

PAPUA NEW GUINEA

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**Department Of Petroleum**

**LANDOWNER IDENTIFICATION**  
**MANAGEMENT**

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# 1. INTRODUCTION

- The Department of Petroleum functions and obligations is to regulate and manage the beneficiary identification process.
- The LOBID is a procedural criterion (formerly known as CVP) and is a mandatory requirement, stipulated under Sections 169 & 170 of the Oil & Gas Act (OGA 1998).
- Basically the LOBID is an administrative process to vet and verify the major beneficiaries (tribes/clans) captured by the SM&LI Study and utilising other relevant data including Legal impediment documents. SMLIS is the process and guideline per s.47 of OGA 1998.

## 2. PURPOSE

- The LOBID process is to utilize the available data to verify, authenticate and finalize beneficiary clans along the Project footprint for the purpose of fulfilling the requirements under the provisions of s. 167 & 168 of the Oil & Gas Act 1998.
- Completion of the LOBID process allows for the Minister to make a Ministerial Determination on the Beneficiaries as per sections 169 & 170, who shall be eligible to receive statutory benefits (royalties/equities) as per sections 167 & 168 of the OGA.

### 3. OBJECTIVE

- ILG's/ Clans as Determined through the Ministerial Determination without objections for Judicial Reviews as required under s. 169(10) of the OGA 1998 must receive their legislated Benefits through the Trust Manager (MRDC) as sanctioned under Section 176 of the Oil and Gas Act 1998.

## 4. STANDARDISED PROCESSES IN LOBID EXECUTION.

Compliance Requirements from SMLI's to Development Agreement		
No.	Reference	Description
1	Legislated Social Requirements in Petroleum Development License Phases	
	S.46 (iii)	Conditions of PRL
	S.63(iii)	Conditions of PDL
	S.47 (5)	Full Scale SMLIs submission with the APDL application
2	S.47 (5)	Social Mapping and Landowner Identification Studies
SMLI - SUBMISSION PROCEDURES		
Project Operator & SMLIs Contractors responsibilities		
3		SMLIs third party Contractor's Due Diligence to be submitted in a report to the Operator
4	Operator	What is SMLIs Terms of Reference (TORs)?
	a	Outlines of the Reports;
	b	Purpose;
	c	scope;
	d	Objectives;
	e	Expected outcomes;
	Operator	Submission of the APDL application including the SMLIs TOR to the Minister/ Director O&G Act 1998-Revised 2024
	DPE	Reviews and advices accordingly basing on Legislations, Regulations & Policies from the Minister/ Dircetot O&G Act 1998-Revised 2024
	S.52	Notify DPE/ NPA, host Provincial Government & the affected LLGs of Project's Field Development Plan
		Consultation with the Provincial & Local Level Governments
		Notify Project Area of Interest people in consulatation through the affected Provincial Government and its affected LLG or through media platforms
		Consultation with the Project Area of Interest per FDP/ Supplementary Field Works
5	Operator	Receives/ Ammends (If need to be)
	Operator	Submission of the full scale Social Mapping Landowner Identification studies to the Minister/ Director O&G Act 1998-Revised 2024

## 4. STANDARDISED PROCESSES IN LOBID EXECUTION...continue

DoP - Administration Requirements		
No.	Reference	Description
6		a Acknowledge receipt of the full scale SMLI from the Minister/ Director Oil and Gas Act 1998-Revised 2024
		b SMLIs Independent Reviewers engagement
		c SMLIs Independent Reviewers engagement to be published in the main stream Media
		d Findings Certified & the verified beneficiaries (If any) agreed to by Social Team & the Reviewer
		e Categorise and verify beneficiaries in accordance to Project's Field Development Plan
		(i) APL Landowning clans (If any)
7		a <b>LOBID Planning</b>
		b Budget
		c Awareness Materials (Brouchers, Maps, Charts etc.....)
		d Legally cleared Clan Consent Forms for beneficiaries (With or Without APL - If any)
		(i) LOBID Program to be Published in the main stream media
		(ii) Schedules, Dates, Venues
		a LOBID implementation
		b Village/ Community based Awareness (Coast Lines of Orokolo Bay)
		c Persons should understand the purpose of the messaging (If any)
		d Consent Forms signing (If any)
		e ID Cards created with clan executive photos captured against the signatures (If any)
		(i) Clan Consent Forms are the basis of Ministerial Determination
8	S.169	<b>Ministrial Determination</b>
9	S.169 (10)	<b>Judicial Reviews/ Objection period of 28 days from the date of the Gazettal Notice</b>
10	S.48 of the O&G Act 1998-Revised 2024	<b>Development Forum</b>
11	S.49	<b>Matters required before Development Forum</b>
		a Full scale SMLI to be presented to the Minister/ Dircetot O&G Act 1998-Revised 2024
		b Ministerial Determination under S.169 of the O&G Act 1998-Revised 2024
		c Intending applicant to submit to the Minister & Minister responsible for Environment under Environmental Planning Act (Chaprtter 370)
		d O&G Act 1998-Revised 2024 Director's Proposal
		i Development Forum Planning
		ii Directors Proposal finalising
		iii Ministerial Determination under S.169 for the principles set out under S.170 (3) the O&G Act 1998-Revised 2024
		iv Economic Model
		v Reserves Certification
		vi Environmental permits
		viii Development Agreement compilation on Legislated and non-Legislated benefits
		ix Development Forum Venue confirmation through internal assessment & evaluation
		x Budget - Logistics, lodging, rations & allowances
		ix Applicant should contribute K250, 000 only to the Development Forum execution under S.52 (A - 2)

## 4. STANDARDISED PROCESSES IN LOBID EXECUTION...continue

12	NEC Submission for Item "E"	NEC to endorse Item "10 - d(i-ix)"
13	NEC endorsed Director's Proposal Awareness	NEC endorsed Director's Proposal Awareness before the Development Forum
	a	Awareness planning
	b	Budget
	c	Awareness Materials (Brouchers, Maps, Charts etc.....)
	d	Awareness Program to be Published in the main stream media
	e	Schedules, Dates, Venues
	f	Village/ Community based Awareness
	g	Beneficiaries should understand the purpose of the messaging
	h	ID Cards created reconfirmation with clan executive photos captured against the signatures
	i	Verification and finalisation of Clan reps IDs for confirmation purposes
	j	Minister/ O&G Act Director will strictly invite clans reps basing on confirmed IDs by the State to the Dev. Forum venue
14	S.48 of the O&G Act 1998-Revised 2024	Development Forum
	a	Mobilisation
	b	Negotiations, Consultation & consents on the principles of Sharing Legislated and Non-Legislated benefits equitably
	S.50	Development Agreement signed
	c	Demobilisation
15	S.170 of the O&G Act 1998 - Revised 2024	LOBID (Intra-Clan Benefit Sharing)
	a	Planning
	b	Budget
	c	Awareness Materials (Brouchers, Maps, Charts etc.....)
	d	Legally cleared Intra-Clan Consent Forms for benefits agreed to in the Development Agreement
	e	LOBID Program to be Published in the main stream media
	f	Schedules, Dates, Venues
	g	LOBID implementation per Ministerial Determination under S.160 for the purposes of S.170 of the O&G Act 1998-Revised 2024
	h	Village/ Community based Awareness
	i	Beneficiaries should understand the purpose of the messaging
	j	Intra-Clan Consent Form signing
	k	Clan Consent Forms are the basis of Ministerial Determination under S.170 of the O&G Act 1998-Revised 2024
	L	Ministrial Determination
	m	Judicial Reviews/ Objection period of 28 days from the date of the Gazettal Notice
	n	File closed - Awaiting production & Benefit to be shared accordingly



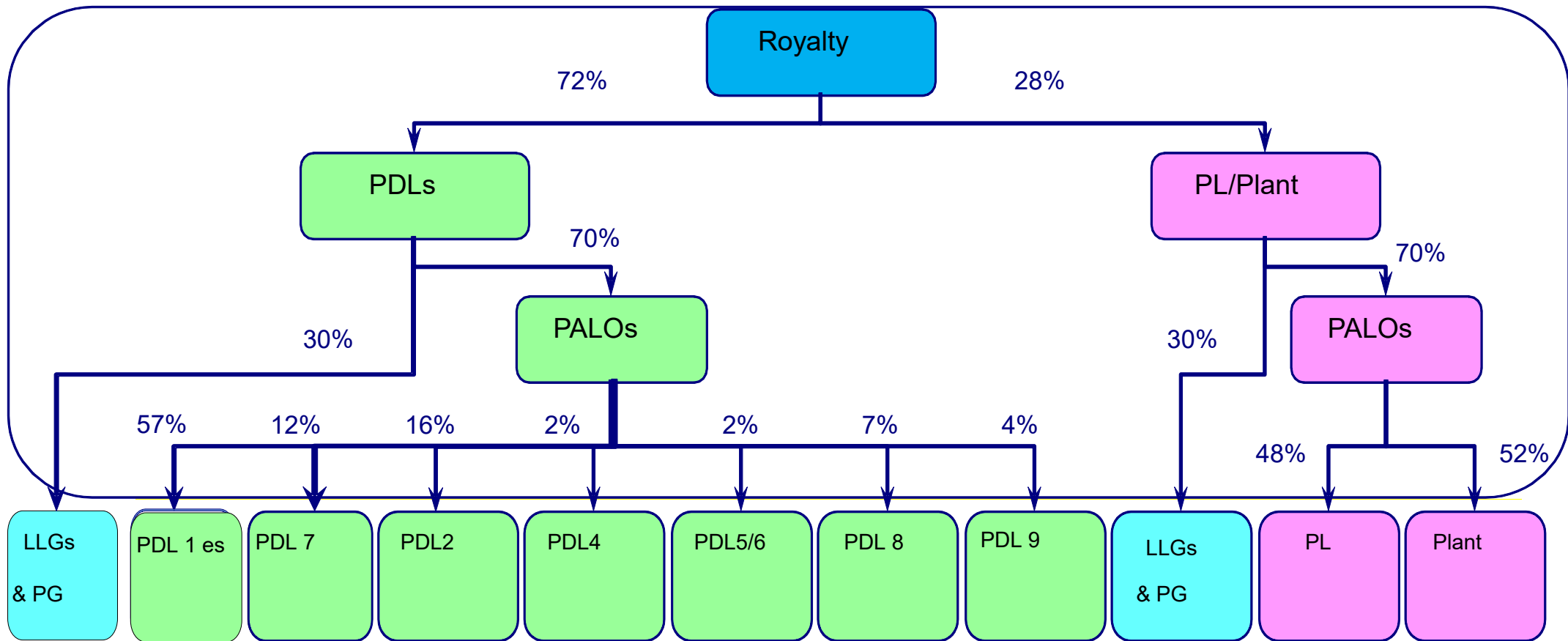
## 6. LOBID STATUS – PNG LNG PROJECT.

### PNG LNG LOBID & MINISTERIAL DETERMINATION

#### PROGRESSIVE RATE

PNG LNG LOBID PROGRESSION RATE					
UP-STREAM LICENSE AREAS 72%	LOBID Status-Ministerial Determination	LBSA Allocation %	Ratings Description	Evaluation	Total Progression Rate %
PDL 1	Done	57	57		
PDL 2	Done/ Court	16	16		
PDL 3	Done/LTC	2	0		LOBID Completed
PDL 4	Done/LTC	Same	0		96.832
PDL 5	Working Progress	2	0		
PDL 6	Working Progress	Same	0		LOBID Outstanding
PDL 7	Done	12	12		3.168
PDL 8	Based on ADR Report - Charllenged	7	7		
PDL 9	Western Done / Hela Court (90% Done)	4	3.6		
Sub-Total %		100	95.6	68.832	
DOWN-STREAM LICENSE AREAS 28%					
PPFL 2	Done	52	52		
PL4	Done	48	48	(100/100) x 28	
Sub-Total %		100	100	28	

## 7. PNG LNG Sharing Arrangement – High Level.



## 8. PNG LNG Ministerial Determinations & Royalty paid.



### MINISTERIAL DETERMINATION & NEC DECISION NO: 162 OF 2016 (9)

“approve for all relevant State agencies to pay outstanding PNG LNG Project Royalty, Equity & Development Levy to beneficiaries who have been identified and there are no disputes of any form registered with the Courts that would stop payment of these benefits after the audit is done”

PNG LNG ROYALTY PAYMENT STATUS 2024				
UP-STREAM				
PROVINCIAL GOVERNMENTS & LLGs				
No.	LICENSE AREA	ROYALTY PAID (Km)	ROYALTY PENDING (Km)	REMARKS
	SHP	103	1041	Provincial Benefit Split Agreement
No.	LICENSE AREA	ROYALTY PAID (Km)	ROYALTY PENDING (Km)	REMARKS
1	PDL 1	0	300	Accounts Opening
2	PDL 2	0	88	Intra-Clan BSA & Accounts Opening
3	PDL 3 & 4	0	11	LOBID & Mini-trial Determination
5	PDL 5 & 6	0	11	LOBID & Mini-trial Determination
7	PDL 7	31	35	will be released in 2024
8	PDL 8	0	38	Intra-Clan BSA & Accounts Opening
9	PDL 9	0	22	Intra-Clan BSA & Accounts Opening
DOWN-STREAM				
No.	LICENSE AREA	ROYALTY PAID (Km)	ROYALTY PENDING (Km)	REMARKS
1	Pipeline 4 Segments	32	23	will be released in 2024
2	PPFL 2	59	25	will be released in 2024
	<b>TOTAL (Km)</b>	<b>225</b>	<b>1594</b>	

## 9. PNG LNG DEVELOPMENT LEVY PAID

### Development Levy & NEC DECISION NO: 162 OF 2016 (9)

“approve for all relevant State agencies to pay outstanding PNG LNG Project Royalty, Equity & Development Levy to beneficiaries who have been identified and there are no disputes of any form registered with the Courts that would stop payment of these benefits after the audit is done”

PNG LNG DEVELOPMENT LEVY PAYMENTS - 2025	
Years	Amount (Km)
2017	135,100,000
2018	74,800,000
2019	111,371,761
2020	124,319,657
2021	39,202,310
2022	146,440,052
2023	153,968,798
2024	222,000,000
2025	236,237,449
	<b>1,243,440,026</b>

## 8. LOBID STATUS – PAPUA LNG PROJECT.

- ❖ After assessing all issues, the most common ones are the clan representatives and their neighbouring clans that they feel missed out in the SM&LIs report.
- ❖ Landownership is on communal grounds. Tribe brought confusion. Within the tribal land a clan has its respective portions of Land.
- ❖ Intra-Clan Benefit Sharing Agreement process will begin after the Development Forum where clan issues can be put to rest. After this process, a final Ministerial Determination can be published as stipulated under S.169(2).

***Tabulated below shows the PLNG LOBID Completion and Outstanding Ratings***

SUMMARY ANALYSIS	%	PLNG LOBID Status
Gulf Province	100	Complete
Central Province	100	Complete
PLNG LOBID Ratings (%)	100	

## 9. LOBID STATUS ...continue.....

### PAPUA LNG MINISTERIAL DETERMINATION GAZETTE 2023

No	License	Gazette
1	PRL 15 – APDL 15, APL 18, APPFL 4	No. G967 of 2023
2	Pipeline Export Route – APL 19, APL 20 & Off-Shore and;	No. G968 of 2023
3	APPFL 5	No. G969 of 2023

# 10. GENERAL LOBID ISSUES

## Domains issues noted:

### A. PNG LNG Project;

1. Representative Issues in clans;
2. Intra – Clan sharing arrangements with their relatives whom are outside the License areas or were not been identified during the SMLI study.
3. Cultural & Tribal relations in the Up-Stream areas are confined to the **eight generation lineage** providing equal rights to the identified beneficiaries and the extended beneficiaries.

### B. Papua LNG Project

1. Representative Issues in clans
2. Intra – Clan sharing arrangements with their relatives whom are outside the License areas or were not been identified during the SMLI study.
3. In Gulf Province, mainly in the **Baimuru Area**, Logging & Mining Landowners want to be the beneficiaries in this Petroleum Project License Area (Up-Stream)

## 11. CONCLUSION

- Generally, PNG LNG Project LOBID since 2013 – 2025, **96.83%** is been completed by the State (DPE). The remaining **3.17%** are Licenses/ Areas with issues registered through the Courts pending Decisions.
- Papua LNG was completed in 2023. **100%** done
- To efficiently Identifying legit Landowners in the Petroleum Projects; **A STANDISED LANDOWNER AND BENEFIT MANAGEMENT POLICY** must be established and implemented accordingly for the emerging New Petroleum Projects that may be prioritised by Governments.



**THANK YOU**