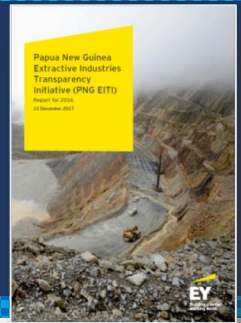


# PNG EXTRACTIVES MINING AND OIL & GAS PAYMENTS



BASED ON THE FOURTH PNGEITI REPORT FY2016

## CORPORATE INCOME TAX- RECONCILIATION OF CORPORATE INCOME TAX PAYMENTS

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	5,755,124	5,932,124	-177,000	-2.98%
Anomaly Ltd	Not reported	Not reported	NA	NA
Eda Oil Ltd	0	0	0	0.00%
ExxonMobil PNG Ltd	3,208,867	17,355,151	-14,146,284	-440.85%
Hidden Valley JV	0	0	0	0.00%
JX Nippon (and subsidiaries)	587,918	0	587,918	NA
Kumul LNG Ltd	0	0	0	0.00%
Kumul Mineral Holdings Ltd	0	0	0	0.00%
Kumul Petroleum Holdings Ltd	0	15,199,361	-15,199,361	0.00%
Lihir Gold Ltd	0	0	0	0.00%
Mineral Resources Development Co. Ltd	0	12,804,156	-12,804,156	0.00%
MCC Ramu NiCo Ltd	0	0	0	0.00%
Niuminco Edie Creek Ltd	0	Not reported	0	0.00%
Oil Search Ltd	37,048,685	37,395,570	-346,885	-0.94%
Ok Tedi Mining Ltd	0	0	0	0.00%
Ramu Nickel Ltd	0	0	0	0.00%
Santos Ltd (and subsidiaries)	0	Not Reported	0	NA
Simberi Gold Co. Ltd	0	0	0	0.00%
<b>Total</b>	<b>46,600,594</b>	<b>88,686,362</b>	<b>-42,085,768</b>	<b>-90.31%</b>

## DIVIDENDS- RECONCILIATION OF DIVIDEND PAYMENTS TO TREASURY

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Kumul Mineral Holdings Ltd	0	0	0	0.00%
Kumul Petroleum Holdings Ltd	100,000,000	100,000,000	0	0.00%
Ok Tedi Mining Ltd	100,500,000	100,500,000	0	0.00%
<b>Total</b>	<b>200,500,000</b>	<b>200,500,000</b>	<b>0</b>	<b>0</b>

## INFRASTRUCTURE TAX CREDIT SCHEME- RECONCILIATION OF ITCS SPENT ON PROJECTS IN 2016 REPORTED BY COMPANIES AND DNPM

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	6,370,964	12,407,785	-6,036,821	-94.76%
Lihir Gold Ltd	16,529,925	16,529,928	-3	0.00%
Oil Search Ltd	100,878,588	82,087,624	18,790,964	18.63%
Ok Tedi Mining Ltd	11,765,000	0	11,765,000	100.00%
<b>Total</b>	<b>135,544,477</b>	<b>111,025,337</b>	<b>24,519,140</b>	<b>18.09%</b>

## INFRASTRUCTURE TAX CREDIT SCHEME- RECONCILIATION OF ITC OFFSETS REPORTED BY COMPANIES AND IRC

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	37,847,830	37,847,829	1	0.00%
Lihir Gold Ltd	1,268,721	1,259,495	9,226	0.73%
Oil Search Ltd	3,229,092	15,627,331	-12,398,239	-383.95%
<b>Total</b>	<b>42,345,643</b>	<b>54,734,655</b>	<b>-12,389,012</b>	<b>-29.26%</b>

## ROYALTIES- Reconciliation of mining royalty payments paid to landholders

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	19,729,776	19,728,905	871	0.00%
Anomaly Ltd	Not reported	0	NA	NA
Hidden Valley JV	7,091,349	8,708,136	-1,616,787	22.80%
Lihir Gold Ltd	6,807,774	6,807,774	698,778	5.00%
MCC Ramu NiCo Ltd	1,378,481	1,411,926	0	0.00%
Niuminco Edie Creek Ltd	0	0	0	0.00%
Ok Tedi Mining Ltd (OTML)	3,126,046	3,126,046	79,034	0.53%
Simberi Gold Co. Ltd	832,254	832,254	429,320	5.94%
<b>Total</b>	<b>63,039,258</b>	<b>63,448,042</b>	<b>-408,784</b>	<b>0.65%</b>

## ROYALTIES- Reconciliation of mining royalty payments paid to Local and Provincial Government

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	19,729,776	19,728,905	871	0.00%
Anomaly Ltd	Not reported	0	NA	NA
Hidden Valley JV	6,713,895	8,154,776	-1,440,881	-21.46%
Lihir Gold Ltd	55,902,258	55,902,258	0	0.00%
MCC Ramu NiCo Ltd	0	0	0	0.00%
Niuminco Edie Creek Ltd	0	0	0	0.00%
Ok Tedi Mining Ltd (OTML)	8,714,540	8,239,625	474,914	0.53%
Simberi Gold Co. Ltd	0	755,207	-755,207	0.00%
<b>Total</b>	<b>91,060,469</b>	<b>92,780,771</b>	<b>-1,720,303</b>	<b>-1.85%</b>

**GROUP TAX- Partially reconciled group tax 2016**

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	104,217,019	99,493,185	-4,723,834	-4.75%
Anomaly Ltd				
ExxonMobil PNG Ltd	139,517,936	139,517,936	0	0.00%
Hidden Valley JV		2,604,485		
JX Nippon		0		
Kumul Consolidated Holdings (KCH)		6,063,300		
Kumul Mineral Holdings (KMH)		6,730,913		
Kumul Petroleum Holdings (KPH)		1,621,328		
Lihir Gold Ltd	114,013,845	114,435,036	421,191	0.37%
Mineral Resources Development Co. Ltd		17,960		
MCC Ramu NiCo Ltd		29,123,871		
Niuminco Edie Creek Ltd		0		
Oil Search Ltd	85,235,874	88,020,767	2,784,893	3.16%
Ok Tedi Mining Ltd (OTML)	53,313,739	53,313,739	0	0.00%
Ramu Nickel Ltd		0		
Santos Ltd (and subsidiaries)		0		
Simberi Gold Co. Ltd		13,508,151		
<b>Total</b>	<b>496,298,413</b>	<b>554,450,671</b>	<b>58,152,257</b>	<b>10%</b>

**OTHER TAXES (not reconciled)- ► Foreign contractor withholding tax 295, ► Business payments tax ► Dividend withholding tax ► Interest withholding tax ► management fee withholding tax ► Royalty withholding tax ► Other taxes**

Company	Amount reported received (PGK)
Barrick (Niugini) Ltd	2,274,833
Eda Oil Ltd	797,219
ExxonMobil PNG Ltd	28,900,408
JX Nippon	762,858
Kumul Petroleum Holdings (KPH)	499,230
Lihir Gold Ltd	10,495,931
MCC Ramu NiCo Ltd	38,889
Oil Search Ltd	17,849,922
Ok Tedi Mining Ltd (OTML)	12,710,225
Simberi Gold Co. Ltd	600,898
<b>Total</b>	<b>74,930,413</b>

**MRA TENEMENT FEES (not reconciled)- Fees paid to MRA (unilaterally disclosed by MRA)**

Company	Amount reported received (PGK)
Alluvial levies	879,976
Applications, renewal, renewal penalty, transfer and dealings fees (only related to mining - SML, ML, AML)	1,324,625
Mine security fees (SML, ML, AML)	166,800
Mining lease fees (SML, ML, AML Rentals)	500,552
Exploration security deposits	414,000
Exploration licence rentals	4,281,650
Exploration applications, extensions, extension late fees, transfer and dealing fees	855,900
<b>Total</b>	<b>8,423,503</b>

**PRODUCTION LEVY- Reconciliation of production levy**

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Barrick (Niugini) Ltd	4,088,868	4,088,868	0	0.00%
Anomaly Ltd	Not reported	0	NA	NA
Hidden Valley JV	1,310,873	1,310,873	0	0.00%
Lihir Gold Ltd	6,807,774	6,807,774	0	0.00%
MCC Ramu NiCo Ltd	1,378,481	1,411,926	-33,445	-2.43%
Niuminco Edie Creek Ltd	Not reported	0	NA	NA
Ok Tedi Mining Ltd (OTML)	3,126,046	3,126,046	0	0.00%
Ramu Nickel Ltd	0	Not reported	NA	NA
Simberi Gold Co. Ltd	832,254	832,254	0	0.00%
<b>Total</b>	<b>17,544,296</b>	<b>17,577,741</b>	<b>-33,445</b>	<b>0.19%</b>

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# PNG EXTRACTIVES OIL AND GAS PAYMENTS 2016



BASED ON THE FOURTH PNGEITI REPORT FY2016

## EQUITY DISTRIBUTIONS- Equity distributions are payments received by SOEs as a percentage of profits received from joint ventures, in proportion to ownership stake.

Company	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
Oil Search Ltd (shares)	23,396,040	822,349	22,573,691	96.49%
PNG LNG (GloCo equity distribution)	N/A	293,367,300	N/A	N/A
PDL 1 GTE project	N/A	9,564,886	N/A	N/A
<b>Total</b>	<b>23,396,040</b>	<b>303,754,535</b>	<b>N/A</b>	<b>N/A</b>

## DEVELOPMENT LEVY- Reconciliation of development levy

Company	Receiving Entity	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
ExxonMobil PNG LNG	DPE/BPNG	62,263,184	0	62,263,184	100.00%
Oil Search Ltd	DPE	7,426,446	7,425,972	474	0.00%
<b>Total</b>		<b>69,689,630</b>	<b>7,425,972</b>	<b>N/A</b>	<b>87.47%</b>

## OIL AND GAS ROYALTIES- Reconciliation of oil and gas royalty payments

Company	Receiving Entity	Amount reported paid (PGK)	Amount reported received (PGK)	Variance (PGK)	Variance (%)
ExxonMobil PNG LNG	DPE/BPNG	10,761,294	0	10,761,294	100.00%
Oil Search Ltd	DPE	26,327,822	26,318,196	9,626	0.00%
<b>Total</b>		<b>37,089,116</b>	<b>26,318,196</b>	<b>10,770,920</b>	<b>29.04%</b>

## SHARE OF SALES (not reconciled)-These are the sales proceeds derived from the joint marketing of LNG by venture partners in the PNG LNG project.

Company	Amount reported received (PGK)
Eda Oil Ltd	27,783,295
Kumul LNG Ltd	9,271,196
Kumul Petroleum Holdings Ltd	523,032,100
Mineral Resources Development Corporation Ltd	278,110,736
<b>Total</b>	<b>838,197,327</b>

## DPE LICENCE FEES (not reconciled)- Licence fees and other application fees are paid by the oil and gas industry to DPE.

These may include fees related to the following licences: ► Petroleum Development Licence (PDL) ► Petroleum Retention Licence (PRL) ► Petroleum Prospecting Licence (PPL) ► Petroleum Processing Facility Licence (PPFL)

DPE provided the total licencing fees paid by the oil and gas industry for 2016 **PGK3,302,054**

## ADDITIONAL PROFITS TAX- The additional profits tax is applicable to gas projects only

These may include fees related to the following licences: ► Petroleum Development Licence (PDL) ► Petroleum Retention Licence (PRL) ► Petroleum Prospecting Licence (PPL) ► Petroleum Processing Facility Licence (PPFL)

JX Nippon reported paying PGK471,647 in additional profits tax for 2016. The IRC stated that they did not receive any additional profits tax for JX Nippon in 2016.

## ENVIRONMENT PERMIT FEES (not reconciled)

There were no oil and gas decommissioning bonds or mine closure bonds received or managed during the reporting period. During 2016, the development of the Environmental Bond Policy work was initiated by CEPA.

Environmental permit fees are paid by mining and oil and gas entities to CEPA. The total fees reported by CEPA for the 2016 were PGK3,811,837.

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# PNG EXTRACTIVES SOCIAL PAYMENTS 2016

BASED ON THE FOURTH PNGEITI REPORT FY2016



## MANDATORY AND DISCRETIONARY SOCIAL EXPENDITURE reported for the 2016 reporting period

Mine operator (mine)	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
Lihir Gold Ltd (Luise Caldera mine, Lihir)	62,752,174	36,221,435
Barrick (Niugini) Ltd (Porgera mine)^	37,887,974	1,462,087
Hidden Valley Joint Venture (Hidden Valley mine)^	2,004,394*	462,052
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	1,178,749	100,187
Simberi Gold Company Ltd (Simberi mine)	536,903	305,974
Niuminco Edie Creek Ltd (Edie Creek mine)	0	20,000
Anomaly Ltd (Mt Crater mine)	Not Received	Not Received
Oil and gas	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
Oil Search (operator oil projects)^	0	43,407,000
ExxonMobil PNG (operator PNG LNG)	0	80,079,400
JX Nippon (and subsidiaries)	0	0
Santos Ltd (and subsidiaries)	0	0
State-owned enterprises	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
Ok Tedi Mining Ltd (Mt Fubilan mine)^	79,584,000	97,000
Mineral Resources Development Company Ltd (MRDC)	0	736,324
Kumul Mineral Holdings (KMH)	0	0
Kumul Petroleum Holdings (KPH)	0	0

\* The amount of PGK1,492,007 was reported by Hidden Valley Joint Venture under discretionary social expenditure. However, since it was described as being for 'Benefit share agreement', it has been reallocated as mandatory social expenditure according to the EITI Standard (6.1a).

## SOCIAL EXPENDITURE DURING EXPLORATION AND DEVELOPMENT PHASE

Extractive companies not yet producing saleable product are not considered material for PNG EITI reporting purposes. However, many social payments are negotiated and made during these phases of project development. On such case study is an example of the scale of social payments made by Nautilus Minerals (Niugini) Ltd during the exploration phase in 2016. As a part of Nautilus' corporate social responsibility, the Nautilus CARES program has been established to deliver a number of initiatives in 2016. During the reporting period, social expenditures reported by Nautilus Minerals (Niugini) Holdings Ltd primarily in New Ireland totalled PGK1,497,351.160.

## PAYMENTS SUMMARY of revenue streams reported

Revenue Stream	Reconciled/Unilateral	Receiving Entity	Amount reported paid (PGK)	Amount reported received (PGK)	Variance	Variance (%)
Production levy	Reconciled	MRA	17,544,297	17,577,741	-33,444	-3344500%
MRA fees	Unilaterally declared (MRA)	MRA	NA	8,423,503	NA	NA
Development levy	Reconciled	Finance (via DPE)	69,689,630	7,425,972	62,263,658	89.34%
Licence fees	Unilaterally declared (DPE)	DPE	NA	3,302,054	NA	NA
Additional profits tax	Reconciled	IRC	471,647	0	471,647	100.00%
Equity distributions	Unilaterally declared (KPH)	KPH	NA	302,932,186	NA	NA
Equity distributions (Oil Search shares)	Reconciled	KPH	23,396,040	822,349	22,573,691	96.00%
Share of sales	Unilaterally declared (SOEs)	State partners in PNG LNG	NA	560,086,591	NA	NA
Mandatory social expenditure	Unilaterally declared (companies)	NA	183,431,808	NA	NA	NA
Discretionary social expenditure	Unilaterally declared (companies)	NA	90,372,513	NA	NA	NA
Dividends	Reconciled	State (Treasury)	200,500,000	200,500,000	0	0.00%
Group tax	Partially reconciled	IRC	496,298,414	554,450,671	-58,152,257	10.00%
Corporate income tax	Reconciled	IRC	46,600,594	88,686,362	-42,085,768	-90.31%
Infrastructure tax credits (offset against income tax payable)	Reconciled	IRC	42,345,643	54,734,655	-12,389,012	-29.26%
Infrastructure tax credits	Reconciled	DNPM	135,544,477	111,025,337	24,519,140	18.09%
Other taxes	Unilaterally declared (IRC)	IRC	NA	75,893,055	NA	NA
Special support grants	Unilaterally declared (Treasury)	Provincial governments, special purpose authorities	14,700,000	NA	NA	NA
Environmental permit fees	Unilaterally declared (CEPA)	CEPA	NA	3,811,837	NA	NA
Royalties	Reconciled	DPE, MRA, landowners, and, subnational governments	191,188,843	182,547,008	8,641,835	4.73%