

1. IMPORTANT WEBSITES FOR SUBSCRIBERS OF PNG NEWSLETTER

If you want to get relevant news and current events about Papua New Guinea, please visit the two websites. www.nzpngbc.org.nz and www.pngnz.org/highcom/

2. ADB PROBES \$38 MILLION FOR PNG SKILLS PROGRAMS

PORT MORESBY, Papua New Guinea (The National, Jan. 24, 2008) - The Asian Development Bank (ADB) is investigating possible mismanagement of US\$38.89 million [PGK108 million] given to three Government departments to provide skills training to Papua New Guineans. The three are the National Planning Office, the Department of Community Development and the Education Department. The "Employment Oriented Skills" project began in 2001. The National Planning Office managed the project from 2001 to 2004 and under a special loan revision mission agreement. In 2004, the Department of Community Development took over. The Department of Education was an implementing agency, overseeing the other component on skills education, human resource and capacity building. ADB officer-in-charge Allan Lee said the investigation was still continuing and that he could not disclose any details as yet. The bank has engaged a Singapore-based company, Insight Risk Group, to investigate.

3. PNG TO FINANCE \$1.8 MILLION CHANCERY FOR SOLOMONS

HONIARA, Solomon Islands (Solomon Star, Jan. 29, 2008) - The Solomon Islands High Commission Chancery Committee met in Honiara yesterday to review the building design before submission to the Papua New Guinea Building Board. The committee is made up of senior government officials from the ministries of foreign affairs and trade, infrastructure and planning. Solomon Islands High Commissioner to PNG His Excellency Bernard Bata'anisia is part of the committee, who briefed the committee on the stages and progress on the design work. Bata'anisia told Solomon Star that the design plans are established by Archiscabe Group - an architectural group in PNG that won the tender to design the country's chancery in PNG. The PNG Government is funding the project at the cost of PGK5 million [SB\$14 million; US\$1.8 million]. "The committee is satisfied with the work done on the project so far," Bata'anisia said. He said having reviewed the designs, he would now return to PNG to meet with the architectural firm which will then make a formal submission to PNG's building board. The building board is responsible for approval of buildings in Port Moresby. Bata'anisia said this should be done next week. Meanwhile, Bata'anisia also met with the Ministry of Education permanent secretary and senior officers on PNG's education grant for Solomon Islands students. The PNG Government has donated K4 million [SB\$11 million; US\$1.4 million] towards education for Solomon Islands students in PNG's tertiary institutions. "I have discussed the funding arrangements for our students in PNG so it is now up to the education ministry or the National Training Unit to decide on which students to benefit from this," he said. Bata'anisia returns to PNG today.

4. PNG TUNA CANNER SEES BIG EUROPEAN MARKET

PORT MORESBY, Papua New Guinea (The National, Jan. 29, 2008) - There is an "unlimited market" for Papua New Guinea fish products in Europe but a concerted effort is needed from all stakeholders to fully realize the benefits, a tuna canner said. Alex Bernardino, Frabelle (PNG) Ltd general manager, said importers were willing to buy "unlimited supplies" of local tuna products following accreditation from the EU Commission for Lae-based Frabelle. The EU Commission had given Frabelle a 24 percent duty-free access to markets there -- 4 percent more than the leading canned fish exporting countries of Thailand, Singapore, Philippines and Indonesia. Madang-based RD Tuna Cannery, the pioneer in tuna processing and canning in the country, was first to enjoy lower tariff for its canned tuna products in Europe after getting such accreditation some years ago. Mr. Bernardino said the EU accreditation, along with certification from other buyers, would boost PNG tuna product exports to Europe. "This will open the flood-gates for investors to invest in PNG's vibrant tuna industry," Bernardino said. The Filipino-owned company exports cooked and frozen tuna loins and canned tuna to European markets. The main tuna products exported are yellow-fin and skipjack. Bernardino revealed major expansion plans in its facilities by investing in equipment and physical structure and doubling of staff and production. "We need to maximize the opportunity by expanding our capacity to produce," he said. Work was continuing with Frabelle to double its current production capacity at an average of 60mt daily to 120 tons and to increase its staff from the current 1,100 to over 2,000 within the next six months. PNG is located along the tuna highway and the National Fisheries Authority (NFA) is strictly monitoring catches to ensure proper management and stable supply of tuna stocks. Bernardino wanted more support from Government, particularly from the Morobe provincial government, in terms of infrastructure. He was hoping the National and provincial governments would provide more incentives for businesses. The EU Commission had deputized the NFA to monitor and ensure Frabelle adhered to standards imposed by the EU. These include food safety, hygiene and sanitation and good management practices.

5. PNG LANDOWNERS DEMAND HALT AT CHINESE MINE

PORT MORESBY, Papua New Guinea (The National, Jan. 30, 2008) - The Chinese developers of the Ramu nickel project have been told to shut all operations forthwith, relocate all Chinese nationals on the sites to Madang, address landowner grievances including allegations of Chinese dominance and discrimination, and visit Ok Tedi, Porgera and Lihir mines to learn about the standards and best practices employed there. To show their grievances, the landowners yesterday staged a surprise protest at the company head office in Madang town, shut its gate and demanded the closure of the entire operations until landowner grievances on benefits and related concerns were amicably addressed. "Enough is enough," some landowners exclaimed. We know what was happening is sub-standard. Mining in PNG had been going on for 20 to 25 years and we know what to expect (in terms of benefits and community obligations)," Steven Saud, the chairman of Coastal Pipeline Landowners Association, said. "You go to Ok Tedi, Lihir, Porgera, Misima, Tolukuma and you will find that Papua New Guineans are running those mines. Expatriates are working under Papua New Guineans there. Why was it not the same in Ramu nickel project?" Mr. Saud said. He and his colleagues said all operations had to cease and the landowners would look after company property. He said the Chinese nationals must return to Madang while the matter is addressed.





6. PNG'S SOMARE ADDS FIVE NEW MINISTRIES TO CABINET

PORT MORESBY, Papua New Guinea (The National, Jan. 31, 2008) - Five new ministries will be created under the reform process currently being undertaken, and that will cost the National Government an additional PGK2 to PGK3 million [US\$738,000 to US\$1 million] annually. Prime Minister Sir Michael Somare indicated this yesterday, saying that cabinet size will increase by five. The NEC meeting yesterday would be giving its blessing for the five new ministries that would increase cabinet membership from 28 to 33 cabinet ministers. Government insiders said NEC was to give its approval and it would go before Parliament for constitutional amendments to be made. Sources said the approval of the five new ministries would be announced but remained under the current ministers who would be caretakers until legislative changes were done and approved by Parliament.

7. WORLD OIL PRICES, TAXES BLAMED FOR PNG GAS PRICES

PORT MORESBY, Papua New Guinea (The National, Feb. 6, 2008) - InterOil said yesterday crude oil prices and government taxes were the biggest contributor to the rise in petrol price in the country. The Napanapa oil refinery operator released figures yesterday showing that its operations at the refinery account for the least of what is being paid for petrol. It said that research by the company's senior analysts showed that 53 percent of the retail price of petrol was directly attributed to the cost of crude oil. "In recent years, the international marketplace has been sent into overdrive by the spiraling demand created by the emerging economies of China and India. As a result, crude oil prices are at record highs, and in fact, are now almost five times greater than they were only a decade ago," InterOil president Bill Jasper said in a statement released yesterday. [PIR editor's note: InterOil is a Canada-based company. According to Hydrocarbons-Technology.com, InterOil Corporation completed the construction of Papua New Guinea's (PNG) first oil refinery early in 2004. BP Singapore is the exclusive agent for all of the crude oil to be supplied to the refinery. Previously, all the crude obtained from InterOil's fields in this area was exported to Australia or Singapore for refining, with the refined products being imported back to PNG to supply the domestic market. According to the InterOil website, InterOil has a Project Agreement and Extension Deed with the State of Papua New Guinea which ensures that the domestic distributors purchase all of their petroleum products from the refinery at the Import Parity Price. The Import Parity Price is the price set by the Price Controller on a monthly basis. Oil Search last year generated a core profit after tax of US\$207.5 million, the highest profit achieved in the company's 76-year history. Profit after tax including significant items was US\$412 million.]

8. DEADLY DRUG 'ICE' FINDS ITS WAY INTO PAPUA NEW GUINEA

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 6, 2008) - A dangerous and illegal drug known only to be used in overseas countries was increasingly used in Papua New Guinea last year. The drug which is nicknamed "ice" for crystal methamphetamine hydrochloride has reportedly been used by foreigners in nightclubs in three centers in the country. However, many nationals were also seen using the drug which is either smoked, injected or snorted. The National Drug Squad, surprised at the discovery, has developed a plan to carry out special operations to quell the use of the drug before many people start using it. A police investigator from the National Drug Squad said "ice" was used by foreigners in some nightclubs in Port Moresby, Lae and Rabaul. "Many locals, mainly young girls and men, were seen among these foreigners who would have used the drug too," the policeman said. He said the discovery had caught the attention of the National Drug Squad. "We have planned major operations this year which will be targeted on finding out who is supplying ice in the country and who is using it," the policeman said.

9. BOUGAINVILLE BALKS AT PNG SHIP INSPECTION

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 6, 2008) - Bougainville is accused of breaking the laws of Papua New Guinea by refusing to have their second flag carrier, Sankamap II, checked when it returns to the country. Foreign Affairs and Maritime officials said yesterday that the autonomous region's flag carrier was expected to have sailed from the waters of Philippines by 6am this morning straight for its new home - Bougainville. The PGK600,000 [US\$221,000] vessel was purchased from a Papua New Guinean company that wound down several years ago and was docked at a Philippines dockyard until the Autonomous Bougainville Government successfully bid for its purchase. PNG Maritime office stressed yesterday that they did not want to "pick fights" with the newly established autonomous region, however alerted ABG crew on board refused to listen to them and to have the boat come in for customs and other required checks. Foreign Affairs said there were several checks required but refused to comment further. The Government officers were also concerned because reports reaching them stated that it was a decommissioned boat therefore they spent a lot on its refit. But Taehu Pais, the Minister for Primary Industry, Fisheries, Forestry, Commerce, Culture and Tourism, Economic Development said from the Philippines that they had not broken the law and that there was nothing wrong with traveling straight from the Philippines to Bougainville.

10. PNG LANDOWNERS REBUFF RUDD ON KOKODA MINING

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 8, 2008) - Australian Prime Minister Kevin Rudd has been told by a landowner group in Papua New Guinea to back off as a mining company prepares to dig for gold near the famed Kokoda Track. Landowners along the Track protested yesterday against delays in approving mining by chopping down a tree blocking the 96-kilometer track. The stunt was witnessed by the international and local media. They displayed placards, one reading "Rudd wants Fuzzy Wuzzy Angels To Live in perpetual poverty." Their move has also gained support from the mining applicant, Frontier Resources Limited, and the PNG Chamber of Mines and Petroleum (PNGCMP), who said yesterday the Australian Government should stick to their own affairs as the track was not in Australia. The landowners want the PNG Government, which is alleged to have been influenced by Australia, to renew Frontier's exploration license at Mt Kodu, 500m adjacent to the track. The landowners want mining to be done, despite that part of the track to be re-routed, because they said the "track has brought us poverty." "We don't want to carry bags for the rest of our lives. You try coming and carrying those bags, would you like it," Mt Kodu Resource Landowners Association spokesman Barney Jack said.

11. PNG GOVERNMENT BUYS TROUBLED GOLD MINE

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 8, 2008) - The State has bought out troubled Tolukuma gold mine through its company, Petromin Holding Limited. Through the acquisition, Petromin will also own 10 exploration tenements, making the company the single largest tenement holder in the country. [PIR editor's note: Petromin is a government-owned entity designed to hold the Papua New Guinea government's equity in oil, gas and minerals.] Petromin acquired the mine from Emperor Mines Limited after an agreement was signed in Port Moresby on Tuesday. The Central Province-based gold mine has been in operation since 1995. But there are some outstanding issues such as the need for a tailings dam to be built, which Emperor has not done. Despite it being about 100 kilometers from Port Moresby, there is no road access. "Obviously the acquisition gives Petromin the opportunity to learn the ropes of managing and operating a mine in a challenging environment," Petromin chief executive and managing director Joshua Kalinoe said.



12. PNG EXPERIENCED STRONG TOURISM GROWTH IN 2007

Papua New Guinea has surpassed the 100,000 mark recording more than 102,000 international visitor arrivals in 2007. The total arrivals represent an increase of 32 percent or some 25,000 additional arrivals compared to the 77,730 visitors in 2006. PNG Tourism Promotion Authority chief executive officer Peter Vincent said the arrival figures exceeded TPA 's target of 90,000 for 2007 and that the healthy growth marks the fifth consecutive year for an increase in international visitor arrivals since 2003. (Source: PNG Tourism Promotion Authority Garamut Newsletter Issue 75 – January 2008)

13. NEW GUIDE BOOKS ON PNG TOURISM



There are four new guide books to better inform industry members and potential investors in the PNG Tourism Industry. Produced by the Papua New Guinea Tourism Promotion Authority, they include - Tour Guiding Techniques Guide Book (2nd Edition); Product Development Guide Book (2nd Edition); Guest House Development Guide Book; and Tourism

Investment & Incentive Guide Book. The Tourism Investment & Incentive Guide Book was done in close consultation with IPA and IRC. These books will be found useful to those that use them. Invaluable comments can be made on each of these books from industry members, stakeholders, operators and others so that improvements can be made in the next editions. Books are available for distribution at PNG TPA office. (Source: PNG Tourism Promotion Authority Garamut Newsletter Issue 75 – January 2008)



“Our good friend and previous High Commissioner to NZ, Ambassador Lucy Bogari was honoured in the June 2007 Queen’s Birthday Honours by being appointed a Companion of the Imperial Service Order (ISO) and to her the NZ/PNG Business Council sends its warmest congratulations.

NOTE: The Imperial Service Order was instituted in August 1902, by King Edward V11 to recognise long and meritorious service by senior civil servants, this order was replaced in New Zealand by the creation of the Queen’s Service Order in 1975. During the 1993 reform of the British honours system the British Government decided to make no new appointments to the Imperial Service Order. However, the government of Papua New Guinea continues to nominate candidates for the ISO “. Alister M Martin MBE JP PNG Honorary Consul-General AUCKLAND

14. HIGHLANDS HIGHWAY PROJECT IN PNG

In September Stephen Eagle of Fraser Thomas Ltd made a visit to PNG to gather facts for the preparation of a proposal for a feasibility study on upgrading some of the Highlands Highway. The firm was one of five short-listed by the Asian Development Bank for this interesting study. Stephen met some of the officials from the Department of Works and Ministry of Transport and some contacts in the local consulting industry and donor community as well as a number of other friends and contacts. He was also welcomed by Nils Holm and his staff at the New Zealand High Commission in Port Moresby.

Fraser Thomas had undertaken a similar assignment in PNG in 2002, carrying out a scoping and feasibility study for road improvements around the entire Southern region – from the highlands in the north of the Gulf Province, to the islands of Milne Bay. At the time, there was growing concern about levels of investment in road maintenance, influencing the scope for road improvements, and the assistance strategies of the major donors. This visit, five years later however, was refreshing. PNG has enjoyed sustained economic growth due largely to increased export commodity prices, especially minerals and oil and gas. The government budget is much healthier than in the past, and allocations to essential services – including road maintenance – have greatly increased. There are also signs that the country is coming to grips with longstanding governance and regulatory issues. One consequence of this distinct improvement in the state of affairs for the road sector is that the donors are keen to get going again on supporting road improvements. Discussions with the representatives from both AusAID and the ADB confirmed this. The road maintenance situation is epitomized in the highlands, one of the more densely populated and resource rich regions of the country. The Highlands Highway and its feeder roads are critical for economic growth and wellbeing the highland communities, while in the steep terrain the roads are of course technically difficult and costly to build and maintain.

Another important development in the road sector is the formation of the National Roads Authority, mandated to collect and apply funds for planned road maintenance and rehabilitation. After years of preparation, this organization was finally put into action with the appointment of a Chief Executive Officer in February 2007. This is seen as a move toward sustaining the current commitment to sound upkeep of the country’s road network.

The study was to involve inspection of the network in the Southern Highlands and Enga provinces, selection of priority road lengths for rehabilitation, preliminary design and project preparation. Fraser Thomas’s bid didn’t win the job this time but only just – and there are more opportunities on the way. The photograph, taken in the Southern Highlands, illustrates the need for a bit of road rehabilitation in the region.



15. PNG MINE NOT NEAR KOKODA TRAIL: FRONTIER

14 FEBRUARY 2008 PORT MORESBY (Pacnews) ----- Frontier Resources Ltd says the 600-metre section of the Kokoda Trail in Papua New Guinea that it proposes to mine is not part of the original track used in World War II. Managing director Peter McNeil told AAP the section of the track the company planned to mine was a dog leg to the original track where Australian troops fought Japanese soldiers in 1942. The proposal has been slammed by the Australian government, which says the trail should be heritage protected. Mr McNeil said the company could alter the perimeter of the proposed pit to leave part of the resource in the ground. The proposed development is estimated to contain 2.4 million tonnes of copper equivalent with \$US8 billion of in-ground value based on current prices. Frontier Resources has promised to grant a five per cent interest to land owners for all of the company's PNG developments. Barney Jack, a spokesman for the Kodu Resource Owners Association, a local land group, said the original track was two to three kilometres away from where the company proposed to develop an open pit copper mine. "Everybody is for it and we think it is the only opportunity to change our lifestyle. "Give us a far go and let us achieve what we want which is development." Mr Jack said the land owners would like an active role in the company that was proposed to be set up to operate the mine, Koiari Copper, and possibly a board seat. Mr Jack said the proposal was supported by all landholders in the project area. He said the Australian Government needed to accept that the mine would be good for villagers, bringing in far more funds than tourism. Frontier Resources said the Australian government has turned the PNG government off the proposed mine development. The mining licence that covers the project lapsed nearly 18 months ago and licence renewal has been delayed by about six months. Mr McNeil said a licence was expected to be issued in a few months and Mr Barney said he believed the PNG government would listen to land owners' support for the proposal.....PNS (ENDS)

16 MARAT CRITICISES PNG TOP LEADERS

14 FEBRUARY 2008 PORT MORESBY (Pacnews) ----- Massive corruption exists in Papua New Guinea (PNG) today causing the majority of people to live in poverty while a handful live like "Hollywood stars" and own properties here and abroad, Attorney-General Allan Marat said yesterday, reports The National. In an address to first year law students at the University of Papua New Guinea, Dr Marat said corruption was the reason why development was at a "snail's pace". He said PNG needed honest leadership, which is lacking today, a leadership that loves PNG and cannot use its position for personal gain. "Today, there are leaders who think about themselves first instead of the country. "There is massive corruption in Government today. As I am speaking, it is getting stinky and rotten. "The public service is rotten. People are living in luxury, enjoying themselves at the expense of our people," Dr Marat said. "Corruption is eating the goodies of society; bribery is now a norm in the system of Government. Public servants are collecting service fees for all they are doing, even though they are paid fortnightly salaries." Dr Marat told the law students PNG was no longer safe to enjoy working as professional. "While some of us are living on our fortnightly salaries, which we work hard for, some leaders and bureaucrats are living like Hollywood stars. They spend most of their time in hotels and clubs. "They own properties both here and abroad. They become rich overnight. This is really sickening. Corruption is running this country down," Dr Marat said. "This is the whole reason why development is at a snail's pace. This is the reason why Government services are not reaching our people. The only thing to do now is get rid of these people and have them prosecuted." He urged the new students to be agents of change and stand up for the good of the country. He said the process of change had to start with the future leaders of this country, who are the students, whether law students or those from other institutions. "I encourage you to aim high and achieve your goals as individuals and to have the heart and vision for PNG," Dr Marat said in his address.....PNS (ENDS)

17. FLOOD DESTROYS ROAD, STRANDS COFFEE IN PNG PROVINCE

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 13, 2008) – Millions of kina worth of coffee is stranded and major planters fear they could be forced out of business if the only road linking them to factories in Kainantu, Eastern Highlands Province is not fixed. Reports from Kainantu yesterday confirmed the plight of the planters who own and run 32 large plantations at the border of the Obura/Wonenara and Kainantu areas. "The coffee season for this year has started and we are picking our coffee but we can not move them to the factories in Kainantu because we have no road," a spokesman and owner of Akamupa plantation, Sailas Kai said from Kainantu yesterday. "We can not use the only road linking us to the factories because flooding in recent weeks is taking away the Iyaarumba bridge," he said. Mr. Kai said the plantations expected a bumper crop this season but feared the hundreds of tons of coffee they picked were not going into the factories because of the destruction to the road and bridge by the Iyaarumba River. The destruction to the road and bridge and the plight of the coffee planters was confirmed by the Department of Eastern Highlands. The destruction to the infrastructure and the impact on the coffee plantations was confirmed by the Coffee Industry Corporation (CIC) yesterday. A senior staff member at the CIC office at Kainantu, John Barry, said the Kainantu area had experienced a lot of rain since last month and as a result flooding was experienced in all the rivers including the Iyaarumba River. Apart from the coffee plantations, Mr. Barry said the severity of the road link had also affected schools and health services in the area. "Teachers are stranded on the Kainantu side of the area. They are unable to take up their positions and as a result, classes have not resumed in the schools while medical supplies and health workers were also not reaching their destination," he said. "The flooding has also destroyed food gardens and the some of the coffee plantations. Remote villagers are also isolated from the Kainantu district and traveling has been very difficult, for the villagers in this area," Barry said.

18. PNG ATTORNEY GENERAL: 'ROTTEN' CORRUPTION RAMPANT

PORT MORESBY, Papua New Guinea (The National, Feb. 14, 2008) - Massive corruption exists in Papua New Guinea today causing the majority of people to live in poverty while a handful live like "Hollywood stars" and own properties here and abroad, Attorney-General Allan Marat said yesterday. In an address to first year law students at the University of Papua New Guinea, Dr Marat said corruption was the reason why development was at a "snail's pace." He said PNG needed honest leadership, which is lacking today, a leadership that loves PNG and cannot use its position for personal gain. "Today, there are leaders who think about themselves first instead of the country. There is massive corruption in Government today. As I am speaking, it is getting stinky and rotten. The public service is rotten. People are living in luxury, enjoying themselves at the expense of our people," Dr. Marat, the Rabaul MP who is serving his second term in Parliament, said. "Corruption is eating the goodies of society; bribery is now a norm in the system of Government. Public servants are collecting service fees for all they are doing, even though they are paid fortnightly salaries."



19. PNG'S OK TEDI MINE POSTS \$1 BILLION INCOME

\$444 million in dividends went to the PNG government

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Feb. 21, 2008) – Papua New Guinea is among major beneficiaries as copper/gold miner Ok Tedi Mining Limited records income of PGK5 billion [US\$1 billion] for the year ended December 31, 2007. This is compared to PGK4.64 billion earned in 2006. Dividends paid by the Western Province based mine from last year's earnings totaled PGK1.4 billion [US\$517 million] of which PGK1.2 billion [US\$444 million] was for the benefit of PNG interests including the State. Total taxes and dividends for the year were close to PGK1.3 billion. OTML said in its "Summary of key results" that full year sales revenue was PGK5 billion, 8 percent higher than 2006 reflecting sustained high copper prices, 12 percent higher average gold price and 7 percent higher volume of concentrate shipments. Net profit was PGK2.04 billion compared to PGK1.88 billion for 2006.

20. PORT MORESBY, PAPUA NEW GUINEA (PNG POST-COURIER, FEB. 21, 2008)

Ash emissions continued at Mount Tavurvur [in the island province of New Britain, Papua New Guinea] early this week. Reports from the Rabaul Volcanological Observatory stated that thick dark gray ash changed to pale gray late Tuesday afternoon. Ash clouds rose about 1 kilometer above the summit before being blown east of the volcano mainly over the sea and towards southern Duke of York Islands. [PIR editor's note: Mount Tavurvur is located on the outskirts of the former provincial capital Rabaul on the island of New Britain, north of mainland Papua New Guinea. The volcano erupted in 1994, destroying Rabaul and forcing the construction of a new capital, Kokopo, about 12 miles away.] Air Niugini suspended all its flights on Wednesday due to nocturnal ash fall on the runway on Tuesday. Civil Aviation Authority Airport Manager Bill Burua said that the flights would resume after the situation returned to normal.

21. PAPUA NEW GUINEA TO END LOG EXPORTS BY 2010 DOWNSTREAM PROCESSING TO BE PHASED IN BY LOGGING COMPANIES

PORT MORESBY, Papua New Guinea (The National, Feb. 27, 2008) - The export of round logs will be phased by 2010 and downstream processing phased in by logging companies, Forest Minister Belden Namah has announced. This could mean the loss of PGK450 million [US\$166 million] worth of revenue from round log exports annually. Mr. Namah announced that the PGK30 [US\$11] per cubic meter royalty to landowners would be effective as of the end of this week. This will be of benefit to landowners who will triple their income from the previous PGK10 per cubic meter royalty. Namah stressed that downstream processing must take place in the forestry sector where logging of forests make way for viable agricultural projects such as oil palm. He said that logging projects must fund road and infrastructure projects and provide spin-off benefits for the forest communities and the country. Namah made the remarks on the NBC Talk Back Show on Monday evening. He also said that there had been numerous concerns raised by landowners over the non-compliance of logging laws by the forest authority. He said he would personally fly into the logging sites and investigate. If there's proof of non-compliance, he said, he would revoke their timber permits.

22. UNDERSEA MINING VENTURE FINDS COPPER OFF PNG NAUTILUS MINERALS INC. ANNOUNCES FIND AT TORONTO EXCHANGE

PORT MORESBY, Papua New Guinea (The National, Feb. 27, 2008) - Nautilus Minerals Inc has provided evidence that its Solwara 1 material is a simple ore that should produce a commercial grade copper concentrate with low impurity levels. Nautilus announced its preliminary results on the Toronto Stock Exchange (TSX) last week from its first phase mineralogical and metallurgical investigations of ore from a representative 1.2 ton drill core sample recovered during drilling campaign at the Company's Solwara 1 project, located in the territorial waters of Papua New Guinea last year. The company also released earlier this month the world's first NI 43-101 compliant resource report compiled by Golder Associates Pty Ltd for a seafloor massive sulphide (SMS) system at Solwara 1 prospect. The mineralogical work was carried out by G&T Metallurgical Services of Canada (G&T) on composite samples recovered from Solwara 1. Nautilus' chief executive David Heydon said the mineralogical program conducted at G&T and the initial phase of metallurgical work carried out by AMMTEC of Australia.

23. DIGICEL STARTUP DELAYED IN PAPUA NEW GUINEA POOR CONNECTION SERVICE BY PARTNER TELIKOM PNG BLAMED

PORT MORESBY, Papua New Guinea (The National, Feb. 29, 2008) – Mobile phone users hoping for interconnection this Sunday can forget it. Digicel said yesterday it cannot interconnect because Telikom was not ready. This charge was rejected by Telikom, who accused Digicel of playing its usual delay tactics. Digicel sources said interconnection is unlikely to happen this Sunday because interconnection tests identified a problem in Telikom's network where SMSs sent from Digicel network were failing to be delivered by the Telikom network. "Telikom has only commissioned three of the eight signaling links at Port Moresby's Pol (point of interconnection). Signaling is required to set up calls. The number of calls each signaling link can handle at any time is approximately 100," one source said. Failure to provide sufficient E1 capacity and signaling links would mean that expected interconnection traffic could not be handled and would lead to many customers being unable to use the interconnection service due to congestion. "The link between the networks in Port Moresby provided by Telikom must have redundancy. Redundancy means that if there is a problem, calls can still be made while the problem is fixed," the source said.

