



LNG SUPPLIES FOR ASIAN MARKETS (LNGA) 2019

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PNG Wants Stakes in LNG Projects

Papua New Guinea's (PNG) state firm Kumul Petroleum would exercise its right to take a maximum 22.5% stake in the country's next LNG projects in order to have a greater say over the country's resources, a senior official said Wednesday.

Total is planning a two-train Papua LNG project based on its Elk-Antelope fields, while Exxon Mobil is planning to add a third train at its existing PNG LNG project based on its P'nyang field (IOD Nov.19'18).

Kumul Managing Director Wapu Sonk said taking equity in both projects would allow the state's position to be heard and considered directly by the joint ventures. With a 22.5% stake, 2% would be allocated for landowners, which play an important role in new LNG projects in PNG.

"We have ways of financing our stakes using different structures," Sonk told Energy Intelligence on the sidelines of an LNG conference in Singapore.

Sonk confirmed that frontend engineering design (Feed) work would start later this year at the two projects after gas agreements have been signed with the state. Final investment decisions would be made at the same time in 2020, rather than staggered, he said, adding that Kumul has started joint marketing its equity share with Total from Singapore.

While Exxon's PNG LNG project has put the impoverished country on the world LNG map, the government has faced criticism for ceding too many incentives to Exxon, and the country remains short of power.

"The new gas agreements will contain provisions for pipeline access and gas for domestic usage," Wonk said

Kumul is currently responsible for managing the state's 16.57% equity in the PNG LNG project.