



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

1 February 2013

VOLUME: 04 - 13

### LAE CHAMBER OF COMMERCE INC.

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*Thank you*



### FROM THE PRESIDENTS DESK

#### ERAP RIVER

As reported last week the Erap River changed course after heavy flooding and is continuing to pose a real threat to the NADZAB Airport Navigational Aids equipment and facilities as well as the NADZAB airport and other land downstream including the Tablebirds chicken farm. The river has now been in full flood for three weeks and the Erap bridge is also under threat, with the change of the river flow causing the abutments and pylons to be undermined by the raging water.

The Department of Works and the National Roads Authority are monitoring the safety of the Bridge, so as to avoid damage that could of course affect the traffic to the Highlands.

Fortunately the river levels have subsided and the immediate threat has abated somewhat. Next Tuesday the Engineering and Operations Managers of the National Airports Corporation will inspect the damage and will work out a mitigation plan to get the river back on course and prevent it from continuing to be a threat.

The Mainland Holding Engineers will be on hand to discuss the danger to the Nadzab facilities, with the NAC management and will of course assist where they can. The Morobe Provincial Administration have committed themselves to assist where possible as well.

Hopefully any further damage can be averted before any further flooding of the River occurs. We will keep members informed of corrective action to the Erap problems.

#### PACIFIC BUSINESS MENTORING PROGRAMME NEW ZEALAND

As mentioned last week the BMNZ team just completed its second visit to Lae and provided mentoring to 9 businesses as well as holding discussions with potential future clients. The mentoring program is also being conducted for the Port Moresby Chamber of Commerce and is part of the New Zealand Governments commitment to assist with SME development in PNG.

The BMNZ team will return in mid April to mentor a further batch of 12 businesses. Do you know anyone who would benefit from this scheme? Please contact us by return email.

#### FLIGHTS TO TOKUA (EAST NEW BRITAIN)

Yesterday we circulated information that Tokua Airport was to be opened today for Air Niugini and Airlines PNG flights. We are advised that when Airlines PNG flew to Tokua this morning the landing had to be aborted due to increased volcanic dust. We will try to bring you update information as it comes to hand.

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**Objectives  
of the LCCI**

- To promote the business interests of the private sector;
- To further the economic development in Lae;
- To ensure the provision of services and utilities essential to such development;
- To provide a representative body for business people, which government can consult;
- To promote support or oppose legislation; or take any other measures to improve the business community;
- To provide a forum for discussion of private sector goals;
- To pool the strengths of business people so that together, they can accomplish tasks that each one alone cannot achieve;
- To promote the economic viability of the area, so those current businesses will grow and new ones will be



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**ICC unveils new online training in international arbitration**

Paris, 29 January 2013

The International Chamber of Commerce (ICC) has unveiled its new "ICC Arbitration online training", the first official e-learning course to explain the inside workings of international arbitration and the 2012 ICC Rules of Arbitration.

<http://www.iccwbo.org/News/Articles/2013/ICC-unveils-new-online-training-in-international-arbitration/>

**Launch event explains new ICC Rules for Forfaiting**

London, 30 January 2013

The ICC Banking Commission, ICC UK and the International Forfaiting Association (IFA) today officially launched the ICC Uniform Rules for Forfaiting (also known as URF 800) at SNR Denton Headquarters in London. Produced in partnership with the International Forfaiting Association (IFA), the URF is the first set of global rules for the primary and secondary forfaiting markets.

<http://www.iccwbo.org/News/Articles/2013/Launch-event-explains-new-ICC-Rules-for-Forfaiting/>

**MARKET PRODUCE**

The article on Page 9 in today's National Newspaper showed a lady growing "Kangkong" in a drain at Chinatown in Lae. The article went on to say that the lady and would feed her family as well as sell her produce at the Chinatown Market. A drain is hardly a hygienic place to grow market produce.

We advise that the Lae Chamber of Commerce has made a request to the Lae Urban LLG to stop this practice. With so many water born diseases in PNG there is a danger of spreading these diseases through food grown in this manner.

Whilst we do hope that the City Authority will take action to discourage this practice, we realize that it will be nigh on impossible to prevent the practice altogether. Therefore people must take precautions when purchasing food produce at the markets and even ask where the produce is grown.



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Essential PNG Industry News

### Seismic for P'nyang on the cards

Wednesday, 30 January 2013

**OIL Search's full year figures had been hit by the shutdown of the Kumul terminal last year, while it says a seismic program at PRL 3 will help it decide the best development path for the P'nyang resource, which is tipped to contribute to a third train at PNG LNG.**

Releasing its quarterly guidance, it said while resource development studies were already underway, seismic programs planned for the first half of this year would help it better understand the P'nyang resource.

It previously told the market that development planning was underway and flagged contributing to a third train at PNG LNG as an option for the resource.

However, it has yet to fully confirm the plan.

Meanwhile, its production for the full year was hit to the tune of 4.6% year on year to 6.38 million barrels of oil equivalent.

It said a shut in of the Kumul marine terminal last year to investigate the source of a sheen near the terminal had an impact, with its total operating revenue also taking a hit, down from \$US732.9 million (\$A703.2 million) to \$724.6 million over the same period.

Oil Search said the result still fell within previous guidance.

While Kumul hit its full year results, it chalked up quarterly growth in oil production of more than 30% quarter on quarter to 1.5MMbbl.

It also more than doubled total revenue quarter on quarter to \$218.2 million.

Elsewhere, it told the market it had opened up a data room in its quest to divest 50% of Oil Search's interest in offshore PNG permit PPL 385 and a potential interest in PPL 276.

Bids are expected early this year

### 'Subsidence' event at PNG LNG airfield

Wednesday, 30 January 2013

**EXXONMOBIL says the Komo airfield site of the PNG LNG project was impacted by a minor subsidence event earlier this month, which differs to a recent report which called it a major landslide.**

"Esso Highlands Limited, the operator of the PNG LNG project, can confirm that minor subsidence occurred at the Komo airfield on 12 January in an area under construction," a spokesperson told *PNGIndustryNews.net*.

"It did not impact the area of completed runway. Geotechnical analysis and repair works are underway. There are no injuries."

While the cause of the subsidence was not immediately obvious and the depth of it was not revealed, the spokesperson confirmed it had not impacted the schedule for completing the airfield.

On Monday Radio New Zealand reported that a large landslide occurred at the airfield and an estimated 5000-7000 cubic metres of earth slipped.

Heavy rain has delayed development of the airfield in the past.

It will become an important logistical asset for the project and its runway is designed for Antonov AN-124 planes which have a wingspan of 69.1m and a length of 73.3m.

The massive Ukrainian cargo aircraft will bring in large pieces of equipment for the construction of the PNG LNG project's Hides gas conditioning plant, which is located 10km away.

**Appointed by the National Executive Council, the new boards are as follows.**

#### **AIR NIUGINI**

Chairman: Garth McIlwain (former CEO of Bank of South Pacific)  
Deputy Chairman: Sir Frederick Reiher  
Directors: Sir James Tjoeng, Mr Simon Foo, Sir Noel Levi, Luke Minjukili, Capt. Leslie Heyward.

#### **WATER PNG**

Chairman: Bill Sweet  
Deputy Chairman: Peter Pokawin  
Directors: Joseph Karap, Seseka Korona, Jack Baru

#### **TELIKOM PNG**

Chairman: Mahesh Patel (CEO City Pharmacy Ltd)  
Deputy Chairman: Martin Veisame  
Directors: Cedric Rondoke, Avia Koisen, Essau Wareh, David Cox, Malcolm Lewis, Dr Samuel Kopamu.

#### **MVIL**

Chairman: Dr Ken Ngangan  
Deputy Chairman: Eno Daera  
Directors: Janet Sios, Mark Baia, Samson Jubi, Blaise Nangoi and John Chris

#### **PNG Ports**

Chairman: Nathaniel Poya,  
Deputy Chairman: Job Suat  
Directors: Luke Niap, Igo Oala, Harey Nii, Professor John Puma, Patrick Amini and Eddie Hesingut.

#### **EDA RANU**

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Directors: David Erico, Leslie Hoffman, Vincent Mirupasi, Peter Inara

#### **POST PNG**

Chairman: Reuben Aila  
Deputy Chair Mary Laimo  
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#### **PNG POWER**

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### **Newmont could exit Morobe project**

Blair Price  
Wednesday, 30 January 2013

**NEWMONT Mining is "exploring its options" after deciding to not fund any more drilling at the Morobe gold project it shares with Triple Plate Junction (TPJ) in Papua New Guinea.**

TPJ feared such an outcome in December when Newmont did not allocate a 2013 development budget for the project.

"TPJ now announces that Newmont has decided to terminate its search for large bulk tonnage gold/copper porphyry systems at the joint venture property, and that Newmont is in the process of exploring their options in consultation with TPJ," the London-based explorer said.

The writing was on the wall when Newmont went back to field exploration for the project in June after its second drilling campaign failed to score any significant results.

The explorer is scouring the JV's data to find preferred targets and expects to issue a technical report next month.

"Of particular interest are areas containing high-grade targets that Newmont have discounted as too small for their requirements but which could be of great interest to the company to develop," TPJ said.

"Whilst recognising that the costs of exploring in PNG are very high, TPJ has engaged the services of an experienced team of geologists to commence the process of reviewing the project data. "

TPJ is still waiting Newmont's final drilling results at the project's Arie prospect which "have been due for a month".

A red flag was also raised over TPJ's Wamum project in Morobe province that it shares with Barrick Gold.

"TPJ is also in discussions with Barrick Gold Corporation about their future intentions for the joint venture at Wamum, where exploration work over the last two years has been very limited," the explorer said.

In an announcement made in the week before Christmas, TPJ chief executive Fraser McGee agreed to "step down" on February 28.

Curiously, McGee's duties are going to be covered by TPJ chairman Tony Shearer, TPJ non-executive director Chris Goss and TPJ advisory board chairman Patrick Gorman.

"Despite disappointing exploration results from our various projects the company has funds to continue its business and begin a new chapter," McGee said at the time.

Shearer said he was grateful for McGee's work over the past couple of years.

"The announcement on December 11 of the disposal of our operation in Vietnam means that we are focused entirely on our minority interests in our joint ventures in Papua New Guinea with Newmont, Newcrest, Barrick, and Gold Anomaly," the chairman said.

"The group needs a new geological focus and lower fixed cost base to manage these activities."

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