



### 1. PACIFIC ISLANDS REPORT

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#### GOLD MINER TO BEGIN PAPUA NEW GUINEA DRILLING

PORT MORESBY, Papua New Guinea (PNG Post Courier, March 4) - An Australian diversified metals company Marengo Mining Limited will soon start its drilling program at the 100% owned Yandera project in the Madang Province.

Managing director Les Emery said in a statement yesterday following on from a very successful program last year, which saw 7000 metres drilled on the Gremi, Omora and Imbruminda zones, Marengo has again contracted drilling experts United Pacific Drilling to provide two diamond drill rigs for this season.

"It is anticipated that a similar meterage will be completed during the 2007 field season and will initially concentrate on the Omora Zone, where drilling in late 2006 intersected a broad zone of previously unidentified gold - molybdenum mineralisation in close proximity to the existing copper - molybdenum mineralisation," Mr Emery said.

Marengo Mining Limited currently has cash reserves of some \$A10 million (K24.8 million) [US\$17.1 million], following a very successful capital raising during the latter part of 2006, which saw the company's international institutional shareholder base increase to approximately 40%.

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### 2. PNG and Australian business concerned about tense relations (AUST/PNG- DIPLOMACY: RADAUS PACNEWS 1: Tues 20 Mar 2007)

20 MARCH 2007 CAIRNS (Pacnews) - Australian and Papua New Guinea business leader have voiced concern over the tense relationship between the two countries due to the Julian Moti affair, Radio Australia reports.

The issue was raised in Cairns in Far North Queensland during day one of the 23<sup>rd</sup> Annual Australia Papua New Guinea Business Forum.

Opening the forum, Australian Foreign Minister Alexander Downer told delegates once PNG's board of inquiry is held into its government's role in the issue, relations should improve.

The President of the Australia Papua New Guinea Business Council Allan Walter said so far business between the two countries hasn't been affected, but there's a worry that it may start affecting new investment in PNG.....PNS.

### 3. \$210 million gift to png province criticized

PORT MORESBY, Papua New Guinea (PNG Post Courier, March 20) - The National Executive Council's decision to present East Sepik Province with infrastructure projects worth about PGK600 million [US\$210 million] has been described as a "desperate election gimmick."

New Generation Party founder and Lae Member of Parliament Bart Philemon said the decision also borders on grand-scale corruption and selfishness. The National Executive Council meeting in Wewak last week decided to give to the people of East Sepik five infrastructure projects to "thank the people for supporting Sir Michael over the past 40 years." The projects are upgrading of the Boram airport to international status, regravelling and sealing of the Coastal Highway from Hwain in East Sepik to Vanimo in West Sepik, upgrading of Brandi-Kaup-Angoram road, upgrading of the Maprik Hayfield airstrip and Tadjj airstrip in Aitape, West Sepik and upgrading of the Wewak wharf.

Funding for the projects, announced at the conclusion of the National Executive Council meeting by Deputy Prime Minister and Transport Minister Don Polye, would be allocated starting next year and continue over a 10-year period. Mr. Philemon said he believed Prime Minister Sir Michael Somare, Public Enterprises Minister Arthur Somare and other National Alliance leaders led the push for the projects.

### 4. Aussie miner seeks Panguna re-opening

JOHN TOWNER, chairman of Australian miner Ord River Resources, flew into Bougainville to negotiate the possible re-opening of the Panguna mine with Autonomous Bougainville Government president Joseph Kabui.

Mr Kabui said Mr Towner's visit was aimed at negotiating the re-opening of the island's gold mine which was shut down in 1987. Mr Towner flew into the island on a chartered jet. He said he clarified to the Australian executive that Panguna would not be re-opened unless outstanding economic and environmental issues are resolved.

The meeting took place at the ABG's House of Representatives.

"I have made it clear to Mr Towner that ABG would give all companies the same treatment or would not give any preferences to anyone. I just don't want people coming in and making instant millions out of Bougainville from false speculations," Mr Kabui said.

He said his government's prime objective was to make decisions that would benefit all Bougainville citizens in the future. He added that so far a lot of other potential mining companies had also expressed interest to re-open Panguna but ABG had not yet considered any one of them.

Mr Kabui stressed that at the moment ABG would not commit (the reopening of the mine) because of many issues that still needed to be addressed seriously. He said the issues included environment, the draw down of the mining powers, the adoption of a mining policy by ABG, the Rio Tinto case in the US, completion of landowner reconciliation, the review of options and a general awareness among the people as to how and why the ABG would make its final decisions.

Source: The National, 22 March 2007

### 5. Lae's building boom to continue this year

A K100 million investment in Lae's building industry recorded last year by the Morobe provincial building board has been seen as a sign that building activities will continue this year.

The board said more multi-million kina projects were undertaken last year, compared to the previous years.

The board expected some big multi-million kina projects to be take place this year and amongst them is a two-floor Raumai (18) shopping mall at Eriku, the redevelopment of the Ninth street C&B Chee allotment and Papindo town department store that were both destroyed by fire last year.

Recently, Hornibrooks NGI had completed a huge industrial warehouse for Steamships Properties near the Lae main wharf that saw most of its units being leased in advance even before its completion.

"The increased building activities are attributed to the positive growth in the economy and good commodity prices that have all contributed to boosting investor confidence," provincial building manager and inspector, Bonny Tangara, said.

Data compiled by the board shows that the five biggest projects were worth between K2 million and K38.15 million and most of those were industrial warehouses.

"Since September last year, the demand for office space in Lae has been very high and this saw the increase in new construction projects," Mr Tangara said.

"We are looking forward to the development of commercial blocks at the old airport with some other big projects lined up for the year ... we anticipate another good year," he said.

"Buildings usually take up 75% of space to allow room for car parking spaces and other service utilities.

"More cars are coming in and more buildings going up, with most road reserves being occupied ... we have problems with parking space," Mr Tangara said.

Source: The National, 22 March 2007