



**PAPUA NEW GUINEA EXTRACTIVE
INDUSTRIES TRANSPARENCY
INITIATIVE (PNGEITI)**

PNGEITI CONTRACT TRANSPARENCY STUDY REPORT

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Prepared by:



MICHAEL BARRON
Consulting

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ABBREVIATIONS AND ACRONYMS

AML	Alluvial Mining Lease
CSO	Civil Society Organisations
DPE	Department of Petroleum and Energy
EITI	Extractive Industries Transparency Initiative
EL	Exploration Licence
LMP	Lease for Mining Purpose
MAC	Mining Advisory Council
MDC	Mining Development Contract
ME	Mining Easement
ML	Mining Lease
MRA	Mineral Resources Authority
MSG	Multi-Stakeholder Group
PAB	Petroleum Advisory Board
PDL	Petroleum Development Licence
PL	Pipeline Licence
PNG	Papua New Guinea
PNGEITI	Papua New Guinea Extractive Industries Transparency Initiative
PPFL	Petroleum Processing Facility Licence
PPL	Petroleum Prospecting Licence
PRL	Petroleum Retention Licence
SML	Special Mining Lease
SOE	State-Owned Enterprise
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Kuna Taberia Kiruwi Accountants & Advisors (KTK), Michael Barron Consulting Ltd and Engaged Consulting Ltd (the Consultants) prepared this report for Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI). The Consultants were selected after a competitive process. This project is funded by USAID. The overall objective of this report is an assessment of the benefits, challenges, risks and opportunities of contract transparency in PNG's oil, gas and mining sectors.

PNG is a resource rich country with well-developed oil, gas and mining sectors, and produces gold, nickel, silver, cobalt, oil and gas. The extractive industries account for almost 30% of GDP, nearly 90% of exports and around 10% of government revenues. PNG's extractive sector (both mining and oil and gas) operates under a licencing system. The government issues licences to grant rights to explore for and exploit minerals, oil and gas.

PNG joined EITI in 2014 and published its most recent EITI report in July 2021, covering the year 2019. PNG has, to date, made limited progress on implementing EITI contract transparency requirements.

In the extractive industries, arrangements to explore for, exploit and sell the resulting production are governed by several different types of documents. These can include concession agreements, licences and production sharing contracts. Transparency of these documents facilitates greater understanding of the terms and conditions on which both private and state-owned companies undertake activities.

The preparation for this report, including the stakeholder engagement, occurred during a period when PNG suffered a resurgence of Covid-19. This resurgence saw a sharp rise in cases of Covid-19, hospitalisations and deaths. Several of the organisations with which the Consultants planned to

engage suffered deaths of key members of staff. The Consultants have, therefore, not been able to engage with the range of stakeholders at this stage. In the meantime, the Consultants send their condolences to all those who have lost staff and family members due to Covid-19.

This report focuses on Requirement 2.4 of the EITI Standard 2019. It considers the factors that obstruct PNG's ability to comply with the requirement and what is required to facilitate compliance. As described below (see section 3), Requirement 2.4 concentrates on the contracts that govern exploitation of minerals rather than those contracts that govern exploration activities. This report will, therefore, focus on PNG's system for licencing the exploitation and extraction of oil, gas and minerals.

PNG is currently in partial compliance with Requirement 2.4. A limited amount of information on active licences to exploit oil, gas and minerals is available to the public. Information is also available on the legal framework for awarding licences and the legal barriers to greater transparency. However, the full text of licences and contracts are not available to the public. Also, PNGEITI does not have a comprehensive plan to place to address contract transparency.

As well as legal barriers to contract transparency, the Consultants identified cultural and practical barriers. There appears to be a culture of non-transparency in PNG's extractive sector. Practical barriers stems from the volume of information that would need to be disclosed to meet the EITI Requirement. The Consultants estimate that there are approximately 118 active exploitation licences for oil, gas and minerals. Each licence could require the disclosure of several documents.

The Consultants also identified a number of opportunities to advance contract transparency in PNG. These include the development of a comprehensive plan by PNGEITI, better communication of existing publicly available information and the enactment of a freedom of information law. The Consultants have drafted the outline of a three year roadmap for contract transparency in PNG.

The report provides eight recommendations on actions that can be taken to make progress towards achieving compliance with EITI Requirement 2.4 on contract transparency. These include improvements to existing information systems, better communication and legislative reform.

1. INTRODUCTION

Kuna Taberia Kiruwi Accountants & Advisors (KTK), Michael Barron Consulting Ltd and Engaged Consulting Ltd (the Consultants) are pleased to present this report to Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI) assessing the benefits, challenges, risks and opportunities for contract transparency in Papua New Guinea (PNG). The Consultants' were selected following a competitive process. USAID is funding the project and the Consultants' wish to express their appreciation for its support.

PNG is a resource rich country with well-developed oil, gas and mining sectors and produces gold, nickel, silver, cobalt, oil and gas. The country has historically been a significant copper producer, but production has declined in recent years. The extractive industries account for almost 30% of GDP, nearly 90% of exports and around 10% of government revenues.¹ PNG joined EITI in 2014 and published its most recent EITI report in July 2021, covering the year 2019.

PNG has, to date, made limited progress on implementing Requirement 2.4 in the EITI Standard 2019 on contract transparency. This requirement includes obligations on implementing countries to publish all contracts and licences that come into force or are amended after 1 January 2021 and to produce a list of contracts and licences that are currently in force (see section 3 below).

PNG's extractive sector (both mining and oil and gas) operates under a licencing system. The government issues licences to grant rights to explore for and exploit minerals, oil and gas. As such, the term "contract" is misleading and does not accurately describe the nature of the document that governs these rights and the obligations imposed on companies.

¹ <https://eiti.org/papua-new-guinea>

“Contract transparency” is the widely used term to describe disclosure of the terms and conditions under which extractive activities take place. The term includes contracts, licences and any other documents that sets out the rights and obligations for extractive companies.

In the extractive industries, arrangements to explore for, exploit and sell the resulting production are governed by several different types of documents. These can include concession agreements, licences and production sharing contracts. Transparency of these documents facilitates greater understanding of the terms and conditions on which both private and state-owned companies undertake activities, the value that is accruing to different stakeholders including national government and local communities and, above all, contributes to holding government and companies accountable for the manner in which they exploit the country’s natural resources and the benefits this brings. Specifically, the users of this transparency include citizens, governments and companies.

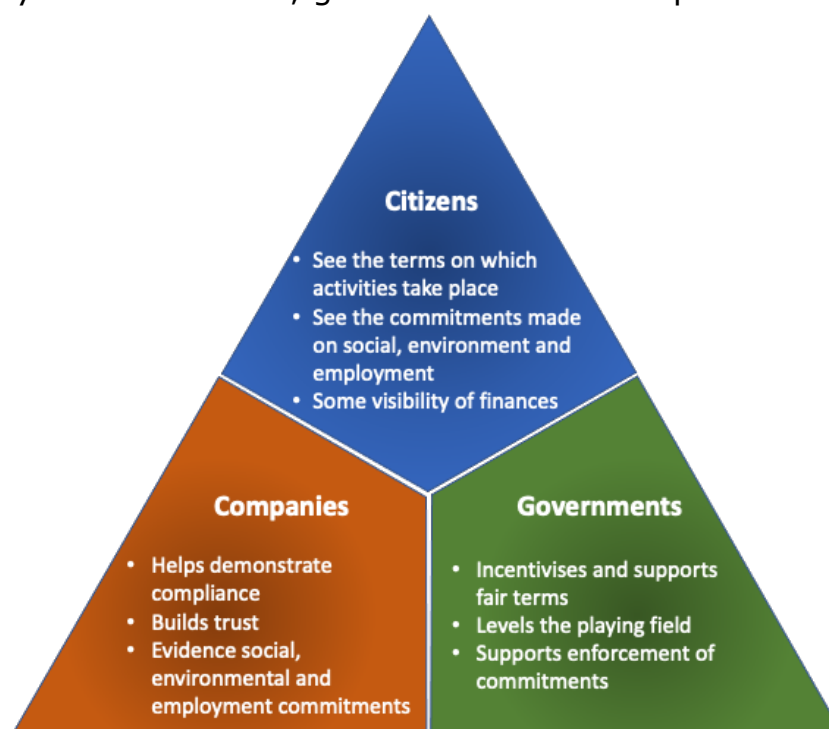


Fig. 1: The users of contract transparency

1.1. Impact of Covid-19

The preparation for this report, including the stakeholder engagement, occurred during a period when PNG suffered a resurgence of Covid-19. This resurgence saw a sharp rise in cases of Covid-19, hospitalisations and deaths. Several of the organisations with which the Consultants planned to engage suffered deaths of key members of staff. Government, private sector and civil society organisations have, rightly, focussed on keeping their staff safe and addressing the direct impacts of the Covid-19 pandemic. As a result, projects such as this one have been accorded a lower priority and received less attention. The Consultants have, therefore, not been able to engage with the range of stakeholders at this stage. In the meantime, the Consultants send their condolences to all those who have lost staff and family members due to Covid-19.

1.2. Scope

This report focuses on Requirement 2.4 of the EITI Standard 2019. It considers the factors that obstruct PNG's ability to comply with the requirement and what is required to facilitate compliance. As described below (see section 3), Requirement 2.4 concentrates on the contracts that govern exploitation of minerals rather than those contracts that govern exploration activities. This report will, therefore, focus on PNG's system for licencing the exploitation and extraction of oil, gas and minerals. The EITI Standard 2019 also contains other provisions relevant to licence transparency, e.g. Requirements 2.2 and 2.3. While these requirements are not the focus of this report, it will consider the implications of these requirements for meeting Requirement 2.4. In addition to contracts and licences directly related to the exploitation of oil, gas and minerals, supplementary documents that are essential for exploitation to occur, such as mining development contracts and land agreements are also in scope.

1.3. Objective

The overall objective of this report is an assessment of the benefits, challenges, risks and opportunities of contract transparency in PNG's oil, gas and mining sectors. This report provides PNGEITI with:

- An assessment of the factors that both inhibit and facilitate contract transparency,
- An assessment of the legal and contractual framework that governs the oil, gas and mining sector in PNG,
- A list of contracts that are in scope for disclosure under Requirement 2.4 of the EITI Standard 2019,
- An analysis of the risks and opportunities related to contract transparency,
- Recommendations that cover measures to address barriers to contract transparency (including a description of potential legal reforms), to capture opportunities to advance contract transparency and harvest the benefits, to mitigate any risks associated with contract transparency and to build awareness amongst stakeholders including parties to contracts and civil society,
- A draft roadmap for contract transparency in PNG including strategy, objectives, tasks and actions, training and stakeholder engagement.

2. METHODOLOGY

The Consultants used a four-stage methodology as described below.

1. **Inception.** A short inception phase consisted of an inception call between the Consultants, representatives of the PNGEITI Secretariat and the EITI International Secretariat. On this call, the priority tasks for the assignment, the project schedule (including deadlines for deliverables), list of stakeholders, key documents and the most effective use of consultant time were agreed.
2. **Desktop review.** The Consultants undertook a thorough review of the following: EITI guidance on contract transparency, all legislation relevant to contract transparency, especially that related to confidentiality, all the different types of contract in scope and currently in force, relevant third party reports and studies on contract transparency such as those produced by Open Contracting. This stage included a gap analysis between current practice, and the 2019 EITI Standard. The findings and draft recommendations from this stage are set out below. The Consultants undertook this stage in parallel with stage 3, Stakeholder Engagement.
3. **Stakeholder engagement.** The Consultants planned to engage with a wide range of relevant stakeholders in PNG, including current and former members of the PNGEITI MSG and Secretariat, representatives of private sector companies and State-Owned Enterprises (SOEs), relevant government officials, and Civil Society Organization (CSO) representatives. Due to the constraints imposed by the resurgence of Covid-19 noted above, a number of these engagements were not possible. All stakeholder interviews were held on a non-attributable basis. A list of organisations interviewed for this report can be found at Appendix B.

3. EITI REQUIREMENTS ON CONTRACT TRANSPARENCY

There are three (3) key provisions in the EITI Standard 2019 relevant to contract transparency. These requirements are:

2.2. on allocation of contracts and licences. This provision requires the disclosure of the process for the allocation or transfer of licences that have occurred during the EITI implementation period. This includes the criteria on which such allocations or transfers were approved.

2.3. on register of licences. The requirement obliges implementing countries to have a public register of licences with timely and comprehensive information on each licence holder and licence area.

2.4 on contract transparency. Under this requirement, PNG is required to disclose contracts and licences that come into force from 1 January 2021 or any existing licence that is amended from that date. PNGEITI is also required to publish a plan for the disclosure of contracts and licences. The requirement also obliges PNGEITI to document the government's policy on contracts and licence transparency including the legal framework for disclosure and any legal provisions that obstruct contract and licence transparency. In documenting the government policy, PNGEITI should also set out the details of any contracts and licences that are already in the public domain. Where the disclosure practice deviates from the government policy or the legal obligations, these deviations should also be documented. Finally, the requirement makes clear that disclosure of a contract or licence includes publishing the full text of the contract and licence as well as the full text of any annexes, addendums, riders or amendments to the contract and licence.

The disclosure of contracts and licences under Requirement 2.4 refers only to those contracts and licences for the exploitation of oil, gas and minerals. It does not require the disclosure of contracts and licences or other permits

for exploration of oil, gas and minerals or for other activities related to the extractive sector e.g. transport of oil, gas or minerals or the onward sale of oil, gas or minerals.

3.1. Gap analysis between EITI Requirements and PNGEITI current situation

Requirement 2.4 has ten (10) mandatory elements and one (1) encouraged (non-mandatory) element. Table 1 below sets out the mandatory requirements in Requirement 2.4, PNG's current practice, an assessment of the level of compliance and actions required to close any gaps.

Table 1: Gap analysis of mandatory contract transparency requirements

Ref	Requirement	PNGEITI current practice	Compliance rating	Action required
2.4.a	Disclose any contracts and licenses that are granted, entered into or amended from 1 January 2021	List of all active licences publicly available but unable to filter by date entered into force or amended. No disclosure of the full text of contracts or licences granted, in force or amended since 1 January 2021		Identify all contracts in scope for full disclosure from list of active licences Implement plan to ensure full disclosure can be reflected in future EITI reports
2.4.b	MSG agree and publish a plan for disclosing contracts with a clear time frame for implementation and addressing any barriers to comprehensive disclosure	Have set overall objective in 2021 work plan but lacks detail, including no clear timeframe and little consideration of barriers		Develop and implement clear plan for contract transparency including timeframe, barriers and resources required

2.4.c	Document the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals	Government policy documented in 2019 EITI Report		Monitor any developments in government policy on disclosure
2.4.c.i	A description of whether legislation or government policy addresses the issue of disclosure of contracts and licenses	Legislative barriers to disclosure documented in 2019 EITI Report		Identify opportunities for legislative and government policy reform
	Any reforms relevant to the disclosure of contracts and licenses planned or underway	No reforms noted.		As above and document in next EITI Report
2.4.c.ii	An overview of which contracts and licenses are publicly available	Lack of publicly available full text of contracts or licences noted in EITI 2019 report		List contracts and licences in scope for disclosure
	A list of all active contracts and licenses, indicating which are publicly available and which are not	List of active licences for oil and gas sector available on DPE website List of active licences for mining sector available on MRA website		Ensure list remains accurate and ensure guidance on how to access clearly stated in future EITI reports Enhance functionality of searching lists on DPE and MRA websites.
	A reference or link to the location where the contract	Not applicable at this stage as no contracts/licences published		Ensure links provided in future EITI Reports

	or license is published			
	If a contract or license is not published, the legal or practical barriers should be documented and explained	Legal barriers noted in EITI 2019 report		Ensure practical barriers are also documented
2.4.c. iii	Where disclosure practice deviates from legislative or government policy requirements concerning the disclosure of contracts and licenses, an explanation for the deviation should be provided	No deviation from legislation or government policy on disclosure		Identify any incidents of deviation and ensure documented in EITI Report.

The only encouraged element in Requirement 2.4 is in clause 2.4.a and concerns the disclosure of contracts and licences for the exploitation of oil, gas and minerals that came into effect before 1 January 2021. It is not mandatory to disclose these existing contracts but is encouraged. The current situation in PNG is that no contracts or licences related to exploitation that came into force before 1 January 2021 are currently disclosed. So PNG is currently not in compliance with this element of Requirement 2.4. PNGEITI has published a list of these contracts in its 2019 report. The corrective action needed in this situation is the implementation of a process to disclose the terms and conditions of these contracts and licences (see below, Recommendations).

4. LEGISLATION RELEVANT TO CONTRACT TRANSPARENCY

Table 2 below sets out the legislation relevant to contract transparency in PNG. This legislation includes the Constitution as well as acts specific to the oil and gas and mining sectors. The table lists the relevant legislation, the specific clauses and the implications for contract transparency.

Table 2: Legislation relevant to contract transparency in PNG

Legislation	Relevant Section	Interpretation	Application	Notes
Constitution of PNG	Section 51	Every citizen has a right of reasonable access to official documents, subject only to the need for such secrecy as is reasonably justifiable in a democratic society in respect of: (a) National security; (b) NEC meeting records; (c) Trade secrets/ commercially sensitive info; ... (j) Geological & geophysical information and data concerning wells & ore bodies.	The fundamental rights of citizens to access government information under Section 51 of the Constitution needs to be balanced with privacy rights of individuals and businesses. Privacy rights relating to commercially sensitive information is also protected under the Constitution .	
Mineral Resources	Section 49	49. Confidentiality.	MRA is expected to take measures to protect any	

Authority Act 2005		<p>(1) The Authority shall take all reasonable steps to protect, from unauthorised use or disclosure, information given to it in confidence or in connection with the performance of its functions or the exercise of its powers.</p> <p>(2) For the purposes of Subsection (1), the disclosure of information as required and permitted by any law or court of competent jurisdiction shall be taken to be authorised use and disclosure of the information.</p> <p>(3) For the purposes of Subsection (1), the disclosure of information by a person for the purposes of performing that person's functions as an employee of the Authority or as a member of the Board shall be taken to be authorised use and disclosure of the information.</p>	information made available to it except where required by a court of law or is used by an official person in the discharge of their duty.	
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Mining Act 1992	Section 163	<p>163. Confidentiality.</p> <p>(1) Information disclosed under this Act to the Minister, to an employee of the Authority, or to a member of the Council shall not be disclosed to any person who is not an employee of the Authority without the prior written approval of the person who provided that information, except—</p> <p>(a) to the extent that disclosure is authorized or required under this Act or any other law; or</p> <p>(b) to the extent the person providing the information authorized its disclosure at the time of providing the information; or</p> <p>(c) to the extent necessary for the Managing Director to publish statistical information concerning the geology and</p>	<p>Information provided to the Ministers, an employee of the MRA or a member of the council shall not be disclosed to any person except in the limited circumstances described in Section 163.</p> <p>Information required to be furnished under the Mining Act is set out in Section 161 which seems to be echoing the carve out from the FOI section in the Constitution.</p> <p>161. Information.</p> <p>(1) The Managing Director may require any person whom the Managing Director reasonably believes to be in possession of information concerning the geology and mineral resources of the State, including geotechnical or hydrogeological</p>	<p>Question is – is Section 163/161 sufficiently broad to cover information contained in contracts relating to the exploitation of mineral resources?</p>
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		<p>mineral resources of the State; or</p> <p>(d) to the extent necessary for the Managing Director to give advice to the National Executive Council, other Departments and the Central Bank on the confidential basis.</p> <p>(2) An employee of the Authority or member of the Council who uses, for the purpose of his personal gain, any information disclosed under this Act that comes to his knowledge in the course of, or by reason of his employment as an employee of the Authority or his membership of the Council, is guilty of an offence.</p> <p>Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding four years, or both.</p>	<p>information, to provide to the Managing Director details or copies of that information.</p> <p>(2) The—</p> <p>(a) Minister; or</p> <p>(b) Managing Director, may, by notice in writing, require any person to produce, or make available for inspection, any document or information in the possession or under the control of that person relating to—</p> <p>(c) an instrument, or transaction pertaining to that instrument, lodged for approval or approved under Division VI.2; and</p> <p>(d) any document relating to mining and exploration activities within the State; and</p> <p>(e) any information required under the Mining (Royalties) Act 1992.</p> <p>(3) A person, required under this section to</p>	
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			provide information or make available for inspection any document or information, who refuses or fails to do so, is guilty of an offence. Penalty: A fine not exceeding K10,000.00.	
Oil & Gas Act 1998	Section 149	149. Confidentiality, etc., of information. (1) All information supplied to the Minister, the Director or an inspector under this Act shall, if the Minister so directs, be verified by statutory declaration in a prescribed form. (2) The following information furnished to the Board, the Minister, the Director or an inspector under this or the former Acts, or to any other representative of the State, shall be treated as confidential:— (a) all geological and geophysical information	Section 143 of the Oil & Gas Act specifies the information required to be furnished to the Minister for Petroleum and it would appear the confidentiality clauses in the Act relates to that information. Question is, is the confidentiality clause broad enough to capture information pertaining to contracts for exploitation of petroleum – see below. "143. Further information to be furnished, etc. (1) Where the Minister, the Director or an inspector has reason to believe	

		<p>(including information concerning cores or cuttings from, or samples of, the land surface, sea bed or subsoil in a block); and</p> <p>(b) all intellectual property including, without limitation, industrial processes; and</p> <p>(c) all information related to the business of the licensee to which the information relates including sales forecasts, market projections or marketing information; and</p> <p>(d) all applications for licences, commercial and economic evaluations, marketing information, and other information which the person furnishing the information may designate as being commercially sensitive, except where the licensee or person furnishing the information has given his consent</p>	<p><i>that a person is capable of giving information or producing documents relating to petroleum exploration operations, or operations for the recovery of petroleum, he may, by instrument served on that person, require that person—</i></p> <p><i>(a) to furnish that information to him in writing within the period and in the manner specified in the instrument; or</i></p> <p><i>(b) to attend before him or a person specified in the instrument, at such time and place as is so specified, and there to answer questions relating to those operations and to produce such documents relating to those operations as are specified in the instrument.</i></p> <p><i>(2) A person is not excused from furnishing</i></p>	
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		<p>for disclosure or the information is otherwise available in the public domain or is disclosed in accordance with Subsection (3).</p> <p>(3) Information referred to in Subsection (2)(a) may be disclosed, and cores, cuttings or samples made available—</p> <p>(a) to an officer or other representative of the State expressly authorised by the Minister or Director to receive that information or to examine those cores, cuttings or samples; and</p> <p>(b) in respect of a block or part of a block that was previously the subject of a licence under this Act or a licence under the former Act and is not the subject of a current licence under this Act—to the public; and</p> <p>(c) in respect of a block the subject of a current petroleum prospecting licence or petroleum retention licence</p>	<p><i>information, answering a question or producing a document when required to do so under this section, on the grounds that the information so furnished, the answer to the question or the production of the document might tend to incriminate him or make him liable to a penalty, but the information so furnished or his answer to the question is not admissible in evidence against him in proceedings other than proceedings for an offence against Section 144."</i></p>	
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		<p>that is not, or is not included in, a location—to the public not earlier than two years after that information was, or those cores, cuttings or samples were, required to be supplied to the Minister, the Director, or an inspector, as the case may be; and</p> <p>(d) in respect of a block the subject of a current petroleum development licence—to the public not earlier than one year after that information was, or those cores, cuttings or samples were, required to be supplied to the Minister, the Director, or an inspector, as the case may be.</p> <p>(4) Information referred to in Subsection (2)(a) to (d) inclusive may be disclosed to an officer or other representative of the State expressly authorised by the Minister or Director to receive that information.</p>		
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		<p>(5) The Minister may at any time make use of any information or matter supplied by a licensee for the purpose of preparing and publishing aggregate returns and general reports with respect to operations under this Act.</p> <p>(6) A person who acts in the execution of any duty under this Act shall not, except in the performance of that duty, divulge any information supplied to the Minister or to the Director in pursuance of this Act.</p> <p>(7) A person who has been an officer or who has performed a duty under this Act shall not communicate any information acquired by him in the performance of that duty to any person other than a person authorised by law or by the Minister or the Director to receive that information.</p>		
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5. CONTRACT REGIME IN PNG FOR THE EXTRACTIVES SECTOR

The terms, conditions and obligations attached to concessions to exploit natural resources can be set out in legislation applicable to all those operating the sector, or included in bilateral contracts or licences between host governments and individual operators (see Fig. 2).

The more terms, conditions and obligations set out in publicly accessible legislation, the more open and transparency the regime. Contract or licence transparency is important to provide visibility of those areas not covered by legislation, and the more that is included in the contacts and licences, the more important transparency becomes.

In most countries, including PNG, some aspects of the terms, conditions and obligations are set out in legislation and others are included in licences. Although there is no standard way to assess the relative importance of legislation and licences in a country, the consultants are of the view that for PNG, the terms of licences are very important and place PNG in the right hand half of Fig. 2.

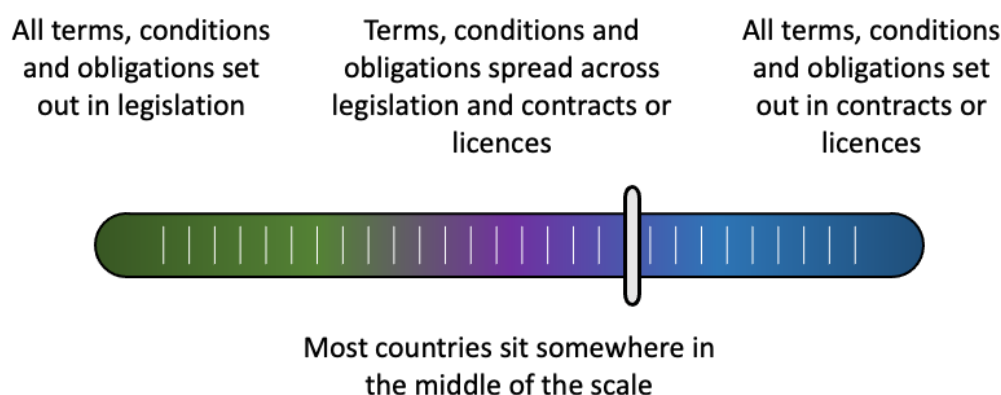


Fig. 2: The use of legislation and contracts/licences

PNG uses a licensing system for the exploitation of its oil, gas and mineral resources. The licence sets out the terms and conditions under which the licence holder (company or consortium of companies) can develop and extract the oil, gas or minerals. These terms and conditions are a combination of standard terms and those terms that can be negotiated with the government. Standard terms, which are set out in law or regulations include the licence term, the term of any possible extension, licence fees and the fiscal regime. Negotiated terms may include production volumes, access to existing infrastructure, specific environmental mitigation measures, social investment commitments and other factors to address the specific features of the particular development project. This section sets out the details of the licensing process for both oil and gas and mining.

5.1. Oil & gas

PNG's Department of Petroleum and Energy (DPE) is responsible for administering the licencing system for oil and gas in the country. The DPE reports to the Minister of Petroleum and Energy, who is ultimately responsible for issuing licences. The Oil & Gas Act 1998 provides the legislative framework for oil and gas licensing. The Oil & Gas Amendment Act 2016 did not amend any material aspects of the licensing system. The DPE website describes the types of licences available² and provides a Petroleum Policy Handbook that gives more details on the licensing process.³

Under the Oil & Gas Act 1998, five different types of licences are available:

1. Petroleum Prospecting Licenses (PPLs) for exploration;
2. Petroleum Development Licenses (PDLs) for petroleum developments;
3. Petroleum Retention Licenses (PRLs) for discovered gas reserves which are considered sub-economic;
4. Pipeline Licenses (PLs); and
5. Petroleum Processing Facility Licenses (PPFLs).

² <https://petroleum.gov.pg/licensing/>

³ <https://petroleum.gov.pg/wp-content/uploads/2020/02/PNG-Petroleum-Policy-Handbook.pdf>

As the scope of this report focuses on exploitation of resources, this section focuses on the system for granting PDL. The other types of licence are not in scope for this report. However, the process for granting a PDL starts before any exploration activity has taken place. The Minister can only grant a PDL to a potential developer if that developer already holds a PPL or a PDL for the area to be covered by a PDL. Before the Minister grants a PPL, the licence applicant(s) and the government conclude a Petroleum Agreement (or Gas Agreement for areas deemed to be prospective for gas). The Petroleum or Gas Agreement sets out the overall parameters for the project and has provisions that apply to the eventual development of any resources discovered.

The policy handbook noted above contains a summary of the provisions in a Petroleum or Gas Agreement. Among the provisions that are relevant to the development phase, are those concerning the process for applying for a development licence, state participation in development projects, landowner equity, ownership of facilities, import of materials and export of oil or gas, currency controls and local content requirements. Petroleum or Gas Agreements are not currently publicly available.

Applicants for a PDL, as well as holding a PPL or PRL over the development area, must submit a detailed proposal for the discovered oil or gas resources. The applicant must also pay an application fee of PGK50,000. The area covered by the PDL must not include any area that is subject to another PPL or PRL. The proposal for a PDL is considered by the Petroleum Advisory Board (PAB). This is a statutory body comprising:

- The DPE Director (the Chair),
- Secretary of the Department of National Planning,
- Secretary of the Department of Treasury,
- Secretary of the Department of Provincial and Local Level Government,
- Director of Petroleum Division,
- Chief Inspector of Oil & Gas, and
- Director of Investment Promotion Authority.

The PAB makes recommendations to the Minister on the granting of licences. In making recommendations on the granting of a PDL, the Board (and the Minister) must be satisfied that the proposal from the developing company or consortium will:

- Apply good oilfield practice, achieve maximum efficient recovery of the oil or gas resources and avoid wastage by;
- Not interfere with rights of licensees in adjacent licence areas;
- Not discriminate against others wanting to access strategic pipelines or strategic petroleum processing facilities involved in the development;
- Will provide adequately for the protection of the environment and the welfare of the people of the area;
- Adequately identify customary land owners;
- Promote viable domestic utilisation of petroleum and petroleum products to the extent reasonably possible;
- Act in the best interests of the people of Papua New Guinea;
- Have duly considered coordinated development of any adjacent petroleum discoveries.⁴

PDL have a 25 year duration with the possibility for 20 year extensions. More than one 20 year extension may be granted in order to ensure maximum recovery of the oil or gas resources. PDL holders must also pay an annual licence fee of PGK100,000.

⁴ See p12, Petroleum Policy Handbook

5.2. Mining

PNG's Mineral Resources Authority (MRA) has responsibility for administering the mining licensing system. The MRA reports to the Minister of Mining, who is responsible for granting licences. The Mining Act 1992 provides the legislative framework for mining licences. The MRA website describes the types of mining licence or lease that are available.⁵

Under the Mining Act 1992, the following types of mining licences are available:

- Exploration Licence (EL),
- Mining Lease (ML),
- Special Mining Lease (SML),
- Alluvial Mining Lease (AML),
- Lease for Mining Purpose (LMP), and
- Mining Easement (ME).

As this report focuses on licences related to the exploitation of minerals, all of the above types of licence, except Exploration Licences, are in scope. While LMPs and MEs do not include rights to exploit minerals, they are necessary for some activities related to the exploitation of minerals e.g. construction of infrastructure required for exploitation.

Aside from ELs, the MRA website gives little guidance on the process of granting mining licences. It does though give some information on the standard terms for each type of licence. There are three types of licence that are directly related to mineral exploitation:

⁵ <https://mra.gov.pg/regulatory/permitting/>

- Mining Lease (ML): these are issued for small to medium sized mining operations for a duration of up to 20 years (with possible extension for up to 10 years) and for an area not exceeding 60km²;
- Special Mining Leases (SML): these are issued for large scale mining projects. Before the Minister issues an SML, the applicants must sign a Mining Development Contract (MDC) with the government. In addition, before granting an SML, the Minister must convene a development forum which brings together stakeholders to consider their views. This forum should bring together the applicant, affected landowners, national government representatives and the relevant provincial government.⁶ The Minister may issue an SML for up to 40 years with the possibility of extension for a further 20 years; and
- Alluvial Mining Lease (AML): these can only be issued to PNG citizens for operations on land that the citizen owns, is within 20 metres of a river bed and covers an area of not more than 5 hectares. The licence can be granted for up to five (5) years with an extension for a further 5 years. An AML cannot be granted over an area that is already subject to a ML, SML or LMP.

A LMP is granted in connection with a ML or SML and should have the same duration as the licence to which it is connected. The area covered by an LMP should not exceed 60km². The Minister can grant an LMP for the following purposes connected to the exploitation of minerals:

- Construction of buildings, operating plant, machinery and equipment;
- Installation of a treatment plant;
- Deposit of tailings or waste;
- Housing and other infrastructure required in connection with mining or treatment operations;

⁶ <https://mra.gov.pg/developmentcoordination/mineprojectcoordination/>

- Transport facilities including roads, airstrips and ports;
- Any other purpose ancillary to mining or treatment operations or to any of the preceding purposes.

A Mining Easement (ME) is similar to a wayleave and granted to allow the construction and operation of infrastructure that is required to pass through an area such as road, pipeline, power line, conveyor belt, tunnel or bridge. Like an LMP, it is directly connected to a specific ML or SML and has the same duration.

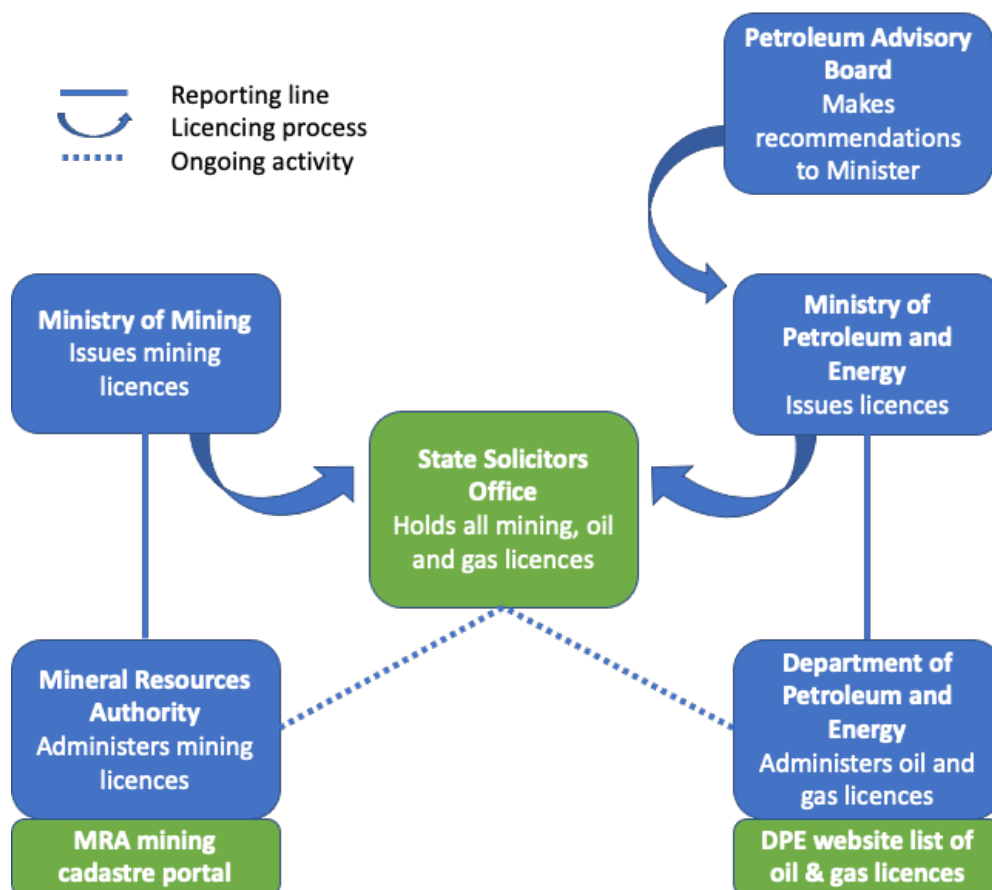


Fig. 3: Licence issuing and holding agencies

5.3. Contracts and licences currently in force (active)

EITI Requirement 2.4 obliges implementing countries to publish a list of contracts and licences in force (clause 2.4.c.ii). PNG is partly in compliance with this obligation. Both the DPE and the MRA publish on their websites a list of all the licences in force of all types.

DPE's list of petroleum licences currently in force can be found at:

https://petroleum.gov.pg/wp-content/uploads/2020/12/Petroleum-Licence-Tenement-Map-withbasin_November-20-Rev1.3.pdf

The consultants estimate that there are 118 active exploitation licences across the oil, gas and minerals sector



This is a PDF document that consists of a map of PNG showing the outline of each licence block labelled with the licence number. The document also contains a list of all of the licences by type, the holder of each licence and its percentage share of the licence. This includes all current PDLs in force. The document is dated November 2020. The list is not searchable and does not contain any other key information such as date the licence was granted or licence duration.

DPE also publishes brief descriptions of projects that are producing oil or gas. These can be found under Petroleum/Projects on its website. It has descriptions of “existing” projects and “new” projects. Under each project it gives information on the licence holders, production levels, date awarded and the nature of the project. Under “existing” projects it lists:

- PNG LNG,
- Stanley Gas-condensate,
- Kutubu Oil,
- Moran Oil,
- Gobe Oil,
- South East Mananda Oil,
- Hides gas to electricity.

The “new” projects listed are:

- P'nyang gas
- Papua LNG

- Pasca A gas
- Elevala-Ketu gas

It is not possible to ascertain when these descriptions were most recently updated and whether the lists are complete and represent all current PDLs in force.

The MRA, on its website, has a cadastre portal. This can be found at <https://mra.gov.pg/regulatory/permitting/>

This consists of a dynamic map (Fig 4) which shows all types of mining licences. The user can click on licence area and obtain basic information including type of licence, licence number, grant and end date, the licence holder(s) and percentage share as well as the types of mineral. The database has limited search functionality. For example, it is possible to search by name of licence holder but not by date. The database does, though, provide a useful source of information on all the mining licences currently in force. However, it is unclear how often it is updated and when the last update occurred. The Consultants' note that in PNG's 2019 EITI Report there was a recommendation related to keeping this database up to date.

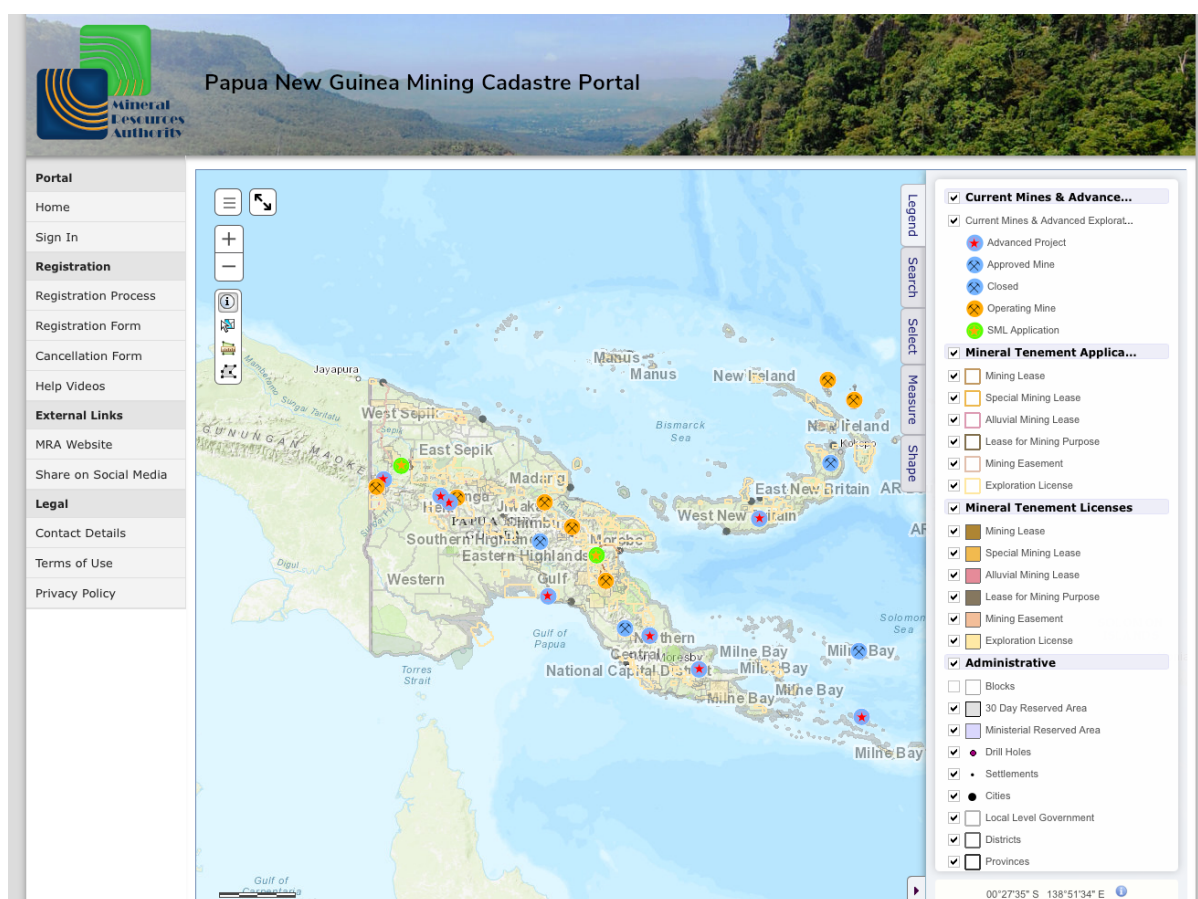


Fig. 4: Image of dynamic map on MRA cadastre portal

PNG's 2019 EITI Report also gives some information about mining and petroleum licences currently in force. In section 7.2 (p98 onwards), there is a detailed description of major mining projects including details of the ML or SML as appropriate. In addition, Appendix B gives a comprehensive list of mining exploration licences. There is however not a similar list for other types of mining licences. In section 8, there are detailed descriptions, including licence information, for oil and gas producing projects. Appendix D gives details of PDLs, including issue and end date but notes that the information has not been verified with the DPE and will be made available at later date on the PNGEITI website. As of 29 October 2021, the

information did not appear to have been uploaded onto the PNGEITI website.

5.4. Contracts coming into force since 1 January 2021

Requirement 2.4 obliges implementing countries, including PNG, to disclose the full text of all contracts and licences related to exploitation of oil, gas and minerals that have come into force or been amended since 1 January 2021. While lists of all active exploitation licences are available in PNG as noted above, it is not easy to compile a list of those licences that came into force or were amended since 1 January 2021. The list on the DPE website does not contain information about date of issue or gives any indication whether a licence has been amended. While the MRA's cadastre portal does give information on start dates, this data is not easily searchable. To compile a list of licences granted since 1 January, would require clicking on each licence area and noting the start date: a time consuming process and prone to human error. The lists of active exploitation licences contained in the 2019 EITI report all pertain to the situation in that year and so are not relevant to determine licences in force since the start of 2021. Therefore, it has not been possible to compile a list of licences that came into force or have been amended since 1 January 2021.

5.5. NEC Decision No 91/2017 – Meeting No. 4/2017 (7) dated 12th April 2017

PNG become EITI implementing country after signing up to the EITI in 2014. PNG has committed to implementing the EITI Global Standard, aimed at improving transparency and accountability in the extractive industries – particularly in the oil, gas and mining sectors.

NEC Decision No 91/2017 (7), directed the Minister responsible for the MRA and the Minister responsible for the State Solicitor to ensure these entities make publicly available MoA for EITI purposes and for benefit of the general public.

In an information letter dated 13 November 2017, former Deputy Prime Minister, Minister for Treasury & Chairman of PNGEITI (MSG), Hon. Charles

Abel, MP, advised member of the National Executive Council (NEC) on the progress on the directives of the NEC Decision No.91/2017 and highlighting the recommendations of the PNGEITI's second report for the financial year 2014.

The information letter also states that, the Ministers responsible for MRA and State Solicitor's Office were directed to ensure their respective entities make publicly available Memorandum of Agreements (MOAs) for EITI purposes and for the benefit of the general public. MRA has requested legal clarification from the State Solicitor to have MOA for all mining projects made publicly available and have these documents published on its website.

In 2019, the former Acting State Solicitor, Daniel Rolpagarea responded to a letter seeking legal clearance from the State Solicitor for disclosure of project contracts and memorandum of agreements for PNGEITI reports. Former Acting State Solicitor states the recommendations from PNG EITI 2013 report with respect to disclosure of confidential information and concluded that MRA can provide details of project documents such as contracts and licences subject to the provisions of section 163 of the Mining Act 1992. He has also advised that MRA is able to provide copies of MOA and other contracts and other information will be subject to Section 163 of the MA.

6. BARRIERS TO CONTRACT TRANSPARENCY

6.1. Legal barriers

The primary barriers to contract transparency are legal but there are also cultural and practical barriers. The main barrier to the disclosure of contracts and licences in PNG is a series of impediments contained in the country's legal framework. These impediments start with the Constitution and include legislation specific to the oil, gas and mining sectors. While section 51 of the Constitution gives citizens a right of access to information, there are ten exemptions to this right. The two exemptions that are most pertinent to contract and licence transparency are those relating to trade secrets/commercial confidentiality and geological/geophysical information. These two exemptions could be used as a justification for withholding the disclosure of oil, gas and mining contracts and licences as these documents may contain commercially confidential information and are likely to contain geological or geophysical information.

The confidentiality clauses in legislation specific to the oil, gas and mining sectors provide a more direct and specific barrier to contract and licence transparency. As set out in Table 2 above, the Mining Act 1992 section 163, the Mineral Resources Authority Act 2005 section 52 and the Oil and Gas Act 1998 section 149 all impose confidentiality requirements on the disclosure of information. All contract and licences signed between companies and the state to undertake exploitation operations are held by the State Solicitor's Office. The approval of the State Solicitor, and the parties to the contract or licence (the licence holder(s) and the relevant government agency (e.g. DPE or MRA) are required before the text of a contract or licence or the information contained in the document can be made public. The 2019 EITI Report sets out these legal barriers and notes that no contract or licence has yet been made public.⁷ The Consultants

⁷ See section 4.16, p67, EITI report 2019, published 21 July 2021

understand that the situation has not changed since the publication of the 2019 EITI Report.

As well as these specific legal barriers to contract transparency, there is also no legal framework for the right to information provided for in the Constitution's section 51. PNG has no "right to information" or "freedom of information" law as found in other democratic jurisdictions. The government has committed to introducing such legislation but has yet to do so. The government has also committed to introducing an open data portal. It made these commitments as part of its Open Government Partnership (OGP) 2018-2020 Action Plan.⁸ PNG joined OGP (which brings together governments and civil society) in 2015. The country has yet to put in place an action plan for the period following 2020.

6.2. *Cultural barriers*

There appears to be a culture of non-disclosure in PNG's extractive sector. For example, the recently completed Scoping Study on SOE transparency highlighted that the extractive sector SOEs do not as a matter of course disclose financial statements. In the limited stakeholder engagement that the Consultants' have conducted showed the presumption against disclosure in government and the SOE sector. This presumption against disclosure appears to be based on at least two factors:

1. Inertia and resistance to change. There is no experience of disclosure in the past and no apparent driver for change. This can be summed up by the expression, "we have never done it before, so why should we start now?"
2. Concern over the consequences of disclosure. This concern can stem from a desire not to inadvertently place commercially sensitive information in the public domain or undermine relations of trust. Also the potential for misinterpretation or misuse of information placed in the public domain. The Consultants understand that incidents have

⁸ https://www.opengovpartnership.org/wp-content/uploads/2018/11/Papua-New-Guinea_Action-Plan_2018-2020.pdf

occurred where financial or other information relating to PNG's extractive sector was published and then misused for political purposes.

6.3. *Practical barriers*

In the event that legal barriers to contract transparency were removed and inertia and reluctance overcome, practical barriers to contract transparency would remain. However, such barriers can be surmounted. Practical barriers to contract transparency in PNG would include:

- The volume of information to be disclosed. For each active exploitation licence in the oil, gas and mining sector, the text of a number of documents would require disclosure such as the Petroleum Agreement or MDC, as applicable, land agreements, related licence such as an LMP and any other relevant subsidiary agreements. The Consultants estimate that there are 118 active exploitation licences across the oil, gas and mineral sectors (see below, table 3. This includes AMLs but does not include the licences currently in the application process, awaiting renewal or on hold; and
- Creating a searchable database of the contracts and licences disclosed. This will include putting the text in machine-readable form and tagging the key search terms so that a user can easily find the specific information that they require on a particular contract across a range of documents. This may also include the creation of summary documents for each active licence which sets out the key terms and conditions attached to each licence or contract.

Table 3: Summary of active licences

Licence type	Active	Applied for	Under renewal	On hold
<i>Petroleum</i>				
PDL	10	4	-	-
<i>Mining</i>				
SML	4	2		1
ML	6	-	2	-
AML	97	-	10	-
LMP	1	-	-	-
Mining sub-total	108	2	12	1
Total	118	6	12	1

Source: DPE, MRA

7. BENEFITS OF CONTRACT DISCLOSURE

Benefits for citizens

Contract transparency can be a powerful antidote to corruption in resource-rich countries like PNG. Citizens' suspicions of the hidden horrors will decrease, creating a more stable contract that is less likely to be subject to calls for renegotiation and better relationships with communities.

Benefits for companies

Publishing the rules and terms of extractive projects supports responsible investments. Contract disclosure makes it easier for companies in PNG to show that they comply with their financial and social obligations, helping them to address reputational risks. Disclosing the terms of contracts supports open, fact-based dialogue that can build trust, reduce conflict and reinforce a company's social license to operate.

Benefits for Governments

Contract transparency will help PNG get a better deal for their resources, provide an incentive for governments and companies to make more durable deals, and deter corruption

8. OPPORTUNITIES TO ADVANCE CONTRACT TRANSPARENCY

The Consultants have identified opportunities to advance contract transparency in PNG's extractive sector. A proposed route to capturing these opportunities is set out in the roadmap in section 11 below. The opportunities identified are:

- Improved presentation and communication of the information currently available on active exploitation licences. For example, the PNGEITI website could provide links and clear guidance on where to find the information currently available (such as the MRA cadastre portal) and how to use it. The link to the MRA cadastre portal is given in the 2019 EITI Report but in later section. Future EITI annual reports could bring together information on contracts and licences in one section and clearly signpost useful links and guidance on how to access the information.
- Proposed freedom of information legislation provides an opportunity to place a right to information about the terms and conditions for extractive licences and contract on a legal basis. Such legislation could put in place a system where future contracts and licences are made public as a matter of course and put in place a system for the disclosure of existing contracts and licences. Such legislation also provides an opportunity to detail what information citizens should be able to access easily and provide narrow limits on any information where there is a strong case for continued confidentiality (e.g. information on proprietary technology or which could pose a threat to national or personal security).
- PNGEITI adopt a strategic approach to contract transparency by putting in place a contract disclosure plan. Clause b in Requirement 2.4 calls on the MSG in each EITI implementing country to put in place a contract transparency plan as part of its workplan for 2020

onwards.⁹ The plan should have a “clear timeframe” and address barriers to disclosure.

PNGEITI MSG does not yet appear to have such a plan in place. The 2020 workplan does refer to contract transparency under objective 5 on full implementation of the EITI Standard. The MSG commits to engage a consult to undertake a feasibility study. This appears to refer to this report.

The 2021 workplan¹⁰ goes a little further and under objective 5 on full implementation of the EITI Standard sets out the activity, to “Establish contract transparency” with the stated outcome of “to collaborate with State entities responsible for contracts and agreements to create mechanisms that will facilitate and allow disclosure of project contracts.” However, the timeframe given is “ongoing”. A budget of PGK20,000 is allocated to this activity but no further detail on what this budget will cover.

⁹ See Appendix A, text of Requirement 2.4

¹⁰ <http://www.pngeiti.org.pg/wp-content/uploads/2021/03/2021-PNGEITI-Workplan-updated-final.pdf>

9. FINDINGS

1. A limited amount of information on active licences in both the oil and gas and mining sectors is available to the public. It is not clear how up to date this information is. Information on mining licences is more comprehensive and easier to find for a specific locality.
2. In the mining sector, there is less information on the process for granting mining licences and the factors that the Minister should consider before granting, especially in the case of SML compared with the oil and gas sector.
3. The MRA and DPE can learn from each other on ways to present existing information and make the licence granting process more transparent and better understood. For example, DPE could implement a licence portal similar in style and content to the MRA cadastre portal. The MRA could produce more comprehensive guidance on the mining licence process similar to the DPE's policy handbook.
4. There are considerable legal, cultural and practical barriers in place before PNG is in a position to meet Requirement 2.4 and disclose all relevant contracts.
5. PNGEITI MSG does not have a contract transparency plan in place that conforms to Requirement 2.4.
6. The proposed freedom of information legislation provides an opportunity to put a right of access to information on the terms and conditions of extractive contracts and licences on a statutory basis.
7. There is some support in the private sector for a greater degree of transparency regarding contract and licences.

10. RECOMMENDATIONS

1. PNGEITI should develop and implement a comprehensive contract disclosure plan that meets Requirement 2.4.
2. PNGEITI should work with relevant government agencies, civil society organisations and industry representatives to implement the roadmap below, including any further necessary research.
3. The government should pass freedom of information legislation at the earliest opportunity. This legislation should contain specific provisions on contract transparency for the extractive sector that allows the country to meet EITI Requirement 2.4.
4. DPE should develop a portal similar to MRA.
5. MRA should put more information on licensing process in the public domain
6. PNGEITI should ensure that future EITI reports put all information relevant to licence transparency in one section and provide clear guidance on how to access information that is already in the public domain.
7. PNGEITI should work with government agencies and industry representatives to put in place a waiver process to allow existing contracts and licences to be placed in the public domain.
8. PNGEITI should work with government agencies and industry representatives to put in place a presumption that all relevant contracts and licences that come into force or are amended after an agreed date (e.g. 31 March 2022) will be published as a matter of course.

11. ROADMAP FOR CONTRACT TRANSPARENCY

11.1. Objective

Provide a route to PNGEITI reaching compliance with EITI Requirement 2.4 within the next 3 years.

11.2. Stakeholders

- PNGEITI
- Licence holders
- MRA
- DPE
- State Solicitor
- Other government agencies
- CSOs

11.3. Tasks

- a) Increase visibility of existing information in the public domain e.g. make more prominent in EITI report, including links to MRA and DPE. All contract information in same section of EITI report
- b) Create licence portal for DPE, modelled on MRA
- c) Identify key information on each licence to be disclosed and tags to be used for the information
- d) Review examples of confidentiality clauses included in contracts to establish their impact on contract transparency
- e) Identify online platform on which contracts and licences will be disclosed and publicly available
- f) Ensure all licences (& associated documents) granted or amended licences after an agreed date e.g. 31 March 2022 are disclosed

- g) Put in place waiver process for existing licences
- h) Draft legislative amendments to create statutory basis for presumption that all future licences will be disclosed
- i) Shepherd amendments through legislative process and implementation
- j) Create process for licence holders to provide regular (e.g. annual) public updates on efforts to meet licence conditions and commitments.
- k) Conduct awareness raising campaign with licence holders and government stakeholders

11.4. Next steps

- a) Implement recommendations in this report
- b) Ensure next EITI report has comprehensive section on Contract Transparency and is highlighted in external comms on the report
- c) PNGEITI: create and implement comprehensive Contract Transparency plan with timeframe, milestones and realistic budget
- d) PNGEITI: consider further research needed into the terms of specific contracts which might impact on transparency
- e) PNGEITI: secure financial support for implementation of Contract Transparency plan
- f) DPE: identify resources for project to create portal
- g) DPE & MRA: publish list of all new and amended contracts and licences since 1/1/21
- h) Government: establish task force for legislative amendments in consultation with PNGEITI

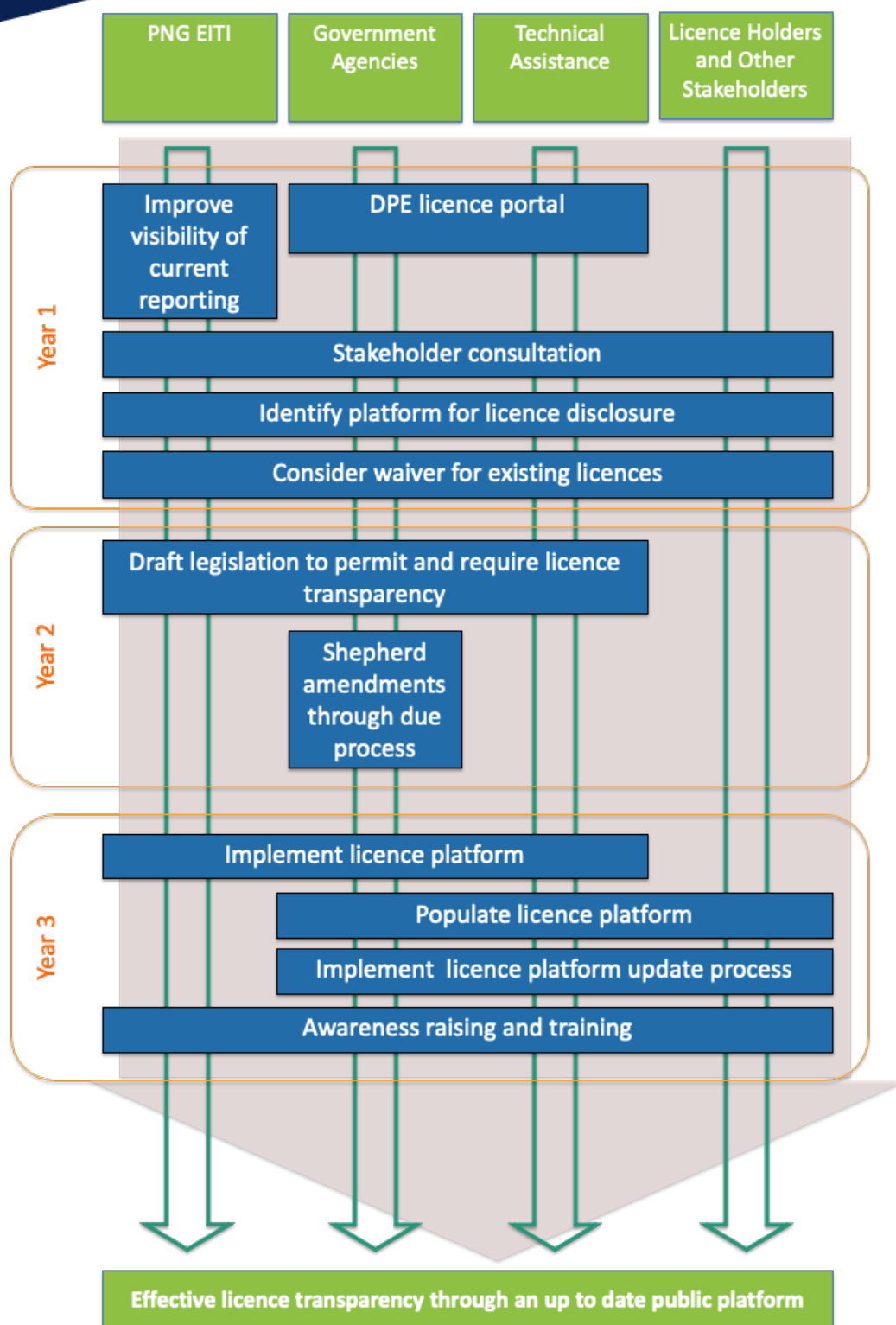


Fig. 5: Roadmap for Contract Transparency

APPENDICES

APPENDIX A: EITI REQUIREMENT 2.4

2.4 Contracts.

a) Implementing countries are required to disclose any contracts and licenses that are granted, entered into or amended from 1 January 2021. Implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals.

b) The multi-stakeholder group is expected to agree and publish a plan for disclosing contracts with a clear time frame for implementation and addressing any barriers to comprehensive disclosure. This plan will be integrated into work plans covering 2020 onwards.

c) It is a requirement to document the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals. This should include:

- i. A description of whether legislation or government policy addresses the issue of disclosure of contracts and licenses, including whether it requires or prohibits disclosure of contracts and licenses. If there is no existing legislation, an explanation of where the government policy is embodied should be included, and the multi-stakeholder group should document its discussion on what constitutes government policy on contract disclosures. Any reforms relevant to the disclosure of contracts and licenses planned or underway should be documented.

- ii. An overview of which contracts and licenses are publicly available. Implementing countries should provide a list of all active contracts and licenses, indicating which are publicly available and which are not. For all published contracts and licenses, it should include a reference or link to the location where the contract or license is published. If a contract or license is not published, the legal or practical barriers should be documented and explained.
 - iii. Where disclosure practice deviates from legislative or government policy requirements concerning the disclosure of contracts and licenses, an explanation for the deviation should be provided.
- d) The term 'contract' in 2.4(a) means:
- i. The full text of any contract, concession, production-sharing agreement or other agreement granted by, or entered into by, the government which provides the terms attached to the exploitation of oil, gas and mineral resources.
 - ii. The full text of any annex, addendum or rider which establishes details relevant to the exploitation rights described in 2.4(d)(i) or the execution thereof.
 - iii. The full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).
- e) The term 'license' in 2.4(a) means:
- i. The full text of any license, lease, title or permit by which a government confers on a company(ies) or individual(s) rights to exploit oil, gas and/or mineral resources.
 - ii. The full text of any annex, addendum or rider that establishes details relevant to the exploitation rights described in in 2.4(e)(i) or the execution thereof.
 - iii. The full text of any alteration or amendment to the documents described in 2.4(e)(i) and 2.4(e)(ii).

APPENDIX B: INTERVIEWEES

The following organisations and individuals were interviewed in the development of this report.

- An experienced mining industry professional;
- EITI International Secretariat;
- Institute of National Affairs – Civil Society;
- Mineral Resources Development Company Ltd;
- Open Contracting Partnership; and
- PNG EITI National Secretariat

APPENDIX C: OIL & GAS ACTIVE LICENCES

Licence ref	Project/field name	Operators	Licence interest holders (name & %)	Effective date	Expiry date	Notes/Comments
PDL 1	Hides	ExxonMobil	Esso Highlands Ltd (27.12%), Oil Search Ltd (4.28%), Oil Search (Tumbudu) Ltd (7.99%), Lavana Ltd (3.42%), Santos Hides Ltd (14.27%)	1991		PDL data on effective dates taken from 2010 Petroleum Division Annual Report
PDL 2 PDL 2 JV	Kutubu, Moran SE Mananda	Oil Search Oil Search	Ampolex (PNG Petroleum) Inc. (2.9%), Merlin Pacific Oil Ltd (11.6%), Merlin Petroleum Company (18.7%), Oil Search (PNG) Ltd (60%), Petroleum Resources Kutubu Ltd (6.75%)	1991		
PDL 3	SE Gobe	Santos	Barracuda Ltd (15.92%), Oil Search (PNG) Ltd (36.36%), South Highlands Petroleum Co. Ltd (40.15%), Kumul Petroleum Holdings	1995		

			(5.67%), Petroleum Resource Gobe Ltd (2%)			
PDL 4	Gobe Main, SE Gobe	Oil Search	Ampolex (Highlands) Ltd (14.52%), Merlin Petroleum Company (73.48%), Oil Search (PNG) Ltd (10%), Petroleum Resource Gobe Ltd (2%)	1997		
PDL 5	Moran	ExxonMobil	Eda Oil Ltd (20.5%), Esso Highlands Ltd (36.8125%), Oil Search (PNG) Ltd (40.6875%), Petroleum Resource Ltd (2%)	2000		
PDL 6	Moran	Oil Search	Ampolex (Highlands) Ltd (18.733%), Oil Search (PNG) Ltd (37.5%), Oil Search Ltd (35.017%), Merlin Petroleum Company (8.75%)	2002		
PDL 7	South Hides	ExxonMobil	Esso Highlands Ltd (47.5%), Oil Search Ltd (52.5%)	2008		
PDL 8	Angore Gas	ExxonMobil	Esso Highlands Ltd (47.5%), Oil Search Ltd (52.5%)	2009		
PDL 9	Juha Gas	ExxonMobil	Esso PNG Juha Ltd (28.01%),	2009		

			Ampolex (PNG) Ltd (27.9798%), Merlin Petroleum Company (12.5%), Oil Search Ltd (6.0102%), Oil Search (PNG) Ltd (25.5%)			
PDL 10	Stanley Field	Talisman Energy	Talisman Energy Niugini (40%), Horizon Oil Papua Ltd (30%), Osaka Gas (20%), Dimond Gas Niugini B.V (10%)	2009		



