

NIUSPEPA BILONG APNG ASSOCIATION

APRIL 2014 EDITION

EDITORIAL

Hi folks,

Papua New Guinea residents have experienced the highs and lows of mother nature over the past month.

Cyclone Ita must have spread confusion and dread as it hovered over an area that could have had dire consequences for outposts and towns like Alatou in the Milne Bay Province.

The best news I can gather is that very few problems were created by Ita and it moved south to savage the Australian mainland around Cooktown and other northern ports.

However, the Papua New Guinea mainland did not get off scot-free from nature's probing fingers as two earthquake readings of over 6 were recorded while residents thanked their lucky stars that damage and lives were not seemingly at risk.

Colin Gould, a regular news contributor, is secretary of the PNG Volunteer Rifles and is heavily involved with the Anzac Day march and the Anzac celebration

slated for the 6th September. Colin has also been busy nursing his wife (Patti) back to health after recent surgery.

Details of the NGVR/PNGVR Anzac celebration are included with the newsletter.

The APNG Association committee has scored another high profile speaker on PNG affairs with the acceptance of Richard Kassman OBE, the Government Relations Manager for Talisman-Energy Niugini Ltd.

Richard will be our guest speaker at a business breakfast on Tuesday, 13th May 2014 at Tattersalls. Attendees are urged to book early to avoid disappointment. A registration form is included with the newsletter.

That's all folks. I sincerely hope you had a safe and enjoyable Easter.

God bless

Hank

Important Note: The views expressed in this article are not necessarily those of other members of the committee of the APNG Association.



SPECIAL POINTS OF INTEREST:

- *May's business breakfast*
- *NGVR/PNGVR Anzac Centenary Celebration*

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THE PRESIDENT'S REPORT

The following is the president's report from the Annual General Meeting held at the Rendezvous Studio Hotel on 2nd April 2014. Thirty-eight members attended.

DIARY DATES

- Business breakfast—13th May 2014 at Tattersalls Club, Brisbane
- PNG Independence Day golf tournament—19th September, 2014 at Keperra Golf Club.

IMPORTANT

It gives me great pleasure to welcome our new executive members: Helen Hutchison (Talisman Energy), Judy Hutchison (Qld State Premier's Department) and Gayle Arena (Newcrest) to the APNG Association executive committee.

We are (indeed) fortunate to have these members willing to be part of our small team, providing the APNG Association with a bright, sustainable future.

I also welcome Ian Briggs as vice president and I know that his support of me, the association and the long-term, continuing efforts given selflessly by Berry and Hank Cosgrove, is valued.

Of course, we are very grateful that we have the continued support of existing executive members: Sue Krone, Professor Robin Cooke, Sheryl Guthrie, Rebecca Cowie and Fran Leddick.

Even more fortunate for the association, and with the support of newly-appointed executive member, Helen Hutchison, we have secured a prominent guest speaker for our business breakfast scheduled for Tuesday, 13th

May 2014.

The guest speaker is Richard Kassman OBE who is the Government Relations Manager, Papua New Guinea, Talisman Energy Niugini Ltd.

Richard has an extensive list of achievements and we're looking forward to hearing his presentation. Please ensure you book early to avoid disappointment.

To those members who have renewed their membership, and to the new members we have welcomed to the association in recent times, we thank you for your support.

We look forward to seeing you at our first business breakfast for 2014.

Gayle Carrick

President

Change of address policy

Our mail out procedures become disrupted when letters are returned due to change of address or change of nominated company personnel.

Those disruptions can be avoided by:

1. Advising Treasurer Berry of any change of address.
2. Advising your mail room to monitor our envelopes and pass the mail to the present incumbent if the nominated person has left the business.

Thank-you!

NEWS ROUNDUP



MAGNITUDE 7.5
EARTHQUAKE
STRUCK OFF
BOUGAINVILLE
ON EASTER
SATURDAY

The Papua New Guinea news roundup is compiled by Colin Gould and Hank Cosgrove from reports in the Post Courier and the National.

Please note that the Australia Papua New Guinea Association is non-political and the reports in this news summary are direct lift outs from the press and are published for the information of members.

The period of reporting covers January 2014 to April 2014.

- A magnitude 7.5 earthquake struck off Bougainville over the Easter weekend, prompting a tsunami warning to be briefly issued for the country and neighbouring Solomon Islands, according to the US Geological Survey. It said the earthquake struck 68 km south-west of Panguna on Bougainville.

The USGS, revising down the magnitude from an initial 7.8, said the quake hit at a depth of 10 km. There were no immediate reports of damage.
- Several murders and violence marred the Easter celebrations in Lae and Port Moresby.

In Port Moresby, police reported that two men were killed in an ethnic clash in the Miles area and a woman was stabbed to death in another incident in the same area. NCD police reported two murders and a gang-rape
- during a long weekend meant for peace and reflection.

Lae police reported two houses were burnt at 12-Mile in retaliation for the killing of an elderly man from Kubalia, East Sepik. Eight suspects were involved in the alleged murder.
- Papua New Guinean nationals employed as security guards on Manus Island attacked asylum seekers at the detention centre more than 24 hours before Iranian Reza Barati died in a night of shocking violence, new footage shows.

The footage obtained by Fairfax Media shows the security guards attacking a group of asylum seekers who had absconded from the centre after being told they had no prospect of being settled outside PNG if their claims for refugee status were eventually recognized.
- Exports of sweet crude and condensate from Australia, PNG and East Timor are expected to rise in June, feeding into an already well-supplied regional market, traders said.

Sweet crude is a type of oil that meets certain content requirements, including low levels of hydrogen sulfide and carbon dioxide.
- A Senate enquiry has been set up to investigate the violence at the centre.

Oil Search will load two cargoes of crude in June, while ExxonMobil will load one cargo between June and July.
- Lae's crime rate has become a big concern in recent years. While the blame is levelled at poor policing in the city, many say it's everyone's business to help curb the law and order problems.

In August 2013, the Morobe provincial

NEWS ROUNDUP CONTINUED



KEY MILITARY
FACILITIES TO
UNDERGO
FACELIFT

government purchased six police vehicles for surveillance in areas around Lae city. In April, the police also launched its new law and order program at the Tent city suburb.

- A new double tax agreement has been struck between Papua New Guinea and New Zealand. In a press release dated 10th February, New Zealand's Revenue Minister Todd McClay announced that "trade in the Pacific and particularly with Papua New Guinea is taking on greater importance for New Zealand.

This agreement will strengthen international cross-border trade and investment partnerships for the benefit of businesses, investors and tax payers in both countries".

- Australia's parliamentary secretary to the Minister for Foreign Affairs flew to Papua New Guinea on the 6th April for a three day visit focusing on education and gender issues.

Senator Brett Mason said his visit to PNG

would "underline the importance of Australia's relationship with Papua New Guinea and build on the PM's (Tony Abbott) visit in March.

Australia's Ambassador for Women and Girls, Natasha Stott Despoja, was to accompany Mr Mason.

- In January, a news report said service providers rendering services for the asylum centre in Manus had not been paid by the government for the past four months. A total of K2million was yet to be paid to hoteliers and other small business operators for their services.

They called on the government to provide an explanation for the lengthy delay.

- The National government met with InterOil and Total SA to set a time-line for fast tracking the LNG project in Gulf Province.

Minister for Petroleum and Energy William Duma said that the ELK-Antelope project had been delayed for more than four years and since InterOil has selected

an operator in Total SA, the government expects the project developed quickly.

- Port Moresby's key military facilities will undergo a major facelift in the coming months according to Defence Minister Fabian Pok.

Minister Pok announced that Murray Barracks and Taurama Barracks would undergo a series of refurbishing and maintenance work to counter the infrastructural decay that has plagued the two top military institutions in recent years.

- Coppermoly Limited has reported assay results from surface samples collected from its Nakru-02 prospect to be showing exceptionally high grade copper.

The company's managing director said the assay results were the highlight of a very successful sampling program that strongly supported the company's strategy of targeting the Nakru prospect to enhance shareholder value.

- Gold production at Lihir mine in the De-

NEWS ROUNDUP CONTINUED

cember 2013 quarter was four per cent lower than the previous quarter.

Operator of the mine, Newcrest Mining Ltd, said the low gold production was because of a two per cent increase in mill throughput offset by a two per cent decline in gold grade and a four per cent reduction in gold recoveries.

- New Zealand Business Mentors are yet again extending their helping hand to owners of small to medium businesses in Papua New Guinea, wanting to take their ventures to the next level.

A program towards this cause was introduced in 2011 and since then over 100 business owners are said to now be reaping the benefits.

Since the program's inception, New Zealand Business Mentors has been sending two teams who have been visiting on a regular basis.

- The Australian Government will give a total of K600,000 to local communities in Manus province at

the completion of the first quarter of 2014.

These monies will be paid in K30,000 batches to each community where a school infrastructure construction is currently being undertaken in the local schools.

- The Deputy Opposition Leader is concerned that PNG politics has lost its credibility after several senior political leaders and party executives became embroiled in corruption scandals.

In other democracies such incidents would require an explanation and normally the accused would relinquish their position to allow investigations to be carried out, Sam Basil said.

- Papua New Guinea's population stands at around 7.8 million. The Census 2011 figures, released after a three year delay, puts the total population figure at 7.3 million, but with the annual growth rate of 3.1 per cent, it was assumed that the real figure would stand at approximately 7.8 million.

- The PNG LNG project was more than 90 per cent completed at the end of the fourth quarter of 2013 and is on track for first sales later in the second half of this year, says Oil Search Limited.

Oil Search holds a 29 per cent stake in the massive US\$19 billion LNG project, operated by ExxonMobil. More than 180 million hours have been worked since project sanction.

- Australia and Papua New Guinea have moved to begin work to redevelop Lae's Angau Memorial Hospital with a request for expressions of interest being sent out for the project.

The two neighbours agreed to co-fund the reconstruction of the hospital through the Australia-PNG Joint Understanding on Further Bilateral Cooperation on Health, Education, and Law and Order, signed in July 2013.

- The value of the kina is expected to fall as much as ten per cent over the coming year.



PNG'S
POPULATION IS
APPROX. 7.8
MILLION



AN INVITATION TO THE NGVR/PNGVR ANZAC CENTENARY CELEBRATION

MILITARY MUSEUM, WACOL, BRISBANE

6 SEPTEMBER, 2014

The NGVR/ PNGVR Association and its Military Museum is holding an Anzac Centenary Celebration and Dedication Service at the PNGVR Military Museum, Wacol in Brisbane 6 September 2014.

The Celebration is being held to commemorate the lives of the first Australian soldiers to die for their country in World War 1. Six Australian naval and army personnel were killed on 11 September 1914 when capturing the German wireless station at Bitapaka near Rabaul and thirty five naval personnel were lost in the Australian submarine AE 1 when it disappeared without trace near the Duke of York Islands, New Britain on 14 September 1914.

The day will start with the dedication of a plaque in honour of those first Australians who lost their lives in September 1914. The planned range of activities will suit young and old and provide a fun picnic day for the family - the Museum will be open and there will be children's activities such as a jumping castle and face painting. A brass band will be playing war time music accompanied by singers. The air force cadets will be conducting a catafalque party and Pacific Islands dance groups will performing traditional dances, the Police bomb squad demonstrating their robot, a rifle section will be conducting fusillade and the fire brigade will also keep young and old entertained. Plenty of food and drinks will be available. The profits of the function will be used to maintain the Museum particularly for the regular visiting school and other community groups. All are welcome to attend, so please diarise the date now.

Entry will be by gold coin donation

Date: Saturday, 6th September, 2014

Time: 10 am to 3.30 pm

**Place: Cnr Fulcrum and Boundary Road, Wacol, Brisbane
(1001 Boundary Road, Map reference: UBD map 27, N1)**

For further information contact:

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****This is an APNG Association business networking and education event****

BUSINESS BREAKFAST

The APNG Association (Inc) cordially invites you, your staff and clients to attend a breakfast with

RICHARD E KASSMAN OBE
GOVERNMENT RELATIONS
MANAGER, PAPUA NEW
GUINEA
TALISMAN-ENERGY
NIUGINI LTD



Mr Kassman will present an overview of Talisman exploration, development and operations in PNG. His presentation will include information about the social, cultural and environmental aspects of doing business in PNG. Read more about Mr Kassman's extensive achievements on page 2.

When: Tuesday, 13th May 2014

Where: Templeton Room,
Tattersalls Club, 215 Queen
Street, Brisbane

Time: 7.00 a.m. for 7.30 a.m.

Cost: \$55 (Member); \$60 (Non
Member) inclusive of GST

Non-members invited and paid for by
members pay \$55.00 only
Tables of 10 provided

**Gentlemen, a coat and tie are
essential.**

REGISTRATION FORM

Please print clearly

Name/s: _____

Company: _____

Name/s: _____

Company: _____

Name/s: _____

Company: _____

Name/s: _____

Company: _____

Postal Address: _____

Telephone: _____ Facsimile: _____

☐ Cheque sent to APNG Association Incorporated, or charge my

☐ Visa

☐ Mastercard

Note: Diners and AMEX are not accepted

For the total amount of \$ _____ being registrations for
_____ (no. of) persons

Card Number: _____

Expiry Date: ____ / ____ / ____ Cardholder's
Signature _____

Cardholder's Name: _____

Please print clearly

EFT Details – Commbank – Queen St, Brisbane - BSB: 064000 A/C No.
00903427 Australia Papua New Guinea Assn.

Please note: Card details destroyed immediately. A tax invoice will be
issued on receipt of registration details. Cancellations will only be accepted
up to two working days prior to the seminar due to venue costs. After that
time no refunds can be given but a replacement delegate can be sent.

Please fax or post your RSVP as early as possible as seating is limited:

Hank Cosgrove
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Personal profile of Richard E Kassman OBE

Richard Kassman's career spans more than thirty-five years. He has held executive positions in a wide range of professions, including insurance and risk management, tourism and hospitality, and more recently in the petroleum industry.

A senior associate member of the Australian New Zealand Institute of Insurance & Finance (ANZIIF), Mr Kassman has attended a number of specialist insurance and risk management courses locally, in Australia, and London.

Significant Achievements

He has been involved in three start-up insurance firms:

- 1979 - Kila Bowring – now Marsh Limited – insurance broking – 49% PNG shareholding – one of key shareholders involved in set up.
- 1992 - Sedgwick Kassman Limited– insurance broking – 51% PNG shareholding and was principle shareholder.
- 2006 - Inspac (PNG) Limited – insurance underwriting – 100% PNG shareholding. During feasibility and formation acted as lead consultant and then held the position of general manager.

Mr Kassman has worked at executive management levels with major multinational insurance companies including Bowring, Marsh, Sedgwick and Aon, and served on the boards of those companies in Papua New Guinea.

In 2000 he was appointed CEO of the Papua New Guinea Tourism Promotion Authority, a position he held for twelve months.

In 2006, he established an insurance underwriting company, Inspac (PNG) Limited and served as General Manager. The proprietors, oil and gas resource owners from the Southern Highlands Province of Papua New Guinea, provided start-up capital of K5m. In 2011, when Mr Kassman resigned to take up his current position, Inspac (PNG) Limited had IBD's of K6.5m. Now a fully established insurance company, Inspac operates in the prestigious Pacific Place building in Port Moresby.

He is well recognized in Papua New Guinea and has served as a director on a number of industry and professional boards, various institutions and government commercial entities:

Commercial government entities: The Inaugural Board of the Independent Public Business Corporation (IPBC); Air Niugini Limited; the National Airline Commission;

PNG Tourism Promotion Authority; Papua New Guinea Water Board.

Industry Bodies: PNG Insurance Council; Port Moresby Chamber of Commerce.

Professional Bodies: PNG Institute of Directors; Insurance Institute of PNG; Australia New Zealand Insurance Institute Insurance & Finance

Others: Chairman International Education Agency & Port Moresby International School; St. John Ambulance Board; Transparency International PNG Inc; Chairman of Digicel Foundation Inc.

He is a founding Director of Transparency International PNG which was formed in Papua New Guinea in 1997 and retired from the board in June 2012.

He served as the Vice President of the PNG Institute of Directors and is the current Chairman of Digicel Foundation PNG Inc.

Entry in to Oil & Gas Sector

In December 2010, Mr Kassman was appointed to the position of Acting Manager of 'Socio-Economic, Land & Community Affairs (SELCA), a role that saw him become part of the senior management team of Esso Highlands Limited (EHL), the operator of PNG LNG.

In 2011, he accepted the role of Senior Adviser at SELCA. SELCA incorporates land and community affairs, social programs, re-settlement, national content, Lanco development and contractor compliance.

Current Position

In July 2011 Mr Kassman joined Talisman-Energy Niugini Limited, a subsidiary of Canadian resource company Talisman Energy and holds the position of Government Relations Manager. He is the company's senior country representative. Talisman is involved in twelve exploration licenses in PNG.

OBE - Officer of the British Empire

In recognition of distinguished service and dedication to building the Nation of Papua New Guinea, Her Majesty bestowed Mr Kassman with an Officer of the British Empire (OBE) in the 2009 Queen's Birthday Honours List.