

- [Petromin PNG](#)
- [About Petromin](#)
- [Petromin History](#)
- [Petromin Board of Directors](#)
- [Petromin Senior Management](#)
- [Petromin Group of Companies](#)
- [Petromin Exploration Assets](#)
- [News @ Petromin](#)
- [Petromin Publications](#)
- [Petromin & the Community](#)
- [Contact Petromin](#)

[Petromin
History](#)[Petromin As An Operating
Company](#)[Petromin Authorisation
Act \(2007\)](#)[Petromin
Mandate](#)[Petromin Trust
Deed](#)

PETROMIN HISTORY

The 2002-2007 Somare Government, in an effort to maximize ownership and economic gains from the development and production of Papua New Guinea's non-renewable mineral and petroleum resources, made a conscious policy decision to establish a national oil, gas and minerals company that would drive this agenda.

This policy decision was based on an independent Advisory Committee Review report titled "**Treatment of State Equity in Mining & Petroleum Projects**," by Mr. Mel Togolo, Dr. Ila Temu, Dr. Lawrence Kalinoe, Mr. Michael McWalter and Mr. Greg Anderson.

One of the recommendations of the report was that "...the State participation should be managed by a newly formed State-owned mining and petroleum holding company (newco) that will compliment the roles of existing organizations: the Independent Public Business Corporation (IPBC) and Mineral Resources Development Company (MRDC)..."

While the recommendation was limited to holding State equity, the Somare Government, in its commitment to its policy decision to maximize indigenous ownership and economic gains from the mineral and petroleum sector, expanded the scope of Petromin to include participation in development (exploration) and production (commercialization) of mineral and petroleum interests either wholly or in partnership with other investors.

Petromin is An Operating Company

Petromin PNG Holdings Ltd was established on 29 March 2007 as an operating company under the Companies Act 1997.

It is established under the following legislation and constituent documents;

- Companies Act 1997
- Constitution of Petromin
- Petromin PNG Holdings Limited Authorisation Act 2007

- Petromin Trust Deed [dated 6 June 2007]

Petromin PNG Holdings Limited Authorisation Act 2007

In 2007 Parliament passed the Petromin PNG Holdings Limited Authorisation Act (Petromin Act). Under the Act, the State may nominate Petromin PNG Holdings Limited and its Subsidiaries under the Mining Development Contracts and Gas Agreements as the State nominee. The Act also empowers Petromin to acquire oil, gas and mining assests held by the Independent Public Business Corporation (IPBC) and Minerals Resources Development Company Limited (MRDC) on agreed terms and considerations. It provides for the State and Petromin to negotiate terms mutually acceptable so as to ensure that investment decisions are transparent and comply with the legal and commercial terms of the corporate legal structure.

Petromin PNG Holdings Limited Mandate

Petromin is a company established under the Companies Act 1997 with specific powers conferred on it to be the State Nominee in mineral, oil and gas projects under the Petromin Act. Therefore its principal mandate is;

1. Firstly, being the special purpose vehicle to hold the State's equity in the development of Papua New Guinea's mineral, oil and gas resources; and
2. Secondly, as the State's vehicle company to increase Papua New Guinean ownership of the oil, gas and mineral resources and to develop and commercialise these resources either wholly or in partnership with other investors.

Petromin is an operational (commercial) company and has no policy and regulatory mandate. Relevant State agencies, including the Departments of Petroleum and Mining have the mandate over policy and regulatory matters, including licensing and compliance.

Petromin does not have any special protection from the State with respect to exercising the State's options to participate in any joint-venture commercial arrangements or pursuing other commercial opportunities either wholly or through joint venture arrangements with other investors. The Petromin Act and the Trust Deed provide the legal basis for Petromin to make investment decisions independently from the State and operate without any protection from the State just like any other company in the mineral and petroleum industry.

The Petromin Trust Deed

The company is regulated by a Trust Deed and is independent from the State but is 100% owned by the State.

The Trust Deed is managed by three independently appointed individual Trustee Managers, comprising the State Solicitor, the President of the PNG Law Society or his/her nominee and the President of the Certified Practicing Accountants (PNG) or his/her nominee.

The Trustee Managers may veto any investment and operational decisions from the Trustee Shareholder (the Prime Minister) or the Board of Petromin if such decisions are not within the parameters of the Trust Deed and Petromin's Constitution.

These powers extend to independently vetting the removal or appointment of all Directors as well.

The Trustee Shareholder, therefore cannot exercise any of his shareholder powers without the prior unanimous resolution of the Individual Trust Managers, acting as the Trust Manager.

[Legal & Privacy](#) | [Sitemap](#)

Copyright 2008 Petromin PNG Holdings Limited