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**MAIN PROGRAM: PETROLEUM AND GAS OPERATIONS REGULATION AND ADMINISTRATION**

**PROGRAM: DEVELOPMENT AND REGULATION OF PETROLEUM RESOURCES**

**Program Objectives:**

To support the Government's efforts to develop the Nation's petroleum industry by promoting, monitoring and regulating all activities directly related to exploration and development of petroleum resources in Papua New Guinea.

**Program Description:**

Monitor all exploration programs to ensure work is carried out in a cost effective manner. Monitor and regulate the exploration, drilling, development and production of oil fields and provide technical advice to the Government on legal transactions licencing, policies and operational matters. This program consists of one activity. The expenditure and other data are as follows:

**PROJECT KUTUBU MOA-SOUTHERN HIGHLANDS (255-3301-1-202)**

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses		300.0	500.0
144 Grants to Individuals and Non-Profit Organisations	189.4		
225 Construction, Renovation and Improvement	200.0	400.0	1,500.0
<b>TOTAL</b>	<b>389.3</b>	<b>700.0</b>	<b>2,000.0</b>

**B. Other Data in 2006**

- 1 Performance Indicators: The budgetary appropriation for this project is to meet National Government commitments in the Kutubu-SHP MOA.
- 2 Revenue: Fully funded by GoPNG.
- 3 Footnote: MOA review is still pending.

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PROJECT HIDES LIAISON PROJECT (255-3301-1-203)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses		500.0	500.0
225 Construction, Renovation and Improvement		1,000.0	1,000.0
<b>TOTAL</b>		<b>1,500.0</b>	<b>1,500.0</b>

**B. Other Data in 2006**

- 1 Revenue: Fully funded by GoPNG.
- 2 Performance Indicators: The budgetary allocation for this project is to fulfill the State's commitments under the revised agreement.
- 3 Footnote: The MOA has been reviewed and the Revised MOA has been signed.

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PROJECT GOBE MOA-GULF-SOUTHERN HIGHLANDS ROAD (255-3301-1-204)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses			500.0
225 Construction, Renovation and Improvement	2,499.2	4,000.0	3,500.0
<b>TOTAL</b>	<b>2,499.2</b>	<b>4,000.0</b>	<b>4,000.0</b>

**B. Other Data in 2006**

- 1 Revenue: The Project is fully funded by GoPNG.
- 2 Performance Indicators/Targets: Gobe-Samberigi Road construction.
- 3 Footnote: The Gobe-Samberigi Road construction is crucial for the PNG Gas Project development.

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PROJECT MORAN LIAISON PROJECT (255-3301-1-205)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses		300.0	100.0
225 Construction, Renovation and Improvement	399.6	700.0	900.0
<b>TOTAL</b>	<b>399.6</b>	<b>1,000.0</b>	<b>1,000.0</b>

**B. Other Data in 2006**

- 1 Revenue:: The project is being fully funded by GoPNG.
- 2 Footnote: The funding of this project is to meet National Government commitments in the Moran MOA.

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PROJECT GAS DEVELOPMENT AND UTILISATION TECHNICAL ASSISTANCE PROJECT (255-3301-1-206)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
112 Wages	40.0	11.0	
121 Travel and Subsistence Expenses	80.0	60.0	
122 Utilities	6.3	4.0	
123 Office Materials and Supplies	24.7	30.0	
124 Operational Materials and Supplies		14.0	
126 Administrative Consultancy Fees	2,344.1	1,949.0	670.0
127 Rental of Property	23.5	26.0	
135 Other Operational Expenses	22.2		
136 Training	901.0	1,949.0	504.0
142 Membership Fees and Contributions	3.3	5.0	
221 Office Furniture and Equipment		50.0	
<b>TOTAL</b>	<b>3,445.1</b>	<b>4,098.0</b>	<b>1,174.0</b>

**B. Other Data in 2006**

- 1 Performance Indicators/Targets: To improve the capacity of the Department of Petroleum and Energy to enhance petroleum and gas exploration and investment in PNG.
- 2 Revenue: The World Bank is fully funding the Project through Item 126 - K670,000 and Item 136 - K504,000.
- 3 Footnote: This is the final year of project implementation.

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PROJECT GAS TO QUEENSLAND SUPPORT ASSISTANCE PROJECT (255-3301-1-207)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
112 Wages			269.0
121 Travel and Subsistence Expenses		1,000.0	727.0
123 Office Materials and Supplies			274.0
124 Operational Materials and Supplies		200.0	355.0
125 Transport and Fuel		200.0	
126 Administrative Consultancy Fees			530.0
135 Other Operational Expenses		600.0	845.0
<b>TOTAL</b>		<b>2,000.0</b>	<b>3,000.0</b>

**B. Other Data in 2006**

- 1 Revenue: Fully funded by Government of PNG.
- 2 Footnote: The project is important to support pre-forum activities to advance the PNG Gas Project.

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PROJECT HIDES LIAISON -KULU-PUBA ROAD (255-3301-1-211)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
225 Construction, Renovation and Improvement	600.0		
<b>TOTAL</b>	<b>600.0</b>		

**B. Other Data in 2006**

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PROJECT HIDES LIAISON -PARA - KOMO ROAD (255-3301-1-212)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
225 Construction, Renovation and Improvement	600.0		
<b>TOTAL</b>	<b>600.0</b>		

**B. Other Data in 2006**



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PROJECT KONEBADA INDUSTRIAL PARK (255-3301-2-213)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses		100.0	1,000.0
223 Feasibility Studies, Project Preparations and Design		600.0	3,000.0
<b>TOTAL</b>		<b>700.0</b>	<b>4,000.0</b>

**B. Other Data in 2006**

- 1 Revenue: Project fully funded by GoPNG.
- 2 Performance Indicators: Completion of the Feasibility on the Industrial Park, for the down- streaming of oil and gas products.

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PROJECT                      NORTHERN REGION INDUSTRIAL PARK      (255-3301-2-214)

**A. Expenditure (in Thousands of Kina)**

Expenditure Items	Actual	Appropriation	
	2004	2005	2006
135 Other Operational Expenses			100.0
225 Construction, Renovation and Improvement			400.0
<b>TOTAL</b>			<b>500.0</b>

**B. Other Data in 2006**

- 1 Revenue: Fully Funded by GoPNG.
- 2 Footnote: This will be like the similar arrangement to Konabada Industrial Park to assist facilitate down stream processing of Oil and Gas products.