

PRESS RELEASE

HGDC RECEIVES TWO-STAR RATING FROM ENTERPRISE CENTRE

PORT MORESBY (08/12/11): Hides Gas Development Company Limited, the umbrella landowner company of the upstream section of the PNG LNG Project today received a 2.7 rating from the PNG LNG IBBM Enterprise Centre, a big improvement from the previous rating the company received earlier.

The improved rating means that HGDC is growing positively and getting to meet the stringent requirements of ExxonMobil/EHL to become the lead company for landowner companies in Hides PDL-1 & 7, Komo Airfield, Angore PDL-8, Juha PDL-9 and the Kobalu Camp and finally become the fully compliant company.

HGDC Chairman Tuguyawini Libe Parindali said he was happy with the improved rating and commended the HGDC management team for working extra hard since the last rating to address the “few gaps” that needed to be filled to get the new and improved rating.

He said HGDC should not be compared to other landowner companies as HGDC was operating in a difficult environment and he added that some of the “few gaps” could be filled easily if only EPC contractors and PNG LNG Project operator ExxonMobil/EHL paid up their dues to HGDC on time.

“As Chairman of the Company, I am very pleased with the rating of 2.7 given to HGDC and I must commend Richard Champion (HGDC General Manager) and his management and EHL for working extra hard to improve the performance of the company and improve the rating,” Mr Parindali said.

“I as Chairman and my Directors must work alongside the Management Team to further improve the current rating but above all I am pleased that the rating is fair.”

HGDC General Manager Richard Champion said that the rating from 1.9 in 2009 to 2.7 this year was a big jump and he looked forward to an improved rating by May next year.

He said HGDC had come a long way in 18 months from 500 employees to over 2000 employees and with this among the many challenges the company faced, the improved rating came as a compliment.

PNG LNG IBBM Enterprise Centre Advisor, Brian Kiap Komun said the Centre understood that HGDC like all other landowner companies faced many challenges and some challenges were quite unique to the company.

He said HGDC faced among others logistical and social and political pressures.

Mr Komun said HGDC now also had a comprehensive business plan , something which the company lacked during the first grading.

He also said HGDC should be more present at the project site and Board Directors should be present on the ground than based full time in Port Moresby.

“I see HGDC’s rating improving when we go into another round of rating the companies,” Mr Komun said.

Ends.///