



DEPARTMENT OF NATIONAL PLANNING & MONITORING
Office of the Secretary

Telephone: 328 8324
328 8005
Facsimile : 328 8384

Level 3, Vulupindi Haus
P.O. Box 631
WAIGANI, N.C.D.
Papua New Guinea

2nd December 2005
POL.03/MAT

Mr. Arthur Hood
Managing Director
Lihir Gold Limited
Level 7, Pacific Place
Cnr. Champion Parade and Musgrave Street
PO Box 789
Port Moresby
PAPUA NEW GUINEA

Dear Mr. Hood,

**RE : LETTER OF APPROVAL FOR LIHIR GEOTHERMAL
POWER PROJECT**

This letter is in reference to a request by Lihir Gold Limited for the proposed Lihir Geothermal Power Project to be endorsed for participation under the Clean Development Mechanism (CDM) of the Kyoto Protocol of the United Nations Framework Convention on Climate Change.

The PNG Government understands that the Project will generate greenhouse gas emission reductions that in due course are expected to be eligible for registration for the purposes of Article 12 of the Kyoto Protocol (CDM) as Certified Emission Reductions (CERs). We also appreciate that Article 12 envisages the participation of both the public and private sectors in these activities.

As Head of the Designated National Authority for PNG, I hereby:

1. Confirm that Papua New Guinea ratified the United Nations Framework Convention on Climate Change on the 16th March 1993 and the Kyoto Protocol on the 28th March 2002.
2. Confirm that Papua New Guinea participates voluntarily in the CDM;
3. Confirm our endorsement of the Project for the purpose of Article 12 of the Kyoto Protocol;
4. Confirm that the Project assists Papua New Guinea in achieving sustainable development and approve the project for the purpose of its registration as a CDM project;
5. Confirm that the Lihir Geothermal Power Project is consistent with PNG's development strategy and national energy and climate change policies; and
6. Authorise Lihir Gold Limited to participate in the project and, by operation of the project, to generate CERs as defined in Article 12 of the Kyoto Protocol.

By providing this endorsement, PNG commits itself to rendering such assistance as may be necessary in the future registration of the project and verification, certification and issuance of CERs from the project for the purposes of the Kyoto Protocol.

Yours sincerely,



Valentine Kambori, MBE
Secretary