



## MINISTRY OF PUBLIC ENTERPRISES

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

**Telephone: (675) 321 3739  
Facsimile: (675) 321 5048**

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### **PUBLIC STATEMENT**

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The Minister for Public Enterprises, Sir Mekere Morauta, said today that the suspended Member for Angoram, Mr Arthur Somare, should check his facts.

IPBC has not withdrawn its court action against various people and organisations involved with the illegal disposal of MVIL's shares in Bank South Pacific.

That action remains current, although the hearings have been adjourned until next month.

He said continuing investigations into the transaction were uncovering new information all the time, and in light of that new information, the court action might have to be amended.

"But I repeat – it has not been withdrawn as the suspended Member for Angoram says," he said.

"However, this costly court case was totally unnecessary. Mr Somare and the former MD of MVIL, Dr Mua, were in the same household.

"Why was one taking the other to court, when all the Minister had to do was to instruct Dr Mua and the MVIL Board to return the money?

"Even now, we are still negotiating with the alleged holders of the money in Australia to have it returned, so we can avoid wasting more money on a court case.

"I remind Mr Somare that this illegal transaction happened on his watch. He and the former IPBC management were reckless and negligent with public assets.

"Arthur Somare allowed K100 million worth of the people's assets in MVIL to be put at risk while he was Minister.

"This is on top of the K900 million he has cost us because of his mishandling of the loan to pay for equity in the LNG project, the K31 million investment in the failed US merchant bank Lehmann Bros, his share of the K30 million bill left behind for using the Somare aerial PMV for doctor's appointments, shopping, family parties and golf games, and the illegal expenditure by Telikom of about K800 million including a loan of K200 million."

"That is a shameful legacy," Sir Mekere said.

"And what does Mr Somare have to say about the K900 million shortfall on his IPIC loan? A loan in which Treasury was not involved; a loan which never had NEC approval; a loan which was never tabled in Parliament.

"It was negotiated and signed behind closed doors by people with no experience in the complex world of international high finance. As the Prime Minister said, 'little boys doing grown-ups' jobs'. And the nation is burdened as a result."

**Mekere Morauta KCMG MP**  
Minister for Public Enterprises