



MRDC

TOKAUT

*Custodians
of tomorrow*

MRDC Tokaut | SEPTEMBER EDITION 2017

PNG LNG landowners receive royalty payments



The 14 clan heads of Boera village with their first ever royalty payments after an official ceremony to mark the start of the payment exercise in Boera village

In September this year, the Mineral Resources Development Company announced that the long awaited royalty payments from the first LNG shipment, which took place between June 2014 and December 2016, was ready for disbursement.

More than K15.6 million in royalties was released to MRDC by the Department of Petroleum and Energy (DPE), Finance and the Central Bank, of which 40% was to be paid to beneficiary clans in the PPFL2 area via the plant site landowner company, Gas Resources PNG LNG Plant Limited (GR-PNGLNGPL).

The payout to the beneficiary clans started on September 4 according to a resolution passed by the GR-PNGLNGPL Board comprising of state representatives and four landowner directors in Ms Ulato Avei (Chairperson) (Boera), Solo Damena (Papa), Dikana Igo (Rearea) and Peter Vagi (Porebada).

Of the total royalty, the GR-PNGLNGPL paid out K6.25 million (40%) to the 83 beneficiary clans in accordance with the Ministerial Determination (No. G692, 2015) and set aside 60% under two trusts – the Future Generation Trust Fund (FGTF) (30%) and the Community Investments Trust Fund (CITF) (30%) as provided under the Oil & Gas Act 1998.

To this end, the royalty payment allocation is such that K6.25 million was paid to landowners, K4.69 million to the FGTF and K4.69 million to CITF. The 79 clans that benefitted from the K6.25 million royalty payment include Rearea (18) which received an allocation of K1.746 million, Papa (12) received K1.746 million, Boera (14) K1.352 million, Porebada (35) K1.154 million while the others (4) shared the balance of K250, 028.

Royalty payments were made directly to the clans' bank accounts which were opened by MRDC in December last year.

In making the announcement, MRDC Managing Director Augustine Mano congratulated and commended the landowners from PPFL2 for cooperating with the MRDC and other stakeholders.

"I hope that the pipeline and upstream landowners will be inspired by what has transpired over the last few months in the plant site and resolve their ongoing issues in order to also receive their benefits in the PNG LNG Project," said Mano.

"You did not dispute the Ministerial Determination and there was no court case throughout this process. This shows the maturity and leadership that is needed in terms of defining benefits. I want to thank the landowners under the PPFL2 area for providing that leadership."

Meanwhile the MRDC is committed to working with DPE and landowners in the pipeline segments and the green field Petroleum Development Licence

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Managing Director's Message



MRDC Managing Director - Augustine Mano

Welcome to our September edition of the MRDC Tokaut. The third quarter marked the end of a long wait for the MRDC and especially the PNG LNG landowners.

This follows the release of the long overdue royalty payment of K15.6 million from the first shipment of LNG between June 2014 and December 2016. The allocation of royalties was done as per the Oil & Gas Act 1998. The recently elected Gas Resources PNG LNG Board which includes four landowner directors whose appointments were highlighted in the June Tokaut issue, played a pivotal role in the disbursement of the funds to the beneficiary clans.

The disbursement of funds is outlined on pages 1, 2 and more from the event in pictures are displayed in a photo spread on pages 6 and 7.

During the quarter the revised Memorandum of Agreement (MOA) for Ok Tedi, PNG's largest mine was signed, details of which are set out on page 3.

Following the successful completion of the country's election, we welcomed three new governors who joined returnees Hon. William Powi

and Hon. Sir Peter Ipatas as directors on the Board of MRDC trustee companies. Hon. Powi was re-elected as Southern Highlands Governor, Hon. Sir Peter Ipatas returned as Enga Governor. The three new governors who are first time MPs as well are Hon. Taboi Awi Yoto who comes in as Western Province Governor in place of Hon. Ati Wobiro, Hon. Robert Agorabe is the new Central Province Governor replacing Hon. Kila Haoda and Hon. Chris Haiveta returns for his third term as Gulf Province Governor replacing Hon. Havila Kavo. This is featured on page 4.

On page 5, we highlight the appointment of five Village Liaison Officers (VLOs) who will be MRDC's contact persons on the ground in the PDL areas 1, 7 and 8. Also on page 5, we feature the joint discs maintenance program between MRDC and ClickTV in the Kutubu, Gobe and Kikori areas. Maintenance programs such as this ensures that landowners in the project areas have access to TV.

One of MRDC's visions is to ensure that our fellow countrymen living in resource areas are not left behind and that they benefit from resources derived from their land. During the quarter the MRDC supported as well as initiated some programs for the landowners' benefit. We assisted the US-based Niugini Foundation, made up of Papua New Guineans living in the US, deliver education books to the remote Southern Highlands Province. More from the handover is featured on page 8. In addition, on page 11 the MRDC raised awareness in schools situated in rural project areas encouraging them to participate in the country's sole literature competition, Crocodile Prize, underlining the call with an increased sponsorship announcement from K5,000 to K10,000. Furthermore, committed to the promotion and empowerment

of women in this areas, the MRDC provided women in Kutubu with seed capital for a Chicken Poultry project by putting up K30,000. For more on this, refer to page 9.

Also on page 9 we highlight the fire at Hanuabada Village. The MRDC like all other Papua New Guineans were left devastated when the fire tore through 15 homes in the village. Some of our employees reside there so we could in a way sense their pain. The MRDC led by our External Affairs and Sustainable Development General Manager Imbi Tagune accompanied by staff members, presented K10,000 in cash and three boxes of gifts as donation to the families who lost their livelihood in the fire.

On page 10, we bring you some of the vibrancy and color that the Kutubu Kundu and Digaso Festival is known for. Indeed this year as it marked its 7th year, the festival recorded its highest number of tourist visitors which for all of us means an opportunity not only to showcase and preserve the Kutubu culture, environment and wildlife but also to boost our budding tourism industry.

As we continue on this pathway of development and progress, we must not lose sight of the importance of sports in our lives. A healthy body means a healthy mind which is reflected in the work we do. At MRDC, we try to give our workers a wholesome development. To this end, we fielded a team in the 2017 Prime Minister's Corporate Golf Challenge. Our four-man Ambrose team fended off competition from 29 other competitive teams to lift our first premier golf title ably led by Captain Komane. Their feat and their wins are featured on page 12.

Till the next issue of the Tokaut in December, Happy Reading!

PNGLNG landowners receive royalty payments

Continued from page 1

(PDL) areas to conduct and complete their clan vetting process in order for a Ministerial Determination to be made, thus allowing the benefits to flow to the landowners.

"We will follow the same process as we have done here for the pipeline and upstream areas," Mano said.

Once the Ministerial Determination is in place, the MRDC will create Benefit

Certificates and open bank accounts for clans followed by the election and appointment of directors to their respective gas company boards.

Ok Tedi revised agreement signed



Mining Minister Hon. Byron Chan and Star Mountain LLG President Borok Pitalok signing the MOA review in Tabubil

The amended agreement for Papua New Guinea's largest mine, Ok Tedi has been signed.

Signed in June in the mining township of Tabubil, the revised Memorandum of Agreement (MOA) is the third agreement to be signed and approved by the National Executive Council (NEC) out of six that were reviewed. The other MOAs signed are for the Tolokuma and Simberi projects. MOAs for two other operating mines are still to be reviewed.

Meanwhile, in presiding over Ok Tedi's revised MOA signing, Mining Minister Hon. Byron Chan commended Western Province Governor Hon. Roy Biyama and his people for supporting the mine's operation and applauded landowner leaders for concluding the MOA review process.

The MOAs sets out how wealth from mines are distributed among stakeholders. The MOAs are implemented over a three to five-year period before they are reviewed.

Given the importance of the MOA to the country and the beneficiaries in particular Minister Chan says it is vital that the review of such agreements are done properly and in a timely manner.

The Mineral Resources Authority (MRA) coordinates negotiation of MOAs for new mining projects and reviews MOAs for existing mines with the support of the State Solicitor, Departments of Treasury, National Planning and Monitoring, Commerce, Trade & Industry and Labour & Industrial Relations.

Among the benefits that are negotiated for distribution and management under the MOAs include royalties, special support grants and infrastructure projects within the impact area and generally within the mine area communities and the host provinces. The other benefits include employment and training, business development for mine area communities and the tax credit scheme projects.

Meanwhile, also in attendance at the signing of the MOA were Ok Tedi Mining Limited (OTML) Chief Executive Officer (CEO) Peter Graham and his management team, Mineral Resources Development Company (MRDC) representatives and landowners.

New MP Directors welcomed



Governor for Central Hon. Robert Agorabe (2nd from left) meeting part of the management team during a visit to MRDC after being elected. At far left is GRPNGLNGPL director Solo Damena.



Western Province Governor Hon. Taboi Awi Yoto (c) with MRDC's Imbi Tagune (left) and Steven Evekone (right).

At the conclusion of the country's general elections in August, 111 Members of Parliament representing the 21 provinces and 90 districts in the country were sworn in.

Of the 111, five governors from resource project areas become board members to the trustee

companies currently under MRDC by virtue of their position as elected representatives. The five provinces are Western, Gulf, Southern Highlands, Enga and Central provinces. Three out of the five governors are first-time MP's.

Newly elected Governor for Western Province, Hon. Taboi Awi Yoto joins the board of Mineral Resources Ok Tedi Limited, which is the Fly River provincial government's trustee company holding equity benefits from the giant Ok Tedi Mine. He replaces former Governor for Western Province Hon. Ati Wabiro.

Central Province Governor Hon. Robert Agorabe, a first-time MP as well, replaces Hon. Kila Haoda on the Board of the newly established Gas Resources PNG LNG Plant Limited, the trustee company for the LNG plant site landowners in Central Province.

Hon. Chris Haiveta who previously served two terms as Governor Gulf Province returns to replace Hon. Havila Kavo on the Board of Petroleum Resources Kutubu, representing the Kikori pipeline landowners.

Hon. William Powi returns as Governor for Southern Highlands and retains his position on the boards of Petroleum Resources Kutubu, Petroleum Resources Moran and Petroleum Resources Gobe.

Enga Governor Hon. Sir Peter Ipatas returns as well on the Board of Mineral Resources Enga Limited.

VLO's engaged in PNG LNG Project site



LNG project upstream Village Liaison Officers for MRDC. (From left to right are) Michael Kane – PDL7 VLO, Akilo Tatape - PDL1 VLO, James Debela – LNG Upstream Field Coordinator, Mark Bulalu – Angore PDL8 VLO and John Tugube Tari /Komo road site –VLO.

Mineral Resources Development Company (MRDC) has appointed five new Village Liaison Officers (VLO) to the PNG LNG Projects sites thus enabling a link with the project landowners.

The new VLOS will look after the PDL 1, 7, 8 areas and access road sites by enabling MRDC to have a presence

on the ground and to maintain a good relationship between the landowners and the company.

VLO's are also required to disseminate information between the beneficiaries and the company. The five new VLO's join others already engaged in Kutubu, Moran, Gobe and Kikori areas.

Click TV completes maintenance program



The Mineral Resources Development Company (MRDC) successfully facilitated a recent joint maintenance program with Click TV in the Kutubu, Gobe and Kikori areas.

Officers from MRDC worked together with Click TV's maintenance crew visiting 19 installation sites in eight days

to carry out repairs on TV satellite discs. The discs were installed four years ago.

The team ensured that all 24 channels through Click TV were operating well. They also had to ensure that the two newly installed TV channels (EMTV and Kundu) are working.

In Kikori, an additional ten TV discs were installed in the MRDC Kikori facility. Ten TV screens were successfully installed in each of the rooms with all channels up and running.

Team Leader External Affairs Bartholomew Yacop in his report to management stated that the Click TV technicians with the help of MRDC officers and VLOs ensured that all units were inspected, issues rectified and that the overall program was successfully implemented.

The Click TV discs were installed under an agreement with Petroleum Resources Kutubu (PRK) to allow landowners in the project area to have access to TV.

PRK pays an annual bill to Click TV to facilitate this service to landowners living in the project areas. The maintenance program such as the one recently completed is among ways PRK ensures this service is being provided and is accessible to landowners. PRK landowners were very happy the exercise was done so they could watch the World Cup games live from their villages.

Royalty payment



Mr Mano speaking during the official launch of the royalty payment exercise.



Women from Boera village during the launching ceremony.



Governor for Gulf Chris Haveita sharing a light moment with Sir Moj Avei while Mr Mano looks on.



Part of the delegation invited to witness the occasion. These included leaders from Hela province, Central and Gulf governors.



Some beneficiaries from Papa village waiting patiently to receive their payments.



General Manager Imbi Tagune speaking at Papa Village before handing out payments



Director Dikana Igo addressing his people in Rearea.



Representatives from Exxon Mobil who were made part of the stakeholder observer team.



A beneficiary clan head receiving payments on behalf of his clan in Papa. Director Solo Damena was on hand with Chairlady Ulato Avei to present the payments.



Staff from MRDC involved in the payment operation. Seated Centre are Hela Chiefs Chris Payape and Hegebe Haluja who was invited to witness the payment exercise.



One of the clans from Rearea village with their Royalty payment.



Beneficiaries in Porebada village waiting for their payment.



A clan head from Porebada receiving his clan's payment from Chairlady Ulato Avei and Director Peter Vagi.



GRPNGLNGLPL Chairlady Ulato Avei speaking to landowners from Rearea village before paying out their royalties.

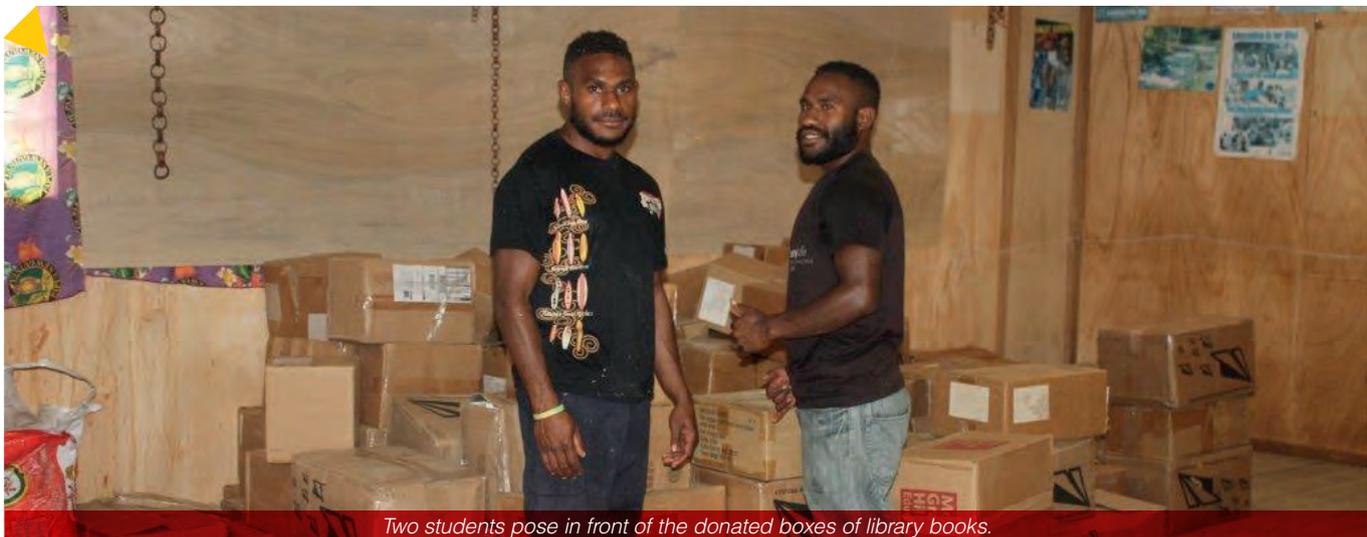


A woman from Rearea watching the presentation of payments.

MRDC helps deliver education materials



MRDC's Public relations officer Iona Reto presenting the donated library books to teachers from Don Mosley and Gobe Argo tech school.



Two students pose in front of the donated boxes of library books.

The leading resource owner custodian company, Mineral Resources Development Company (MRDC) assisted the delivery of education books to remote Southern Highlands Province as part of its social obligation to the community.

In partnership with US-based non-government organisation, the Niugini Foundation, MRDC spent over K100,000 in delivering education books to Erave.

Niugini Foundation executive director James Kisa said the books were shipped from US to Port Moresby, sorted out then repacked into two containers and delivered to Semberigi and Erave schools.

Kisa said the first delivery was to Semberigi-based schools - Gobe

Ágro High schools, Don Mosely and Wemi primary schools.

MRDC Public Relations officer Iona Reto who had the opportunity to deliver the books on behalf of the company said the teachers were overjoyed as their present library had outdated reading books and encyclopedias.

Reto said the teachers and students from Gobe Agro High school, Don Mosley and Wemi primary schools thanked the foundation for the gesture.

In thanking James Kisa, founder of Niugini Foundation, Reto said: "You are a true son of PNG. God Bless your heart. We look forward to a continued partnership in reaching out to our rural people.

Kisa said the foundation offers similar assistance to the country's health sector.

"We work in partnership with the government, private organizations, corporations, and individuals to support and implement projects that we believe will produce lasting results. We believe that individual cannot win a game unless they work together as a team.

We want to become an agent of change in these three major sectors health, education and technology in Papua New Guinea," Kisa said.

He thanked MRDC Managing Director Augustine Mano and the Board for the partnership in delivering the education materials to schools in the Southern Highlands.

MRDC gives a helping hand to Hanuabada Appeal

The Mineral Resource Development Company (MRDC) presented K10, 000 in cash plus three huge boxes of gifts to families who lost their livelihood in a fire that tore through Hanuabada Village in August.

MRDC External Affairs and Sustainable Development General Manager Imbi Tagune and his MRDC staff, on behalf of Managing Director, Augustine Mano presented the donation to community representatives Dadi Toka Junior and Samuel B Lohia in the presence of some of the victims of the fire.

In presenting the cash and the gift boxes, Tagune said: "I know the feeling. Today, I feel for those who have been victimised by the fire that swept away their belongings. I felt the same feeling when I lost everything I loved in a similar situation.

"Please have some compassion and give yourself time to go through and you will rise up. The city, country and everyone are with you. Today, we take comfort in God alone.

"I encourage you that what you made or what made you, including your treasurers, things you keep that you loved including your memorabilia, have all turned to ashes but these are replaceable so take comfort in God. The country is with you and you will rise up," Mr. Tagune said.

Toka thanked MRDC for the support given to the victims.

"We've had a lot of support so far. We've made sure the process in receiving the support has been transparent not just for the village but for the victims. They will be putting up a home at some stage," Toka Junior said.



MRDC's Imbi Tagune in blue speaking to the Hanuabada Fire Appeal committee.



Part of the ruins of the fire. (Insert) boxes donated by staff being moved to the relief centre to be distributed.



Poultry project to empower Kutubu Women

The Mineral Resources Development Company (MRDC) believes and is committed to the promotion and empowerment of women in resource project areas.

Continuing its support for the Kutubu Women's council from two years ago, this quarter the MRDC provided the women with seed capital for a Chicken Poultry project by putting up K30,000 which will be managed and coordinated by the Kutubu Women's Council.

MRDC Managing Director Augustine Mano said economic projects such as this at the rural level, although small, enables women to support themselves and their families.

"I know this funding will go a long way for these women so I am happy to support their initiatives, knowing that the Kutubu women are looking at opportunities to better themselves and the quality of their lives rather than wait for handouts," he said.

The K30, 000 will be used as seed capital which will enable women from the different council wards to run poultry farms. The money generated from the project will then support these women in other economic activities in their villages.

Kutubu Women's Council president, Anne Hewago was appreciative of the continued support MRDC has been providing to the women.

She said MRDC is one organisation that has backed the women over the years when they most needed it.

MRDC has in the past assisted the council purchase a portable scan machine which enabled health officers review pregnant mothers during their clinics. The company has also assisted the women in other awareness programs.

Kutubu Kundu and Digaso Festival draws record tourist numbers

The 7th year of the Kutubu Kundu and Digaso Festival held at Daga Village, Pimaga in September this year recorded its highest number of tourist visitors.

A total of sixteen (16) tourists visited the show, six of them European tour operators on a fact finding mission to see how they could incorporate the festival into their tour packages.

The folks from Kutubu, Moran, Huli and Bosavi certainly did not let the visitors down.

The different singing groups braved the heat and their spectacular traditional dances captivated the tourists who ran out onto ground to capture every moment of it.

MRDC has been supporting the festival since its inception in 2011. Over the last seven years MRDC has contributed K350,000 - K50,000 each year.

This year's sponsorship announcement was made at the Holiday Inn Hotel in August in Port Moresby during the festival's first-ever fundraising dinner event.

MRDC's Imbi Tagune, in presenting the cheque said they support events such as the festival in recognition of its potential to attract tourists both domestically and internationally.

"We are building a 5-star hotel in Port Moresby, the Hilton Hotel, we want to bring in tourists from around the world and create an avenue for them to experience our wonderful country by travelling out to the remote areas such as Kutubu to see our diverse and unique cultures in festivals like this," Tagune said.

"We have PNG Air that's flying in up to three times a week, so tourists staying at the Hilton can fly up, see the festival and go back," said Tagune.

Festival committee president Saina Jeffery acknowledged MRDC for



Some of the amazing traditional attires displayed at the Digaso festival this year.



believing in the festival and its aim to preserve the Kutubu culture, environment and wildlife.

The festival committee also welcomed the PNG Tourism Promotion Authority who sponsored the event and brought in the tourists. Their presence was a promising sign of the event being a recognized cultural event in the country.

A new addition to the festivities was the inclusion of a traditional canoe race on Lake Kutubu on the Sunday after the two-day festival. The villages around the lake raced each other attired in traditional wear which also wowed the tourists who were accommodated at the Tubo lodge. The canoe race is set to be a popular attraction in future.

Rural schools urged to participate in writing competition

The Mineral Resources Development Company has bumped up its sponsorship of the country's sole Literature Competition this year as it extends the call for rural schools to participate.

Walking the talk, the MRDC increased its sponsorship of the Crocodile Prize to K10, 000 from K5,000 and took the initiative to raise awareness in schools situated in rural project areas encouraging them to participate.

Last month, the company invited Crocodile Prize committee member, Gretel Matawan who joined MRDC Public Relations officer Iona Reto to carry out awareness in four schools in Kikori in the Gulf Province and Semberigi in the Southern Highlands Province.

The pair visited Kikori Secondary School, Gobe Agriculture High School, Don Mosely and Wemi primary schools.

Gretel Matawan was thankful for the opportunity to take the competition out to the rural areas and thanked MRDC for making it possible.

"We want to encourage students from all over Papua New Guinea, not just in the urban areas but also in the rural areas to enter the competition. The Crocodile Prize is grateful to MRDC for creating that opportunity to help bring awareness for the students and teachers in Kikori, Gobe and Semberigi areas."

External Affairs Manager Steven Evekone presented the company's sponsorship cheque to the committee in Port Moresby upon the pair's return from the awareness program.

"We want to see more of our students and teachers from the project areas to be given the opportunity to participate in this competition that we are sponsoring," said Evekone.

He stressed that the resource project areas are rich in natural resource yet students are still disadvantaged in many aspects of life. Including them in opportunities such as the



MRDC's External Affairs Manager Steven Evekone (left) handing over the K10, 000 dummy cheque to Crocodile Prize committee members Emmanuel Peni, Martyn Namorong and Gretel Matawan.



MRDC's PR officer Iona Reto and Crocodile Prizes Gretel Matawan pose for a picture with students from Don Mosley during the awareness program in Semberigi.

Crocodile Prize competition and other educational initiatives can go a long way in helping them improve their lives.

Of the K10, 000 sponsorship K5,000 will go towards the 'Women in Writing' Award Category, which MRDC also sponsored last year. Roselyn Tony, a teacher in Rural Simbu Province won the category last year. The other K5,000 will go towards assisting the committee cover associated costs of running the competition.

"If Roselyn can do it, I'm sure our teachers in the project area schools and in other parts of the country can do it. We want to encourage more women and girls to participate, and it would be a bonus if they are from our project area schools," said Evekone.

The MRDC Women in Writing category is one MRDC is very proud to support as the sponsorship demonstrates the

company's commitment in supporting educational initiatives and programs in PNG especially in the development of women and girls in all facets of the society.

The company hopes to help take the competition to the rest of the resource project areas in the country next year.

The Crocodile Prize competition has eleven (11) categories in the competition; Short Story, Poetry, Illustrations, Book of the Year, Women in Writing, Essays and Journalism, Best Short Play, Heritage Writing, Writing for Children, Emerging Young Writers and the FB and NBC Radio Competition. The entry opened for all Papua New Guinean citizens on the 27th February, 2017 and closed on 30th September, 2017.

Winners will be announced in October 2017.

MRDC wins PM Golf challenge



Team MRDC together with General Manager Commercial Clifford Kasi and External Affairs Becky Berapu posing with their wins at the awards ceremony.

Mineral Resources Development Company (MRDC) ended its long wait for a premier golf title when it won the 2017 Prime Minister's Corporate Golf Challenge that was held during the quarter in Port Moresby.

The four-man Ambrose team led by Port Moresby representative player Lucas Komane blitzed the strong field of 30 teams to win their first golf title.

Members of the winning team each won a Return Ticket to Sydney, Australia while second placed Southern Cross won return tickets to Brisbane. The little-known Tupira Surf Club team from Bogia in Madang led by Justice Nicholas Kirriwom won the third prize – a Return Ticket to Cairns, Australia.

Captain Komane who joined the sport as a caddie before being drafted into

the Port Moresby golf junior program described the victory as sweet.

Komane thanked MRDC for being a loyal sponsor of the team through thick and thin.

"I want to thank the sponsor, MRDC for supporting me and my teammates. I have been playing this sport for the past 12 years, and have been improving at every tournament that I played and now we finally won a golfing event," the Simbu man said.

The 6-hour Ambrose event was played in hot and humid conditions but Komane was pleased with his teammates George Danny, Kevin Wapa and Ali Poka who kept their focus to win.

MRDC Manager Investment Clifford Kase and Becky Berapu were on

hand to celebrate the win with their sponsored team.

Kase, a keen golfer himself said their investment in the players has paid dividend. A pleasing result, he said.

"We have been supporting these players by paying their tournament fees and sending them to golfing tournaments."

Kase believes the 4-member team will return to next year's competition stronger to defend the title.

Senior vice president PNG Olympic Committee Mel Donald expressed her gratitude to all the corporate sponsors for being part of the golf fundraiser. She further added that they should feel proud for contributing to the development and progress of upcoming and promising PNG sports people.