In February, K92 confirmed the discovery of two significant high-grade subparallel veins at Arakompa, which it named AR1 and AR2. Drilling has defined the two veins to a depth of more than 500 metres, at strike lengths of approximately 675 and 775 metres respectively, with both veins open in multiple directions.

Exploration is also continuing in earnest at Kora and Judd, where Lewins says K92 has yet to begin drilling at depth.

"That'll be the next area of focus," he says, adding that "when you're [mining underground], you've got an orebody sitting there, and you have to develop it so that you can get access."

Rewarding investors

K92 has gone from strength to strength since entering production, with its share price on the Toronto Stock Exchange rising more than 30-fold between January 2018 and September 2025, when this publication went to print.

In all that time, it has never paid a dividend to shareholders, allowing it to preserve cash for expansions – and to meet its obligations in Papua New Guinea. But Lewins says all that is about to change, with investors about to get a reward for their patience.

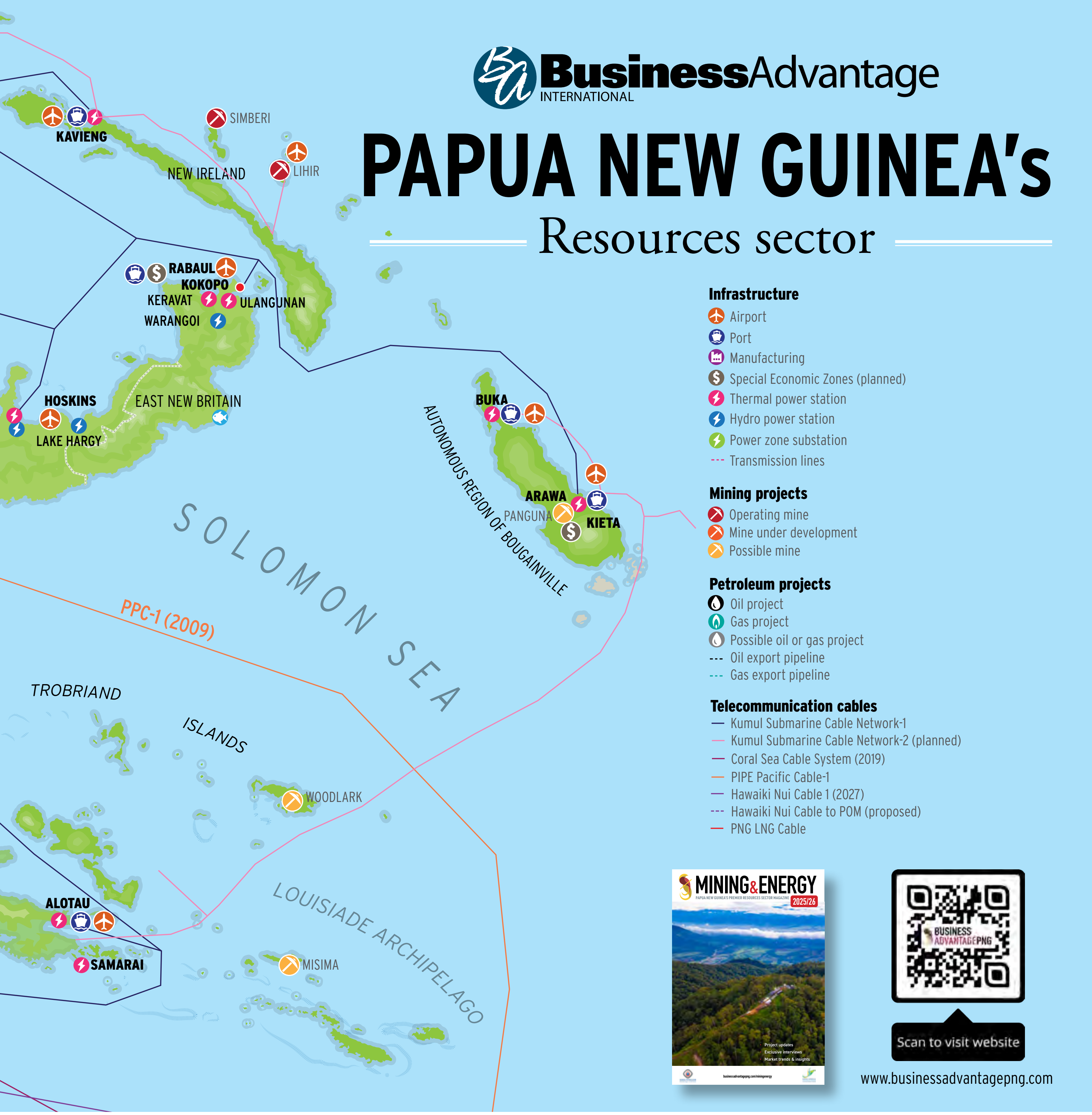
"For the first time, our investors will get a dividend – hopefully in 2026, definitely in 2027," Lewins says.

"When you think about it, we've been here 10 years. In PNG, everyone's got to eat, but to date the shareholders of K92 are the only ones who have yet to eat." ◆

KAINANTU IN A NUTSHELL

Mine type: Underground
Province: Eastern Highlands
Annual production: 139,123 oz gold, 2,235 tonnes copper, 142,063 oz silver (2024)
Ownership: K92 Mining


KSCN-2 (2026)
MANUS
LORENGAU
BISMARCK SEA
KSCN-1 (2019)
JAYAPURA
VANIMO
AITAPE
WEWAK
SANDAUN
MAPRIK
Sepik River
FRIEDA RIVER
EAST SEPIK
WESTERN HIGHLANDS
JIWAKA
INDONESIA
WAPENAMANDA
MADANG
MADANG
OK TEDI
PORGERA
TABUBIL
P'NYANG
HELA
WABAG
Mount Wilhelm
RAMU
KIMBE
WEST NEW BRITAIN
STANLEY
MT. KARE
ENGA
KETU
JUHA
ANGORE
BANZ
YANDERA
ELEVALA
HIDES
TARI
MENDI
PAUANDA
GOROKA
GUSAP
KIUNGA
KOMO
AGOGO/ MORAN
KUNDIAWA
KAINANTU
MOROBE
KANDRIAN
MORO
SOUTHERN HIGHLANDS
EASTERN HIGHLANDS
YONKI
KUTUBU
CRATER
Lake Murray
LAE
FINSCHHAFEN
GOBE
WAFI GOLPU
LEHI
MOUNT HAGEN
BWATA
PUKPUK
BULOLO
KIMU
ELK/ANTELOPE
DOUGLAS
BARIKEWA
CHIMBU
HUON GULF
GULF
WESTERN
HIDDEN VALLEY
KIKORI
Fly River
URAMU
WILDEBEEST
KEREMA
OROKOLO BAY
KUMUL TERMINAL
OWEN STANLEY RANGE
CENTRAL
PASCA A
PANDORA
CENTRAL CEMENT & LIME
TOLUKUMA
POPONDETTA
GULF OF PAPUA
ORO BAY
DARU
MOTUKEA
ORO
PORT MORESBY
CORAL SEA
NATIONAL CAPITAL DISTRICT
MILNE BAY
KWIKILA
PPL 579
PPL 589
PPL 576
Hawaiki Nui Cable 1 (2027)
CSCS (2019)
AUSTRALIA



BusinessAdvantage INTERNATIONAL
PAPUA NEW GUINEA's
Resources sector
Infrastructure
Airport
Port
Manufacturing
Special Economic Zones (planned)
Thermal power station
Hydro power station
Power zone substation
Transmission lines
Mining projects
Operating mine
Mine under development
Possible mine
Petroleum projects
Oil project
Gas project
Possible oil or gas project
Oil export pipeline
Gas export pipeline
Telecommunication cables
Kumul Submarine Cable Network-1
Kumul Submarine Cable Network-2 (planned)
Coral Sea Cable System (2019)
PIPE Pacific Cable-1
Hawaiki Nui Cable 1 (2027)
Hawaiki Nui Cable to POM (proposed)
PNG LNG Cable
KAVIENG
SIMBERI
NEW IRELAND
LIHIR
RABAUL
KOKOPO
KERAVAT
ULANGUNAN
WARANGOI
HOSKINS
EAST NEW BRITAIN
LAKE HARGY
BUKA
AUTONOMOUS REGION OF BOUGAINVILLE
ARAWA
PANGUNA
KIETA
SOLOMON SEA
PPC-1 (2009)
TROBRIAND
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Expansion plans progressing at PNG's only nickel-cobalt mine

Progress is being made on a planned expansion of the Ramu nickel-cobalt mine, but regulatory approvals may take some time, the Head of Asia-Pacific for Ramu joint-venture partner, Nickel 28, explains to *Business Advantage PNG*.

By Nadav Shemer Shlezinger

The operator of the Ramu nickel-cobalt mine is making progress on a planned US$1.5 billion (K6.3 billion) expansion, but regulatory approvals are expected to move slowly, according to one of the mine owners.

The current mine sits within SML 8, a 54-square kilometre special mining lease (SML) area in PNG's Madang Province. Ramu NiCo Management, which operates the mine on behalf of the Ramu Nickel Joint Venture (JV), is preparing to apply for a second SML to convert adjacent land into a new mining area, where it plans to double overall production.

However, the timing of the new SML will be "difficult to project," according to Craig Lennon, Head of Asia-Pacific for minority owner Nickel 28.

"Frankly speaking, it's a challenge because there are other projects in the pipeline – such as Wafi-Golpu and Frieda River – and the regulatory authorities have only got so many resources to work on such applications," he says.

Nickel 28 currently holds an 8.56 per cent interest in the JV alongside Metallurgical Corporation of China (MCC, 85 per cent) and PNG's Mineral Resources Development Company (MRDC, 6.44 per cent). Nickel 28 has an option to increase its interest to up to 20.55 per cent upon repayment of its construction debt to MCC.

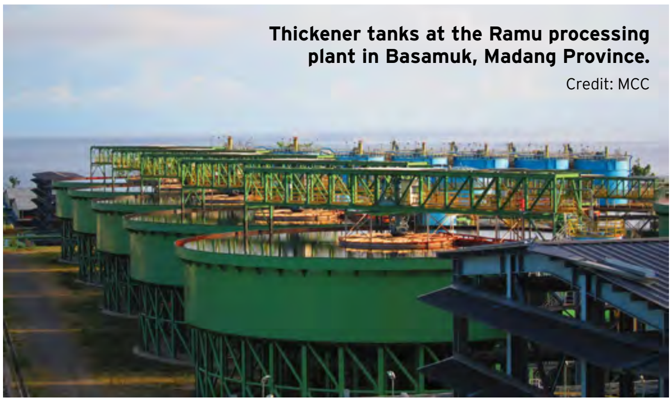
> RAMU WILL RAMP UP TO 34,000 OR 35,000 TONNES OF NICKEL PRODUCTION BY 2026, ABOUT 7 PER CENT ABOVE PREVIOUS NAMEPLATE CAPACITY.

Unprecedented

Lennon says the expansion is straightforward from a technical perspective and that it will use the same infrastructure as the existing mine. He says the regulatory complexity stems from the lack of precedent in PNG for expanding outside of an existing SML.

"I don't think this has been done before," he says, pointing out that expansions at Ok Tedi, Porgera and Lihir were all done within their original SML areas.

"There isn't a clear path within the existing regulatory framework. That means a lot more engagement is needed at a time when the regulatory resources are very tied up."



Thickener tanks at the Ramu processing plant in Basamuk, Madang Province.
Credit: MCC

Competition drives expansion

Ramu is on track to produce 32,000 tonnes of nickel and roughly 3,000 tonnes of cobalt in 2025, according to Lennon, after a temporary shutdown of the plant in September and October last year to debottleneck parts of its operation.

The shutdown "worked fantastic," Lennon says, adding that Ramu will ramp up to 34,000 or 35,000 tonnes of nickel production by 2026, about 7 per cent above previous nameplate capacity.

According to Lennon, the expansion plans have been driven by a need to stay competitive with other nickel projects – particularly in neighbouring Indonesia.

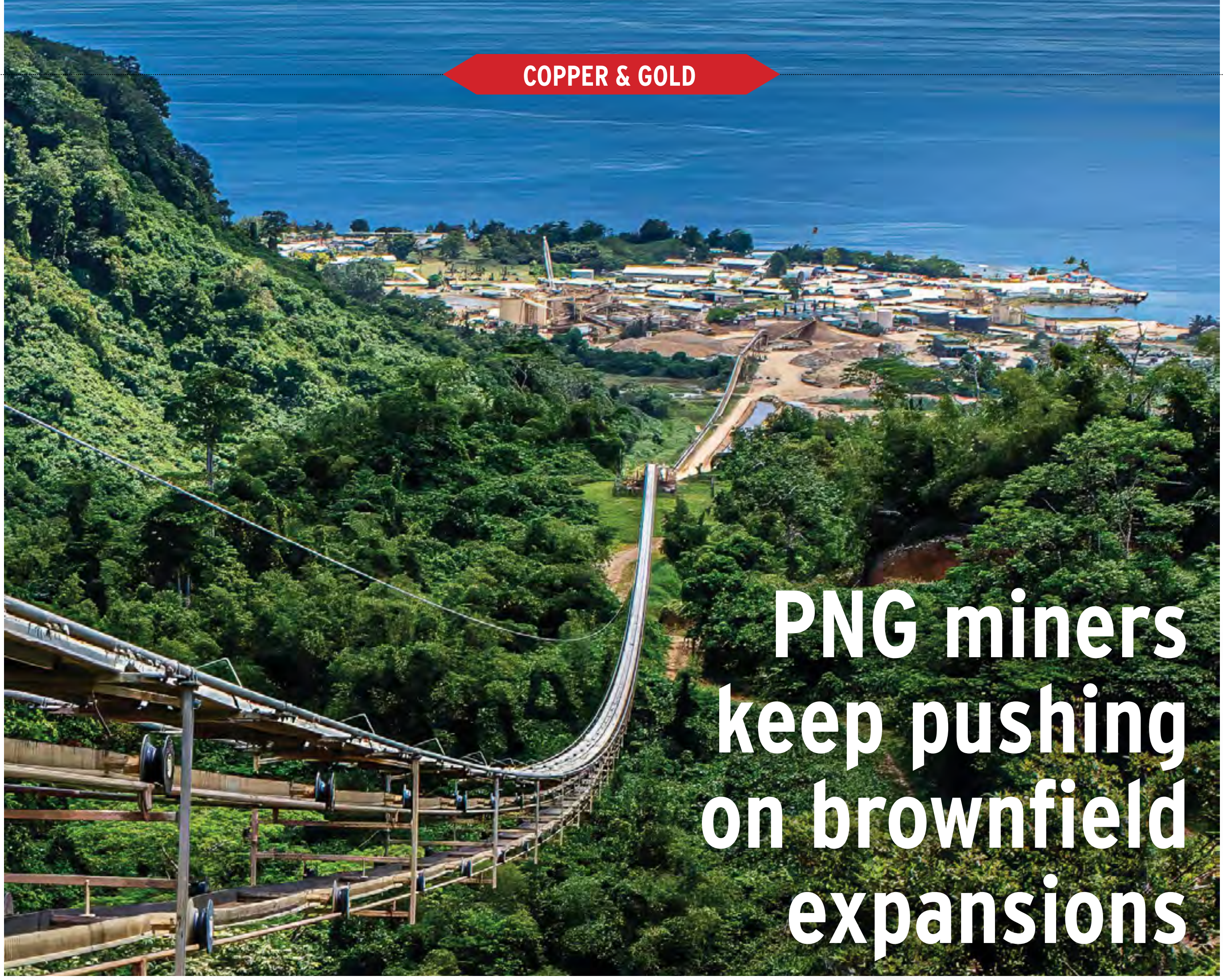
Exploration activities in 2024 delivered a 10 per cent increase in total reserves, an 18 per cent increase in measured and indicated resources and a 146 per cent increase in inferred resources, further bolstering these plans.

"While we're at just over 30,000 tonnes, most of the mines that come on line over there [in Indonesia] are at 60,000 to 150,000 tonnes, so they're going to defray their fixed costs over a lot more units," he says.

The expansion will reduce Ramu's cost per tonne, he says, adding it won't entirely close the gap with Indonesian mines, "but it will assist in making sure the difference is not quite as big." ◆

RAMU IN A NUTSHELL

Mine type: Open pit
Province: Madang
Annual production: 28,669 tonnes nickel; 2,625 tonnes cobalt (2024)
Ownership: MCC (85%), Nickel 28 (8.56%), MRDC (6.44%)



PNG miners keep pushing on brownfield expansions

Simberi's 2.7 km rope conveyor transports ore over mountainous terrain from the mine to the central processing facilities.
Credit: St Barbara

Plans to expand or extend the life of PNG's existing mines should put a floor under their future output, as Nadav Shemer Shlezinger reports.

The numbers make it clear: mining is critical to the Papua New Guinean economy.

In 2022, the most-recent year in which the International Council on Mining & Metals published its Mining Contribution Index, PNG ranked 14th worldwide for mineral rent (value of production minus total cost of production) as a percentage of gross domestic product, at 14.33 per cent.

At the same time, it ranked 25th for mineral and metal exports as a percentage of overall exports, at 48 per cent.

Stockpiles of ore at the Lihir mine.
Credit: Newmont

However, figures starting in 1990 – the year Placer Dome commenced production at the Porgera mine, and one year after the Panguna mine closed due to civil unrest – show that PNG's production of key mineral commodities has been on an overall downtrend since peaking at the turn of the century (see chart below).

With the gold price at all-time highs and as Papua New Guineans wait eagerly for progress on the Wafi-Golpu (see page 6) and Frieda River (see page 39) projects, it seems all the more crucial, then, that PNG's existing mines succeed in their growth plans.

Each of PNG's seven operating commercial-scale mines currently has expansion, extension or ramp-up plans of one form or another, including Ok Tedi and Porgera (see page 26), Kainantu (page 28) and Ramu (page 32).

EACH OF PNG'S SEVEN OPERATING COMMERCIAL-SCALE MINES CURRENTLY HAS EXPANSION, EXTENSION OR RAMP-UP PLANS.

Lihir going lower to get higher

At Newmont Corporation's Lihir Island gold mine, work is continuing on the US$296 million Phase 14A Project, where it is applying steep-wall mining technologies to open up additional high-grade reserve ounces.

The project will process lower grades of ore "for the next couple of years" as the US miner configures the pit to meet its goals, Newmont's Chief Executive Tom Palmer said in an April 2025 earnings call.

Eventually, mining will reach higher-grade areas with averages in the "high twos" of grams per tonne, leading to a 30 per cent increase in production "from about 2028," Palmer said.

Meanwhile, a feasibility study is also being conducted on the proposed Nearshore Soil Barrier (NSB), which aims to make mining possible below sea level. Combined with Phase 14A, the NSB aims to access 6 to 7 million ounces (Moz) of the current 17.5 Moz reserve, ensuring Lihir's 16-year life of mine.

The former Managing Director of Newmont PNG, Alwyn Pretorius, told *Business Advantage PNG* last year that the aim was to start execution of the project "around the end of 2025," but no update has been forthcoming since.

However, Natascha Viljoen, President and Chief Operating Officer of Newmont, recently named Lihir as one of two Newmont mines (from a total of 11 producing mines that the company operates worldwide) with the biggest potential for productivity improvements.

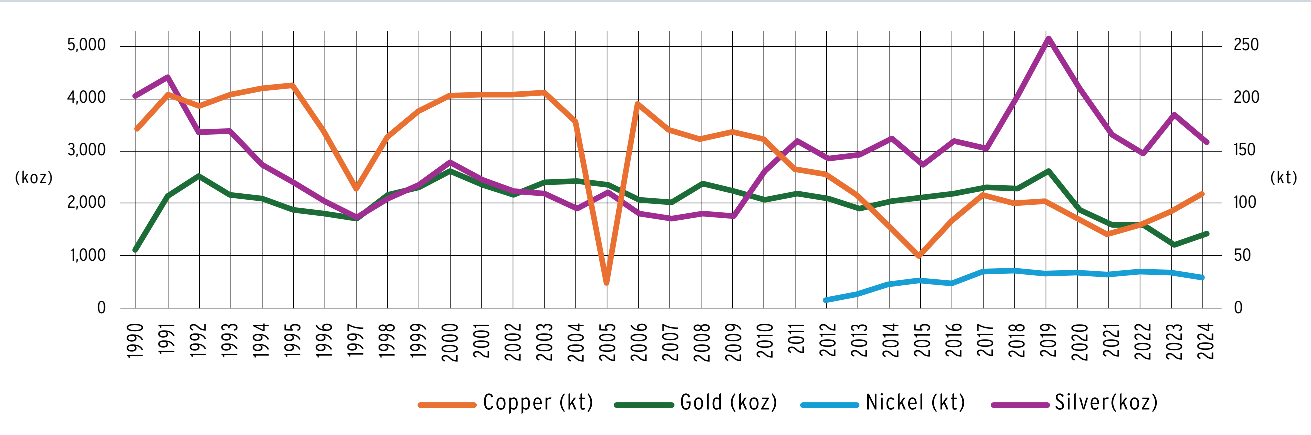
Lihir has "several different aspects" where improvements can be achieved, she said on a July 2025 earnings call.

"There's material [and] people aspects that we're focusing on, asset management focus areas, mine layout, and design for productivity, all the way into our tailings management."

Hidden Valley mulls extension

At Hidden Valley, South African operator Harmony Gold is

PNG MINE PRODUCTION, 1990–2024



Source: Company annual reports, 2023-24 data; United States Geological Survey, 1990-2022 data
Note: Cobalt production from Ramu mine not shown, but always ranges from 9-10% of nickel production

Volvo haul truck at the Simberi mine.
Credit: St Barbara

prioritising studies on converting 2.4 Moz of gold resources into reserves to extend the life of the mine beyond 2030, Group CEO Beyers Nel confirmed in a recent earnings call.

Commercial mining began at Hidden Valley in 2009, when it was then a joint 50/50 operation of Harmony Gold and Newcrest. In 2016, Harmony acquired 100 per cent ownership of the mine, and in 2021 it had its mining licence extended to March 2030.

Without an extension of the current mining lease, mine operations will cease in late 2028, according to a recent company presentation. On the other hand, the company says there is a "reasonable investment case" for a K750 million investment in a "short extension of operational mine life," although the return is "extremely sensitive" to costs, time and the price of gold.

According to Harmony Gold, capital expenditure at Hidden Valley will remain elevated this financial year as it advances essential fleet replacements and other investments that it says are critical to maintaining production rates and extending mine life.

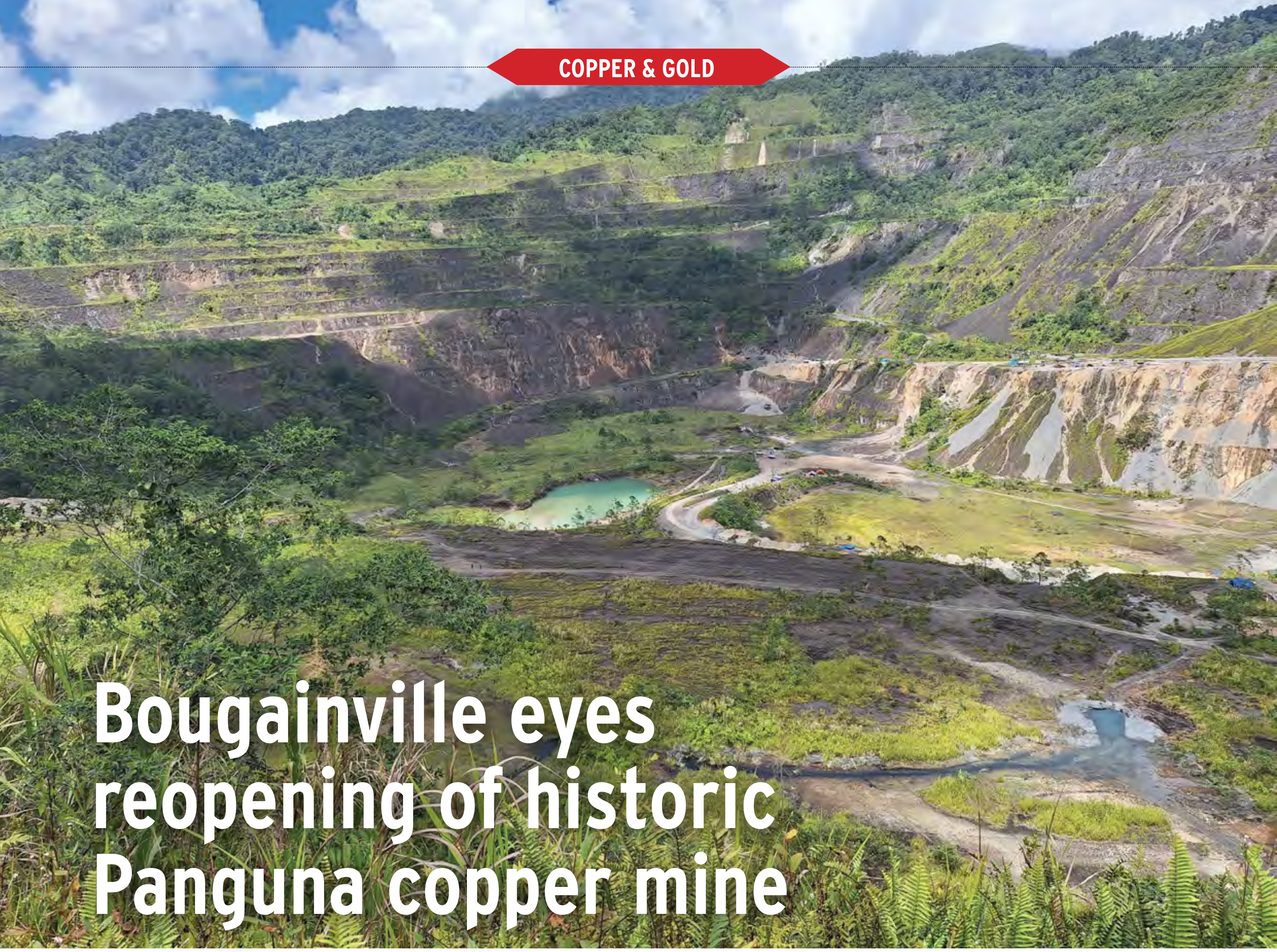
Simberi targeting 10-year extension

Meanwhile, St Barbara announced plans last year to extend the life of its Simberi gold mine in New Ireland Province by more than a decade. In the first phase, the Australian operator will extend production to 2026.

The second phase will see it process ore from sulphide mineralisation contained below the oxide pits – extending the mine life to 2036 and more than tripling annual production to more than 200,000 ounces per annum.

The sulphide project was "moving at quite a pace" as of March 2025, according to Managing Director and CEO Andrew Strelein. At the time, he noted that it would depend on approval of St Barbara's early application to have its 10-year mining lease (which expires in 2028) renewed.

These plans moved closer to becoming reality in August 2025, when PNG's Mining Advisory Committee announced that it would recommend that the Minister of Mining, Rainbo Paita, grant an extension of the Simberi mining lease out to 2038. The approval process was ongoing at time of writing. ◆



Bougainville eyes reopening of historic Panguna copper mine

Bougainville Copper Limited is working towards the reopening of the historic Panguna mine.
Credit: BCL

The historic Panguna copper mine is key to hopes to revive Bougainville's economy. In an interview with *Business Advantage PNG* recorded just before his untimely passing, Bougainville Copper Limited CEO Johnny Auna shared the key milestones for the mine's redevelopment.

By Nadav Shemer Shlezinger

For the first time, the Autonomous Bougainville Government (ABG) has majority control of Bougainville Copper Ltd (BCL) and the historic Panguna copper mine, after the Papua New Guinean government formally handed over its 36.45 per cent share in the company.

The long-promised transfer– which brought the ABG share to 72.9 per cent – was formalised in a 26 June ceremony involving PNG Prime Minister James Marape and Bougainville President Ishmael Toroama. The remaining 27.1 per cent is held by public and institutional investors, including through a listing on the Australian Securities Exchange.

For BCL, this latest milestone coincides with work to redevelop what was once one of the world's largest copper-producing mines. It follows the Bougainville government's February 2024 approval of a five-year exploration licence for Panguna, another important milestone according to BCL Chief Executive Johnny Auna.

> WE'VE GONE OUT TO THE MARKET TO TRY AND SIGN AN AGREEMENT WITH A TIER-ONE MINING COMPANY.

"The exploration licence sort of dictates our activities," Auna told *Business Advantage PNG*, noting that it includes a requirement to get landowner approval to conduct exploration and other early works in the licence area. This was completed in November 2024, he said.

Potential partners

As a project requiring a multi-billion dollar capital expenditure to reopen the mine, BCL has hired Melbourne based Grant Samuel as financial advisor and has begun talking to potential joint venture partners from around the world.

"If you look at our balance sheet, we don't really have the funds ourselves

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to redevelop the project, which is why we've gone out to the market to try and sign an agreement with a tier-one mining company, both to help us with the equity as well as the technical knowhow and the mining experience," Auna said.

In addition, he said international development and export banks have also shown an interest in providing finance.

Despite its potential, Auna acknowledged the potential complexity involved with reopening Panguna. For example, although Bougainville has its own mining act, many supporting regulations – including environmental legislation – remain under PNG jurisdiction.

"That's going to be a challenge for companies trying to understand how they can manage those risks," Auna said.

Economic catalyst

While BCL remains officially neutral on Bougainville's political status, Auna was clear about the project's importance.

He noted that with a Bougainvillean CEO, four Bougainvillean directors, and 90 per cent Bougainvillean employees, the company's connection to the region is deep.

"With independence or without independence, Bougainville needs the economy to be vibrant and growing," he said. "This project provides assistance in kickstarting that process." ◆

Sadly, Mr. Johnny Auna passed away suddenly on August 11, only a few weeks after our interview with him took place. Business Advantage PNG *sends its deepest condolences to Mr Auna's family and to his colleagues at BCL.*

NATION-BUILDING RESOURCE

Panguna was operated by BCL, then under majority ownership by Rio Tinto, from 1972 until 1989, when operations were suspended due to militant activity.

In its 17 years of operation, the mine produced 3 million tonnes of copper, 306 tonnes of gold and 784 tonnes of silver. Its earnings amounted to K5.2 billion, representing approximately 44 per cent of PNG's exports and helping to fund the newly independent country. Now, with Bougainville targeting independence in 2027 (pending ratification by the PNG government), Panguna is being viewed once again as crucial to nation-building.

"A lot of people recognise that to be really independent, you need a big economic project – and Panguna offers that," Auna said.

"Based on the resource, we're looking at a lifespan of around 20 years, but we're confident and optimistic that there's a lot more upside adjacent to our license, which is where we have the resource mapped, as well as down in depth within the existing pit."

'Resourcing for success': PanAust gets serious on Frieda River

PanAust is preparing for approvals for its Frieda River copper-gold project, its project director reveals in this exclusive interview with *Business Advantage PNG*.

By Nadav Shemer Shlezinger

PanAust has begun preparing for a special mining lease for its Frieda River project as it awaits environmental permits, according to Project Director Phil McCormack.

"We've been working closely with the government on the project. But the Prime Minister has challenged us; he wants to know how we can get the project going under our timeline," McCormack tells *Business Advantage PNG*.

Consequently, the project developer has "decided to resource the project for success," bringing in 17 new employees – a 36 per cent increase on previous headcount – to support activities such as land identification.

"We're also bringing in an engineering team to support us with a technical review, hopefully starting once [the] Wafi [Golpu copper-gold project] gets over the line," McCormack says.

Firming up the resource

The "good signs" from the government have also provided the impetus for PanAust to commence a US$10 million drilling campaign – its first at Frieda River in eight years.

"The government needs investment in the country," McCormack says, adding that PanAust's parent company, China's state-owned Guangdong Rising Holding Group, can see the benefits of additional exploration.

"We're going to try to define the resource a bit better by moving some of what's in the inferred category into the measured and indicated category," McCormack says.

PanAust will also work with the East Sepik provincial government to drill up to eight holes, in order to give the government a better understanding of any risks associated with the project's proposed hydroelectric dam – a key component of the project.

Frieda River employee communicating with local community members.
Credit: PanAust

> WE'RE RESOURCING THE PROJECT... TO PROVE TO THE GOVERNMENT THAT WE ARE SERIOUS.

Aiming for 2035

If all goes to plan, PanAust will complete detailed design and engineering by 2028 and begin construction in 2029, with ore production commencing in 2035.

McCormack has "the next seven years of work mapped out," with 270 items to complete in that timeframe.

Engaging with landowners has been a priority, with McCormack's staff travelling from "pit to port" to explain the different elements of the project (see box) and associated risks.

"Last year, we visited 123 villages along the Sepik River. And we're also going above our project because our landowners have ties in the mountains behind us in the Telefomin and Miyamin areas," he says.

"We released our independently prepared dam break assessments. It does show the effects of what a dam break would look like. But it [also] shows that there are strong mitigants in place with the incorporation of extensive safety and engineering features… and we've had positive engagement with landowners around this."

One topic that hasn't come up is benefit-sharing, which McCormack says can only be discussed after negotiations with the PNG government once a mine development contract have commenced.

For now, McCormack and his team are focusing on "resourcing the project to bring it down to a manageable level, and to also prove to the government that we are serious." ◆

FRIEDA RIVER IN A NUTSHELL

The US$7.2 billion Frieda River project comprises four integrated projects:

- copper-gold mine (US$2.8 billion capital expenditure)
- 490MW hydroelectric dam and tailings storage facility (US$3.2 billion capex)
- 400 km of transmission lines running southeast to Hides in Western Province (US$418 million capex)
- enabling infrastructure, including airport and port upgrades (US$739 million capex)

The Canadian junior searching for PNG's next big discovery

Eastern Highlands Province, near Great Pacific Gold's Kesar project.
Credit: Great Pacific Gold

The oversubscription of a recent capital raising by exploration firm Great Pacific Gold shows investors are bullish on PNG. Chief Executive Greg McCunn shares the next steps with *Business Advantage PNG*.

By Nadav Shemer Shlezinger

Investors are confident of more riches being found in Papua New Guinea, if a recent capital raising by Canadian mineral exploration company Great Pacific Gold (GPAC) is any indication.

GPAC initially set out to raise C$10 million (K29.8 million) from a June 2025 private placement, but it ended up securing C$16.9 million – the maximum allowed for the transaction under Canadian regulations.

The proceeds will fund exploration activities at its Wild Dog project in East New Britain Province and the Kesar project in Eastern Highlands Province, both assets that CEO Greg McCunn believes could be similar in size and grade to K92 Mining's successful Kainantu gold mine.

"Every major institutional shareholder investing in K92 in the early days has done tremendously well on their investment," McCunn tells *Business Advantage PNG*.

"That value creation hasn't gone unnoticed, and investors are looking for what's next in PNG."

Company-making asset

What's "next" could include Wild Dog, a 1,400 square kilometre land package on the island of New Britain incorporating a former mine that produced around 40,000 ounces of gold under previous owners between 2008 and 2013.

Current exploration is focused largely on an epithermal vein structure that saw some historical drilling, but that "hadn't had much modern exploration work," according to McCunn.

One of the first steps GPAC took after acquiring the asset in 2023 was to bring in Mobile MT, an airborne geophysical survey technology that delivers geoelectrical information from near-surface down to around 1 km underground. This revealed an epithermal structure 15 km in length and continuing down to at least 1,000 metres in depth, demonstrating the potential for Wild Dog to become a "company maker."

This was followed by a diamond drill campaign commencing in May 2025, which was ongoing as this publication went to print. The high-grade nature of the system has already been evidenced by multiple intercepts, including an intercept of 8.4 metres at 49.9 grams per tonne gold-equivalent from 154 metres down the hole.

Mainland prospects

Meanwhile, in PNG's Highlands region, GPAC is advancing Kesar, which sits adjacent to Kainantu. McCunn says Kesar offers "very similar geology" to its neighbour, adding that a diamond drill program completed in April 2025 confirmed gold mineralisation across multiple holes, but didn't quite reveal the full picture.

"We didn't feel we were hitting the main Kora- or Judd-style system," McCunn says, referring to the two veins being mined at Kainantu.

To improve confidence, GPAC again turned to MobileMT for a geophysical survey. This revealed an epithermal system just north of where the drilling had taken place and with a similar "scale and intensity" to Kora and Judd.

GPAC is now using that data to delineate up to 10 targets for a second drilling program commencing in 2026.

> THAT VALUE CREATION HASN'T GONE UNNOTICED, AND INVESTORS ARE LOOKING FOR WHAT'S NEXT IN PNG.

People first

McCunn's career has taken him to Australia, Canada, Mexico and West Africa, but he believes that PNG's high-grade gold deposits are among the best in the world.

He says another big advantage of operating in PNG is that the world's biggest gold miners – Barrick Gold and Newmont Corporation – have operated there for a long time.

"What that means is you've got really high-quality people. You've got good, well-trained geologists who know how to work safely and who know the systems and processes," he says.

One thing GPAC has learned from others is the importance of community relations, although McCunn says this raises the challenge of managing landowner expectations.

"People forget that we're not quite there yet. We haven't found a resource, we're not about to build a mine tomorrow, but maybe someday we will. So, they have to bear with us and support us while we get there," he says. ◆

The Central Cement & Lime Project from above.
Credit: PLC

PNG's first integrated lime facility reaches FID

Pacific Lime & Cement has taken a big step towards providing Papua New Guinea's construction sector with a domestic alternative to costly imported materials, as its MD Paul Mulder explains to *Business Advantage PNG*.

By Nadav Shemer Shlezinger

Papua New Guinea's first-ever integrated commercial lime production facility is set to open within 18 months, after the board of Pacific Lime & Cement (PLC) made a final investment decision (FID) on the first phase of its Central Cement & Lime Project in August 2025.

The integrated facility, located 35 kilometres northwest of Port Moresby, will consist of a limestone quarry, roads, bridges, water, power, a private international wharf and two kilns capable of producing a total of 1,200 tonnes per day (tpd) of quicklime.

OUR COMMITMENT IS TO SUPPLY 100 PER CENT OF LIME AND CEMENT NEEDS TO THE DOMESTIC MARKET.

Engineering, procurement and construction of the technical manufacturing element will be performed by an international contractor. However, PLC (formerly Mayur Resources Limited) will do most of the civil elements itself, with the support of local firm Synergy Alliance Limited and a workforce drawn from the local Kido and Lealea landowner groups.

The US$61 million (K255 million) first phase is fully funded, thanks to an A$97 million (K270 million) equity raising in February 2025. In a subsequent announcement in September, Australian-listed PLC announced plans for a secondary listing on PNG's stock exchange by the end of 2025.

"We've had a very good response. We've got Australian, Papua New Guinean and international institutions and retail investors that have come for the journey," PLC Managing Director Paul Mulder tells *Business Advantage PNG*.

Downstream ambitions

While some limestone will be shipped via PLC's wharf, the main volumes will be fed into the quicklime facility, marking a first step in PLC's downstream processing ambitions.

"If you take raw limestone and you manufacture quicklime, you increase the value at least 10-fold – to more than US$100 per tonne," Mulder says.

The facility is designed to be scalable, with plans to add three additional kilns and expand to a total of 3,600 tpd of quicklime within five years. A fully permitted clinker and cement facility also remains firmly on the agenda.

"We will reduce the price of a bag of Portland-grade cement in Port Moresby, sold via retail outlets by 50 per cent," Mulder says.

"Our commitment is to supply 100 per cent of lime and cement needs to the domestic market... and export surplus productive volumes."

SEZ approved

PLC's downstream plans match up with those of the PNG government, which granted the project a special economic zone (SEZ) licence in 2021. This was reaffirmed in 2025, making it one of only four approved SEZs at time of writing.

The SEZ fiscal benefits will apply exclusively to downstream processing, with raw limestone production and sales being subject to ordinary taxation.

Looking forward, Mulder says PLC intends to continue down the value chain into concrete, casting and bricks.

"If you're going to make lime and cement, then you go to concrete," he says. "[Then you] use the concrete for paved roads and feed casting plants that produces pipes, culverts, bridge beams, gutters, anything that can utilise formed concrete to produce infrastructure.

"That's why we're calling this the 'rock-to-the-road initiative': where infrastructure and buildings materials used have come from the rock in the ground to the roads that get laid – it will all come from PNG." ◆

Paul Mulder, Managing Director of PLC and Prime Minister of Papua New Guinea, the Hon. James Marape MP, cutting the ribbon at the FID announcement.
Credit: PLC

PNG Power CEO presents ambitious turnaround plan

PNG Power's Paul Bayly.
Credit: BAI/Stefan Daniljchenko

Paul Bayly was appointed to the hot seat as CEO of PNG Power in March 2025. A few months after assuming the role, he sat down with *Business Advantage PNG*'s Nadav Shemer Shlezinger to share his turnaround plan for the state-owned utility.

Nadav Shemer Shlezinger (NS): What are your priorities for the first 12 months in the role?

Paul Bayly (PB): My first priority – as in any business doing a turnaround – is the people. A good business can be ruined by having the wrong people there. Equally, a bad business can be turned around with good people coming in. We have many great people across PPL, particularly our engineers, but the leadership has been missing. It is such a shame PPL has got into this poor state.

Then we've got issues around revenue enhancement. We're a K1 billion-plus business. We could certainly grow that significantly. But, alongside that, there have got to be appropriate controls around cost. For example, we're spending an inordinate amount of money flying people around PNG because many of the technical people are based in head office. We are starting to move them out to where they are really needed: in the field.

We are reorganising our businesses to be aligned to each of our four grids. We're devolving authority and resourcing to the regional offices. That's in play. It will take a while.

Thirdly, we've got a very broken-down network with lots of single points of failure. We're focusing on what we can do in the short term. There are probably a dozen transformational projects that will result in quite a marked increase in generation, transmission, distribution and reliability. That's quite exciting.

But then we've got an issue about collecting the money. We have 25 per cent losses across the system, which we are focused on bringing down. Finally, we also have an urgent need to repair the balance sheet of PPL because at the moment we've technically insolvent.

SEVEN CRITICAL PROJECTS IN PPL'S TURNAROUND PLAN

Following his interview with *Business Advantage PNG*, Paul Bayly spoke at the 2025 Business Advantage PNG Investment Conference in Brisbane. In his speech, he shared a list of near-term power projects that would assist with the turnaround and include "opportunities for would-be investors".

Transmission lines at Yonki.
Credit: PPL

By Charlotte Armstrong

Two of the immediate projects on PPL's agenda are the upgrading of transmission lines between Yonki and Lae, and from Tari to Yonki.

These upgrades would fix current structural viability issues, making the lines less vulnerable to damage from falling trees, Bayly said.

"At the moment when an old line goes, either through deliberate or otherwise, it takes the whole town of Hagen or Lae out," he said.

These transmission lines also represent the potential for more consistent power through the Highlands region, as the new transmission lines will mean power remains consistent even as the old infrastructure is being repaired, Bayly said.

The largest project in terms of its potential contribution to PPL's bottom line is tied to a "big opportunity" to expand the Ramu power station.

"Ramu was built, designed for three turbines. It's got five. And the tailgate wash system is not big enough to handle the water flow. So we can run about three and a half," Bayly said.

Currently, PPL is looking at tunnelling solutions to avoid shutting off the power station entirely during the project.

"I've told the minister and the prime minister: there's no way we're going to turn off Ramu. We will find a solution that keeps Ramu operating and we'll tunnel it."

Two of PPL's projects relate to contracts with the mining sector at Hidden Valley and Kainantu respectively.

As the current contract stands, PPL is required to provide consistent electricity to the Hidden Valley mine, with PPL being liable for 95 per cent of the fuel costs in the event of incomplete supply.

Bayly noted PPL is now using PNG Forest Products' hydropower capacity, "and they're going to supply them [Hidden Valley] full on to meet their mining requirements."

Additionally, Bayly outlined that part of K92 Mining's "ambitious" plans included requesting that PPL expand their operations around the mine to accommodate a higher energy demand of 25 megawatt-hours within the next two years.

"We're building a new dedicated line for K92. The uplift for us will be extraordinary in terms of the revenue," said Bayly.

Project	Benefit	Expected commissioning	Annual contribution to PPL	Location
Upgrading transmission lines between Yonki and Lae, and Tari and Yonki	Improved supply and reduced outages	Sep 2025	K20 million	Momase and Highlands Regions
Hidden Valley: security of supply	Elimination of fuel rebate	Sep 2025	K15 million	Morobe Province
K92 transmission line extension	Demand for 18 MW, growing to 25 MW	Dec 2025	K80 million	Eastern Highlands Province
Ramu 1 turbine upgrades	Extra 5 MW supply	Dec 2025	K25 million	Eastern Highlands Province
Rouna: commissioning of new turbines	Increase of 7.5 MW and reduced IPP generation	Dec 2025	K90 million	Central Province
Pauanda-Kaupena substation connection	Supplementary supply to Hagen	May 2026	K5 million	Southern Highlands Province
Ramu: tunnelling option	Extra 30 MW (currently being explored by AG)	Late 2026	K200 million	Eastern Highlands Province

NS: PPL's ongoing issues with under-capitalisation have been well documented. How are you planning to address this?

PB: I'm discussing with our shareholder [state-owned Kumul Consolidated Holdings, PPL's sole shareholder on behalf of the PNG government] around what we could do to recapitalise the business. That may include immediate cash infusions, but those discussions are still just really commencing, both in scale and timing.

I can see how we can recapitalise the business in the longer term, but we've got immediate needs around the independent power producers [IPPs see page 48] requiring payments that we need to address today or next month, not next year.

We're now talking with the IPPs and others about how we can arrest our increasing debts. As we build reliability, and with that comes increased revenues and increased cash flows, we can start to look at how we bring the thing back under control. It will take us at least a couple of years to make meaningful inroads.

> WE ARE CONFIDENT THAT, WITH CONTINUING SUPPORT FROM OUR GOVERNMENT SHAREHOLDER, THE IPPS AND CREDITORS AND, MOST IMPORTANTLY, OUR PPL TEAM, THAT WE CAN TURN PPL AROUND.

This process is also really important because the government has announced its intention to partially privatise PPL. Having a well-capitalised balance sheet and a performing business will be critical to ensuring the privatisation process is successful.

NS: Could you speak about the National Electrification Rollout Plan and how it compares to other priorities?

PB: It's important. In May, we presented to our own board a 15-year plan for growing and connecting the transmission network [see box on page 46]. That's really a pretty seminal piece of work.

We followed that in June with a meeting of all our international donors. We presented to them our priorities for the next three years. Prior to this happening, PPL has been driven more by the priorities that the donors think we need. Having a 15-year plan and having worked to bring it back to a three-year outlook, we now want to speak to our donors around ways that they might be able to support us to deliver what we think is critical.

We are confident that, with continuing support from our government, shareholder, the IPPs and creditors, and, most importantly, our PPL team, that we can turn PPL around. It is going to be tough but it is certainly doable. ◆

IPPs cautiously optimistic on PNG Power turnaround plans

Niupower's 58 MW gas-fired Port Moresby Power Station.
Credit: Niupower

Independent power producers are key to PNG's ambitious electrification goals. However, they may wait to see results from PNG Power's turnaround plans before approving new investments, as *Business Advantage PNG* learns.

By Nadav Shemer Shlezinger

Papua New Guinea's independent power producers (IPPs) have welcomed the turnaround plan for state electricity company PNG Power Ltd (see page 44), but they caution that new investments in power generation won't go ahead until the plan shows positive results.

"New CEO Paul Bayly has been fast to get his plans in place, which means he's understood the business very quickly," David Burbidge, Chairman of IP3, the peak body representing IPPs, tells *Business Advantage PNG*.

Noting the appointment of former CEO Tony Koiri as PPL's new chief technical officer, Burbidge says the utility now effectively has "two very experienced CEOs" executing its turnaround plan.

But, he said, "that's only going to work if they're given the opportunity to actually implement it."

James Nelson, Chief Executive of Dirio Gas & Power, also expresses support for Bayly's plan, telling *Business Advantage PNG* that "he needs the time and space" to achieve it.

Investments on hold

Both men note that PPL's debts to the IPPs continue to mount, with Burbidge putting the amount at around K1.6 billion – almost double the amount owing at the same time last year.

"PNG Power needs an injection fairly quickly of something in the order of about K100 million," he says.

IPPs currently supply around 70 per cent of power generation to the grid, he notes, adding that all of his member organisations "are keen to do more."

However, until the debts begin to be repaid, "there is no way their shareholders are going to approve spending more money," he says.

"It's very difficult for anybody to make an investment decision at the moment."

Slow progress on licensing reforms

The current issues with PPL are taking place against a background of regulatory change in PNG's energy sector.

The *National Energy Authority (NEA) Act 2021* transferred the powers for

THE INSIDE VIEW: RONALD MEKETA, MANAGING DIRECTOR, NATIONAL ENERGY AUTHORITY

The National Energy Authority is the regulator of PNG's energy sector and is playing an increasingly central role in encouraging greater access to energy across the country. Managing Director Ronald Meketa shares plans to develop the country's huge renewables potential.

"We are promoting the transition from heavy diesel fuel to a cleaner choice, which is natural gas, and then into renewables.

PNG has huge renewable potential, and not just from our 20 gigawatts (GW) of hydro potential. We are within the Pacific Ring of Fire, where geothermal sources are readily available. Studies have shown that a single geothermal source in PNG can provide 200 to 300 megawatts.

We want to scale up renewables to supply PNG Power Ltd's grids and encourage investment into data centres, artificial intelligence and other technologies. Excess renewables can go into other industries, especially carbon offsets and decarbonisation of our extractive industries.

The government is looking at hydro projects. We have licensed one of these projects, Naoro Brown, to an independent power producer.

In terms of solar, of course, we're in the tropics. You get eight to ten hours a day of sun all year round.

But our biggest potential is wind. According to a 2017 World Bank report, onshore wind has up to 95 GW in potential, and offshore wind has around 147 GW in potential from a combination of 91 GW fixed and 56 GW floating wind turbines.

We're working with partners. Projects will be launched in collaboration with the Special Economic Zone Authority so we can open up our hydro, wind, geothermal and solar potential.

We want to generate 3 to 4 GW by 2035–2040. The excess can be sent across the border [to Indonesia] or down south [to Australia], via high-transmission corridors that we are investing in with the help of the Asian Development Bank."

licensing and regulating IPPs from the Independent Consumer and Competition Commission to the newly established NEA.

Ronald Meketa, the NEA's Managing Director, told the 2025 Business Advantage PNG Investment Conference that his organisation was working with the IPPs to get them to surrender their old licences and be fully covered under the new regulatory regime.

He said that once the IPPs are compliant, the NEA – which is also tasked with implementing the National Electrification Rollout Plan to achieve 70 per cent electrification by 2030 – will be able to work with them to scale up new renewables projects.

Dirio, a subsidiary of the state-owned Mineral Resources Development Company, is currently the only one of PNG's seven IPPs with an operating licence from the NEA, after an official handover of its new licence in June 2025.

The handover came only a few weeks after Dirio took over the operation and maintenance of its sole station, the 45 MW gas-fired power station in Central Province – meaning it no longer has to pay a third party to do the job.

"It's Dirio in-house," says Nelson, who stresses the importance of the company not only being seen to be 100 per cent nationally owned, but also having "a power station that is nationally operated as well." ◆

PNG government begins putting SEZ plans into action

Richard Maru, PNG's Minister for International Trade and Investment, shared the progress being made on special economic zones in a speech to the 2025 Business Advantage PNG Investment Conference.

By Nadav Shemer Shlezinger

Special economic zones (SEZs) will be the "main vehicle" of the PNG government's roadmap to transform the economy in the next 20 years, according to International Trade and Investment Minister Richard Maru.

Speaking at the 2025 Business Advantage PNG Investment Conference in Brisbane in August, Maru said the government is open to forming SEZs for any project that replaces imports or facilitates exports.

"We are looking at economic zones right across the country," he said, adding that the government was actively looking at SEZs for sectors such as tourism, manufacturing and agriculture, as well as for specific commodities like rice and palm oil.

"It can be industry-specific or for a number of industries. It can be one province or scattered over two provinces. It can be a project-specific SEZ. We are open [to all these options]," he said.

Approvals begin

Maru noted in his speech that four SEZs have already been approved, and said that up to seven more were expected by the end of 2025.

He said the Paga Hill SEZ in Port Moresby, the first to be licensed, was looking to attract K10 billion in investments, including for apartments, hotels, a hospital and a casino – all of which will be eligible for 10-year tax holidays.

"If you're in a [special economic] zone and you build an office complex, you get a 10-year tax holiday. If you build a private hospital, you get a tax holiday," he elaborated.

The Sea Park development in Port Moresby has already received an SEZ licence.
Credit: BAI

Other approved SEZs include:

- Sea Park, a K2.2 billion mixed-use development between Port Moresby's Paga Hill and Ela Beach, which is expected to generate 700 new jobs;
- Pacific Lime and Cement's Central Cement and Lime Project (see page 42), which Maru said would receive a 10-year tax holiday and 15 years of tariff protections to shield it from competition from imports; and
- a provisional licence at an industrial park being developed at Caution Bay by Kumul Petroleum Holdings (see page 22), which is expected to create 800 jobs.

WE'VE LEARNED OUR LESSONS ... PNG IS OPEN FOR BUSINESS.

The Caution Bay SEZ will meet PNG's steel fabrication requirements, reducing the need to import from other countries, according to Maru.

"We are envisioning one day that our young people who will be trained up in that facility will be working all over the world," he said. "We are now negotiating with a company to come in and manufacture steel in that SEZ."

Open plan

Noting that there is a pipeline of major resources projects pending final investment decisions, Maru predicted that PNG would enjoy annual economic growth of 5 per cent for "a very long period of time."

"To those of us who have been with us in the difficult times: it's only going to get better, [so] make your move now, when the opportunities are here," he said.

"We will go all out to help you, including the government putting in equity to mitigate your investment risk, but also to show full support for your investment."

With PNG's government looking to be more proactive, Maru insisted the outlook for investors was positive: "We've learned our lessons … PNG is open for business. We are going to be a more aggressive, more diligent and more attractive economy." ◆

Women aiming high in PNG's mining sector

Women are playing an increasingly important role in PNG's mining sector, and a new committee launched in 2025 is aiming to increase their representation further. *Business Advantage PNG* speaks with two of the leading female pioneers in the industry.

By Mary Tao

The Porgera gold mine stood idle for almost four years until operator Barrick Niugini Limited (BNL) reached a deal with the PNG government to reopen the mine in 2023 under a new joint venture, New Porgera Limited (NPL).

When Karo Maha, a commercial lawyer with more than two decades of experience in the extractives sector, was appointed BNL's country manager in October 2022 (and NPL's country manager in January 2024), she immediately found herself at the centre of these negotiations.

"We have mutual interests. Barrick wanted the mine to restart and Papua New Guinea needed the mine to restart," Maha says.

Maha, the first ever female country manager of a PNG mining company, took on the task of face-to-face negotiations with Porgera landowners, which came with its own difficulty due to the strong patriarchal beliefs in the area.

"It was very challenging for the Porgeran men to see me standing up in the front and for them to look past the fact that I was a woman," Maha recalls.

"[For] the first couple of sessions, amongst other things, it was getting them to overlook this and focus on the reasons for the meeting."

As the negotiations progressed, Maha says, "I also came to understand how Porgerans behave – how they think, how they negotiate – and I was able to find my voice."

Transferrable skills

Another female trailblazer is Jemimah Kutkue, Advisor – Geotechnical Projects at Newmont's Lihir gold mine.

Kutkue previously worked in PNG's civil and construction sector before joining Lihir as a geotechnical engineer five years ago. She found that she was able to apply her technical skills just as easily in the pit as she could on construction sites, enabling her promotion to a supervisory role.

"Geotech engineers look after the safety of mine operations by assessing ground conditions, monitoring rock and soil behaviour, and identifying geohazards such as slope failure or rock fall," Kutkue says.

"We manage a monitoring system made up of instruments and equipment installed in the pit, and carry out inspections to ensure slope stability."

Like many women in operations roles, Kutkue works mostly alongside men.

"It can be intimidating sometimes. You will see in this environment that there are a lot of male colleagues," she says.

Lihir mine's Jemimah Kutkue.
Credit: Newmont PNG

"My advice is to be confident, cultivate resilience, have a strong work ethic, and always seek opportunities to grow your skills and knowledge. When you know your field well, you earn respect and your contributions are acknowledged."

Looking ahead, Kutkue hopes to see more mining, oil and gas companies visit high schools and universities across PNG to encourage girls and young women to pursue careers in fields that involve science, technology, engineering and mathematics. ◆

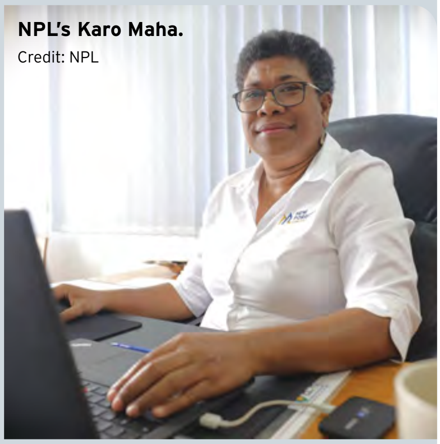
PNG'S WOMEN IN RESOURCES & ENERGY COMMITTEE

PNG's extractives sector employs more than 30,000 people. While there is no official data on what percentage of the workforce is female, it is clear women are under-represented in the workforce.

In August 2025, the Women in Resources & Energy Committee was launched under the auspices of the PNG Chamber of Resources and Energy, with New Porgera Limited's Country Manager Karo Maha named as its inaugural chairperson.

The committee's goals include:

- Getting more women into STEM (science, technology, engineering and maths) education;
- getting more women in leadership positions;
- providing solutions to barriers that may hinder women's progress; and
- abolishing PNG's 1977 prohibition on women working underground.



NPL's Karo Maha.
Credit: NPL

Motukea International Terminal outside Port Moresby.
Credit: ICTSI

Port operator invests heavily as economy strengthens

ICTSI South Pacific operates the international shipping terminals at Lae and Port Moresby (Motukea). In this interview with Nadav Shemer Shlezinger, CEO Robert Maxwell shares how it is investing for PNG's resources pipeline and anticipated economic growth.

Nadav Shemer Shlezinger (NS): Can you provide an update on trade volumes and key drivers?

Robert Maxwell (RM): Imports are up 13 per cent year on year and exports are up 9 per cent year on year [to September 2025].

Lae, the export hub of PNG for agriculture and extractive exports, recorded an 11 per cent increase in export laden year on year, driven by strong growth in coffee and cocoa shipments and the reopening of the Porgera mine.

ICTSI's South Pacific International Container Terminal in Lae, which handles over 50 per cent of PNG's cargo. Adjacent to the terminal, ICTSI's landlord, PNG Ports Corporation, is developing the 45-hectare Lae Port Industrial Park to cement Lae's status as PNG's major logistics and industrial hub. Its intent is to apply for Special Economic Zone status for the park to make locating there more attractive for investors.
Credit: ICTSI

With coffee and cocoa prices at all-time highs, farmers are earning more for the same volume of exports. This boost in income strengthens their purchasing power, leading to increased demand for consumer goods and food and beverage products.

The increase in imports is also supported by improved foreign exchange availability, a strengthening economy fuelled by anticipation of the Papua LNG project, and ongoing expansion in the mining sector.

NS: Where is ICTSI focusing its investments?

RM: Two new ship-to-shore (STS) cranes were commissioned in Lae in January 2023, marking a new era of enhanced productivity. Their deployment has significantly reduced vessel port stays, enabling larger and gearless ships to call Papua New Guinea — a key enabler of trade efficiency and economic growth.

In October 2023, two additional hybrid Mitsui rubber-tyred gantry (RTG) cranes were deployed in Lae, expanding the fleet to a total of five units. These cranes not only enhance container handling capacity and reduce truck turnaround times but also support greener operations – achieving up to 60 per cent savings in diesel consumption.

To enhance equipment reliability, an additional mobile harbour crane was commissioned at Port Moresby's Motukea International Terminal in December 2024, increasing MIT's [Motukea International Terminal] total crane fleet to three.

NS: What further investments are planned?

RM: A 240 metre quay extension at the Lae Tidal Basin will support future growth and vessel calls. As part of this project, an additional STS crane will be procured, bringing the total number of STS cranes in Lae to three.

Dedicated fire trucks have been procured for both terminals, each equipped with both dry chemical and foam fire extinguishing systems to ensure comprehensive fire safety coverage.

A long-term power supply solution is also being studied at Lae, with a battery energy storage system identified as a potential option to enhance reliability and operational continuity.

Additionally, a major refurbishment of the administrative office in Lae is underway to modernise facilities and ensure operational readiness through to the end of the [25-year] concession period.

MIT will transition to rubber-tyred gantry (RTG) operations with the deployment of four RTGs, aimed at improving yard efficiency and space optimisation.

THE ANTICIPATED FID FOR PAPUA LNG IS EXPECTED TO CATALYSE SIGNIFICANT ECONOMIC ACTIVITY.

NS: What do you see as the opportunities for growth?

RM: The anticipated FID [final investment decision] for Papua LNG is expected to catalyse significant economic activity. However, the timing remains uncertain, with potential delays posing implications for associated infrastructure development, investment planning, and economic momentum.

Additionally, we have seen the reopening of the Porgera mine in December 2024, K92 Mining is actively expanding its Kainantu operations, Pasca A (Papua New Guinea's first offshore gas project) is on track for FID in early 2026, and the Wafi-Golpu project is also in the pipeline. ◆

Swire Shipping readies for long-term growth

Despite global headwinds, Swire Shipping CEO Jeremy Sutton says its investments in ships and people have put the regional shipping powerhouse in a strong position to capitalise on long-term growth in PNG's economy.

By Paul Chai

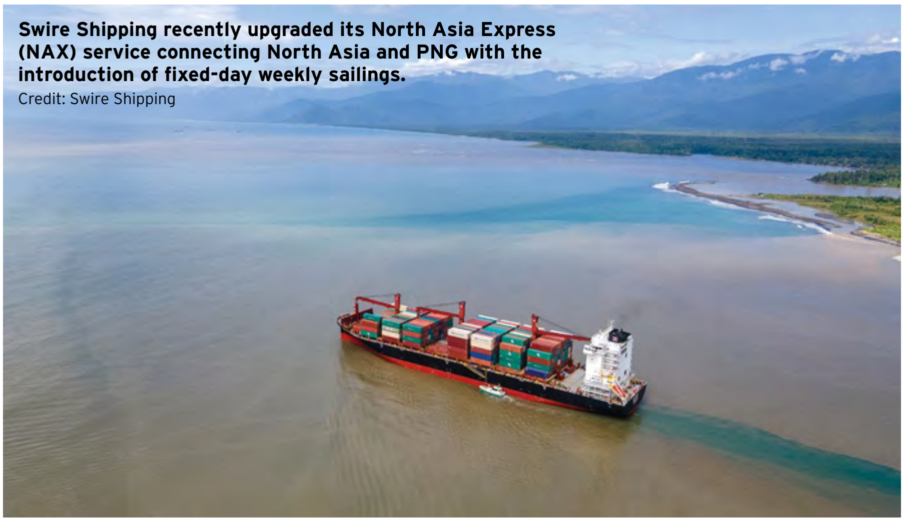
With final investment decisions [FIDs] on the horizon for key resources projects, it raises the prospect of higher demand for shipping into and out of PNG.

Swire Shipping's liners serve more than 400 ports in the Asia-Pacific, including 14 in PNG.

CEO Jeremy Sutton tells *Business Advantage PNG* that the industry is currently under unique pressures, with geopolitical tensions sending costs for building ships, chartering ships and filling containers to "the highest I've ever seen."

However, he remains positive about Papua New Guinea.

"With the LNG and gas projects, we are seeing some early physical shipment of cargo and fixing of contracts. We are optimistic that this bodes well for the FID and I think we are ready to go," he says.



Swire Shipping recently upgraded its North Asia Express (NAX) service connecting North Asia and PNG with the introduction of fixed-day weekly sailings.
Credit: Swire Shipping

Swire's readiness is the result of years of investment in all elements of the business.

"We make sure that our import shipping services are continuing to get better and better," Sutton says.

"We have increased our frequency of services into PNG, Australia, southeast Asia and north Asia."

Putting people on the ground

Swire has also invested heavily in having its own people on the ground in PNG to maintain close relationships with its customers in the region.

"In the last 10 years, since the last natural resources boom, we have built a team of our own Swire Shipping people," he says.

"We have approximately 100 people in PNG. We have our own container depot with our own people that attend training courses for Swire Shipping locally in PNG. We also have quite a lot of interchange between our teams in Singapore, Australia, New Zealand, and PNG, and rotate our managers, both our senior PNG managers and foreigners, through those Swire shipping jobs."

Capacity

Historically, PNG has had issues around shipping capacity, but Sutton says that Swire has learned from past experiences.

"We have the largest ships calling into PNG at the moment and we can upsize our ships to create more capacity," he says. "It's a lot easier to scale up and scale down capacity when you've got structural solutions in place, which we didn't have back in 2014."

He says the company will also be reviewing new ships "in the next year or two" to service the PNG market "beyond the short-term boom we hope to see." ◆

AIR NIUGINI RECEIVES FIRST A220

Air Niugini's 'People's Balus' arrives in time for 50th Independence Day celebrations.

By Charlotte Armstrong

Air Niugini welcomed the arrival of its first Airbus A220 – dubbed 'the People's Balus', after the Tok Pisin word for aeroplane – on the eve of Papua New Guinea's 50th anniversary of independence on September 16.

The People's Balus is the first of 11 new A220s arriving as part of Air Niugini's refleeting operations.

The A220s will initially replace the airline's long-serving Fokker 100/70 fleet on domestic routes, and eventually the Boeing 737s as well.

Following the arrival of the People's Balus, Air Niugini anticipates the delivery of the second and third aircraft before the end of the year.

While the initial focus is to upgrade domestic services, the A220 is also capable of servicing all Air Niugini international destinations, as well as some potential new routes.

In preparation for the A220's integration, Air Niugini has invested in extensive training programs for its pilots, engineers, cabin crew and ground staff.

Captain Beverly Pakii made history as the first Papua New Guinean to achieve command on the A220, completing her training with distinction at the Airbus facility in Montreal last November.

Monier has been in the construction business in PNG since well before independence.
Credit: Monier

Construction giant targets resources sector

Monier Limited has been producing and supplying construction materials in PNG since 1958. Its General Manager Matthew McLachlan tells *Business Advantage PNG* why it is paying increasing attention to the resources sector.

By Paul Chai

A need to diversify in the face of a volatile construction sector has seen Monier Limited pay more attention to the mining and gas sectors.

"Cashflow has certainly been a challenge. The construction industry in general is very up and down," Matthew McLachlan, Monier's General Manager, tells *Business Advantage PNG*.

"The sooner these bigger [resources] projects kick in, the better the economy will be. These projects are needed to stimulate things. We geared up for [TotalEnergies' Papua LNG project] a number of years ago."

> THE SOONER THESE BIGGER [RESOURCES] PROJECTS KICK IN, THE BETTER THE ECONOMY WILL BE.

History with resources sector

Monier, a member of the Constantinou Group of Companies, is PNG's largest producer, supplier and distributor of construction materials and building products.

While the construction sector remains its "bread and butter", the resources sector is not a completely unknown quantity for Monier.

"We are already doing work for some of the mines," McLachlan says. "We have got a mobile batching plant up at Kainantu and we had a contract with [steel fabrication and building firm] Hornibrook there, too. Recently, we got another contract with K92 to do with their expansion."

Monier has also been contracted for some of the early works at TotalEnergies' Papua LNG project, McLachlan notes, and has previously supplied aggregates to ExxonMobil's PNG LNG project.

Unique structure

According to McLachlan, Monier's unique structure puts it in a strong position to service the upcoming pipeline of major resources projects.

Its sister companies in the Constantinou Group include Hebou Constructions, Lamana Development and Central Sand Supplies, which together offer a full suite of building solutions.

"Our focus on ISO accreditation and having those high standards and good discipline in place is also important for us," McLachlan says.

Also key for Monier's goals is its investments in its people.

"It is important to get the right people, but we also make sure that we invest in upskilling them," McLachlan says.

"When I first started at Monier as a concrete plant manager, we had about 40 expats and now we are down to just 16. We have trained the local staff to be leaders, and that is good for those guys and good for PNG." ◆

From a single vehicle to a major PNG services firm

Maino Lucas shares how the business he founded in 2020 has grown from a single contract at Ok Tedi copper-gold mine into a major construction, equipment and services firm with a reach across PNG and into Australia.

By Paul Chai

Just five years ago, Maino Lucas founded Kayop Group with a single contract to supply a light vehicle to Ok Tedi Mining Ltd (OTML) in Western Province. Today, the business he founded boasts around K40 million in assets, has a workforce of more than 300 people, and provides construction equipment and services to Ok Tedi and beyond.

Lucas credits his company's success to OTML giving opportunities to local businesses to become involved with and share in the mine's wealth. However, he says the growth has not been without challenges.

"We are in the construction business and dealing with a lot of heavy equipment that is not available in the country, so we have a lot of logistical nightmares," he told the 2025 Business Advantage PNG Investment Conference.

"Not least is the devaluing of the kina, which is making it very expensive to operate in the remote parts of the country."

Kayop Group's Maino Lucas.
Credit: BAI/Stefan Daniljchenko

Lucas is also Deputy Chair of Milum Services, a landowner company that is also closely linked to OTML. Milum employs more than 600 people and has K250 million portfolio of hospitality investments in PNG and Australia. Among these investments is a fleet of three aircraft recently purchased from and contracted back to OTML.

The "Ok Tedi way" of empowering local businesses has also benefitted other landowner groups, Lucas says.

"It clearly shows that if we empower people properly, we can excel," Lucas says.

IF WE EMPOWER PEOPLE PROPERLY, WE CAN EXCEL.

Skills surplus close to home

While OTML's board recently approved an extension of mine life from 2033 to 2050 (see page 26), Lucas is looking beyond Ok Tedi for the Kayop Group's future. He sees great potential in closer ties between Australia and PNG.

"How do we make sure sustainable growth is maintained beyond the life of the mine?" Lucas says. "Let's try and create something that is more permanent."

"We have a lot of skills here in PNG," he says, delivering a message both to the Australian mining industry and to other mines in PNG: "Why are you looking to the Philippines? Why are you going overseas? Come to your brother next door. We have a lot of skills to deliver to you." ◆

Credit: Kayop Group

THE INSIDE VIEW: ISIKELI TAUREKA, CEO, TURRA HOLDINGS

CEO Isikeli Taureka shares his vision for developing Turra Holdings into a world-class engineering procurement and construction business servicing PNG's resources sector.

Turra Holdings was established in November 2022 as a joint venture between Hides Gas Development Corporation, which is the umbrella landowner company [landco] in the Hides gas field, and Laba Holdings Limited, the umbrella landowner company at the PNG LNG plant site.

We were established at the suggestion of ExxonMobil, who want to see landcos moving higher up the value chain to perform technical services.

Right now, we are executing low- to medium-complexity projects and are developing relationships with regional and global EPC [engineering, procurement and construction] entities to learn from them and move up the knowledge curve.

Quite a few companies in PNG do the E, the P or the C, but Turra is the only nationally owned EPC in the oil and gas landscape that does the lot.

Over many years, landcos have achieved maturity and success in activities such as labour hire, security, logistics, camp services, transportation and equipment hire.

Turra has gone beyond that and has entered a new arena, into what I call tier-one activities: offering services higher up the value chain.

Our landowner cooperation model is different – when we are assigned a project by a resource developer, we go in early and work with the local landco groups to ensure they maximise their project participation.

We stay at the project management level and help them establish traditional landco service offerings.

Importantly, we also train and develop landcos, so that when we exit a project, they have systems, processes and organisational capability to sustain their businesses.

Blue waters ahead for multinational shipping firm

Blue Water Shipping has established itself as a key logistics provider to PNG's resources sector. Its Country Manager Nick Walsh explains how.

By Charlotte Armstrong

The opportunities to serve PNG's resources sector were a key driver behind multinational Blue Water Shipping's decision to enter the Papua New Guinean market in 2021.

"Given [PNG's] proximity to Australia and also its propensity for project work, it was a natural choice," Nick Walsh, Blue Water's PNG Country Manager, tells *Business Advantage PNG*.

The Danish-headquartered firm's first major contract in PNG was at Newmont's Lihir gold mine, where Blue Water is currently moving around 15,000 twenty-foot equivalent units worth of supplies into the site each year, according to Walsh.

Outside of the resource sector, Blue Water also provides "freight of all kinds" services between Port Moresby and Lae and Brisbane and Asian ports.

Pipeline of work

Outside of Lihir, Blue Water Shipping is currently negotiating contracts to provide services to other resources projects in PNG.

Walsh says the large pipeline of projects awaiting final investment decisions, including Papua LNG, represents an "exciting" opportunity not only for Blue Water but for the entire logistics sector.

"We are [already] seeing some engagement from the EPC contractors…it's not just Blue Water Shipping, it's the entire logistics market that's been contacted," he says.

Getting settled in PNG

Walsh himself has extensive experience in PNG, having spent six years in senior logistics and procurement roles at Lihir and the Wafi-Golpu copper-gold project prior to joining Blue Water in November 2024.

He says logistics firms face a variety of challenges in PNG. The best things firms like his can do to mitigate these challenges is "picking the right people."

"PNG has always been a place where having that local knowledge and understanding is really important. That's our foundation, as we understand what the projects want and how they want it delivered." ◆

A Blue Water Shipping chartered vessel operating at Newmont's Lihir project in New Ireland Province, with Sanambiet and Mali islands in the background.

Credit: Blue Water Shipping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