

PNG LNG PROJECT
ANGORE PRL 11 LICENSE BASED BENEFITS SHARING AGREEMENT



Between:

THE INDEPENDENT STATE OF PAPUA NEW GUINEA

And

THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT

And

KOMO RURAL LOCAL LEVEL GOVERNMENT

And

HAYAPUGA RURAL LOCAL LEVEL GOVERNMENT

And

HULIA RURAL LOCAL LEVEL GOVERNMENT

And

SOUTH KOROBA RURAL LOCAL LEVEL GOVERNMENT

And

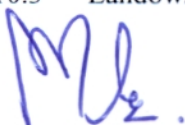
THE ANGORE PRL 11 PROJECT AREA LANDOWNERS

(through their duly appointed representatives)

A handwritten signature in blue ink, consisting of stylized, overlapping letters that appear to be 'M' and 'J' followed by a small flourish.

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PNG LNG PROJECT
ANGORE PRL 11 LICENSED BASED BENEFIT SHARING AGREEMENT

Date	This Agreement is made the day of December 2009
Parties	<p>BETWEEN:</p> <p>THE INDEPENDENT STATE OF PAPUA NEW GUINEA and SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT and KOMO RURAL LOCAL LEVEL GOVERNMENT and HAYAPUGA RURAL LOCAL LEVEL GOVERNMENT and HULIA RURAL LOCAL LEVEL GOVERNMENT and SOUTH KOROBA RURAL LOCAL LEVEL GOVERNMENT and THE ANGORE PRL 11 PROJECT AREA LANDOWNERS</p>
Recitals	<p>A. The LNG Project Companies have established a commercial framework for the LNG Project (“Commercial Framework”) which defines the commercial concepts and the desire of the LNG Project Companies to realise the coordinated development and commercialisation of various gas fields and the associated gas from oil fields.</p> <p>B. On 22nd May 2008 the State and the LNG Project Companies executed and entered into the LNG Gas Agreement which provides the commercial framework and fiscal terms for the LNG Project.</p> <p>C. On 23rd May 2009 the State, the LNG Project Area Provincial Governments, Local Level Governments and Landowners executed the UBSA in Kokopo.</p> <p>D. The PRL 11 Landowners, the Southern Highlands Provincial Government and Local Level Governments of Komo Rural; Hayapuga Rural; Hulia Rural and South Koroba Rural recognize that the LNG Project is a coordinated development to develop the gas resources and reserves of the various petroleum projects. Further they understand and are in agreement that the Umbrella Benefit Sharing Agreement was necessary to for all LNG Project Area Provincial Governments, Local Level Governments and Landowners to agree on an overarching basis for sharing of all benefit streams.</p> <p>E. The Parties acknowledge that the signing of the UBSA was an important milestone in the project schedule.</p>



- F. The Parties further acknowledge that the signing of all License Based Benefit Sharing Agreements including this, the PRL 11 License Based Benefit Sharing Agreement, are important milestones in the project schedule.
- G. This Agreement records the agreed the agreed sharing of benefits between the Parties and this Agreement shall endorse, ratify and fully adopt and the terms of the UBSA.
- H. The Parties recognize that all LNG Project Area Provincial Governments and Local Level Governments and Landowners are equally important stakeholders for the success and stability of the LNG Project.
- I. The Parties recognize that the State has stewardship for working with the LNG Project Companies to progress the LNG Project and bring it to fruition.
- J. The Parties recognize that LNG Project is a project of national importance and the benefits accruing to the State are for the collective benefit of the people of Papua New Guinea and Parties shall do their best endeavours to adhere to the project schedule and honour the terms of this Agreement.

1. GENERAL

The Parties agree that:

- (i) The entire UBSA is hereby ratified in full and the terms and provisions of the UBSA are fully incorporated into this Agreement and are to form and be read as a part of this Agreement; and
- (ii) There no additional commitments or benefits being offered by the State at the PRL 11 Licence Based Benefit Sharing Forum which are not already provided for under existing legislation and/or negotiated and included in the UBSA or this Agreement; and
- (iii) The PRL 11 LBSFs' primary objective was to facilitate an agreement between PRL 11 Landowners, the Southern Highlands Provincial Government and Komo Rural LLG; Hayapuga Rural LLG; Hulia Rural LLG and South Koroba Rural LLG for the sharing of the benefit streams derived from the LNG Project; and
- (iv) PRL 11 traverses several LLGs within Southern Highlands and covers an area comprising of different clans and tribes and Parties hereby agree that the distribution methodology shall recognize this.
- (v) The Parties recognize and expressly acknowledge that:-
 - (a) The rationale and principles of the Commercial Framework, especially the basis for the cooperative development of underlying fields, energy contribution, basis of equity determination, provision for re-determination and the integrated nature of the LNG Project from upstream to pipeline to liquefaction plant are fundamental to commercial structure of the LNG Project and to the benefits to be generated by that project; and
 - (b) The coordinated development of the Petroleum Projects to constitute the LNG Project means that the timing of benefits accruing from equity is detached from the timing of actual development and gas production from a specific field/PDL and benefits shall start flowing to all participating Project Area Landowners, Provincial Governments and Local Level Governments at the same time; and



- (c) All benefits referred to in this Agreement are wholly dependent on the continuation of the production and sale of gas by the LNG Project, and if production and sale of gas is interrupted, suspended or discontinued, all benefits conferred by this Agreement and the UBSA shall be interrupted, suspended or discontinued until such time as gas production and sale is resumed by the LNG Project; and
- (d) This Agreement has been executed in accordance with Part IV of the Oil and Gas Act; and in compliance with the Consent Orders dated 28th of April 2009 in Proceedings *Digimu Landowners Association Inc –v- Rendle Rimua & 3 Ors – OS No. 201 of 2009*; and
- (e) This agreement is contingent upon the LNG Project successfully progressing into final investment decision, financial close and commencement of commercial production; and
- (f) If LNG Project Companies abandon or suspend the LNG Project; this Agreement may be terminated or suspended at the option of the State. If this Agreement is terminated or suspended, the State will have no obligation to confer any of the benefits described in this Agreement or the Umbrella Benefits Sharing Agreement.

2 DEFINITIONS

2.1 General

In this Agreement, unless the context otherwise requires:

- (i) “**Act**” means the Oil and Gas Act 1998, as amended.
- (ii) “**Buffer Zone**” has the same meaning given by the Act.
- (iii) “**Benefits Framework**” is the framework developed taking account of the Commercial Framework and recognising in addition benefits to be accorded to the Landowners, affected Local-level governments and Provincial Governments of licences other than petroleum development licences and as reflected in the UBSA
- (iv) “**CDOA**” means the Coordinated Development and Operating Agreement signed between the LNG Project Companies on 13 May 2008 in relation to the LNG Project.
- (v) “**Commercial Framework**” means the coordinated petroleum development which constitutes the LNG project operated by ExxonMobil by which the reserves and assets of the various participating petroleum development licences and other licences are aggregated for use in the LNG project on agreed terms under which the project costs and profits are divided between the participating licences in proportion to the volume of petroleum contributed by each licence to the total petroleum to be utilised in the LNG project.
- (vi) “**Development Agreement**” means a Development Agreement provided for under Section 48 of the Act and also means Licence Based Benefits Sharing Agreement or LBSA.
- (vii) “**Development Forum**” means a Development Forum under the Act and also means a License Based Benefit Sharing Forum or LBSF
- (viii) “**DPE**” means the Department of Petroleum and Energy or such other successor Department responsible for petroleum matters.
- (ix) “**Gas**” means natural gas as defined in the Act.

- (x) “**HPLLG**” means the Hayapuga LLG
- (xi) “**HLLG**” means the Hulia Rural LLG
- (xii) “**ILG**” means an incorporated land groups under the Land Groups Incorporation Act (Chapter 17).
- (xiii) “**IPBC**” means the Independent Public Business Corporation of Papua New Guinea as established by the Independent Public Business Corporation of Papua New Guinea Act 2002.
- (xiv) “**Kroton**” means Kroton No. 2 Limited means a company incorporated under the Companies Act 1997 and which is a wholly-owned subsidiary of IPBC.
- (xv) “**PPFL**” means a Petroleum Processing Facility as provided under the Act
- (xvi) “**KLLG**” Komo Rural ILG
- (xvii) “**LBSA**” means “Licence Based Benefits Sharing Agreement” and also means Development Agreement provided for under Section 48 of the Act
- (xviii) “**LBSF**” means License Based Benefit Sharing Forum and is the same as a Development Forum
- (xix) “**LLG**” means a Local Level Government as provided under the Organic Law on Provincial and Local Level Governments
- (xx) “**Minister**” means the Minister for the time being responsible for administering the Oil and Gas Act or any preceding and succeeding Act, as the context so requires.
- (xxi) “**MRDC**” means the Mineral resources Development Company Limited established under the Mineral Resources Develop (Privatization Act).
- (xxii) “**LNG Companies**” means ‘LNG Project Co-venture Companies’ as described in the Gas Agreement
- (xxiii) “**LNG Gas Agreement**” means the agreement signed on 22nd May 2008 between the State and the LNG Project Companies to develop the LNG Project.
- (xxiv) “**LNG Project Licences**” are those licences referred to in Clause 4 of the UBSA
- (xxv) “**Party**” means a party to this Agreement.
- (xxvi) “**PG**” Means a Provincial Government
- (xxvii) “**Project area Landowners**” has the meaning given in the Act, and “Landowners or project affected Landowners” and for the purposes of this Agreement and in relation to the LNG Project are all those who have an interest in land in any land within the LNG Project Area and includes their representatives and agents as provided for under this Agreement.
- (xxviii) “**SHPG**” means the Southern Highlands Provincial Government.
- (xxix) “**SKLLG**” means the South Koroba LLG
- (xxx) “**SMLI**” means the Social Mapping and Landowner Identification study for the LNG Project
- (xxxii) “**State**” means the Independent State of Papua New Guinea
- (xxxii) “**UBSA**” means the PNG LNG UBSA signed at Kokopo on 23rd May, 2009

2.2 Definitions provided by the LNG Project Gas Agreement

The following words when used in this Agreement have the same meanings ascribed to them in the LNG Project Gas Agreement:

- (i) **“Field or gas field”**;
- (ii) **“LNG Project”**;
- (iii) **“LNG Project Area”**;
- (iv) **“LNG Project Decision”**;
- (v) **“LNG Project Licence”**;
- (vi) **“LNG Project Liquefaction Plant”**;

2.3 Definitions used in the CDOA and UBSA

- (i) The following words when used in this Agreement have the meanings ascribed to them in the CDOA:
“Project Substances”
- (ii) The following words when used in this Agreement have the meanings ascribed to them in the UBSA:
“Total benefits package”;
“Equity benefits”;
“CDOA Equity”;
“Kroton Equity”

3 INTERPRETATION

The following rules of interpretation apply to this Agreement:-

- i) The headings do not affect the interpretation or construction of this Agreement;
- ii) References to an Act or provision of an Act includes the amendments to that Act for the time being in force and also to any legislation or regulation passed in substitution thereof;
- iii) A reference to a Party to this Agreement or Parties to this Agreement includes that Party's or Parties' successors, and permitted assigns and where applicable the Party's or Parties' legal representatives;
- iv) References to a Recital, Clause or Schedule are to a Recital, Clause or Schedule of this Agreement;
- v) A reference to PRL 11 includes a reference to any subsequent PDL issued by the DPE over any PRL 11 Blocks.
- vi) If there is any conflict between the body of this Agreement and the Schedules the body of this Agreement prevails to the extent of the inconsistency; and
- vii) If there is any inconsistency between the provisions of this Agreement and the Act, the Act will prevail to the extent of the inconsistency.
- viii) If there are any inconsistencies between provisions of this Agreement and the UBSA the provisions of the UBSA shall prevail to the extent of the inconsistency.
- ix) The singular includes the plural and conversely.
- x) A gender includes all genders



- xi) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- xii) A reference to a right or obligation of any 2 or more persons confers that right, or imposes that obligation, as the case may be, jointly and severally.
- xiii) A reference to conduct includes any omission and statement or undertaking, whether or not in writing.

4. EFFECTIVE DATE AND TERM

This Agreement commences on the date of its execution and will terminate on the earlier of:

- i) date of termination or expiry of the LNG Gas Agreement; or
- ii) the date upon which the last LNG Project Licence terminates; or
- iii) the date upon which the LNG Project Companies decide not to proceed with the LNG Project.

5. FORUM PROCESS AND REPRESENTATION

5.1 Requirement of the Act

- (i) The Parties acknowledge that the law provides for the SMLI to be completed by the Project Developers under Sections 47 of the Act.
- (ii) A Development Forum is then convened by the Minister under Section 48. A Coordinated Development Agreement must be signed at the conclusion of the Development Forum pursuant to Section 50 of the Act.
- (iii) Under Section 49 of the Act, the Minister must be satisfied with the SMLI and socio-economic studies before he invites the Project Area Landowners, Provincial Governments and Local Level Governments to the Development Forum.
- (iv) The Social Mapping Report for the License Area has been submitted and accepted by DPE, thus providing the basis for the Minister to convene the PRL 11 Development Forum and invite Landowners.

5.2 Requirements of Forum Process

The Parties agree that the PRL 11 Development Forum and this Agreement has been planned and executed:

- i) On the basis of consultations and negotiations between the State and all LNG Project Area Landowners, Provincial Governments and Local Level Governments which resulted in the signing of the UBSA;
- ii) On the basis of consultation and field awareness by DPE with LNG Project Area Landowners covering all issues relating to the impact of the LNG Project on the LNG Project Area Landowners; and
- iii) In full compliance of the Act

5.3 Project Area Landowner Representation

The Parties acknowledge that:



- i) the Minister's invitations to PRL 11 Landowners were issued in accordance with the Act and issued to persons who were selected through general meetings organized by DPE and the Landowners and fairly represent all persons and/or groups within the PRL 11 which the Minister believes will be affected by the LNG Project; and
- ii) DPE provided a quota for the number of Landowner representatives to be selected by the PRL 11 Landowners in meetings organized by DPE in the PRL 11 Project Area and those persons so selected are from clans identified in the SMLI; and
- iii) That there was at least one woman representative amongst a number of prominent persons from each clan selected by PRL 11 Landowners at meetings organized by DPE in the Project Area and the representative is from a clan identified in the SMLI and
- iv) the quotas set by DPE for numbers of representatives who were invited by the Minister for each PRL 11 is appropriate for the availability of facilities available to host the Development Forum; and
- v) the Project Area Landowner representatives at the PRL 11 Development Forum were authorized by PRL 11 Landowners at the meetings organised by DPE to negotiate this Agreement on behalf of their Licence Areas; and
- vi) Recognition by the State of participants of the PRL 11 Development Forum performing their roles or additional roles as the representatives of PRL 11 Landowners does not make the State liable for any remuneration for the performance of any such roles on behalf of PRL 11 Landowners.

5.4 Provincial Government Representation

The SHPG shall be represented by the Provincial Governor or his delegate who shall sign on behalf of SHPG.

5.5 Local-Level Governments

- (i) The Komo Rural LLG shall be represented by its President and in his absence by an authorized nominee, accompanied by all the Councillors from the LLG Area; and
- (ii) The Hayapuga Rural LLG shall be represented by its President and in his absence by an authorized nominee, accompanied by all the Councillors from the LLG Area; and
- (iii) The Hulia LLG shall be represented by its President and in his absence by an authorized nominee, accompanied by all the Councillors from the LLG Area; and
- (iv) The South Koroba LLG shall be represented by its President and in his absence by an authorized nominee, accompanied by all the Councillors from the LLG Area.

6. TOTAL BENEFITS PACKAGE

6.1 CDOA and Kroton Equity Benefits.

- (i) The equity benefits available in the LNG Project to the all the affected LNG Project Area Landowners, Provincial Governments and Local Level Governments are set out in the UBSA and consist of:
 - a) 2.78% of CDOA equity where:-



1. The CDOA equity will be shared between the PDLs and the Pipeline and Plant in the ratio of 72:28% (i.e. PDL's get 72% and Pipeline and Plant get 28%); and
 2. Sharing of CDOA equity between Landowners and LLGs of a Licence Area shall be in the ratio of 90:10; and
- b) An indirect 4.22% equity in the LNG Project through the take up of a 25.75% offering by the State in Kroton equity on commercial terms. The CDOA equity and Kroton equity provided by the State are described in detail under Clause 6 of the UBSA.
- (ii) Following the preceding Clause the equity benefits available to PRL11 Area Landowners, SHPG and LLGs consist of the following:
- a) Project interest (CDOA equity) of 0.1015 % is to be shared between the PRL 11 Landowners and LLGs in the ratio of 90:10; and
 - b) 6.5% of the 25.75% equity in Kroton No. 2 Limited being offered to the Landowners by the State representing an estimated 0.2743% indirect LNG Project interest and better described under Clause 6 of the UBSA; and
 - c) 19 % of the 25.75% equity in Kroton No. 2 Limited being offered to the SHPG by the State and better described under Clause 6 of the UBSA; and
 - d) the terms, definitions and detail explanations of CDOA and Kroton Equity provided and offered by the State are set out in Clauses 6.2 and 6.3 of the UBSA.
- (iii) Landowners of PRL 11 identified in the SMLI agree to the distribution of Landowners CDOA Equity as follows:

#	Block	Percentage
1	1715	66
2	1787	9
3	1788	9
4	1716	8
5	1642	8

- (iv) Landowners shall (if required) continue negotiations for a further three (3) months period to agree on Portions of the CDOA equity to be apportioned between the said groups at which time the Minister shall make a determination under s.170 of the Act.
- (v) Landowners of PRL 11 identified in the SMLI, agree to the distribution of PRL 11 Landowner Kroton Equity (once acquired from the State) as follows:

#	Block	Percentage
1	1715	66
2	1787	9
3	1788	9
4	1716	8
5	1642	8

- (vi) the ethnic groups shall (if required) continue negotiations for a further three (3) months to agree on portions of the Kroton equity to be apportioned between the said groups; after the three months the Minister shall make a determination under s.170 of the Act.

M.E.

- (vii) Following the Agreement for Kroton and CDOA equity sharing the beneficiaries of PRL 11 shall (if necessary) carry out further negotiations and shall complete their negotiations on benefits sharing within three (3) months from the date of the signing of this Agreement.
- (viii) If an agreement is not reached on benefit sharing amongst the PRL 11 Landowners, then the Minister will determine benefit sharing for the Landowners identified under each ethnic group in accordance with the Act and to be effected by Ministerial Determination Gazettal.
- (ix) The Minister will confirm the recognized beneficiaries entitled to receive CDOA and Kroton benefits through Ministerial Determination.
- (x) The clans recognized by the Minister have to be incorporated into ILGs for the purpose of receiving CDOA and Kroton equity benefits under the LNG Project.

6.2 Re-Determination and Review of CDOA Equity

The Parties acknowledge the agreement reached under the UBSA that equity interest in the LNG Project allocated to each Licence is partly determined by the Project Substances contributed from each PDL and will undergo adjustments in line with the re-determinations under the CDOA. However, the principles agreed under the UBSA will not change.

6.3 Royalty

- (i) A royalty benefit of 2% calculated as per the provisions of the Act is provided by the State to the Landowners, Provincial Governments and the Local Level Governments.
- (ii) It has been agreed under the UBSA that the royalty benefits provided by the State under the LNG Project will be shared between the affected PDL, Pipeline and Petroleum Processing Facility Licence Landowners, Provincial Governments and Local Level Governments.
- (iii) It has been agreed under the UBSA that Royalty shall be shared as follows:
 - a) PDL Areas and the Pipeline and LNG Plant Areas, shall share the royalties in a ratio of 72:28 (i.e. PDL Areas 72%, and Pipeline and LNG Plant Areas 28%).
 - b) The PDLs' 72% shall be shared amongst the PDLs according to the CDOA (i.e. PRL 11s' share of the 72% shall then be determined according to the CDOA)
- (iv) Parties agree that PRL 11's calculated entitlement pursuant to the CDOA shall then be redistributed between the Landowners; the Provincial Government and the Local Level Governments as follows:

a)	Landowners	70%	
b)	SHPG		}
c)	KLLG		
d)	HPLLG		
e)	HLG		
f)	SKLLG		
		30%	

- (v) The SHPG and the LLGs shall negotiate and agree on the sharing of the 30% by the LNG Project Decision date and failing that the Minister will determine the sharing portions for the SHPG and the LLGs.
- (vi) Landowners of PRL 11 identified in the SMLI, have agreed to the distribution of the royalties as follows:

#	Block	Percentage
1	1715	72
2	1787	9
3	1788	7
4	1716	6
5	1642	6

- (vii) The Landowner Groups above shall if required continue negotiations for a further three (3) months period to agree on sharing of the royalty between themselves.
- (viii) The beneficiary clans of the PRL 11 Licence area are required to complete their negotiations on royalty benefits sharing within three (3) months from the date of the signing of this Agreement. If agreement is not reached on benefit sharing amongst the beneficiary clans then the Minister will determine benefit sharing for the clans in accordance with the Act.
- (ix) The Minister, will confirm the recognized ILGs entitled to receive royalty benefits by publishing a Ministerial Determination.
- (x) The Landowner Blocks agree that an "Angore Churches Trust Fund" shall be created and each Block shall contribute to the Fund as agreed by their constituents.

6.4 Business Development Grant

- (i) The Parties to this Agreement note that the State agreed to make available under the UBSA an amount of Kina 120 million to assist landowner companies in business development activities, in accordance with guidelines to be approved by NEC and Section 171 of the Act.
- (ii) The Parties acknowledge that 20% of the amount will be made available between the commencement of early works and LNG Project Decision. The balance of 80% will be made available subsequent to the LNG Project Decision.
- (iii) The Seed Capital grant will be shared between the PDL Area Landowners and the LNG Plant and Pipeline Area Landowners in a ratio of 72:28 respectively. For the avoidance of doubt, none of the PGs or LLGs will be beneficiaries to this grant. The State will give due recognition of the difference between a green-field PDL and brown-field PDL while determining further apportionment of the seed capital funding amongst the PDL area Landowners
- (iv) The Parties further note that the National Executive Council has apportioned the K120million to all Licence Areas and consequently allocated PGK 12 million to the PRL 11 Landowners.
- (v) Subject to endorsement by the State the Parties to this Agreement have agreed that the Seed Capital grant of PGK 12 million approved by NEC for PRL 11 Landowners will be further apportioned as follows to assist the affected Landowners to participate in spin-off business from the LNG Project:

#	Block	Block Companies	%
1	1715	To be advised	35
2	1787	To be advised	7
3	1788	To be advised	9
4	1716	To be advised	7
5	1642	To be advised	7

6	Wellhead Clan – Ikima	To be advised	5
7	Umbrella Company	Angore Corporation Ltd	30

- (i) The Angore Corporation Ltd is a duly incorporated company under the Companies Act and is incorporated as an umbrella company in which all five blocks shall receive 20% shareholding each upon formalisation of transfer of contribution percentage as provided under Clause 6.4(vii).
- (ii) Landowners in each block acknowledge that each block has contributed the following percentages from their own shares to provide the Angore Corporation with a total of 30%.

#	Block	Contributed Percentage
1	1715	10
2	1787	5
3	1788	5
4	1716	5
5	1642	5
Total		30

- (iii) The Landowners of PRL 11 acknowledge their relatives living outside the License area and will endeavor to share their Kroton from the LNG project with those said relatives and will endeavour to share their seed capital benefits from the LNG project with those relatives.
- (iv) All Landowner s agree that all approved Seed Capital grant monies shall be paid to Angore Corporation Ltd.
- (v) The Umbrella Company must demonstrate that it represents the five Blocks that it has contracts from the Project Operator before the five Blocks can invest in the Umbrella Company.

6.5 Development Levy

- (i) A development Levy of 2% calculated as per the provisions of the Act is made available to the Provincial Governments and the Local Level Governments.
- (ii) It was agreed under the UBSA that the PDL PGs and LLGs will share development levy with the Pipeline and LNG Plant PGs and LLGs in the ratio of 72:28 (that is 72% will be received by PDL PGs and LLGs and 28% will be received by Pipeline and LNG Plant PGs and LLGs);
- (iii) The PDL PGs and LLGs will negotiate and agree on the sharing of the 72% royalty portion and likewise the Pipeline and LNG Plant PGs and LLGS will negotiate and agree on the sharing of the 28% portion;
- (iv) Subject to the outcome of the Court Proceeding under Clauses 6.10 and 6.11 of the UBSA the Southern Highlands Provincial Government and Komo Rural LLG; Hayapuga Rural LLG; Hulia Rural LLG and South Koroba Rural LLG must negotiate and agree on the sharing of the PRL 11 calculated Development Levy as prescribed under the terms of the UBSA.
- (v) An agreement as to the sharing between the Southern Highlands Provincial Government and Komo Rural LLG; Hayapuga Rural LLG; Hulia Rural LLG and South Koroba Rural LLG must be made by the date of the LNG Project Decision and if they are unable to agree then the Minister will make a decision on their sharing of the Development Levy benefit.
- (vi) The Parties agree that Development Levy will be disbursed in accordance with Clause 6.9 of the UBSA.
- (vii) The disbursement of the development levy is subject to Clauses 6.10 and 6.11 of the UBSA.

6.5A Umbrella Association

The Parties agree that an Umbrella Association representing landowners in PRL 11 will be established to oversee their overall welfare and social wellbeing in accordance with the Associations Incorporations Act 1966; and the procedures and processes and representations sort out in Clause 6.4(v) and formation and appointment of the office bearers shall be subject to the Incorporated Land Groups Act and the Companies Act.

13.

South Koroba Rural LLG must be made by the date of the LNG Project Decision and if they are unable to agree then the Minister will make a decision on their sharing of the Development Levy benefit.

- (vi) The Parties agree that Development Levy will be disbursed in accordance with Clause 6.9 of the UBSA.
- (vii) The disbursement of the development levy is subject to Clauses 6.10 and 6.11 of the UBSA.

6.5A Umbrella Association

The Parties agree that an Umbrella Association representing landowners in PRL 11 will be established to oversee their overall welfare and social wellbeing in accordance with the Associations Incorporations Act 1966; and the procedures and processes and representations sort out in Clause 6.4(v) and formation and appointment of the office bearers shall be subject to the Incorporated Land Groups Act and the Companies Act.

6.6 Infrastructure Development Grant

- (i) The Parties to this Agreement acknowledge that the State agreed under the UBSA to an amount of Kina 1.2 billion allocated equally over two (2) five year periods, commencing 2010 or the date of the LNG Project Decision (whichever is later), for infrastructure development and maintenance in the affected Provinces, in accordance with Section 173 of the Act.
- (ii) The Parties to this Agreement agreed that the infrastructure grant approved by the National Government for Southern Highlands Province will be utilized to fund projects within the PRL 11 Project Area, the LLG areas and in other parts of the Province at the discretion of the Southern Highlands Provincial Government.
- (iii) The Parties agree that an infrastructure Project list is to be finalized within 6 months from the date of execution of this Agreement and shall include the following projects nominated by the Southern Highlands Provincial Government and the Landowners:
 - a) Angore Growth Centre (inclusive of Rural Electrification Project, Housing Project, Water Supply Project, Sewerage Project and Rural Communication Project)
 - b) Pureni Growth Centre (inclusive of Rural Electrification Project, Housing Project, Water Supply Project, Sewerage Project and Rural Communication Project)
 - c) UPNG Hela Campus
 - d) Unitech Hela Campus
 - e) Hulia Growth Centre (inclusive of Rural Electrification Project, Housing Project, Water Supply Project, Sewerage Project and Rural Communication Project)
 - f) Hela Agriculture Research Centre
 - g) Awatangi Growth Centre (inclusive of Rural Electrification Project, Housing Project, Water Supply Project, Sewerage Project and Rural Communication Project)
 - h) Komo Ring Road
 - i) Tari – Linapini – Angore – Awatangi – Komo Road



- (iv) The Parties to this Agreement acknowledge that the implementation of infrastructure projects will be subject to funding availability and the Implementation mechanisms referred to in Clause 13 of this Agreement.
- (v) The Parties agree that they will establish a special purpose authority in accordance with the Local Level Government Administration Act.

7 FUTURE GENERATION FUND PERCENTAGE

7.1 Compliance with Act

The Parties agree that in compliance with Section 176 of the Act:

- (i) 30% equity and royalty benefits will be for future generation trust fund; and
- (ii) a further 30% equity and royalty benefits will be for investment trust fund.

7.2 Future Generation Fund: Management

The Parties agree that, subject to an NEC decision on this matter, the amounts assigned for future generation and community investment will be managed by a corporate trustee managed by MRDC. Proper governance mechanism for transparency, accounting, and audit and management representation will be put in place before the LNG Project Decision.

8. TAX CREDIT

- (i) Where the State agrees to fund projects under the State's Tax Credit Scheme the State will ensure that the operator of the LNG Project manages the implementation of the tax credit projects in accordance with Section 219C of the Income Tax Act 1959 (as amended).
- (ii) The State will use its best endeavours to have tax credit projects approved within a reasonable period and in accordance with the Tax Credit Guidelines.

9. MANAGEMENT OF BENEFITS

9.1 Trustee Arrangements for Equity

- (i) The Parties note that Clause 9.1 of UBSA says that in accordance with Section 176 of the Act, the CDOA Paid Equity arising from existing PDLs will be held by a corporate trustee managed by MRDC.
- (ii) The State undertakes to conduct, through the Minister for Petroleum and Energy, a review of the current arrangements under this Clause and the findings of such a review will be taken to the National Executive Council (NEC) and will form the basis on which NEC may determine any amendments, as may be necessary, to such arrangements, taking into consideration Section 179 of the Act.
- (iii) The review shall be conducted prior to July 2010 and the Parties agree to abide by the decision of the NEC following such review.
- (iv) The CDOA Equity arising from new PDLs (including PDL 1 variation) and from the allocations made under Clause 6.3.1 (iii) of the UBSA will be managed by a separate corporate trustee with representation from the stakeholders.
- (v) Kroton No. 2 Limited shall be a clearing house and benefits to be paid direct to beneficiaries.



- (vi) The trustee companies, both under MRDC and newly established trusts and the royalty trust under Clause 9.2 of the UBSA will be subject to a proper trust deed. In particular, the terms of the trust shall, at a minimum prescribe the following:
 - a) A six (6) monthly audit by an independent firm of accountant;
 - b) Regular rotation of trustee directors and inclusion of at least two professional directors on the board;
 - c) Publication of half year and full year financial statements for the project area community;
 - d) The publication of the investment policy of the corporate trustee;
 - e) The publication of the dividend policy of the corporate trustee; and
 - f) Filing of full financial statements with the annual returns filed with the Registrar of Companies.

9.2 Trustee Arrangements for Royalty

Subject to Clauses 6.6, 6.7, 6.8 and 14 of the UBSA, the royalty entitlements of the LNG Project Area Landowners-

- (i) the affected LLGs and PGs shall be managed by nominated trustee companies which are subsidiaries of MRDC; and
- (ii) The said trustee companies shall execute formal deeds of trust in favour of named beneficiary LNG Project Area Landowners and affected LLGs; and
- (iii) The LNG Project Companies will pay royalty directly to the trustee company.

9.3 Representation at LNG Project Joint Ventures Meetings

- (i) Subject to Clause 9.1 of the UBSA, the interests of the Project Area Landowners, affected LLGs and PGs in the LNG Project with respect to CDOA Paid Equity will be represented by MRDC and / or an entity agreed by the NEC following the review.
- (ii) The interest of the Project Area Landowners and PGs in the LNG Project with respect to Kroton Equity will be represented by Kroton No. 2 Limited.
- (iii) The royalty and equity benefits of the PRL11 project area Landowners will be managed by a wholly owned subsidiary of the Mineral Resources Development Company (MRDC) and will consist of Directors to be invited by MRDC in accordance with its rules and procedures, to be on the Board of the said subsidiary company and / or an entity agreed by the NEC following the review.
- (iv) The Chairman of the Umbrella Association shall be eligible to be appointed as the representative of the Landowners on the Board of the said subsidiary.

10. LOCAL SUPPLIES AND BUSINESS DEVELOPMENT

10.1 Local Supplies and Business Development

- (i) The Parties acknowledge that in accordance with the LNG Gas Agreement, the LNG Project Companies are required to prepare a local business development program in respect of the local supply and business development provisions in section 129 of the Act.



- (ii) The State will use its best endeavours to ensure that the LNG Project Companies fulfil their obligations under Section 129 of the Act in developing and implementing a local business development program so that opportunities are provided to Project Area Landowners and other Papua New Guinea citizens to participate in business spin-off activities provided by the LNG Project.
- (iii) The State will ensure that the local business development program prepared by the LNG Project Companies for the purposes of the LNG Gas Agreement will include proposals which:-
 - a) facilitate the business opportunities of experienced service providers currently providing services within the LNG Project Area or for the Project in reference to project dedicated facilities;
 - b) create business opportunities for LNG Project Area Landowners who do not currently conduct business within the gas project area;
 - c) create business opportunities for any umbrella project area companies or other companies with substantial LNG Project Area Landowners participation and involved in providing services to the LNG Project;
 - d) so far as practical, the LNG Project Companies shall give first preference to service providers whose place of origin is in the LNG Project Area provided that they have the requisite experience, managerial and trade skills, and business capacity to perform the work.

10.2 Consultation on the National Content Plan

The Parties acknowledge that the State will use its best endeavours to encourage the LNG Project Operator to convene a series of meetings in order to consult the Landowners on the development and finalization of a national content plan to enable them to participate in early works, construction and project operation contracts.

10.3 Landowner Companies

The Parties acknowledge the undertakings under the UBSA in relation to participation by Landowner companies in providing services to the LNG Project, namely:

- (i) they must be financially and technically capable of the work they propose to perform;
- (ii) they must be able to provide their services competitively with international service providers on quality and price; and
- (iii) In accordance with the LNG Project operator business development plan, existing local companies must pre-qualify as to skills and business abilities to be able to provide their services to the LNG Project.

10.4 Regulation of LNG Project Related Business Development

The Parties acknowledge the following requirements in relation to the regulation of LNG Project related Business Development:

- (i) From the date of commencement of the LNG Project, the LNG Project Companies shall consult with DPE, Department of Commerce and Industry, and the Department of National Planning and Rural Development in relation to local procurement of goods and services, and the progress of the local business plan developed by the operator for the LNG Project.



- (ii) The Department of Commerce and Industry shall provide a detailed annual report of the activities of the landowner companies and a review of the LNG Project Operator business plan for the forthcoming calendar year and review the performance and success of each of the service providers which provide services to the LNG Project.

10.5 Local Business Development Monitoring Committee

- (i) Immediately following the execution of this Agreement, the State shall establish a committee to be chaired by the Secretary, Department of Trade and Industry, entitled the Local Business Development Monitoring Committee to oversee, supervise and ensure that the obligations of all Parties under this agreement are proceeding in full compliance with the terms and conditions agreed.
- (ii) The Committee will consist of senior representatives of key Departments of the State, SHPG and elected landowner representatives selected by State, MRDC, and the Nominee Company of the State and at the discretion of the Chairman, a representative of the LNG Project Companies.

11. EMPLOYMENT AND TRAINING

The Parties to this Agreement accept and support the undertakings agreed under the UBSA in relation to employment and training as follows:

- (i) The Parties acknowledge that the LNG Project Companies are required to prepare training and development programs to be approved by the Department of Labour and Employment or a Department responsible for training and employment matters and in accordance with that plan will, where foreign personnel are employed, progressively replace such foreign personnel with PNG citizens as expeditiously as possible.
- (ii) The State will endeavour to obtain from the LNG Project Companies, alternative or revised plans, where the training and development programs are disrupted by circumstances or events which make it difficult or impractical to comply with the obligations under those programs to achieve the objects of that part of the training and development program which is affected.
- (iii) The State shall provide to the LNG Project Companies such assistance as required in the formulation of the training and development programs and the recruitment of citizens and shall make available its facilities for vocational and technical training.
- (iv) The State may, after consultation with the LNG Project Companies, require those companies or any of their contractors, to take such numbers (considering the scale and nature of the LNG Project Operations) of the State's employees or the employees of a State nominee at any time for managerial, professional or technical training as is appropriate for the qualifications and experience of the employees.
- (v) The State shall, after consultation, require Affiliates of the LNG Project Companies to use their best endeavours to ensure that the LNG Project Companies give first preference in training to citizens whose place of origin is in the LNG Project Area (Hel Region and Southern Highlands) on behalf of the LNG Project Companies and shall assign such employees to suitable training positions, whether in Papua New Guinea or overseas.
- (vi) The Parties acknowledge that the LNG Project Companies will not be obliged to retain any such assigned employees undergoing training who fail to perform duties appropriate to the assignment.



- (vii) So far as practical, the State will use its best endeavours to ensure that the LNG Project Companies give first preference in employment to citizens whose place of origin is in the LNG Project Area provided that they have the requisite skill and capability to perform the work.
- (viii) The State will use its best endeavours to ensure that, prior to the commencement of the LNG Project, the LNG Project Companies consult with the Department of Labour and Industrial Relations and provide annually reports concerning training and localization and the progress of the training and localization plan as part of the LNG Project.

12. SUPPORT FOR LAND ACCESS

- (i) The State shall procure all land needed for the infrastructure proposals provided herein and customary Landowners will give full cooperation in ensuring full, uninterrupted, and free access to officials of the State and to representatives of the LNG Project Companies and their contractors in undertaking all tasks relating to the survey, acquisition, construction and use of such infrastructure.
- (ii) PRL 11 Landowners, SHPG, and the LLGs agree not to impede or otherwise take any action that could endanger any individual, property or the process of infrastructure construction and will extend support and assistance to facilitate the expeditious and cost effective construction of all infrastructures.
- (iii) PRL 11 Landowners, SHPG, and the LLGs recognize that fair land compensation will be made for the acquisition of such land from the Project Area Landowners. The construction of the roads and other infrastructure will bring considerable benefits to the provinces, local areas and will enhance the standard of living, business opportunities and facilities for Project Area Landowners.
- (iv) PRL 11 Landowners, SHPG, and the LLGs acknowledge that LNG Project Companies will not be liable for any loss, damage, injury or death or such liability for claims which may arise from or be incidental to the use of the roads or other infrastructure by any person in any way whatsoever. The Parties recognize that certain roads and infrastructure to be constructed by the LNG Project Companies are solely for use associated with the LNG Project for the duration of the LNG Project and that there will be no public access to such roads and infrastructure until the LNG Project ceases to operate.
- (v) The Parties agree to provide suitable land for the purposes of construction of permanent residential settlement and permanent infrastructure services for employees of PNG Project Companies within the Project Area.

13. IMPLEMENTATION MECHANISM -Expenditure Implementation Committee ("EIC")

The Parties acknowledge the following understandings reached by the representatives to the UBSA with regard to the Expenditure Implementation Committee ("EIC"):

- (i) That EIC plays an important role in implementing socio-economic and infrastructure projects in compliance with the requirements of the Public Finance (Management) Act 1995 and the Act.
- (ii) The Parties agree that the EIC Guidelines are important in the implementation of the infrastructure projects either agreed under the Licence Based Benefits Sharing Agreements or any other infrastructure projects.



- (iii) The EIC will process and oversee the implementation of BSA infrastructure projects approved under each Licence-Based Benefits Sharing Agreement.
- (iv) The project proposals submitted for funding under EIC Budget will only be approved by the EIC for expenditure when they are compatible with the EIC Guidelines and the Medium Term Development Strategy that is administered by the Department of National Planning and District Development and DPE.
- (v) The Parties hereto agree that the EIC will be the authority responsible for the implementation of BSA infrastructure projects and that all projects to be undertaken are subject to the availability of funds.
- (vi) Where there is a change in law in relation to the EIC or as a result of a review under Clause 9, the Parties agree to work with the and support any alternative implementing agency appointed by the State to succeed the EIC. The State will ensure that this alternative implementing agency complies with the requirements of this Clause.

14. ECONOMIC CORRIDOR IMPLEMENTATION AGENCY (ECIA)

The Parties acknowledge the UBSA reference to the process to establish the ECIA, which process has commenced in accordance with NEC Decision 59/2009, and when formally established the ECIA will succeed the EIC and will be responsible for implementing the projects approved for funding under this Agreement. The ECIA will have a broader role than the EIC and will also be responsible for project coordination.

15. GOVERNANCE, ACCOUNTABILITY AND COORDINATION OF PROJECTS AND PROGRAMMES

- (i) The Parties agree that the benefits made available by the State under this LNG UBSA are to be applied for the good of the present and future generations and are to be used to create a development base for the future.
- (ii) The Parties agree that sound governance principles will be put in place for proper accounting and use of benefits moneys.
- (iii) The Parties agree that the development efforts by various agencies the National Government, donor agencies, LNG Project Companies, affected PGs and LLGs will be coordinated to deliver economic infrastructure, social infrastructure and empower people to carry out gainful economic pursuits.
- (iv) The State, in consultation with the representatives of the Beneficiary Groups will draw up an integrated development programs and projects and will get professional assistance in drawing up business plans and budgets, both for capital expenditure and operating and maintenance costs. The benefits under Clauses 6.1(d), (e) and (f), 6.9 and 8 of the UBSA will be integrated and coordinated with Government's Medium Term Development Strategy (MTDS) and Long Term Development Strategy (LTDS) The State with the approval of the NEC will draw up allocation, approval and governance process for moneys granted under Clauses 6.1(d), (e) and (f), 6.9 and 8 of the UBSA.

16. ENVIRONMENT AND RELOCATION

- (i) The Parties acknowledge that an Environmental Plan has been approved for the PNG LNG Project in accordance with the Environment Act, 2000.

- (ii) The Parties acknowledge that the relocation issue raised by the Angore PRL 11 landowners and the State will as a matter of priority endeavour to facilitate meetings with the PNG Project Companies to address this issue.

17. SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT UNDERTAKING

17.1 Representation

The SHPG will be represented by its Governor or his delegate for all purposes required by this agreement.

17.2 Support for Project

The SHPG affirms by execution hereof that the SHPG will support the LNG Project and this Agreement and the UBSA and use its best endeavours to ensure support for the LNG Project and the Benefits Sharing Agreements by the PRL 11 Landowners and other people of the Province whether or not such people are the direct beneficiaries, or indirect beneficiaries through infrastructure development throughout the Province.

The SHPG agrees to collaborate with EIC to apply development levies that may be available to the Province to approved projects throughout the Province.

17.3 Project Security

The SHPG shall assist the National Government in addressing threats from PRL 11 Landowners and non-project area Landowners against LNG Project personnel and property.

18. LOCAL LEVEL GOVERNMENTS UNDERTAKING

The following commitments have been accepted by the LLG's:

18.1 Representation

The following LLGs will be represented by their Presidents or their Presidents delegate and by the female nominated member of each LLG (where available), for all purposes required by this Agreement.

- (i) Komo Rural LLG
- (ii) Hayapuga Rural LLG
- (iii) Hulia Rural LLG
- (iv) South Koroba Rural LLG

18.2 Support for Project

- (i) The afore mentioned LLGs in supporting the LNG Project have endorsed the UBSA and this Agreement and will use their best endeavours to ensure support for the LNG Project by the PRL 11 Landowners and other people of their LLG area whether or not such people are direct beneficiaries of the LNG Project.
- (ii) The LLGs agree to cooperate with the State to apply development levies that may be available to them to implement approved projects.

18.3 Project Security

The LLGs shall assist the Provincial and National Governments in dealing with the local communities and project monitoring of landowner activities in addressing threats from Project Area Landowners and non-project area Landowners against LNG Project personnel, property and operations.



19. PROJECT AREA LANDOWNER UNDERTAKING

- (i) Access to land for project development shall be provided by Landowners in accordance with the Section 122 of the Act and other relevant laws and shall not obstruct or interfere with lawful project development activities.
- (ii) The PRL 11 Landowners acknowledge the rights of the Developer and Operator as conferred under the Act and undertake to respect the tenure and rights conferred to the respective LNG Project Licences.
- (iii) The PRL 11 Landowners acknowledge the significance of the uninterrupted project operations and pledge to support the advancement of the LNG Project, assist the LNG Project Companies in controlling any obstructive elements inside and outside their communities or provinces who might attempt to hinder development or production and, where necessary, assist in the removal of any obstructions or blockades or assemblies formed to obstruct or blockade project equipment or facilities.

19A. INDEPENDENT ISSUES COMMITTEE

- (i) The parties recognize the need to establish a committee to be called the "Independent Issues Committee (Committee)."
- (ii) The primary function of the Committee will be to gather, deliberate and report to the Department of Petroleum and Energy on matters raised at the LBSA Forum which do not form part of the LBSA negotiations and this Agreement.
- (iii) The Committee will be comprised of independent and neutral persons who have no interest in the benefits granted by the State under the Act, the UBSA and this Agreement.
- (iv) The Department of Petroleum and Energy will be responsible for the establishment of the Committee, its composition and will provide terms of reference which will form the basis of the functions of the Committee.
- (v) All issues raised in the LBSA Forums and not resolved shall be considered and responded to the satisfaction of the Landowners by the Committee by July 2010.

19B. PNG LNG CLAN VETTING AND LAND GROUP INCORPORATION

- (i) The Parties acknowledge that except where any other project affected landowners' benefits distribution mechanism is agreed to between the Parties, the grantees of the benefits granted under the Act and the UBSA and distributed amongst the various clans or groups under this Agreement, are Incorporated Land Groups pursuant to sections 169(2)(b) and 176(3)(f) of the Act.
- (ii) To facilitate incorporation of land groups for each of the PRL11 identified clans or sub-clans as the case may be; the State undertakes to establish an inter-agency task force to be known as the PNG LNG Land Group Incorporation and Clan Vetting Task Force comprising officers from the Departments of Petroleum & Energy and Lands & Physical Planning.
- (iii) The Department of Petroleum and Energy will be the coordinating agency of the clan vetting and land group incorporation program and its Secretary will be the chairman of the Task Force.



- (iv) The primary role of the Task Force will be to identify, coordinate and facilitate incorporation of land groups for each affected clan or sub-clan identified within the licence area in accordance with the Land Groups Incorporation Act 1974.
- (v) The Parties acknowledge that the program is time bound and will be launched immediately after the conclusion of all the LBSA forums for the wider Hides area and will be concluded by or before 1st July 2010.

20. COMMUNICATIONS

All communication between the Parties hereto will be in writing to the respective business addresses.

21. GOVERNING LAW AND JURISDICTION

The validity and interpretation of this Agreement shall be governed by the laws of the Independent State of Papua New Guinea, and the Parties hereto expressly agree to submit dispute arising hereunder to the exclusive jurisdiction of the Courts of the Papua New Guinea.

22. SEVERABILITY PROVISIONS

If any provision of this Agreement conflict with any law or a superior agreement, that provision shall be severed to the extent of the conflict. Such severance of such a provision will not affect the validity of any other provision except to the extent where the provision directly relates to the conflict.

23. PROVISIONS RELATING TO HELA PROVINCE

The Parties acknowledge Clause 22 of the UBSA relating to Hela as follows:

- (i) that Constitutional and Legislative processes concerning Hela have yet to be implemented. The Parties recognize that there are existing Legislative provisions that would facilitate appropriate transitional arrangements for Hela should it gain political and legal status as a Province.
- (ii) that in the event a system of Provincial Government and Local Level Government is legally established in respect of Hela, the benefits given to the Southern Highlands Provincial Government under this UBSA will be equitably shared between the new Hela Province Provincial Government and the Southern Highlands Provincial Government. The terms of such a sharing will be stipulated in a Deed of Amendment to this Agreement to be executed between the Parties and the new Province should it gain political and legal status.
- (iii) that Local-Level Governments in the LNG Project area especially those in the Hela region of the Southern Highlands Province, may if they so wish, enter into a co-operative agreement pursuant to Section 41 of the Local Level Administration Act, for the benefit of their respective constituents.
- (iv) A certain percentage of Projects that fall within Hela by operation of law will be given to SHPG to be used only for the purposes of Environment, Culture, Women and Youth and to the Districts through their Joint Districts Planning and Budget Committee.
- (v) that the State undertakes to use its best endeavours to facilitate and introduce appropriate Constitutional and Legislative process for a declaration of a "free trade" status for Hela City in the event that Hela City is established.



24. AGREEMENTS AND ADDENDUMS

Where there are any references to any further negotiations and agreements any outcome shall form part and parcel of this Agreement and be annexed as an addendum.

25. ALTERNATIVE DISPUTE RESOLUTION

The Parties agree that where a dispute arises involving the PRL 11 Landowners, other project area Landowners or non-project Landowners, all those Parties shall resolve those disputes by discussion in accordance with relevant customs, alternative dispute resolution and if necessary by recourse to Village or Local Land Court or District Court as appropriate.

Where there is a dispute in relation to the sharing of benefits than all monies shall be held in abeyance pending agreement by all identified LNG Project Area Landowners in dispute within 6 months of such a dispute arising, failing such, the Minister shall intervene to make a determination in accordance with Section 169(8) of the Act.

26. INCONSISTENCY PROVISIONS

In the event of any inconsistency between this Agreement and the UBSA or the UBSA shall prevail.

27. REVIEW CLAUSE

- (i) A review of this agreement shall occur every five years beginning from the date of execution of this Agreement.
- (ii) The first review shall cover benefits that are implemented during the first five years only.
- (iii) For the purpose of this clause a review under this clause relates only to the monitoring of the commitments and undertakings referred to in this Agreement.
- (iv) For the purpose of this clause a review relates only to the benefits contained under this Agreement.

28. EXECUTION AND COUNTERPART

This Agreement may be executed in counterparts, each of which is deemed an original but all of which together constitute one and the same instrument. Any copy of this Agreement, which has been transmitted by facsimile, shall be deemed to be a counterpart original if such transmitted copy bears the signature of an authorized representative of the party.


29. SAVING AND TRANSITIONAL ARRANGMENT

- (i) This Agreement and including any action, decisions, omissions and all other things done or omitted under this Agreement is saved and transferred with all rights and obligations in the event the Minister grant a Petroleum Development Licence and materially change the current Petroleum Retention Licence states to a Petroleum Development Licence.
- (ii) This agreement is also saved from any executive government or administration decisions made between the parties, except as provided for under this Agreement.



EXECUTION


Signed for and on behalf of the Independent)
State of Papua New Guinea by **Hon. William)
Duma, LLB, LLM M.P.**; Minister for Petroleum)
and Energy Pursuant to Section 51 of the Oil and)
Gas Act and all other powers enabling him with)
the authority, and in accordance with a decision)
of the National Executive Council in the)
presence of)


.....
Hon. William Duma LLB, LLM M.P

Signed for and on behalf of the Southern)
Highland Provincial Government by **Hon.)
Anderson Agiru, MP**; Governor for the)
Southern Highlands Province with all powers)
enabling him)


.....
Hon. Anderson Agiru, MP


Witnessed by the Parliamentary Members for
Southern Highlands Province:


.....
Hon. James Marabe, MP
Member for Tari Pori and Minister for Education

.....
Hon. Philemon Embel, MP
Member for Nipa Kutubu and Minister assisting
Prime Minister and Minister for Sports


.....
Hon. Francis Potabe, MP
Member for Komo Magarima

.....
Hon. Pastor Isaac Joseph, MP
Member for Mendi and Deputy Governor


.....
Hon. John Kekeno, MP
Member for Koroba Lake Kapiago

.....
Hon. James Lagea, MP
Member for Kagua Erave

.....
Hon. Francis Awesa, MP
Member for Imbongu

.....
Hon. Peter O'Neill, MP
Member for Ialibu Pangia



Signed for and on behalf of the Komo Rural)
Local Level Government by Mr. Thomas Potabe)
President of the Komo Rural Local Level)
Government with all powers enabling him)

.....
Mr. Thomas Potabe

Signed for and on behalf of the Hulia Rural)
Local Level Government by Mr. Eric Yawas)
President of the Hulia Rural Local Level)
Government with all powers enabling him)

.....
Mr. Eric Yawas

Signed for and on behalf of the Hayapuga Rural)
Local Level Government by Mr. Thompson Pipe)
President of the Hayapuga Rural Local Level)
Government with all powers enabling him)



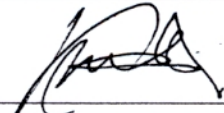


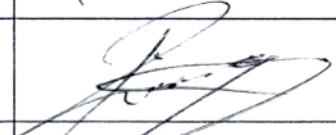





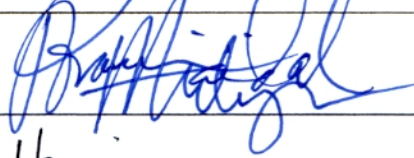
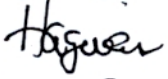


.....
Mr. Thompson Pipe

Signed for and on behalf of the South Koroba)
Rural Local Level Government by Mr. Benny)
Putari President of the South Koroba Rural Local)
Level Government with all powers enabling him)

.....
Mr. Benny Putari

LANDOWNER SIGNATORIES

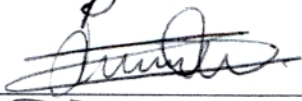

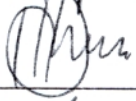


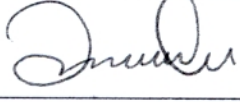

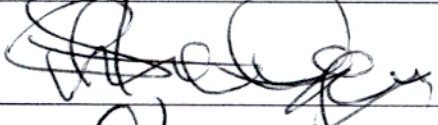

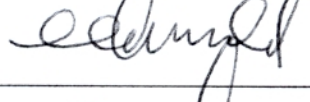
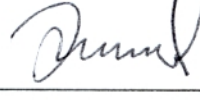
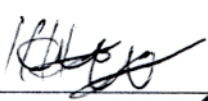
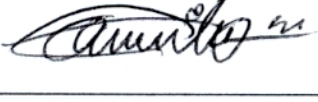

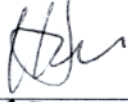


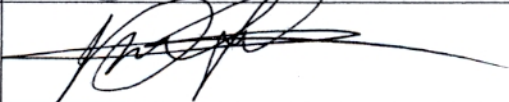
BLOCK 1715 – ANGORE BLOCK

Name and Clan	Signature
Elaijah Timba of Imika Clan	 07/12/09
Akilo Ayaka of Pagata Clan	
Allen Agobe of Halepura Clan	
Anton Takuaii of Tabu Hirahira Clan	
Arako Hamono of Yangali Clan	
David Akipa of Tabu Clan	
David Tepule of Tabu Wita Clan	
Ekabe Tendele of Teni Palara Clan	
Eki Howa of Halepura Clan	
Abe Ekawi of Tapu TaluBLOCK Clan	
Eric Aija of Pai Tulia Clan	
Francis Potabe of Halapura Clan	
Haguai Arawi of Imiga Clan	
Henry Kuski of Yula Clan	
Ikape Tandoko of Yumu Clan	



Moses Ipakaja Epuni clan



Jack Tege of Aroma Clan	
James Irale Papaja of Halepura Clan	
Janet Tapila of Halepura Clan	
Jim Ngini of Teni Jobini Clan	
Jimmy Howa of Lebu Clan	
John Agipe of Halepura Clan	
John Ago of Pii Clan	
John Akipe of Halepura Clan Cr. Ernest H. Malingi Tapu Wita	
John Kelu of Halepura Clan	
John Orabi of Tagoria Clan	
John Poi of Tobe Clan	
Naibe Kera Watabiya Mark Atuof Teni Himu Clan	
Mark Pulalu of Teni Himu Clan	
Mathew Tawi of Teni Watabiya Clan	
Minape Upyia of Halapura Clan	
Ngipe Konowaja of Hale Clan	
Pama Kurubugo of Pepe Clan	
Peter Mondoro of Telia Clan	

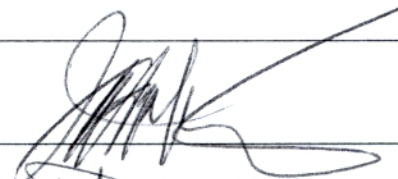



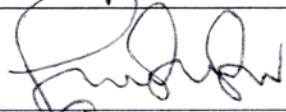
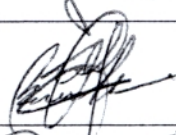
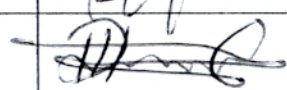




Aia Purili Tini Palara Clan *Alafu Jones*

Tomalia Angoia	Amund
Tanule Arawi	Amund
Hari Hawi	Amund
Philip Akini	Amund
Pipe Pariguaof Halepura Clan	Amund
Pulupe Awi of Komo Clan	Amund
Rev. Eky Perebugu of Halepura Clan	Amund
Robert Tinale of Halepura Clan	Amund
Simon Irame of Imiga Clan	Amund 7.12.09
Solomon Kaia to Tuguba Clan	Amund
Steven Au of Yanali Clan	Amund
Tamule Kulu of Halepura Clan	Amund
Tapu Kopali of Tetabia Clan	Amund
Terry Tandago of Aroma Clan	Amund
Timon Tumbu of Pii Clan	Amund
Tom Mulungu of Pii Clan	Amund
Tukupe Tari of Pakata Clan	Amund
Tumbiari Takome of Pii Clan	Amund

Me

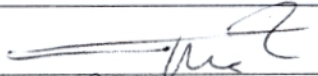

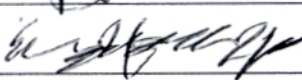
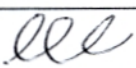

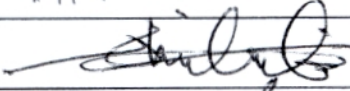



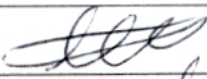
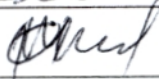
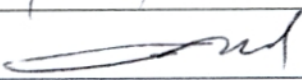
BLOCK 1642 – PURENI BLOCK


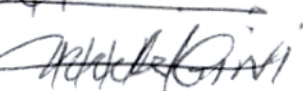

Name	Clan	Signature
Joe Hapokaia	Pegni	
Cr. Daniel Hongai	Pago	
Timon Tumbu	Patiana	
Joe Ango	Hegeni	
Andama Paija	Poru	
Robert Komai	Pii	
Thomas Hetaya	Akuma	
Tayanda Hetaya	Akuma	
Apako Jakanego	Arua	
Andrew Andagali	Hagu	- Andagali

Cr. Lazarus Lemba wita Lazarus
 David Korakua Koriya
 Jack Wariki Miya



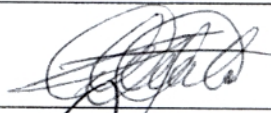

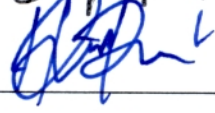





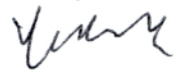
BLOCK 1716 - TAMBURUMA BLOCK

Paul Irabe	TAMBURUMA	
Timothy Mondoro	FABAIKURU	
Aibe Lai	HALE	
John Apula		
Cr. Steven Kamia Tumbiago	DUGABE	
Cr. Malex Mina Alua	Page	
Timu Horonapa	TOPELA	TIMU HORONAPA
Wabe Paliya	IBA HULI	WABE
Patric Ipitali	LONIA	
Philip Tiki	TOMBELA	
Ivan Aluya	TAPAMU	
Peterson Pipi	Tigibi	
Kevin Tos		
Pipu Hilai	HAGONI	
Abel Angai	KARO	
Joe Kewa	TALINI	
Agibe Ketalu	KANDEDO	AGIBE KETALU

Hebert Hewali Ayde PELEYPAPA
 Thomas Tulite TIKIPI 
 AJANA MARABE PELEYAPA 
 ROMAN TAMUALI TAMBURUMA 



BLOCK 1788 -AWATANGI BLOCK

Peterson Pipi	Hatani	
Gibson Irai	Tamburama	
Thomas Talima	HAKONI	
Cr. Timbapu Tombene	Tabu	
Cr. Olape Ayakali	Tayamba	
Marape Hamaga	MINALE	
John Abule	KEBO	
Kevin Tos	HAPD	
Pokaya Aliwa	KEJA	

HANA PIRI

HALE PALERO



MARK PORE
PILA HERALI

NALIMA PAGANI
Mogago





BLOCK 1787 -KOMO BLOCK

Aloysius Francis		
Cr. Thomas Tambo	Telia	Handwritten signature
Dr. Micheal Mai		
Eric Libi	Tapu	ERIC LIBI
Harigi Hengene	Yumu	Handwritten signature
James Punga	Imini	Handwritten signature
John Aipe		Handwritten signature
John Etai	Maiya	Handwritten signature
John Horiamie	Imini	Handwritten signature
John Walabali	Takima	Handwritten signature
Luke Herebe	Heterupi	Handwritten signature
Luke Lucas	Tope	Handwritten signature
Pani Liwa	Imini	Handwritten signature
Paranda Harubago		Handwritten signature
Paranda Pipiya		Handwritten signature
Peter Philip	Tamburuma	X
Talu Herepe		Handwritten signature
Tapu Tomai	Halepura	Handwritten signature

Albert sepik Lebe Handwritten signature

Lai Liwa Imini nee Handwritten signature

Daniel Irame Alumali Daniel

Daniel Kupiawi Maya Kapiasi

Pole Yokono Tamburuma Handwritten signature

Handwritten signature