



**Prime Minister
Papua New Guinea**

'FINAL HURDLE' CLEARED FOR RAMU PROJECT

FOR RELEASE - 18 JULY 2000

The National Executive Council has endorsed the 'Project Document', which includes the Mining Development Contract, the Special Mining Lease and the Memorandum of Agreement, for the Ramu Nickel/Cobalt project in the Madang Province.

Announcing the decision today, Prime Minister Sir Mekere Morauta said Cabinet's approval paved the way for the developers, Ramu Nickel Ltd and Orogen Minerals, to finalise all necessary project requirements.

Sir Mekere said Ramu would be the first resources project to receive a guarantee of stability under the Government's new fiscal stability policy announced in Parliament recently.

"The Government has endorsed the Ramu project and will provide the guarantees on fiscal stability that would support the raising of equity and debt financing. Fiscal stability is one necessary step that will help raise the rate of investment and economic growth of the country," Sir Mekere said.

The Prime Minister said the Mining Development Contract outlined the commitments of the State and project proponents in relation to all aspects of project development. "This is a key document, together with the Special Mining Lease. The project developers require these approvals in order to raise finance and to have access to the area and resources to develop the project," he said.

"The Memorandum of Agreement, commonly known as the Development Package, is very important because it contains the benefit streams to the province and the project area landowners.

Sir Mekere reiterated that finalisation of the project documentation was a positive signal to investors that PNG now provides a good climate for mineral exploration and development.

The Prime Minister said the province and landowners would receive considerable benefits when the mine is built and becomes operational: royalties, special support grants, business establishment grants, tax credit scheme, and other benefits such as employment, education and training.

"Given the importance of the project to the national economy and the massive capital expenditure required to develop it, it is vital that all stakeholders support Ramu," Sir Mekere said. "This project is not just a mine. It is also a major manufacturing project."

"I know the people of Madang have been waiting patiently for this very important day. It has taken until now for this 'final hurdle' to be overcome, because considerable consultations and deliberations were necessary. We can all now look forward to the construction and operation phases."

MEKERE MORAUTA

Prime Minister

Morauta House, Waigani, P.O. BOX 639, WAIGANI, Papua New Guinea
Telephone: (675) 327 6544 Facsimile: (675) 327 6630

Parliament Office, National Parliament House, WAIGANI, N.C.D., Papua New Guinea.

Telephone: (675) 327 7325, (675) 327 7311 Facsimile: (675) 327 7328

[Email: pmsmedia@datec.com.pg](mailto:pmsmedia@datec.com.pg)

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