PNG EXTRACTIVE INDUSTRIES
TRANSPARENCY INITIATIVE
NATIONAL SECRETARIAT

PNGEITI

Extractive Industries
Transparency Initiative

LEVEL 8, TREASURY BUILDING
PO BOX 1907
PORT MORESBY, NCD
PAPUA NEW GUINEA

PHONE: (675) 3133772
(675) 3133581
EMAIL: info@pngeiti.org.pg
WEBSITE: www.pngeiti.org.pg

09 November 2026

Mr. Roy Daggy
Commissioner and Chief Executive Officer
Independent consumer and competition commission
P. O. Box 6394
Boroko,
National Capital District

Dear Commissioner Daggy,

SUBJECT: PNGEITI SUBMISSION ON PROPOSED PAPUA LNG PARTICIPATING INTEREST ACQUISITION

The Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI) welcomes the opportunity to provide comments to the Independent Consumer and Competition Commission (ICCC) regarding the proposed acquisition by ExxonMobil PNG Antelope Limited, PAC LNG Assets Limited and ENEOS Xplora Papua LNG Limited of a combined additional 11.74 per cent participating interest in the Papua LNG Project currently held by TotalEnergies EP PNG Limited. The proposed acquisition involves a transfer of participating interests among existing Papua LNG Project participants and does not introduce a new market participant into the project.

Based on the information presently available to PNGEITI, the organisation has not identified any material competition concerns arising from the proposed transaction. As the acquisition involves existing joint venture participants increasing their respective interests within the project, it does not appear likely to substantially alter market concentration, eliminate an active competitor, create significant barriers to entry, or materially change the competitive structure of Papua New Guinea's upstream petroleum sector.

Nevertheless, PNGEITI notes that the Papua LNG Project is one of Papua New Guinea's most significant strategic petroleum developments. Changes in ownership interests within the project are therefore relevant not only from a competition perspective but also from the perspectives of transparency, accountability, beneficial ownership disclosure, state participation, revenue oversight and public confidence in the governance of Papua New Guinea's natural resources.

Accordingly, PNGEITI's comments focus on transparency and governance considerations associated with the proposed transaction, informed by the objectives and disclosure expectations of the 2023 EITI Standard.

Competition Assessment

From the information provided through the consultation process, the proposed transaction constitutes a transfer of participating interests from one existing project participant to three existing project participants already holding interests within the Papua LNG Project.

PNGEITI has not identified evidence suggesting that the transaction is likely to substantially lessen competition within any relevant market in Papua New Guinea. The transaction does not appear to remove an active competitor from the petroleum sector, establish a monopoly position, significantly increase barriers to entry, or fundamentally alter prevailing market structures.

Accordingly, PNGEITI does not express a view on the ultimate determination to be made by ICCC under its statutory mandate but notes that the transaction appears unlikely to raise material competition concerns based on the information presently available.

TRANSPARENCY CONSIDERATIONS

EITI Requirement 2.1: Legal Framework and Fiscal Regime

Requirement 2.1 of the 2023 EITI Standard promotes public understanding of the legal, regulatory and fiscal framework governing the extractive industries.

Consistent with the objectives of this requirement, PNGEITI considers it important that the proposed acquisition is implemented in accordance with all relevant laws, regulations, approvals, project agreements and administrative processes governing petroleum operations in Papua New Guinea.

Transparency regarding the regulatory framework applicable to the transaction assists stakeholders in understanding the basis upon which ownership interests in major petroleum projects are transferred, reviewed and approved. Such transparency also helps demonstrate that ownership changes affecting strategically important resource assets are administered through lawful and accountable processes.

PNGEITI therefore encourages public clarity regarding the legislative and regulatory framework governing transfers of participating interests, the approval mechanisms that apply to such transactions, the competent authorities responsible for authorising the transfer, and any implications the transaction may have for existing fiscal arrangements associated with the project.

PNGEITI further observes that ownership restructuring within a nationally significant petroleum project should continue to support Papua New Guinea's long-term economic interests and should not diminish anticipated public benefits arising from the development of the project.

EITI Requirement 2.2: Transfers of Extractive Rights and Interests

Although the proposed acquisition does not involve the award of a new petroleum licence, it involves a transfer of economic interests associated with an existing extractive asset.

Consistent with the transparency objectives underpinning Requirement 2.2, PNGEITI encourages transparency regarding the ownership changes resulting from the transaction.

Stakeholders benefit from understanding the ownership structure before the transaction, the revised ownership structure following completion, the legal and regulatory processes through which the transfer is assessed, the date upon which the revised ownership interests become effective, and any material conditions that may be attached to regulatory approvals.

Disclosure of this information helps strengthen public confidence in the administration of strategic petroleum assets and enables stakeholders to understand how ownership and influence within major projects evolve over time.

EITI Requirement 2.3: Public Information on Licence Holders

Requirement 2.3 promotes accessibility of information concerning licence holders and extractive rights.

While the proposed transaction does not alter the underlying petroleum licences associated with the Papua LNG Project, it may result in changes to ownership interests associated with licence-holding entities.

PNGEITI therefore encourages relevant authorities to ensure that publicly available information concerning licence holders, associated corporate entities and ownership interests is kept current and accurate following completion of the transaction.

Current and reliable information assists government agencies, investors, civil society organisations and citizens in understanding the ownership arrangements associated with strategically important petroleum assets and supports confidence in regulatory oversight and public accountability.

Where ownership changes have implications for governance arrangements associated with the project, PNGEITI considers that such changes should also be appropriately reflected in relevant public records and future reporting processes.

EITI Requirement 2.4: Contracts and Licences

Requirement 2.4 promotes transparency regarding contracts and licences governing extractive activities.

PNGEITI recognises that commercial transactions may involve confidential commercial information. However, ownership changes affecting nationally significant petroleum developments are matters of legitimate public interest.

Consistent with PNG's commitment to contract transparency and the objectives underpinning Requirement 2.4, PNGEITI encourages transparency regarding any material amendments to publicly disclosed project agreements, licences or governance arrangements that may arise as a result of the proposed transaction.

Where the transaction results in changes affecting ownership structures, governance arrangements or publicly disclosed petroleum agreements, consideration should be given to ensuring that such information is accurately reflected in public disclosures and future reporting processes.

Such transparency contributes to public confidence, strengthens accountability and supports good governance within the extractive sector.

EITI Requirement 2.5: Beneficial Ownership

Requirement 2.5 promotes transparency regarding the natural persons who ultimately own or control extractive companies.

PNGEITI notes that the acquiring entities are established international petroleum companies and publicly listed corporations subject to disclosure obligations in their respective jurisdictions. Nevertheless, beneficial ownership transparency remains an important component of Papua New Guinea's EITI implementation framework.

Consistent with the objectives of Requirement 2.5, PNGEITI encourages continued maintenance of accurate and current beneficial ownership and ownership information relating to entities operating within Papua New Guinea's extractive industries.

PNGEITI further encourages relevant authorities to maintain accurate ownership records, ensure that future changes affecting ownership or control arrangements are appropriately reflected in reporting processes, and ensure that future EITI disclosures accurately describe ownership structures resulting from the completion of the transaction.

Such measures contribute to public confidence, strengthen accountability and support transparency regarding ownership and control of strategically important extractive assets.

EITI Requirement 2.6: State Participation

Requirement 2.6 promotes transparency concerning state participation in extractive projects and relationships between governments, state-owned enterprises and extractive companies.

Although the proposed acquisition is primarily a transaction between private sector participants, changes in ownership structures within a major LNG development may nevertheless have implications for state participation arrangements, project governance and future revenue flows.

PNGEITI therefore encourages relevant authorities to assess whether the proposed acquisition may have implications for existing or future State equity interests, the interests of Kumul Petroleum Holdings Limited (KPHL), future dividend streams associated with State participation, financing obligations connected to State participation arrangements, governance arrangements involving State interests, and longer-term revenue expectations associated with the project.

Transparency regarding these matters assists stakeholders in understanding how ownership changes may affect future public benefits derived from Papua New Guinea's petroleum resources.

EITI Requirement 4.1: Revenue Transparency

Requirement 4.1 promotes comprehensive disclosure of material revenues generated by the extractive sector.

PNGEITI acknowledges that a transfer of ownership interests does not necessarily alter the fiscal terms governing the Papua LNG Project. Nevertheless, ownership structures remain relevant from a transparency perspective because they influence the allocation of future economic benefits among project participants.

Accordingly, PNGEITI encourages continuation of comprehensive revenue reporting through Papua New Guinea's EITI reporting framework to ensure that future revenues associated with the Papua LNG Project continue to be disclosed transparently and consistently.

This contributes to public understanding of the economic value generated by Papua New Guinea's natural resources and supports informed oversight of future revenue streams.

EITI Requirement 7.1: Public Debate

Requirement 7.1 promotes informed public debate concerning the governance of natural resources.

PNGEITI welcomes the ICCC consultation process as a positive example of stakeholder engagement and transparent decision-making in relation to a significant extractive sector transaction.

The consultation process provides stakeholders with an opportunity to contribute views, enhances public understanding of the proposed acquisition, promotes transparency, strengthens accountability and supports confidence in regulatory oversight.

PNGEITI considers such consultation processes important for maintaining public confidence in the administration of Papua New Guinea's extractive sector and encourages their continued application in relation to significant transactions involving strategic national resource assets.

Conclusion

Based on the information presently available, PNGEITI has not identified any material competition concerns associated with the proposed acquisition whereby ExxonMobil PNG Antelope Limited, PAC LNG Assets Limited and ENEOS Xplora Papua LNG Limited seek to acquire a combined additional 11.74 per cent participating interest in the Papua LNG Project from TotalEnergies EP PNG Limited.

Notwithstanding the absence of identified competition concerns, PNGEITI considers that the transaction raises important transparency and governance considerations relevant to the objectives of the 2023 EITI Standard. These include transparency regarding ownership changes, beneficial ownership information, state participation considerations, future revenue reporting and stakeholder engagement.

PNGEITI therefore encourages ICCC and other relevant authorities to continue promoting transparency and public accountability in relation to significant ownership changes affecting Papua New Guinea's extractive sector. Such measures will strengthen public confidence, support good governance and contribute to informed public understanding of the management of the nation's petroleum resources.

Yours sincerely,

GEORGE KAULI
Executive Director

PNG Extractive Industries Transparency Initiative
P.O Box 1907, Port Moresby, NCD
Papua New Guinea

Cc: Mr. John Uware
Acting Chair, PNGEITI MSG, and
Acting Deputy Secretary, Economic Policy
Department of Treasury