

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

PAPUA NEW GUINEA

Asia South East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Port Moresby (National Capital District)	Capital city, seat of government, and primary financial, corporate, and services hub	Finance, professional services, logistics, real estate, government-linked contracting
Lae / Morobe Province	PNG's second city and principal industrial port, serving as gateway to the Highlands via the Okuk Highway	Manufacturing, port logistics, agribusiness processing
Gulf Province (Papua LNG site)	Onshore hub for the proposed Papua LNG project, PNG's prospective second major LNG development	Oil & gas, LNG infrastructure, construction services
Hela / Southern Highlands Province	Site of the existing PNG LNG project (ExxonMobil-operated) and major gas reserves	LNG, upstream gas, associated infrastructure
Enga Province (Porgera)	Location of the Porgera gold mine, among the world's historically largest gold deposits, now under a renegotiated ownership structure	Gold mining, mineral processing
Western Province (Ok Tedi / Fly River)	Long-established copper-gold mining district anchoring regional infrastructure and revenue flows	Copper-gold mining, river logistics
Autonomous Region of Bougainville	Formerly home to the Panguna copper-gold mine; now the epicenter of an unresolved independence process with direct bearing on any future resource re-development	Mining (longer-term, contingent on political resolution), limited near-term investment

INVESTOR ENTRY ROUTES

- Foreign investors generally register through the Investment Promotion Authority (IPA), which administers company registration, the Certificate to Conduct Business, and sector-specific foreign-investment approvals under the Investment Promotion Act
- Resource-sector investment (oil, gas, and mining) runs through dedicated legal and licensing frameworks administered by the Mineral Resources Authority (MRA) and the Department of Petroleum, layered on top of standard IPA registration
- Certain sectors reserved for PNG citizens or requiring local partnership are listed on the IPA's reserved and restricted activities list; foreign investors should confirm sector classification before structuring an entity
- The Bank of Papua New Guinea administers foreign-exchange controls; while FX shortages have eased from prior years, investors should plan for a managed, crawl-like kina regime and confirm repatriation mechanics early
- Major resource projects typically proceed via a Development Forum and State Negotiating Team process, producing a project-specific benefit-sharing agreement with national, provincial, and landowner stakeholders before a final investment decision
- Investors in agriculture, downstream processing, or services sectors can engage PNG's Special Economic Zone and incentive frameworks, though implementation capacity varies and due diligence on applicable concessions is advised

MARKET-ENTRY OBSERVATION

Papua New Guinea enters October 2026 as a resource-driven economy posting genuinely solid headline growth alongside a set of unresolved, high-stakes political questions that bear directly on the investment outlook. Westpac's August 2026 Wailis report forecasts GDP growth of 4.6% for 2026, driven by mining, agriculture, communications, construction, and services, and highlights a fiscal position that is "stronger than expected," with government securities oversubscribed and the country on track to record its first budget surplus in more than a decade by 2027. Gold exports to Australia reached a record K8.2 billion in the five months to May 2026, up 36.4% year-on-year, while import growth of nearly 16% in the first half of the year signals robust domestic demand. Inflation, however, is expected to climb above 5% in the near term on kina depreciation (down roughly 3.6% against the US dollar year-to-date), imported costs, and El Nino-linked supply disruption, and the central bank's FX regime, while improved, has not yet fully cleared to a market-determined rate.

The resource sector remains PNG's structural growth engine and the central reason international investors engage with the country at all: the existing ExxonMobil-operated PNG LNG project continues as a major export earner, while TotalEnergies and ExxonMobil's long-anticipated Papua LNG project - potentially worth upwards of USD 18 billion in combined investment across Papua LNG and the adjacent P'nyang development - remains tracked for a final investment decision, with PNG's government targeting a development forum in the 2026-27 window, though the project has already slipped past several earlier target dates and should be treated as a prospect rather than a committed timeline. Alongside this, the October 2025 Mutual Defence Treaty with Australia - PNG's first alliance with any country, and Australia's first new alliance in more than seventy years - signals a deepening security relationship that underpins regional stability, even as it awaits both countries' domestic ratification processes. Set against this favorable resource and security backdrop is the Bougainville independence question, which came to a head in late August 2026 when PNG's parliament postponed its constitutionally required vote on the non-binding 2019 referendum result (97.7% in favor of independence), with ratification now expected no earlier than October 2026 amid disputes over the required voting threshold and Bougainville President Ishmael Toroama's explicit rejection of any PNG stance that falls short of affirming the result.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Unresolved Bougainville independence process	PNG's parliament has repeatedly delayed ratifying the 2019 independence referendum (97.7% in favor), with Bougainville's government warning of a unilateral sovereignty declaration by 2030 if delays continue; the dispute carries longer-term implications for any future redevelopment of Bougainville's mineral resources and for broader national cohesion	Treat Bougainville-linked investment as a distinct, longer-horizon risk category; monitor the national parliament's rescheduled ratification process closely and avoid committing capital to Bougainville-specific projects pending political resolution
Tribal and law-and-order violence in the Highlands	Periodic tribal conflict, including mass-casualty incidents in Highlands provinces, continues to disrupt local operations, infrastructure, and personnel safety in areas relevant to mining and agriculture investment	Engage specialized security and community-liaison expertise for any Highlands-based operation; build contingency and business-continuity planning into project design from the outset
Foreign-exchange and kina convertibility constraints	Despite improvement from prior acute shortages, the Bank of PNG's managed FX regime has not fully cleared to market rates, and investors can face delays or constraints repatriating earnings	Confirm realistic FX timelines with the Bank of PNG and local banking partners before finalizing capital-structuring and repatriation plans
Protracted resource-project timelines	Major projects such as Papua LNG have repeatedly slipped past earlier target investment-decision dates over more than a decade, reflecting the complexity of PNG's Development Forum and benefit-sharing negotiation process	Build realistic, conservative timeline assumptions into any resource-linked investment case; treat announced FID dates as indicative rather than firm until contractually confirmed
Infrastructure and logistics gaps	Outside Port Moresby and Lae, transport, power, and telecommunications infrastructure remain underdeveloped, raising project costs and operational complexity, particularly in the Highlands and remote provinces	Factor infrastructure self-provision (power, roads, telecommunications) into capital budgets for projects outside the main urban centers
Rural poverty and limited formal-sector depth	With 80-85% of the population in rural, largely informal economic activity and no household income survey published since 2009-10, the domestic consumer market and formal labor pool remain shallow relative to the resource sector's scale	Favor export-oriented and resource-linked investment models over domestic consumer-market plays; plan for workforce training and development investment where local formal-sector labor is required
Commodity-price and climate exposure	The economy remains heavily exposed to global gold, copper, and LNG price movements, and a strong El Nino event (peaking late 2026/early	Stress-test investment cases against commodity-price downside scenarios; monitor El Nino

Issue	Potential Impact	Possible Mitigation
	2027) threatens drought and frost risk, particularly in Highlands agricultural areas	forecasts for operational planning in agriculture-linked investments

INVESTOR RISK NOTE

Papua New Guinea presents a genuine two-track risk profile: a resource and fiscal picture that is, by the country's own historical standards, performing well - solid GDP growth, record gold-export receipts, and a path toward the first budget surplus in over a decade - set against persistent and in some respects intensifying political and security risk, most visibly the unresolved Bougainville independence process and recurring Highlands tribal violence. Neither risk is new to PNG, but the Bougainville question has moved from a long-deferred constitutional formality to an active, time-pressured decision point in 2026, and investors should treat the next several months of parliamentary deliberation as materially relevant to the country's medium-term political stability, distinct from, and not necessarily correlated with, the near-term resource-sector investment case itself.

MARKET ACCESS

PNG is a member of the Pacific Islands Forum, APEC, and the Melanesian Spearhead Group, and maintains trade relationships under the Pacific Agreement on Closer Economic Relations (PACER Plus) and bilateral arrangements with Australia, its largest trade and investment partner. The October 2025 Mutual Defence Treaty with Australia, alongside existing economic and development cooperation, reinforces PNG's position as a strategically significant Pacific partner for Australian and allied investors specifically, even as broader market access for non-resource exports remains constrained by PNG's limited manufacturing base and infrastructure.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Investment Promotion Authority (IPA)	Primary foreign-investment registration body administering company registration and the Certificate to Conduct Business	First point of engagement for any new foreign-investment entity in PNG
Mineral Resources Authority (MRA) / Department of Petroleum	Regulate mining and petroleum licensing, exploration, and development approvals	Essential counterpart for any resource-sector investment beyond standard IPA registration
Bank of Papua New Guinea	Central bank managing monetary policy, the kina's managed exchange-rate regime, and FX allocation	Key relationship for understanding realistic FX and repatriation timelines
Department of Treasury / National Executive Council	Set national fiscal policy and approve major Development Forum outcomes for resource projects	Relevant for understanding the broader fiscal and project-approval environment
National Parliament of Papua New Guinea	Holds constitutional authority to ratify (or decline to ratify) the Bougainville independence referendum result, now rescheduled for no earlier than October 2026	Monitor parliamentary proceedings closely for any Bougainville-linked or broader political-stability implications
Autonomous Bougainville Government / President Ishmael Toroama	Represents Bougainville's position in the independence process and has signaled willingness to pursue unilateral sovereignty by 2030 absent national resolution	Relevant primarily for any longer-horizon interest in Bougainville's resource potential; near-term engagement should be treated with caution pending political clarity
TotalEnergies / ExxonMobil (Papua LNG, PNG LNG operators)	Operate and are developing PNG's flagship LNG projects, the dominant drivers of the country's export economy	Engagement with these operators and their PNG-based supply chains is central to any oil-and-gas-linked investment thesis

CURRENT INTERNATIONAL BUSINESS CHANNELS

Foreign investors commonly engage through the Port Moresby Chamber of Commerce and Industry, the PNG Chamber of Resources and Energy, the Business Council of Papua New Guinea, and sector bodies tied to the mining and LNG supply chains. Bilateral channels through the Australia-PNG business and government relationship, reinforced by the 2025 Mutual Defence Treaty, provide an additional practical route for investors with an existing Australian presence or partnership.

INVESTOR PROFILE BEST SUITED

Papua New Guinea suits investors with a genuine resource-sector orientation - LNG, gold, and copper - and the risk tolerance and operational experience to manage a frontier environment with real infrastructure, FX, and security constraints. It is a strong fit for experienced oil-and-gas and mining investors able to work through the Development Forum process and for investors comfortable with a multi-year project-development horizon. It is a weaker fit for investors seeking a liquid, diversified consumer market, a fully market-determined currency regime, or near-term political certainty on the Bougainville question, and any Bougainville-specific resource interest should be treated as a distinctly longer-horizon, politically contingent proposition.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector classification and registration path

Determine whether the proposed activity falls under IPA standard registration, resource-sector-specific licensing through the MRA or Department of Petroleum, or restricted/reserved-activity rules.

STEP 2: Assess FX and repatriation mechanics

Engage the Bank of Papua New Guinea and a local banking partner early to confirm realistic timelines for currency conversion and profit repatriation under the current managed regime.

STEP 3: Map resource-project approval process (if applicable)

For mining or petroleum investment, identify the applicable Development Forum stage and benefit-sharing negotiation status with national, provincial, and landowner stakeholders.

STEP 4: Build security and continuity planning

For any Highlands-based or remote operation, incorporate community-liaison, security, and business-continuity planning given recurring tribal-conflict risk.

STEP 5: Monitor Bougainville and political developments

Track the national parliament's rescheduled ratification vote and broader political-stability signals before finalizing any investment with exposure to Bougainville or to PNG's wider political risk profile.

WAVERLEY'S ROLE

- Independent assessment of IPA registration pathways and resource-sector licensing requirements for specific transactions
- Coordination with the Mineral Resources Authority, Department of Petroleum, and Bank of Papua New Guinea on sector-specific approvals and FX planning
- Ongoing monitoring of the Bougainville ratification process and broader political and security developments relevant to investment timing
- Introductions to Port Moresby-based chambers of commerce, resource-sector bodies, and Australia-PNG bilateral business networks

INVESTOR CALL TO ACTION

Engage Waverley for a structured resource-sector entry and FX-repatriation assessment before committing capital to Papua New Guinea.

Contact Waverley for an independent political-risk briefing on the Bougainville ratification process ahead of any investment with exposure to that outcome.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley is tracking opportunities across three tiers: (1) LNG and upstream gas investment linked to the PNG LNG expansion and the prospective Papua LNG final investment decision, for investors able to work within TotalEnergies' and ExxonMobil's existing project structures; (2) gold and copper mining investment benefiting from record export receipts and the renegotiated Porgera ownership structure; and (3) longer-horizon, politically contingent interest in Bougainville's historical mineral resource base, appropriate only once the national ratification process reaches resolution.

POSITIONING

Waverley views Papua New Guinea as a genuine resource-sector opportunity with a currently favorable macro and fiscal trajectory, best approached by investors with frontier-market experience and a multi-year horizon, rather than as a broad-based entry point for diversified or consumer-facing capital.

Waverley's approach is to help clients capture PNG's LNG, gold, and copper fundamentals while maintaining disciplined, continuously updated political and security monitoring - particularly on the Bougainville ratification process and Highlands law-and-order conditions - so that project timelines and risk exposure are set realistically rather than against PNG's own historically optimistic project-announcement dates.

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