

**Remarks by Peter Graham, Managing Director, Esso Highlands Limited
First anniversary of the Enterprise Centre
30 June 2011**

Good morning all, representatives of Government, distinguished friends, ladies and gentlemen.

It is a pleasure to be here this morning to celebrate such an occasion. How quickly time goes – it's hard to believe that a year has gone by since we signed the agreement to fund the Enterprise Centre. It was an ambitious project, but as you heard from Sweta earlier, so much has been achieved since then, and I would like to give credit to Sweta and the entire team at the Enterprise Centre for the successes that they have had throughout the past year.

The numbers that she described before are impressive: 8,500 entrepreneurs served, and the equivalent of 2,000 training days and 1,000 business advisory days. If they're the numbers for just one year, I can't wait to see what the Enterprise Centre can achieve in two, and five years, and beyond.

When we established the Enterprise Centre last year, an independent organisation, we found the right partner in IBBM to deliver on our objectives. Those objectives were to help develop the capacity of landowner companies, and to facilitate other local PNG companies' participation in PNG LNG Project-related business opportunities.

The establishment of an Enterprise Centre has been an important component of the PNG LNG Project Local Business Development program to evaluate PNG businesses, help them build their business skills, facilitate access to finance and ensure efficient communication with our contractors, sub-contractors and the Project.

As a company, we have long recognised that making the most of energy resources is about more than oil and gas production – it's also about developing people and capacity, and creating and delivering long-term benefits to local communities.

One of the key ways we can do this is through the development of Lancos and PNG businesses, which is where the Enterprise Centre comes in.

Of course, having solid, reliable businesses is good for the Project, as we receive the goods and services that we need in order to develop PNG LNG. But it's also a sustainable way to provide for future developments. We've invested significantly in developing the capacity of Lancos so that they can develop into long-term sustainable businesses that support the PNG LNG Project and, with their newly acquired skills and experience, the aim is that they will be able to support other organisations and projects in PNG in the future.

Project contractors continue to use Lancos, with Project-related spend to date with Lancos now exceeding 280 million kina primarily on construction labour, catering and camp management, security, passenger transport and trucking on the Highlands Highway.

Where Lancos do not provide the required services, we engage local Papua New Guinea businesses whenever possible. In just over a year we've spent more than 2 billion kina in country.

Sweta spoke earlier about some success stories including Porebada Ahine Limited, a company owned and operated by 200 women, and HG Quarries Limited. Both of these organisations sought training, business advisory and mentoring services through the Enterprise Centre and are now supplying the Project. We're confident that, in coming years, this list of success stories will continue to grow.

Supplier development isn't the only area that we focus on. We are also keenly concentrating on developing our workforce and strengthening the communities that we are working in.

At the end of the first quarter our Project workforce was more 7,000. Of these, Papua New Guinean citizens numbered almost five and a half thousand, the bulk of which have been employed through Lancos. To develop our entire workforce, we have put a lot of effort into training them up, and already that has involved more than 200,000 training hours. Supporting this effort is the PomTech Construction Training Facility which we opened late last year. A similar facility at Juni in the Southern Highlands will be ready to commence operations later this year.

We are also building a skilled workforce to operate our facilities into the future. Our first intake of Operations and Maintenance technicians, a class of 74 that includes 20 women, is currently studying in Port Moresby. These outstanding high school graduates were selected from 9,000 applicants from across PNG, and their training includes 12 months of Advanced Skills Training in Canada. And we've just opened the application process for our next intake of 75 trainees.

Through this Project we are becoming very much a part of the PNG community and we are striving to ensure that we remain a valued member of the communities within which we operate. We are working collaboratively with the government, businesses and members of these communities to make sure we achieve our shared goals.

Being a valued member of these communities means conducting our business in a manner that respects the land, the environment, people and the rich PNG culture. We have a formal consultation process so that anyone who has a grievance is heard and understood. We have employed experts to help us protect the cultural heritage of the areas in which we operate. Yes, there are challenges. But we're working collaboratively with the Government, landowners and the communities to deliver this Project.

Through a focus on local skills development, empowerment and ownership, the Project can leave a lasting legacy that benefits future generations. Our commitment involves creating local jobs; educating and training national employees, contractors and suppliers; transferring knowledge and skills; buying local goods and services; and making strategic community investments. In short, our National Content Plan is important to our long-term success.

And the Enterprise Centre has been, and will continue to be, critical to this.

This really is an exciting time for PNG and we are pleased to support the Enterprise Centre in undertaking this important work, and look forward to the many success stories to come.

Happy first anniversary and congratulations on reaching this milestone.

Thank you.