



MRDC

TOKAUT

*Custodians
of tomorrow*

MRDC Tokaut | SEPTEMBER EDITION 2018

MRDC pays first equity to plant site landowners



Gas Resources PNG LNG Plant Limited Chairperson Ms Ulato Avei witnessing the presentation of the benefit certificate and receipt of equity payment by GM Imbi Tagune to clan leader in Boera Village.

A total of K5 million were paid to plant site landowning villages of Porebada, Boera, Papa and Rearea as per the Oil and Gas Act, their first from the PNG LNG Project.

This equity payment was for the period 2014 to 2015.

K16,300,314 million was acquired from the PNG LNG Project, which was then divided into a 90-10 sharing arrangement with 90% to be paid to beneficiaries and 10% to the Hiri Local Level Government (LLG). The 90% of the beneficiaries is further divided into 30% equity, 30% Future Generation Trust Fund and 30% Community Infrastructure Trust Fund (CITF) resulting a total equity payout of K5,868,113 million.

MRDC carried out a Landowner Beneficiary Identification (LOBID) exercise in 2016, in partnership with the Department of Petroleum and Energy (DPE), to identify rightful landowners who will then be paid a certain percentage as agreed by the clan. During the exercise, the company also took along Bank South Pacific (BSP) to open accounts for the clans which equity will be paid into.

General Manager External Affairs and sustainable Development Mr Imbi Tagune said the LOBID process was a success as the landowners worked together with the company and the State to ensure that all clans are identified, all the beneficiaries are enlisted and the ministerial determination was made.

"This is the first ever payment for many payments to come under the equity benefit and we are happy to come and pay you what we call an equity benefit," said Mr Tagune.

Landowners are paid according to the percentage agreed by the clan leaders. MRDC only pays as per the Oil and Gas Act and the agreed percentage.

MRDC made the first royalty payment to plant site landowners in 2017. The payment was made directly into the respective clan's account, to be shared amongst the clan members. MRDC only presents receipt of payment showing percentage break up and transactions. Beneficiary clans were also presented benefit certificates.

Managing Director's Message



MRDC Managing Director
Augustine Mano

Welcome to the third edition of the MRDC Tokaut for the year.

In this edition, we bring you, yet again, a number of firsts, which come as a result of efforts to ensure our landowners benefit from the use of their resources.

MRDC paid the first equity to plant site landowners of Porebada, Boera, Papa and Rearea for the period 2014 to 2015, allowing them to benefit from the PNG LNG Project as per the Oil and Gas Act. This is documented on page 1. Also during the quarter, landowners of the Ramu Nickel Project and the Madang Provincial government received the first royalty payment from Chinese developers Ramu NiCo Management Limited. The sum of K25.5 million was presented to landowners of Kurubumkari, inland pipeline, coastal pipeline and Basamuk on 6 July. This is featured on page 3.

On page 4, we bring you a glimpse of the majestic Star Mountain Plaza

Hilton hotel, which is ready to open next month ahead of the 2018 APEC Leaders meeting in November. Our Prime Minister Peter O'Neill will be our chief guest during the opening of phase one of the plaza. On the same page, we feature the reopening of the Kikori Airstrip 11 years after it was closed down. There is still a lot of work to be done, but for the time being it's enough to provide the people of Kikori another means of getting into the capital city Port Moresby other than the risky dingy rides through rough and choppy waters that have at time ended tragically. At the moment, only Tropic Air is providing air transport to and from the airstrip.

In this edition, we also bring you a glimpse of our nation's unique culture and tradition via the colourful and vibrant Kutubu Kundu and Digaso Festival. If anything, it proves our resilience as this festival takes place in one of the villages that were shattered by the strong earthquake that shook our nation earlier this year.

Daga Village where the festival is being hosted lost its traditional Kutubu Long haus, one of the star attractions of the festival, along with homes when the earthquake struck. This haus has since been rebuilt to welcome the eighth edition of the festival scheduled for 21-23 September with the theme, 'Yumi mas kirapim bek yumi yet' (We must raise ourselves). Supporting these efforts, the MRDC donated K50, 000, bringing their total funding to the festival to date to K400, 000. The festival is covered on pages 5 with picture highlights on pages 6 and 7.

In line with the Oil and Gas Act, MRDC used part of the Community Infrastructure Trust Fund (CITF) to assist landowners improve their access to better health and education

facilities in and around the project areas of Gobe, Kutubu and Moran. The projects, which are at different stages of completion, involved construction of new facilities and renovation of buildings that were damaged by the earthquake. Briefs on the different projects undertaken are outlined on pages 8 and 9.

Construction work highlighted above is but part of the work MRDC does to serve our landowners. Given the work involved, and our commitment to better serve our landowners, MRDC carried out a two-day strategic planning workshop for line managers and senior staff to enhance their understanding of corporate planning. We also bolstered our staff make up, welcoming five new faces to the fold who come in with more than 30 years experience combined. They were welcomed in our first end of month celebration, its first after two years. The workshop and our month end are featured on page 10. On page 11 you'd find brief bios of our new staff.

In sports on page 12, our golf team recorded mixed results, winning the Daffodil Cup again 10 years and conceding the Prime Minister's Gold Challenge Cup. Nevertheless, our 4-member golf team looks forward to improving their form next year. Moreover, for the latter our participation was for a great cause, helping raise funds for the PNG Cancer Foundation in their various awareness and treatment drives. We commend and wish the Foundation the best in the work they do, putting smiles on the faces of cancer patients and their families.

Till the next issue of the MRDC Tokaut, happy reading!

Ramu Nickel landowners, provincial government receive first royalty payment



An excavator working at the Ramu nickel and cobalt mine. Landowners from the mine have received their royalty payment if more than K25.5 million.

Photos: Courtesy of Post Courier

The landowners of the Ramu Nickel Project and the Madang Provincial government received their first royalty payment from Chinese developer and miner Ramu NiCo Management Limited.

Minister for Mining Johnson Tuke received the payment of K25.5 million in the presence of the Madang Provincial Government and landowners on 6 July in Madang.

The cheque was later presented to the landowners of the four impacted areas namely Kurubumkari, inland pipeline, Coastal Pipeline and Basamuk.

President of Ramu NiCo Mr Gao Yongxue in his address stated that royalty has been a priority for the company, and to achieve its objective of close communications with the landowners, its stakeholders and the government.

"We have carried out a great deal of work including census, opening of bank accounts for landowners,

community awareness, and we are delighted to see all pending issues settled successfully," said Yongxue.

Yongxue thanked the PNG Government for its support and especially the landowners for their understanding and patience.

Tuke, in his remarks, thanked Ramu NiCo for their management and praised them for their consistency in their mining operations over the years.

Tuke also thanked the landowners for their understanding and patience.

He also stated that the government under the leadership of Prime Minister Peter O'Neill aims for transparency in royalty payments and other landowner beneficiaries. Tuke further encouraged landowners to make good use of their monies through the creation of sustainable projects for the future generation.

Moreover, Yongxue informed the people that O'Neill visited China to sign the "one belt and one road

initiative" and the new FTA agreement which is a first of its kind in the Asia-Pacific region.

"In future, China and PNG would strengthen cooperation in areas of trade, energy and resources, infrastructure construction, agriculture and fisheries to realise the mutual benefit. Ramu NiCo will take this opportunity to deepen its relationship with PNG and landowners by increasing investment and expanding the project sale to create more business opportunities and tax revenue," said Gao.

Also present at the ceremony were the association chairmen of the four impacted areas, minister assisting the Prime Minister Mr William Samb, Acting Managing Director for Mineral Resources Authority Nathan Mosusu, Noel Gelu from the State Solicitor's Office, and Steven Evekone from Mineral Resources Development Company (MRDC).

Star Mountain Plaza Hilton Hotel set to open



The Star Mountain Plaza Hilton Hotel Port Moresby is ready to host the 2018 APEC Leaders Gala Dinner at the Kutubu Convention Centre.

The Hilton hotel stands tall and proud as a true Papua New Guinean constructed and shaped in its traditional identity yet embracing a modern touch. It will be open on 12 October in

a grand and prestigious ceremony by Prime Minister Peter O'Neil and witnessed by other members of parliament (MPs), heads of departments and foreign embassies, MRDC and its stakeholders.

The SMP Hilton Hotel will be open for business to the general public on 25 October 2018.

Kikori Airstrip reopens after 11 years



Kikori Airstrip in its first stage

Pipeline landowners of PL2 witnessed the first plane landing in Kikori, the first after 11 years after the airstrip was closed down.

Since the closure, the people of Kikori resorted to water transport to travel from Kikori to Kerema where they transit to Port Moresby via Public

Motor Vehicle (PMV), a practice that cost lives. Boat transfers have been very risky and life threatening where most families have lost one or more loved ones through drowning after their boats capsized because of rough waves and bad weather.

Having an airstrip is important for a place like Kikori. Given its geographical

location travelling in and out of Kikori is a challenge because with the airstrip closed the only means of transport was through the boats.

For 11 years the people of Kikori have been deprived of their rights to safe movement and transport. The new government under the leadership of Hon Chris Haiveta in partnership with the Mineral resources Development Company (MRDC) has come together to end the suffering of the people by rebuilding the airstrip in its first stage to allow the safe movement of people in and out of Kikori.

The airstrip only went through its first phase and now awaits to complete the full phase.

Meanwhile, Tropic Air is the only carrier transporting people in and out of the area on Mondays and Fridays.

MRDC committed to culture and tradition preservation efforts

The Mineral Resources Development Company (MRDC) is committed to preserving the culture and traditions of the people from the resource impacted areas in Kutubu.

As the country accepts development and change, its unique culture and tradition sets it apart from other countries and if properly managed could very well be a source of income.

MRDC promotes the concept of moving forward while embracing culture and traditions through CITF projects such as construction of school classrooms, health centres and other significant infrastructure whilst helping to preserve culture by financially assisting cultural festivals such as the Kutubu Kundu and Digaso Festival (KKDF).

The company has supported the festival with financial assistance of

K50,000 every year since its inception in 2011. To date, in the festival's eighth year of exhibition, MRDC has proudly provided K400,000 in total financial assistance, thus living up to its commitment to promote and protect the livelihood of the people living in and around Kutubu.

MRDC General Manager for External Affairs and Sustainable Development Mr Imbi Tagune stated that in the process of infrastructural development, it is important that we do not let go of our cultural identity. Therefore business houses must invest in groups or organisations that strive to protect our culture.

The Kutubu Kundu and Digaso Festival is a cultural event that allows tribes from the Kutubu region down to the Kikori basin to showcase their culture to the world. One such significant

practice is the extraction of Digaso oil and the beating of sago.

KKDF promotes ecotourism through the people's lifestyles, showing tourist the daily routine of a typical life in the village. The tourists experience a home stay in the village for at least three to four days.

"The village setting makes it unique. It's staged in the village environment which shows the livelihood of the people," said Tagune.

MRDC hopes to help create an environment for tourists to watch the festival and enjoy the canoe race on the beautiful Lake Kutubu.

The 8th Kutubu Kundu & Digaso Festival was held at Daga Village from 21-22 September followed by the Lake Kutubu Canoe Race on 23 September,



GM External Affairs and Sustainable Development Mr Imbi Tagune presenting K50,000 cheque to the KKDF at MRDC Haus Foyer in Port Moresby

The 8th Kutubu Kundu and Digaso Festival 2018





CITF UPDATE

As per the Oil and Gas Act, the State mandates that 30% of the revenue from any Oil and Gas Project must be put into Community Infrastructure Trust Fund (CITF). MRDC, as a trustee of the landowner companies, has ensured that these funds are used for infrastructural development that achieves the needs of essential services such as health and education.

• Petroleum Resources Gobe (PRG)

Kaiam Primary School

The classrooms are almost done with some finishing work left to be done. Likewise, the teacher's houses require materials for a timely completion.



Kaiam Primary School Double Classroom



Kaiam Primary School Teacher's House

Baina Primary School

Double classroom is almost complete with minor work left to be done. Meanwhile, the construction work on the teacher's house has begun with the floor frame structure completed and the wall frame structure been erected.



Baina Primary School Double Classroom



interior view



Baina Primary School Teacher's House

Wemi Primary School

The construction of the two double classrooms is almost complete with minor works to be done. Construction of the teacher's house has been completed. Plumbing work is yet to be done.



Wemi Primary School Double Classroom



Yanguli Elementary School

The Yanguli Elementary School facility has been completed. It was inspected on the 27 September 2018 by Building Inspector of the Southern Highlands Building Board representative Mr Navao Mankuo, Mr William Baratia of MRDC, Mr Kasu David the carpenter responsible for the construction of the building, the Pastor and some village leaders.



Yanguli Primary Double Classroom



interior view



Yanguli elementary School Teacher's house

Marorogo Primary School

The double classroom and teacher's house at Marorogo Primary has been completed and was inspected on 27 September 2018 by Building Inspector of the Southern Highlands Building Board representative Mr Navao Mankuo, Mr William Baratia of MRDC, Mr Andy Yumeli the School Head Master, Mr Kasu David the carpenter responsible for the construction of the building, and some village leaders.



Yanguli Primary Double Classroom



Interior view

• Petroleum Resources Moran (PRM)

Paua Community Health Post

The construction of the building has been completed pending a final inspection by the building and health inspectors.

The project involved the design and construction of the community health post.



Paua Community Health Post

Paua Power Generator

The generator has been installed, checked and powered by UMW who was the supplier of the generator. The installation of the generator to supply power to the Health Facility was undertaken as a separate project to complete the operation of the Health Facility.

The project involved the acquisition of the generator, installation and commissioning the Health Project.



Paua Power Generator

Paua Medical Equipment

The medical equipment has been ordered, and delivered to Moro awaiting the installation at Paua Health Post.

The medical equipment has been delivered and stored in Moro Oil Search yard.

Due to security issues at the site, the transportation and delivery of the equipment has been delayed.



MRDC conducts two-day strategic planning workshop



MRDC ICT Manager Kametan Sibunakau presenting his group's notes on how to improve company processes.

The Mineral Resources Development Company carried out a 2-day strategic planning workshop for its line managers and senior staff on 6-7 September at the Crowne Plaza Hotel.

The workshop was aimed to enhance the management's understanding on corporate planning which comes at an opportune time as the company is currently revising and developing its Corporate Plan as per the initiative of the Executive Management. Managers and senior staff also learned how a corporate plan of a company is strategically constructed.

The company is now undertaking restructure where its mission, vision, core values and customer value proposition are being reviewed and

revised to achieve its objectives, how these objectives are going to be achieved (measures), targets and initiatives. The restructure also looks into the organisation structure, positions and policies.

MRDC promotes the inclusion of employee in decision and policy making by welcoming suggestions and ideas of its tier two employees.

"The inclusion in the development of the company's corporate plan is a first of its kind and a privilege for my colleagues and I in the tier two level of the organisation. It gives us value as decision makers in the important aspect of the organisation. It is definitely something to be proud of knowing that we have contributed to

the functions and policies of one of the biggest State Owned Enterprise (SOE) in the country," said Mr Kilanget Sapulai, Treasury Manager.

The team now aims to construct the corporate plan in a strategic manner with an aim to improve MRDC's engagement with its clients and stakeholders, people and organisational capabilities, finance and internal business processes.

Senior Accounts staff Mrs Heni Dikana expressed her appreciation to the company in taking a step forward for change and progress, as the workshop is a first for the company. Dikana is one of the long serving employees of the company and is glad to see change within the organisation.

"As a professional individual, I have learnt a lot from the workshop and more so in understanding the core functions of MRDC through its vision and mission," Mrs Dikana said.

Once done, the draft of MRDC's Corporate Plan will be sent to all Managers and Executive Managers for their critique and feedback. A final draft will be produced once all feedbacks have been incorporated into the plan.

Company revives month end

In August, the company revived the 'Month End' celebration, its first after two years.

Management and staff of Mineral Resources Development Company (MRDC) gathered on 3 August in the company's boardroom to mark the monthly celebration during which our new staff was re-introduced.

Among those who were introduced was Mr Owen Makindi who joins the MRDC family as Corporate Services General Manager (GM), which requires him to look after the

company's administration including the organisation of the 'Month End' celebration.

Chief Operations Officer (COO) Mr John Tuaim says that the 'Month End' is not only about celebrating the successful completion of each month, it also creates a forum for open discussions between the staff concerning the company and their welfare.

Under the management of Mr Makindi, the company envisions to develop its employees such as carrying out

appraisals to assess and evaluate each staff according to their job title and job description against the organisation's structure.

Moreover the company plans to look into the Consumer Price Index (CPI) and make changes accordingly.

"Month End encourages staff involvement whereby every member of this organisation is encouraged to raise concerns and make suggestions which will be taken up with EMT," said COO.

Staff news

Welcome to MRDC, we look forward in working with you all for change and progress.

Owen Makindi - General Manager (GM) Corporate Services



Mr Owen Makindi has extensive experience in business administration, human resources, leadership, and team development whilst with SP Brewery and ANZ Bank. With the latter he led at regional level as well, educating communities in PNG, Solomon Islands and Vanuatu via the bank's ANZ financial literacy Money Minded Program. He also facilitated leadership programs for the bank's team leaders and line managers within the region. He contributed to the Review of the Union Collective Agreement implemented by ANZ and the Bankers Workers Union in 2017. He was also instrumental in the review of the People Policies for ANZ PNG. Amongst his ANZ career achievements was the setting up of the bank's branch in Hides, Hela Province. Mr Makindi is a member of the PNG Human Resources Institution and Board Member of the Leadership PNG Inc. Having a Bachelor of Science degree in Chemistry has not limited him from fulfilling his passion of helping others become the better version of themselves through training, coaching and mentoring particularly youths. He received training from professional coaches and facilitators from Australia that has enabled him to be one of the leading facilitators within the region. He also does voluntary work for the youth and other church ministries outside of work.

Valentina Kaman - Legal Manager



Ms Valentina Kaman brings in more than 15 years' experience in the oil and gas industry, in both public and private sectors. She holds a Law Degree from the University of Papua New Guinea and specialises in commercial law - in licensing, drafting and reviewing contracts, dispute resolutions, benefit sharing and general legal advisory. Kaman held the position of Principle Legal Officer & Petroleum Warden with the Department of Petroleum and Energy for six years during which she was instrumental in the successful completion of the Gobe PDL 4 License Based Benefit Sharing Agreement for the PNG LNG Project. Kaman was with ExxonMobil PNG as the Government Relations Advisor. When she is not working, Valentina advocates for women empowerment as the Vice President of Business Professional Women's Club. Valentina also sits on the board of Transparency International PNG (TIPNG).

Zebedee Kamaso - Graduate Lawyer



Graduating from the University of Papua New Guinea (UPNG) in 2017 with a Bachelor's degree in Law, Mr Zebedee Kamaso worked as a Junior Lawyer with Chesterfield Lawyers for eight (8) months gaining experience in both litigation and commercial law, before joining MRDC. As a trainee lawyer at the Legal Training Institution (LTI), Kamaso did his work placement with Arshurst PNG for three weeks. Zebedee has also interned with the Public Solicitors Office - Vanimo while on holidays in 2016. Apart from work, Kamaso is part of the working committee of the Vanimo Free Trade Zone Project.

Trent Tefuarani - Graduate Lawyer



Mr Trent Tefuarani holds a Law Degree from the University of Papua New Guinea. Recently graduated as a trainee lawyer from the Legal Training Institution early this year, Tefuarani joined Albatross Law firm where he worked for five (5) months before joining MRDC.

Nelly Lavari - Legal Secretary



Miss Nelly Lavari has extensive experience in legal secretarial jobs having worked with several law firms such as O'Brien and RBK Lawyers. Lavari also worked with Gobe Freight Services (GFS), a trucking company owned by principle landowners of Gobe and Kopi, for five (5) years. Prior to joining MRDC, Nelly was with NASFUND as the legal secretary for two (2) years. In her spare times, Ms Lavari plays volleyball. She has been part of the NCD Volleyball Association (NCDVA) since 2005. Nelly was part of the national volleyball team that represented PNG at the Oceania Games in 2010.

MRDC ends Daffodil Cup 10-year drought



MRDC staff with the winning team

The Mineral Resources Development Company (MRDC) won the 2018 Oil Search Daffodil Corporate Golf Challenge, their first after 10 years since its first win in 2009.

MRDC finished on top of the ladder board ahead of 33 other participating teams on August 24 at the Port Moresby Golf Club.

The company has always been willing to support the Daffodil Golf Challenge given its cause to help raise funds for the PNG Cancer Foundation through team registration and auction of items. The company supports this initiative every year by registering a team to compete against other corporate houses.

The company is committed to help the Cancer Foundation create awareness on cancer, treatment and care as well as prevention.

The Daffodil Golf Challenge raised a total of K117,060 for the PNG Cancer Foundation.

MRDC surrenders Prime Minister's Golf Cup

Indeed all good things must come to an end as the company handed over the Prime Minister's Golf Challenge Cup to the new champs.

The dream team of four finished second at the 2018 Prime Minister's Golf Challenge after falling short of two (2) birdies to complete all

thirteen (13) holes. With 11 birdies, the team manage to finish second place winning four return tickets to Brisbane Australia from Air Niugini. The competition was played at the Royal Port Moresby Golf Club.

The Prime Minister's Corporate Golf Challenge is run by the Papua New

Guinea Olympic Committee every year to raise funds for the committee's operational activities.

Every year, corporate houses sign up to get a chance of playing golf alongside the Prime Minister.

MRDC is optimistic that we will reclaim the trophy next year.