



## MINISTRY OF PUBLIC ENTERPRISES

**Level 4, Pacific Place Building  
P.O. Box 320  
PORT MORESBY NCD  
Papua New Guinea**

**Telephone: (675) 321 3937  
Facsimile: (675) 321 5048**

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### **PUBLIC STATEMENT**

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The Minister for Public Enterprises, Sir Mekere Morauta, said today National Executive Council had approved a submission to restructure the National Petroleum Company of Papua New Guinea (formerly Kroton No.2) and rescind earlier decisions extending its the role and powers.

Sir Mekere said the decision removed the wasteful duplication of roles and functions that can be carried out by others.

“IPBC’s job is to rehabilitate Public Enterprises and hold State assets in trust – that is what it was set up to do.

“It was never set up to own and manage a petroleum company, with all the inherent risks and expenses that go with that.

“I am not against NPCP as such – I am against it living in the IPBC household, and it is time for it to go.”

Sir Mekere said the decision also helps to eliminate the confusion in the oil and gas sector about who is responsible for a wide range of State activities in the sector.

“The primary role of NCPC, which is wholly owned by IPBC, will remain: that is as an asset holding company. It will continue as a shell company to hold and protect the State’s equity in the PNG LNG project.

“The NCPC Technical Team will be retained to do this, as a special division of IPBC.

“Employees involved in Community Affairs activities will be transferred to the Department of Petroleum and Energy.

“All other employees will be paid their full entitlements and made redundant.”

Sir Mekere said the cost of the restructure would be about K14 million. Annual savings, including from removing duplication, would be about K64 million.