



Hides Gas Development Company Ltd



HIDES GAS DEVELOPMENT COMPANY LTD

PNG LNG Project Upstream Umbrella Land Owner Company representing: • Hides PDL 1 & 7 • Angore, • Juha, • Komo Airport • Benaria pipeline • Kobalu

PRESS RELEASE

HIDES GAS DEVELOPMENT COMPANY LTD ANNOUNCES ANOTHER HEALTHY DIVIDEND PAYMENT TO SHAREHOLDERS FOR 2012/2013 (INTERIM) FINANCIAL YEARS

PORT MORESBY (02/06/2014): Hides Gas Development Company Ltd, the ExxonMobil PNG Ltd sponsored and recognised umbrella landowner company for the upstream section of the PNG LNG Project is set to pay another healthy dividend of K7,777,77.77 to its shareholders for the 2012 and 2013 (interim dividend) financial year.

The dividend payment comes as the result of another successful operating period for the company with increases in core business activities for HGDC due to the PNG LNG Project reaching its construction peak during 2012 and 2013.

The Company paid its inaugural dividend for 2011 and an interim dividend for 2012 totalling K7 million last year. The 2012/2013 dividend will be paid after the Board's approval of payment.

HGDC Board Chairman Tuguyawini Libe Parindali said the payment of the dividend is a result of prudent financial management and controls put in place, along with sound financial direction from HGDC's external Financial advisor.

Mr Parindali said, "The dividend payments by our Company reflects the implementation of international standard corporate governance systems and control procedures, processes and safety management systems that we have adopted when we agreed to become the umbrella landowner company providing services to ExxonMobil PNG Ltd and its EPC contractors during the construction phase of the PNG LNG Project."

"This is also the result of the training and upskilling of young Papua New Guineans and the corporate culture that ExxonMobil PNG Ltd promoted and put in place for all umbrella landowner companies to follow and abide by since our infant stages."

Mr Parindali said the announcement of the dividend payment also came with successful results recorded by joint venture partners namely, Hides Alliance Group Ltd in catering, Hides Security Services Ltd in project security, Mountain Ridge Wholesale Ltd in rations supply and wholesale, Laitepo Construction Ltd in civil works and engineering, Tari to Komo Road Maintenance Contract, in-field Trucking services and investments in Welgris Fuel Distributors.

"Our strategic alliance and partnerships with some of the most reputable companies in PNG has enabled HGDC to increase return on investment for our shareholders and I must thank the

managements of these companies for the good results in which we are able to pay handsome dividend to our shareholders again,” Mr Parindali said.

“I take this opportunity to also thank ExxonMobil PNG Ltd Managing Director Peter Graham, PNG LNG Project Executive Decie Autin, Business Development Manager William Emmons and the executives of ExxonMobil PNG Ltd for having confidence in HGDC Ltd and recognising us as the umbrella landowner company for the upstream section of the PNG LNG Project and giving us the opportunity to be the preferred service provider after meeting their stringent guidelines.”

“I also thank the Board, management and staff of HGDC Ltd for their continued commitment to the company and their determination to keep up with the expectations of the shareholders and the contractors. I must also thank Bank South Pacific, ANZ Bank and Credit Corporation Ltd for supporting us financially since our humble beginnings to where we are now and thank you must also go to the suppliers and other companies that chose to do business with us as your decision to do business with HGDC is the reason why we are putting smiles on the rugged and humble faces of my clan based shareholders in the mountains of Hela Province.”

He said while 2014 would be another good year for the company and its shareholders, the same can not be said for the following years starting in 2015.

“The shareholders must learn to accept that with the completion of the construction phase there has been a big downturn in business activities and the same dividend being enjoyed now can not be repeated again,” he said. “We are getting stiff competition from well established foreign companies as well as other landowner companies and I must say that it will not be a easy ride going forward, but HGDC will adapt, improvise and overcome to changes in the industrial setting in PNG”

He said the umbrella landowner company for the plant site, Laba Holdings Ltd is also facing similar challenges.

Mr Parindali said he is confident that with the establishment of a strategic partnership with the ExxonMobil PNG Ltd’s Production Operations team and their new Engineering, Procurement and Contractor (EPC), Wood Group PSN, HGDC will continue on a growth path and venture into other skill based businesses away from the traditional business spin-offs that traditionally go to landowner companies.

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Approved for Release.

Mr Tuguyawini Libe Parindali
Chairman – HGDC Board

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