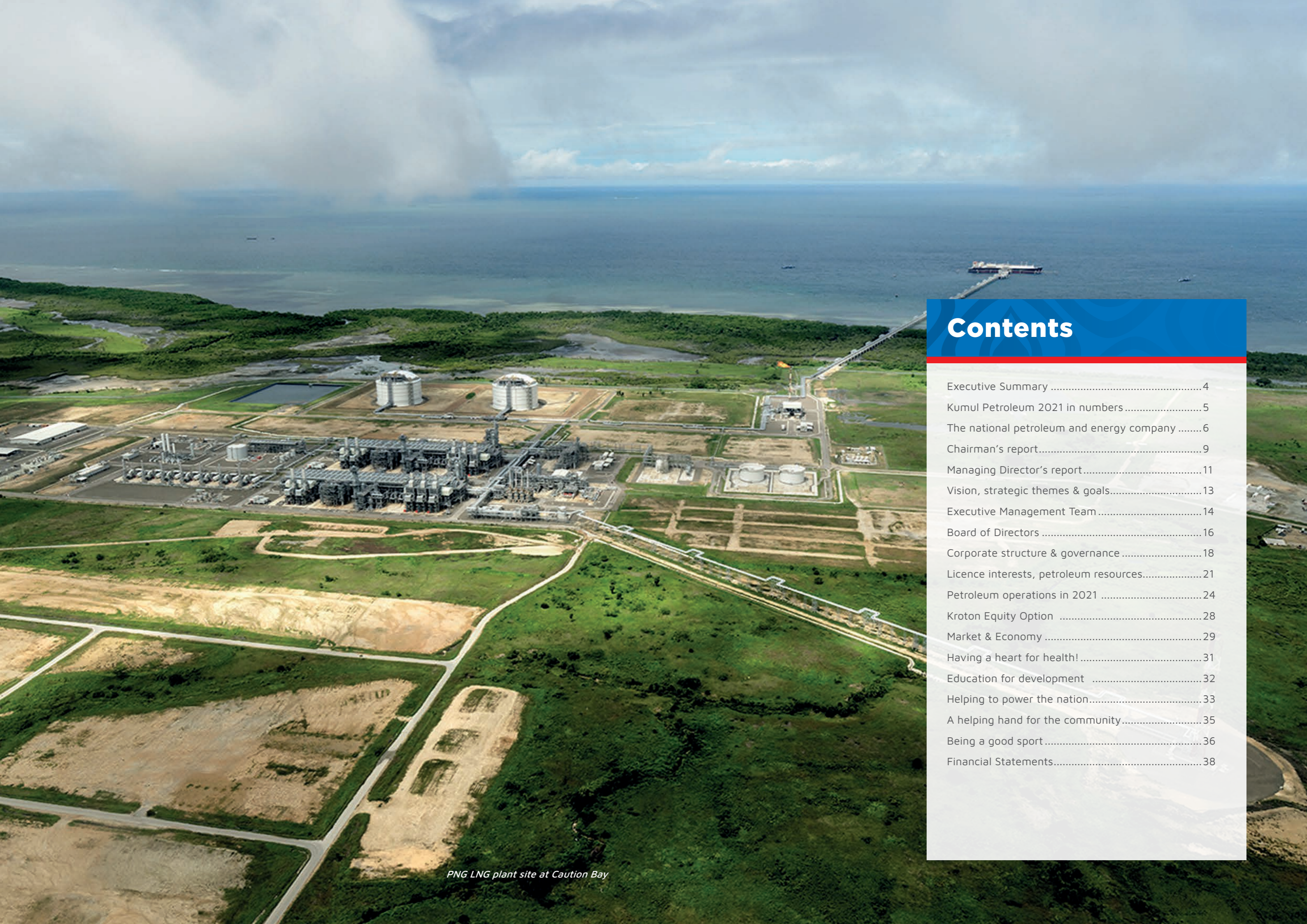


2021 ANNUAL REPORT



**KUMUL PETROLEUM
HOLDINGS LIMITED**



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PNG LNG plant site at Caution Bay



Santos Iagifu Ridge Camp

Executive Summary

Kumul Petroleum continued its role as the State nominee in petroleum projects in the country during the year, as the impacts of Covid-19 started to decrease.

The LNG plant at the PNG LNG Project facilities at Caution Bay outside Port Moresby once again operated above its rated capacity of 6.9 mtpa, producing 8.4 million tonnes of LNG for export, made through 110 shipments, slightly less than last year.

Higher international petroleum and LNG prices during the year resulted in an increase in Kumul Petroleum revenue compared to the previous year. Income rose to K1,129 million, enabling payment of a K300 million dividend to the State, along with expenditure of K190 million in support of other Government related activities, including payment of K70 million in preferential dividends to certain Kroton Equity Option beneficiaries.

In the energy sector, Kumul Petroleum maintained its shareholding in NiuPower Limited along with its equal joint venture partner, Santos. The NiuPower gas-fired power station continued to dispatch power into the Port Moresby grid throughout the year, electricity worth a total of K49.3 million.

In line with its strategic goals, Kumul Petroleum continued its philanthropic support of health initiatives, through assistance to the National Department of Health facilities around the country. Funding was progressively released in line with KPHL's 2020 commitments, which were to provide K50 million over 5 years for the National Heart Centre at the Port Moresby General Hospital and K15 million over 3 years to the ANGAU

Memorial Hospital for cancer treatment services, respectively.

In support of Government's rural electrification initiatives, Kumul Petroleum continued its construction of low-voltage power transmission lines in the Hela, Southern Highlands and other provinces. This infrastructure provides vital connections for rural communities in these areas to access PNG Power's Ramu grid. These connections will assist the Government to achieve the national target of connecting electricity to 70% of households in the country by 2030, as well as being the catalyst for those rural communities to develop better health services, schools and small-scale enterprises.

Kumul Petroleum also supports national development in other ways, including operation of the Kumul Petroleum Academy, which provides specialist industry training; strategic donations to regional health and community services facilities and funding for a range of sporting codes including rugby league, rugby union, golf and cricket.

Kumul Petroleum 2021 in numbers



110

Number of LNG cargoes



K105 million

Taxes paid to government



99.4%

LNG plant up time



K300 million

Dividends paid to government



K59.5 million

Return of capital to government



8.4 mtpa

LNG production volume



44%

Female employees



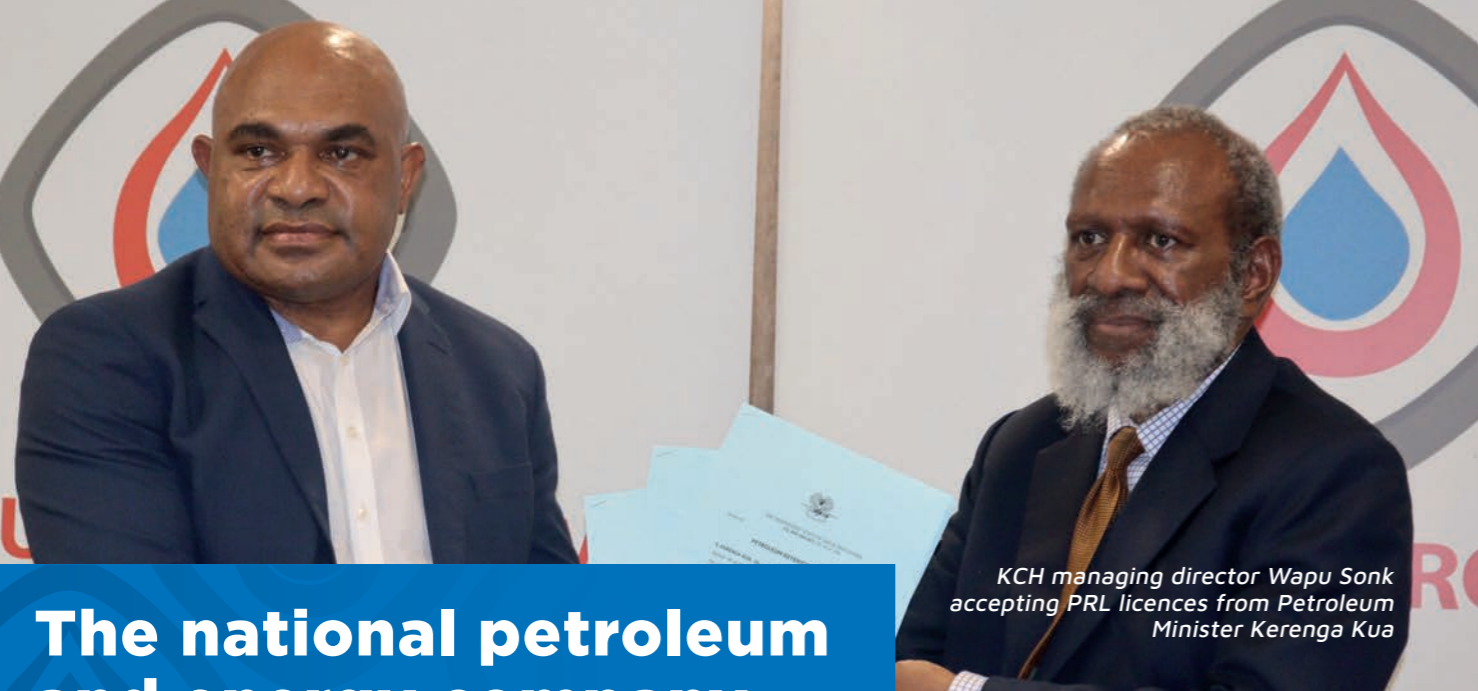
80

Number of KPHL employees



K63 million

Donations & CSR activities



*KCH managing director Wapu Sonk
accepting PRL licences from Petroleum
Minister Kerenga Kua*

The national petroleum and energy company

Although Kumul Petroleum Holdings has its origins as the State entity holding equity in the PNG LNG Project, which started LNG exports in 2014, the company's activities have steadily expanded in both scope and value since that time.

To complement its 'passive' equity positions in the PNG LNG Project and other petroleum licences, the award of four petroleum retention licences during 2021 means that Kumul Petroleum is Operator of these and is able to play a more active role in the country's petroleum industry. As described later in this report, Kumul Petroleum intends to aggregate and commercialise the petroleum reserves already discovered in these licences.

Kumul Petroleum is actively involved in the domestic utilisation of some of the gas produced by the PNG LNG Project and is also planning use of the domestic market obligation gas that will be produced in the forthcoming Papua and P'nyang LNG projects. Whilst most LNG produced is marketed overseas, KPHL has a focus on maximising the utilisation of gas within the country as a feedstock for electricity generation and industry. This approach will reduce the use of liquid fuels for power generation, through use of gas/LNG as a 'greener' transition fuel until the country's considerable renewable resources are fully harnessed for power generation.

KPHL is a 50% joint venture partner with Santos in the NiuPower gas-powered 58MW power station just outside Port Moresby. The company is also investigating the establishment of a floating gas storage and regasification facility, or FSRP, to be moored on the coast of Morobe Province and utilised to provide gas to electricity generation plants for mining operations, Lae city and PNG Power's Ramu grid. Such a facility could be regularly re-supplied

with LNG shipped from the current LNG plant at Caution Bay.

In order to support the Government's objective to increase the percentage of the country's population with access to electricity, Kumul Petroleum has continued to construct many kilometres of power transmission lines in Hela, Southern Highlands and other populous Highlands provinces. Electrification is an important precursor for national development, particularly necessary for the operation of SME's and village level storage and processing of agricultural produce.

It is evident that in the longer-term Papua New Guinea will be increasingly reliant on renewable resources to generate electricity for its people. Kumul Petroleum is working with the New Ireland Provincial Government to establish a 5MW solar installation that will power Kavieng and nearby villages. This trial project is a model that could be replicated in other towns in Papua New Guinea and reduce the reliance on liquid fuels for electricity generation.

Kumul Petroleum really is the national petroleum and energy company!



Chairman's report

Dr Yaru, one of the company's founding directors, has been chairman of Kumul Petroleum Holdings Limited since 20 May 2020.

This has been another good year for Kumul Petroleum. The ongoing Covid-19 pandemic during 2021 affected the operations of the company in many ways, both directly and indirectly, through impacts on resource companies and their various service contractors. Within Papua New Guinea, the National Government and business houses continued to be impacted by Covid-19 restrictions on domestic and international travel, localised lockdowns, and other measures.

Despite an estimated national vaccination rate of only 2%, the country was not affected as badly as expected, although health facilities, particularly those in urban areas, were extremely strained, despite support from Kumul Petroleum, private sector corporations and international donors.

However, this year has also seen accelerated development of Covid-19 vaccines, which have assisted in addressing the surge of the Delta variant of the virus, and indications are that we should experience normal company operations and usual delivery of services early next year.

The ADB forecast a weak economic recovery for Papua New Guinea in 2021, with GDP growth estimated at a modest 2.5%, with the economy not expected to reach 2019 levels until 2022. The bank cited an inflation rate of 4%, a weak business and investment climate and ongoing shortages of foreign exchange as factors that influenced their prediction. The views of other commentators varied, with BSP forecasting 3.5% economic growth and the Bank of PNG estimating a lower than expected 1% growth rate, due to declines in the mineral sector.

During the year, the National Government spent more than in previous years, whilst there was increased domestic production and higher international commodity prices for most of the country's exports, including LNG and oil. The Porgera mine unfortunately remained closed for the whole year whilst on the agricultural front, palm oil prices were especially buoyant during the year.

Higher oil and LNG prices, whilst increasing costs for end users of diesel and oil, was clearly beneficial for the PNG petroleum industry players, including Kumul Petroleum Holdings. From an average December 2020

oil price of US\$55.26 a barrel and US\$11.61/mBtu for LNG, world petroleum markets ended 2021 with a WTI oil price of US\$80.10 a barrel and US\$37.42/mBtu for LNG.

The PNG LNG Project achieved two milestones during 2021, with its 700th LNG cargo loaded in January and 800th cargo loaded in December. Higher LNG prices during the year, combined with excellent production levels at the LNG plant provided KPHL with greater income and financial ability to increase the level of dividends and return of capital to the State compared to 2020. At the end of the year, KPHL started the payment of accrued preferential dividends from the Kroton Equity Option arrangements to provincial government beneficiaries, paving the way for subsequent payments to recognised landowner beneficiaries.

Kumul Petroleum continued to implement its previous community service obligations in the health sector, including the ongoing funding of the construction of the National Heart Centre at the Port Moresby General Hospital, and of cancer treatment at the ANGAU Memorial Hospital in Lae.

It is important that there should be a better understanding that Kumul Petroleum Holdings Limited is much more than the passive holder of the State's equity in operating oil & gas projects. The organisation has, for example, been instrumental in establishing the Kumul Petroleum Academy to provide specialist in-country technical training. During 2021, the Academy graduated 32 students sponsored by Kumul Petroleum and ExxonMobil whilst another 24 students sponsored by ExxonMobil commenced their training.

During 2021, Kumul Petroleum continued to fund the construction of electricity transmission lines in the Hela, Southern Highlands and other provinces, to assist the Government achieve its goal for the connection of 70% of PNG households to a regular electricity supply by 2030.

Kumul Petroleum has also continued to support a variety of sporting codes for both men and women, including cricket, golf, and rugby league.

I am proud that, as the national petroleum and energy company, Kumul Petroleum will continue to expand its role in upstream and downstream aspects of this economic sector and be an active partner with the State in nation-building projects.

Dr. Benedict Thomas Yaru
Chairman

I am proud that, as the national petroleum and energy company, Kumul Petroleum will continue to expand its role in upstream and downstream aspects of this economic sector and be an active partner with the State in nation-building projects.

Dr Benedict Yaru
Chairman

Santos Gobe Processing Facility

Managing Director's report

Business focus despite Covid-19

Kumul Petroleum Holdings has continued to perform its mandated activities throughout the year. The LNG plant at the PNG LNG Project at Caution Bay has once again operated over its nameplate capacity, producing a total of 8.4 million tonnes of LNG for export in 110 cargoes made during the year, slightly less than last year.

In August, a production record of 9.0 million tonnes per year equivalent was achieved at the LNG plant, while the Hides Gas Conditioning Plant achieved a production record of 1103 million standard cubic feet of gas per day. In October, the highest level of naphtha production was recorded, an average of 579 cubic metres per day; and eleven naphtha cargoes were loaded during the year. This is a great achievement, and one that will benefit Kumul Petroleum and all PNG LNG Project shareholders. Since the start of LNG production in 2014, more than 60 million tonnes of LNG, in 808 LNG cargoes, have been exported to Asian customers.

Uninterrupted export shipments of LNG, condensate and oil from its various licence interests enabled Kumul Petroleum to earn a gross income of K1,129 million in 2021. This was more than last year, and KPHL was able to pay the State K300 million in dividends, K60 million in return of capital and K70 million to the provincial government beneficiaries of the Kroton Equity Option.

NiuPower Limited, the Kumul Petroleum 50/50 joint venture with Santos continued its uninterrupted operations during 2021, dispatching power to PNG Power from its gas-fired power plant to provide electricity to the Port Moresby grid.

Kumul Petroleum has continued with its other developmental activities during the year – operation of the Kumul Petroleum Academy, construction of power transmission lines, and solar installations to assist rural electrification in Hela, Southern Highlands, New Ireland and other provinces. I am proud to say that 67 kilometres of lines have been constructed between Mendi and Nipa, and between Kagua and Erave, along with 6 kilometres of lines between Kavieng and Sali in New Ireland, using local contractors in each location. During the year, KPHL spent almost K14 million on rural electrification projects around the country.

Kumul Petroleum was awarded four Petroleum Retention Licences during the year – PRL's 47, 48,

49 and 50, over the Pandora, Kimu, Barikewa and Uramu oil and gas field discoveries respectively. I am confident that KPHL's national professional staff will swiftly progress development plans to commercialise these fields, where KPHL is Operator, and proceed with developing them as soon as is technically and financially possible. As operator of these PRLs, previously held by different owners, and considered by them to be stranded and economically challenging, it is an opportunity for KPHL to test its gas aggregation and development concepts.

Kumul Petroleum's commercialisation plans in these licences will include further drilling of delineation and development wells and estimates of necessary capital investment. To mitigate KPHL's risk exposure, it will look to invite joint venture partners and technical service providers with the requisite technical and financial capabilities to assume critical roles in the development of these discovered petroleum fields.

Worldwide, the demand for LNG steadily increases as a 'greener' transition fuel and PNG, along with other countries, will gradually switch to renewable energy sources to generate electricity and power industry. Oil and gas operations in Papua New Guinea have continued to operate without disruption, whilst smaller stranded gas fields are progressing towards commercial development in the coming years. KPHL stands ready to play a more active role, directly and indirectly, to progress the petroleum industry in this country, particularly with regard to greater domestic utilisation of LNG.

Kumul Petroleum is ready to take up equity in the forthcoming Papua and P'nyang LNG projects, which will be under the operatorship of TotalEnergies and ExxonMobil respectively, and to fully participate in the development of these natural resources, as well as continuing to progress our other national development initiatives.

I am pleased to note that the audited financial statements included in this annual report are once again unqualified, confirming that all KPHL's activities, governance and financial transactions continue to be totally transparent, accountable and properly documented.

Wapu Sonk
Managing Director

Kumul Petroleum is ready to take up equity in the forthcoming Papua and P'nyang LNG projects, which will be under the operatorship of TotalEnergies and ExxonMobil respectively, and to fully participate in the development of these natural resources, as well as continuing to progress our other national development initiatives.

Wapu Sonk
Managing Director

Hides Gas Conditioning Plant

Vision, strategic themes & goals

Vision

Kumul Petroleum Holdings Limited creates value and opportunity from the nation's petroleum resources for Papua New Guinea and its people

Strategic themes

Investing in development and commercial production of oil and gas reserves

Participation in mid-stream and downstream petroleum infrastructure projects

Participation in petroleum products and energy businesses

Being a national champion and industry advisor to National Government and State agencies

Adherence to international best practice governance

Good corporate citizenship and maintenance of social licence to operate

Strategic goals

Maximise of State back-in rights to petroleum developments

Operate petroleum licences

Develop strategic alliances with international oil companies

Facilitate commercialisation of stranded petroleum resources

Facilitate development of oil and gas transportation within PNG

Facilitate value optimisation by petroleum industry operators

Facilitate development of economically and socially viable mid and downstream petroleum projects

Pursue oil and LNG marketing opportunities

Supply gas to power utilities and other industries

Develop or invest in gas fired power stations

Facilitate investment in petrochemical developments

Provide professional industry advice to the State

Promote petroleum industry skills training

Advocate for national content in petroleum industry legislative reviews

Ensure a sustainable commercial return on KPHL investments

Maintain corporate and legislative compliance

Adhere to the KPHL Code of Conduct

Maintain the highest levels of HSES compliance

Operate a company-wide human resource development programme

Operate in a socially inclusive manner

Facilitate national social development through sponsorships and investments

Promote of a positive corporate profile

Promote of KPHL as the national petroleum company

Effective engagement with petroleum project impacted landowners and other stakeholders

Executive Management Team



Luke Liria
Executive GM, Corporate Services

Luke Liria has over 30 years of experience in the petroleum industry, working with Bechtel, Chevron Niugini and Oil Search Limited.

As Executive General Manager, Corporate Services he oversees a variety of company activities including all the organisations support functions and socio-economic community development projects such as the Kumul Petroleum Academy and other support of national development initiatives.

Mr Liria was nominated as 'Executive of the Year' by the PNG Human Resources Institute in 2016. He is also the founder of the Papua New Guinea Leadership Network, an organisation that focusses on teaching, coaching and speaking on leadership in PNG.



Tony Carbry
Chief Financial Officer

Tony Carbry has more than 25 year years of financial management and senior leadership experience in both the private and public sectors in Australia and Papua New Guinea with a variety of organisations.

As Chief Financial Officer he oversees all financial transactions of the company. This role encompasses advanced modelling and analysis, financial control, strategic planning, budgeting and forecasting, balance sheet management, negotiations, mergers and financial due diligence procurement, logistics, as well as corporate support functions such as Finance and Administration, HR, ITC services.

Mr. Carbry is a member AICD and PNGID, is a qualified CPA (Australia and PNG) with a Bachelor of Business (Accounting), Master of Business Administration (MBA), Master of International and Community Development, and a Graduate Certificate in Public Sector Management. He was awarded an MBE from Her Majesty, Queen Elizabeth II for services to management, business and sport in PNG in 2018.



Rogen Wato
Chief Legal Officer

Rogen Wato joined Kumul Petroleum in October 2010 and was involved in corporate restructures of the organisation in 2011 and 2013.

He has been involved in the reformation of government policy and legislation that has guided the transformation of Kumul Petroleum from an investment company into the country's national petroleum company. He was appointed Company Secretary in 2013 and General Counsel in 2016.

Mr Wato holds a Bachelor of Laws and a Master of Laws from the University of Papua New Guinea and previously practiced law at Posman Kua Aisi Lawyers.



John Bennett
Chief Operating Officer

John Bennett was appointed in March 2018. He is a chartered professional engineer and a Fellow of member of Engineers Australia.

He has over 30 years of experience in building and developing multi-disciplinary teams for delivery of complex downstream petroleum and power projects. This has included, at various times, representing the client and the contractor on large LNG projects.



Wapu Sonk
Managing Director

The members of the Kumul Petroleum Executive Management Team and strategic advisors have between them cumulatively amassed well over 100 years of relevant professional and commercial experience.

Assisting Managing Director Mr. Wapu Sonk were Executive GM, Corporate Services, Mr. Luke Liria; Chief Financial Officer, Mr. Tony Carbry; Chief Legal Officer, Mr. Rogen Wato; Chief Operating Officer, Mr. John Bennett.

Board of Directors



Dr. Benedict Yaru
Chairman

Dr. Benedict Yaru is a founding director of Kumul Petroleum and has over 30 years experience with a variety of responsibilities in operational management and consultancy roles. These include senior and executive management roles dealing with business planning, budget and cost control, project management, strategic planning, team building, procurement, financial management, human resources, and HSES.

He has worked in the minerals and petroleum industries and is very familiar with government and regulatory approvals, NGO management, stakeholder engagement, integrated community development, sustainability, and academic supervision.

Dr Yaru was an adjunct associate professor at the Institute of Applied Ecology, University of Canberra. He holds a PhD in Environmental Biology from the Sydney University of Technology.



Mr Wapu Sonk
Managing Director

Mr Wapu Sonk was appointed managing director of the National Petroleum Company of PNG in January 2013.

He has more than 20 years of experience in the PNG petroleum industry. After starting his career with Chevron Niugini in 1997 Mr Sonk has occupied numerous technical, management and leadership roles in companies operating in Papua New Guinea.

Mr Sonk is a member of the International Association of Drilling Contractors, the international Society of Petroleum Engineers and the Institute of Engineers, PNG. He holds a Bachelor of Mining Engineering from the University of Technology in Lae as well as a Diploma of Business Management from the Melbourne Business School, Mt Eliza Centre for Executive Education, Melbourne.



Mr Peterson Pipi
Director

Mr Peterson Pipi was appointed as a director by the Kumul Petroleum Trustee in February 2017.

Mr Pipi has over 22 years of experience in the mining and petroleum industries including being general manager of the Gigira Development Corporation, a Hides gas field landowner company. He is also a director of another landowner company, PNG Mining and Petroleum Hospitality Services Limited.

Mr Pipi obtained a Bachelor of Commerce from the University of PNG in 1994. He also attained a Diploma in Economic Policy Analysis from the PNG National Research Institute in 1995. He is also a member of the PNG Institute of Directors and the Australian Institute of Company Directors.

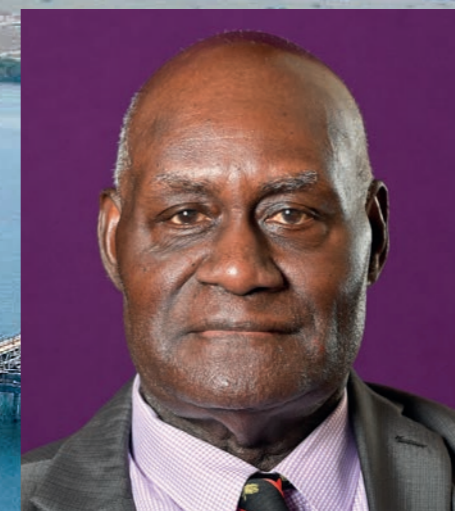


Mr Ila Temu
Director

Dr Ila Temu is a founding director of Kumul Petroleum and brings a wealth of experience in executive management and directorship roles in extractive industries in Papua New Guinea. He is currently the country Executive Director of Barrick (Niugini) Limited and previously held senior executive roles in Placer Dome in PNG and overseas.

Dr Temu has also held roles including senior lecturer in economics at the University of Papua New Guinea and directorships at the National Research Institute, the Bank of South Pacific and Kina Petroleum.

Dr Temu holds a PhD in Agricultural Economics from the University of California, a Master of Agricultural Development Economics from the Australian National University and a Bachelor of Economics from the University of PNG.



Mr Paul Nerau
Director

Mr Paul Nerau has a law degree from the University of Papua New Guinea and has over 46 years of experience in legal, corporate and strategic management in government and political circles, private business and industry sectors as well as non-government, civil society, community and faith-based groups at international, regional, national and local levels.

Paul was managing director of the Bougainville Development Corporation where he oversaw the growth of that company's annual revenues from K5 million in 1979 to K37 million in 1989, the onset of the Bougainville crisis. He was PNG's Consul-General in Brisbane for eight years, and has been a director of many organisations including PNGBC, Angco and Air Niugini and more recently was chairman of Kumul Consolidated Holdings.



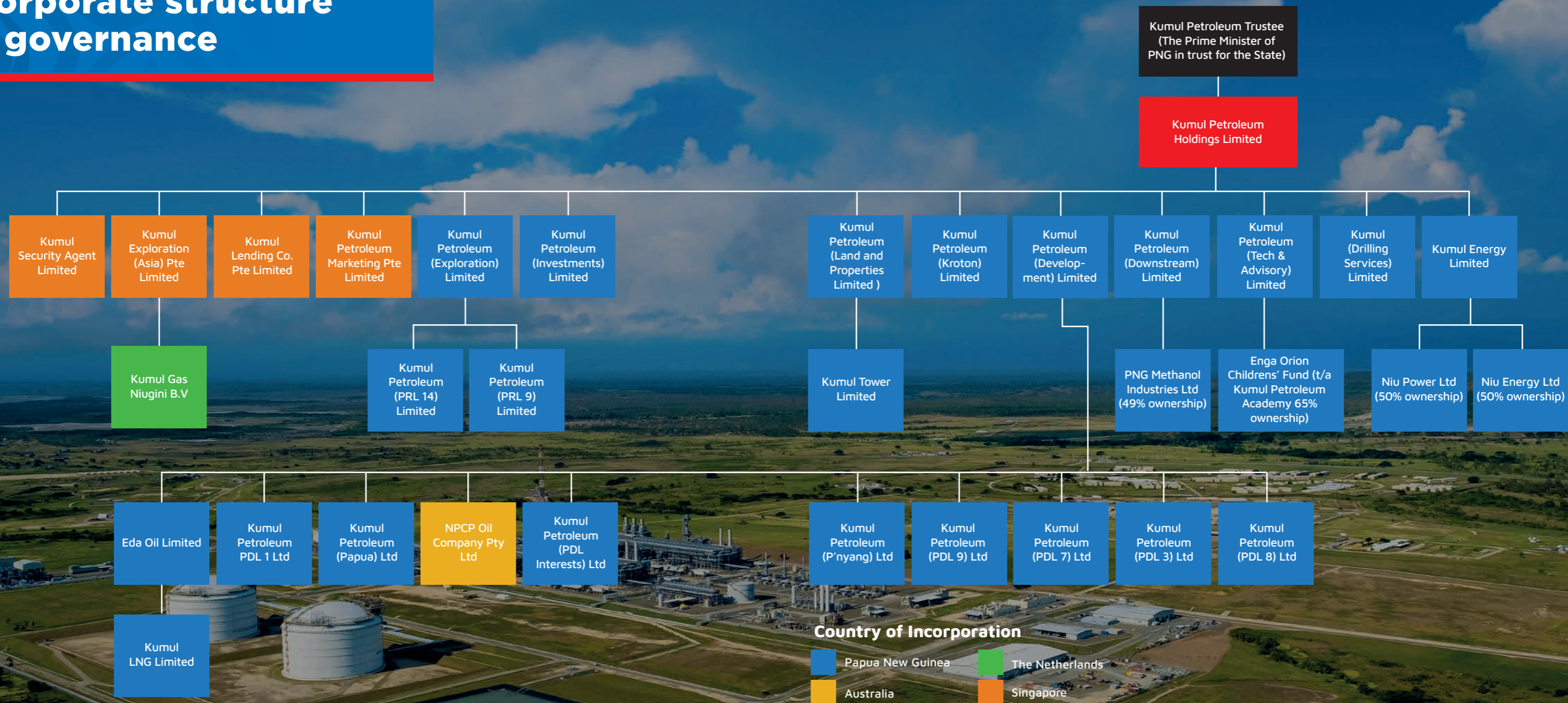
Mr Hari Karyuliarto
Director

Mr Hari Karyuliarto holds a Bachelor of Law degree from Diponegoro University and a Master's Degree in Management from Gajah Mada University, Indonesia. He worked for 23 years in a variety of positions with P.T. Pertamina, including Corporate Secretary and Gas Director, and one year as President Director of Nusantara Gas Services in Osaka, Japan.

Hari has vast experience in the negotiation and execution of LNG sales contracts, execution of multi-billion dollar projects such as FSRU, regasification and gas pipeline projects. He is now a Commissioner of PT Jasa Enersi Pratama Nusantara, an advisor/consultant to Osaka Gas, Japan, chairman of Risco Energy Group, Pte. Ltd., Singapore and Commissioner of PT Isargas.

Corporate structure & governance

KPHL Corporate Structure



Country of Incorporation

- Papua New Guinea
- The Netherlands
- Australia
- Singapore

Corporate Structure

Kumul Petroleum Holdings has a number of wholly owned and specific purpose subsidiaries, as illustrated in the graphic above.

Corporate Trustee

The Kumul Petroleum Holdings Authorisation Act 2015 provides that under the Kumul Petroleum Share Trust Deed all shares in KPHL will vest in a trust. The Kumul Petroleum Trustee is the Prime Minister of PNG, whoever that may be at any time, compliant with Section 142 of the Constitution.

Corporate Governance

Kumul Petroleum is committed to the highest levels of corporate governance for itself and its subsidiaries, and fosters a culture that values adherence to exemplary personal and corporate integrity.

At a directorial level, Kumul Petroleum has established Board sub-committees on Finance, Audit & Risk, Community & Social Responsibility, Remuneration and Major Investments.

The six-person Board meets on a regular basis, at least six times a year. There is an independent

process for the identification and selection of directors, overseen by an internationally recognised accounting company. Existing Board members recommend to the Trustee suitable candidates whose skills and experience match the prevailing commercial goals of the organisation. All candidates must be qualified 'fit and proper persons' as prescribed by the Kumul Petroleum Act.

Kumul Petroleum Holdings implements an Annual Operating Plan, whilst adhering to company policies

that include Audit, Delegation of Authority and Tenders & Procurement. There are a number of management level committees.

Financial statements of the Kumul Petroleum are audited by an internationally recognised accounting company, before being signed off by the Auditor General. Since 2014, Kumul Petroleum has enjoyed unqualified audit reports.

Licence interests, petroleum resources

PDL and PRL Licence Interests

Petroleum Licences (2019 to2020)	Project	Kumul Petroleum interest (%)		Petroleum Licences (2019 to2020)	Project	Kumul Petroleum interest (%)
		2019	2020			
PDL 1	Hides gas field	20.5	20.5	PDL 1	Hides gas field	20.5
PDL 3	Development licence	45.72	45.72	PDL 3	Development licence	45.72
	Unitised SE Gobe gas field	21.4	21.4		Unitised SE Gobe gas field	21.4
PDL 5	Development licence	20.5	20.5	PDL 5	Development licence	20.5
	Unitised Moran oil field	11.3	11.3		Unitised Moran oil field	11.3
PDL7	South Hides gas field	20.5	20.5	PDL 7	South Hides gas field	20.5
PDL8	Angore gas field	20.5	20.5	PDL 8	Angore gas field	20.5
PDL9	Juha/Muruk gas field	20.5	20.5	PDL 9	Juha/Muruk gas field	20.5
PDL10	Stanley gas field	10	10	PDL 10	Stanley gas field	10
PRL 8	Kimu gas field	17	17	PRL 48	Kimu gas field	100
PRL 9	Barikewa gas field	14.89	14.89	PRL 49	Barikewa gas field	100
PRL 10	Uramu gas field	-	-	PRL 50	Uramu gas field	100
PRL 14	Cobra, Iehi and Bilip gas field	37.44	37.44	PRL 14	Cobra, Iehi and Bilip gas field	37.44
PRL 28	Ubuntu gas field	20	20	PRL 28	Ubuntu gas field	20
PRL 40	Puk Puk, Douglas, Langia, NW Koko gas field	20	20	PRL 40	Puk Puk, Douglas, Langia, NW Koko gas field	20
PRL 38	Pandora gas field	-	-	PRL 47	Pandora gas field	100

PDL and PRL Licence Interests

Petroleum Licences (2019 to 2020)	Project	Kumul Petroleum interest (%)		
		2019	2020	2021
PL 4	PNG LNG Project	20.5	20.5	20.5
PL 5	PNG LNG Project	5.57	5.57	5.57
PL 6	PNG LNG Project	2.61	2.61	2.61
PL 7	PNG LNG Project	20.5	20.5	20.5
PL 8	PNG LNG Project	20.5	20.5	20.5
PNG LNG	PNG LNG Global Company LDC	20.5	20.5	20.5
PNG LNG	PNG LNG Project	20.5	20.5	20.5
PPFL 2	PNG LNG Project	14.89	14.89	14.89
PL 3	SE Gobe 3	37.44	37.44	37.44

Reserves: Oil, Condensate and Gas Reserves* Net to Kumul Petroleum

Reserves Category		Oil & Condensate	Gas	Oil & Condensate	Gas
		mmbbl	bscf	mmbbl	bscf
		Proven (1P)		Proven and Probable (2P)	
PNG LNG	Project Fields ¹	14.02	1,208	16.78	1,374
PDL 1	Hides GTE ²		2,719		6,150
PDL 3	South East Gobe ³	0.003	7,445	0.104	7,445
PDL 5	Moran ⁴	0.651	44,264	1,480	48,212
Total		14.68	1,262.88	18.37	1,435.82

* Remaining reserves as at December-end 2021

Resources: Contingent Oil, Condensate and Gas Resources Net to Kumul Petroleum

Reserves Category		Oil & Condensate	Gas	Oil & Condensate	Gas
		mmbbl	bscf	mmbbl	bscf
		1C		2C	
PDL 10	Stanley ⁵	1.01	31.50	1.27	39.90
PRL 48	Kimu ⁶		251		525
PRL 49	Barikewa ⁷		285		439
PRL 50	Uramu ⁸	1.00	139	1.40	234
PRL 14	Cobra, Bilip, lehi ⁹	0.12	11.79	0.37	26.64
PRL 40	Pukpuk, Douglas, Langia, Weimang ¹⁰				
PRL 47	Pandora ¹¹				
Total		2.13	796.07	3.04	1,373.92

* Remaining reserves as at December-end 2021

Notes:

- PNG LNG Project includes Hides, Juha, Angore, and Oil Search operated fields of Kutubu, Agogo, Moran, SE Gobe and Gobe Main, and SE Hedinia. NSAI Reserves Recertification of June 2016.
- Hides GTE reserves are as stated on Oil Search's 2020 Reserves and Resources Statement.
- NSAI Reserves Assessment as of December 2016. PDL3 additional interest acquired from JX Nippon in 2017.
- NSAI Reserves assessment of 2014 for oil; Moran gas reserves are part of the PNG LNG Project – NSAI Reserves assessment of 2016.
- PDL 10 added in 2017 as acquisition from Mitsubishi Corporation. Reserves assessment certified September 2012 by RISC.
- PRL 48 acquired by Kumul in 2021. Reserves recertification by RISC-2018 post Kimu 2 appraisal well in April 2018.
- PRL 49 acquired by Kumul in 2021. Reserves assessment based on recertification by RISC-2018 post Barikewa 3 appraisal well in June 2018.
- PRL 50 acquired by Kumul in 2021. Reserves estimates are from KPHL in-Alphahouse Field Review-2019.
- PRL 14 reserves are from the Operator, Oil Search Limited Reserves estimates 2020.
- PRL 40 added in 2017 as acquisition from Mitsubishi Corporation. NSAI Reserves assessment of 2014.
- PRL 47 acquired by Kumul in 2021. No reviewed numbers.



PNG LNG plant site Caution Bay

Petroleum operations in 2021

PNG LNG Project

Kumul Petroleum Holding's substantial participating interest of 16.57% in the PNG LNG Project is the company's most important asset and its main source of revenue.

In 2021, total feed gas into the PNG LNG plant was 418 BCF, principally from the Hides gas field in Hela Province. This is equivalent to 8.4 million tonnes; this was sold in 109 LNG cargoes at an average price of US\$ 9.41/MMbtu, higher than 2020 average market price of US\$6.55/MMbtu. PNG LNG is sold on contract to four major long-term customers in Asia, Japan, China and Taiwan, whilst five of the 109 cargoes were sold as spot cargoes.

Condensate produced from the PNG LNG Project gas fields is blended with crude oil processed by Oil Search at its Kutubu Central Processing Facility and transported via pipeline to the offshore Kumul Marine Terminal export facility. In 2021, the PNG LNG Project sold 9.49 million barrels of condensate, excluding the ExxonMobil share, which is marketed separately, in 15 cargoes at an average price of US\$70.08/bbl.

Kumul Petroleum's net share of production in 2021 was 69 billion cubic feet of gas and 1.57 million barrels of oil equivalent.

2021 was the sixth full year of production for the PNG LNG Project liquefaction plant at Caution Bay, which continued to maintain production and LNG plant performance despite the challenges brought about by the global Covid-19 pandemic. The PNG LNG plant achieved production levels of 8.4MTPA for 2021, above its nameplate capacity of 6.9MTPA, but slightly below budget, with facility uptime of 95.1%. The Angore tie-in project was suspended in 2018,

due to the combined impacts of landowner issues and the 2018 Highlands earthquake. An Alternate Dispute Resolution process was initiated to address landowner concerns resulting in site activity recommencing in July 2019, and the Angore A1 and A2 wells were abandoned in 2020 by the PNG LNG partners following well integrity concerns. The replacement Angore C1 and C2 wells are scheduled for drilling between Q4 2022 to Q2 2023. The surface facilities tie-ins are expected to be completed in Q1 2024; with first gas forecasted for Q3 2024.

The deferral of Angore coming on line results in ullage that needs to be filled. The Hides F2 well scheduled for 2024 is now to be drilled in a campaign with the Angore replacement wells, Angore C1 and C2. The Hides F2 well provides an opportunity to test a footwall play in the Hides structure; the fall back option being a Hides F2 hanging wall acceleration well, drawing down from the main Hides accumulation.

In 2021 Q3, Hides D1 experienced an unexpected pressure drop in its C annulus while in normal production at 18MMscfd. Post diagnostics, the forward plan was to 'Plug and Abandon' the Hides D1 well as soon as possible. It is scheduled for Q1 2022 with an approved funding of US\$44 million.

PDL 3

Kumul Petroleum currently holds a 21.4% participating interest in the South East Gobe oil/gas field after its acquisition of JX Nippon's interest in June 2017. This field is operated by Oil Search Ltd and is unitised between PDL3 (46.8%) and PDL4 (53.2%). It is a mature field that has produced 45.5 million barrels of oil since 1998. In 2021, the SE Gobe field produced a gross 49,600 barrels of oil and 7.48

bcf of gas, sold to the PNG LNG Project. SE Gobe field continues to be operated in "blow-down" mode. Oil production is declining rapidly without gas lift and field gas injection with emphasis on gas production. All produced gas is sold to the PNG LNG Project, taking advantage of the current market and increased gas price. The operator continues to employ strategies to extend gas exports to the PNG LNG Project and, in parallel, preparations for potential field abandonment in 2024.

PDL 5

The Moran field is unitised across three licences, PDL's 2, 5 and 6. Kumul Petroleum's 20.5% interest in PDL5 constitutes an 11.275% share of the Moran unit. It is a mature field that began production in 1998 with peak production at around 21,000 bopd in 2007, which has declined since. Cumulative to year-end 2021, Moran field has produced gross oil of 97.85 million barrels since inception.

In 2021, post 2018 earthquake restoration efforts, field incremental well intervention work and managed facility up time have resulted in an above budget production year once again, averaging more than 7,400 bopd with a 2021 year-end production of 2.7 million barrels. Production of associated gas is increasing year-on-year as the field matures, and this is sent to the PNG LNG Project. The field remains profitable, and provides a net income to Kumul Petroleum.

The operator continues to focus on reinstating production from the NW Moran wells and, in parallel, working low risk value-adding opportunities for the Moran field to accelerate oil production ahead of Moran commencing gas sales to the PNG LNG Project in 2027.

PRL 47

In September 2021, Kumul Petroleum acquired 100% ownership of PRL 47, Pandora (formerly PRL 38). The Petroleum Retention licence runs for five years. The Pandora gas field was first discovered in 1988 and 1992, when Pandora 1 and Pandora B1-X wells were drilled and encountered gas in Miocene carbonates. Kumul Petroleum's focus is re-processing of seismic data to appraise structural culminations in the reefal limestone trend to firm up volumes for potential development pathways and subsequent submission of a Petroleum Development Licence application.

PRL 48

In April 2021, Kumul Petroleum acquired 100% ownership of PRL 48 Kimu (formerly PRL 8). The Petroleum Retention licence runs for a term of five years.



Work on a seismic line

Kumul Petroleum previously owned 17% participating interest in PRL 8 Kimu after acquiring it from Mitsubishi Corporation in May 2017. The Kimu gas field was first discovered in 1999 and additional seismic data was acquired in 2016, with field studies continuing in 2017 for a possible location selection for an appraisal well.

In 2018 the Kimu 2 appraisal well was drilled, encountering gas in the targeted Alene sandstone formation. These results were significant as they underpinned a possible gas volume in-place in the 400-900 bcf range on a gross basis, subject to further independent certification.

Kumul Petroleum's minimum work commitment for the next five years include G&G studies, drilling of a well to appraise the northwest portion of the Kimu Field, undertaking commercialisation studies and a Petroleum Development Licence application at the end of the PRL term.

PRL 49

In April 2021, Kumul Petroleum acquired 100% ownership of PRL 49 Barikewa (formerly PRL 9). The Petroleum Retention licence runs for a term of five years.

Kumul Petroleum previously owned a 15% participating interest in PRL9. Kumul Petroleum was engaged in appraising discovered gas resources in two licences that straddle the PNG LNG trunk gas pipeline, PRL 9 and PRL 14, near the southern coast of PNG. PRL 9 contains the Barikewa discovery where the Barikewa 3 appraisal well encountered gas in the target Toro and Hedinia sandstone reservoirs in 2018.

Kumul Petroleum's focus for the next five years is reprocessing of seismic data to appraise structural uncertainties and drill an evaluation well to inform potential development pathways leading up to Petroleum Development Licence application at the end of the PRL term..

PRL 50

In April 2021, Kumul Petroleum acquired 100% ownership of PRL 50 Uramu (formerly PRL 10), formerly operated by Oil Search Limited; it contains two structures of interest – Uramu and Mira. Kumul Petroleum's minimum work commitment for the next five years includes G&G and seismic studies, drilling of an appraisal well and concept studies for development pathways leading up to a Petroleum Development Licence application at the end of the PRL term.

PRL 14

PRL 14 is a Oil Search/Santos retention licence with Kumul Petroleum owning a 37.44% participating interest. PRL 14 contains the lehi, Cobra and Bilip discoveries and and with PRL 49, straddles the PNG LNG trunk gas pipeline.

In 2018, operator Oil Search Limited reported that it had completed a 50km seismic program to assess the potential of the Gobe footwall prospect and constrain the lehi gas discovery. During 2020 and 2021, Kumul Petroleum did some evaluation of the lehi field using the 50 km seismic data for potential development pathways. The PRL14 licence expires in March 2022.

PRL 40

Kumul Petroleum acquired JX Nippon's interest in PRL 40 in June 2017. Subsequently, 20% of the equity was swapped with Horizon Oil for an interest in PRL 28 in 2019. PRL 40 contains the Puk Puk and Douglas gas discoveries in Western Province. Other small discoveries within PRL 40 are Weimang and Langia. These gas fields are 'stranded' and in 2020 and 2021, Kumul Petroleum focused on the evaluation of the gas in place volumes and potential development pathways for these fields.

PRL 28

PRL 28 contains the Ubuntu gas discovery in the Western Province and is close to other stranded gas fields such as Elevala and Ketu, operated by Horizon Oil. In 2020 and 2021, Kumul focused on field evaluation and potential aggregation for development pathways, in conjunction with nearby fields in the Western Province.





KEO dividend payment to Southern Highlands Provincial Government

Kroton Equity Option

As a necessary precursor to finalisation of the PNG LNG Project, the Umbrella Benefits Sharing Agreement (UBSA) was signed in 2009 in Kokopo, between the State and the provincial governments, local level governments and representatives of approximately 60,000 project area landowners from the five provinces directly affected by the project.

The UBSA included the granting of a commercial equity option, known as the Kroton Equity Option or KEO, to affected sub-national governments and landowners. The KEO is the right to acquire an indirect 4.22% equity in the PNG LNG Project, through a commercial option to purchase a 25.75% shareholding in the company holding the State's equity in the project, within a six-month time window in 2016, at a fixed price. The UBSA specified the sharing of this KEO shareholding between various beneficiary groups.

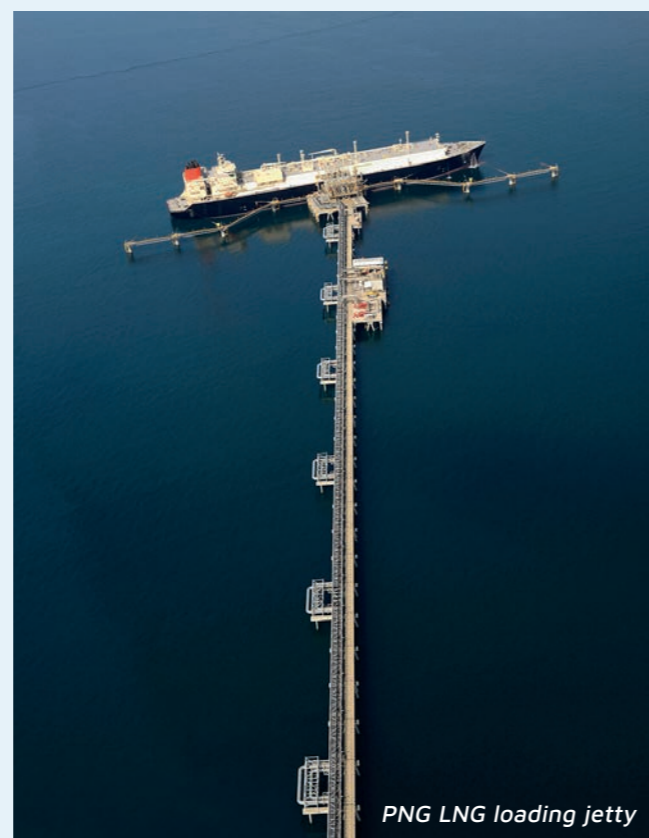
When affected governments and landowners were unable to raise funding from financial markets within the prescribed option period, the State authorised KPHL to provide vendor finance to these beneficiary groups. The KEO vendor finance and relevant trust company arrangements were finalised and agreed between KPHL and representatives of the various beneficiary groups in December 2016 at the Crowne Plaza Hotel.

Under the terms of the KEO, preferential dividends, after payment of financing costs, started to accrue for the beneficiary groups from the beginning of 2017, linked to the average annual international oil price. In December 2021, Kumul Petroleum declared that preferential dividends accrued to that date totaled K251 million.

Late in the year, dividends of K62 million were paid to the impacted provincial governments – Hela,

Southern Highlands, Gulf, and Central. Remaining preferential dividends are retained by KPHL until the identified landowner groups have had their eligibility confirmed by the Department of Petroleum and the Mineral Resources Development Company, and can be paid.

It is anticipated that in future years identified landowner beneficiaries will organise themselves and finalise their vetting by government authorities, so that Kumul Petroleum can also pay the accrued preferential dividends to these important stakeholders.



PNG LNG loading jetty



Tanker at PNG LNG loading jetty

Market & Economy

Global Economy

Since the onset of COVID-19, countries around the world rolled out extraordinary measures to mitigate adverse economic and financial impacts. Broadly, the monetary response followed the response of the 2008–2009 global financial crisis, but with unprecedented speed, scale and scope. Central banks aggressively cut short-term interest rates to increase liquidity, reduce borrowing costs and support economic activities. Developed country central banks thus relied heavily on unconventional monetary policy tools, particularly large-scale asset purchase programmes to stabilise financial markets and stimulate recovery.

After a global contraction of 3.4% in 2020, the world economy grew by more than 5% in 2021 and is forecast to grow by about 4% in 2022. Output increased in 2021 due to robust consumer spending, but was still more than 3% below the level projected prior to the pandemic, whereas investment and trade in goods surpassed the pre-pandemic level. Global investment expanded by about 7.5 per cent in 2021, driven by strong growth in China and the United States. Momentum slowed considerably by the end of 2021, however, including in large economies such as China, the European Union and the United States of America as the effects of fiscal and monetary stimuli dissipated and major supply-chain disruptions emerged. Higher commodity prices helped commodity-exporting countries, but rising food and energy prices drove inflation much higher in many countries.

Recovery drove a higher demand for energy, which rose by more than 5% in 2021 and pushed the price of oil upwards to an average of US\$71/bbl compared with US\$42/bbl in 2020, a rise of almost 70%. Similarly, the knock-on effect of recovery and

demand for energy drove the Asian spot price for LNG up to record highs in the final quarter of 2021, and to an average price of US\$18/MMBTU in 2021 compared with 2020, an increase in excess of 400%.

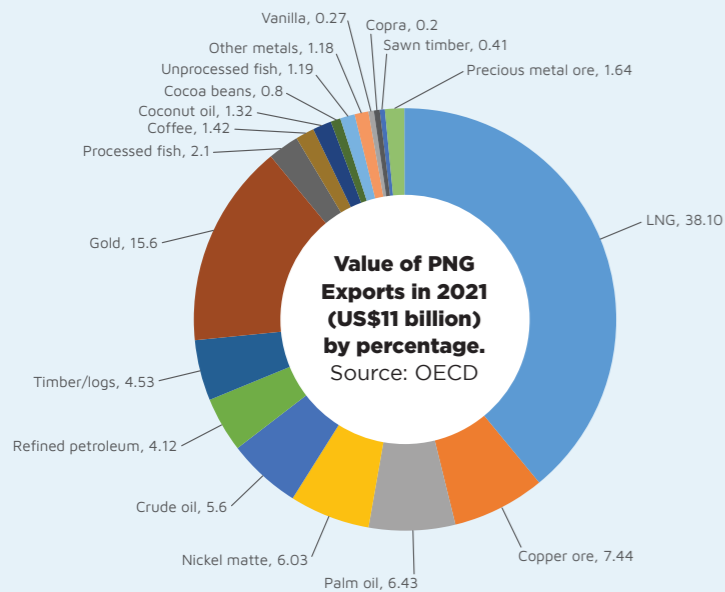
Domestic Economy

PNG's economy is heavily dependent on the export of primary resources across many sectors, notably agriculture, mining and petroleum, but also forestry and fisheries. Demand for its resources was strengthened by the upturn experienced in the economies of its major markets, specifically Australia, China and Japan. Though the Kina was stable during 2021, its value rose by 5–15% against major currencies and is considered to be overvalued by about 10–20%. This is likely to reduce demand for the country's agricultural exports and exacerbate inflationary pressures in the domestic market.

Papua New Guinea experienced negative growth in 2020, but the economy recovered in 2021 to a position of approximately zero growth. PNG's rate of inflation in 2021 was 4.5% and relatively high within the South West Pacific region. Although the economy experienced low growth and rising costs, the rise in oil and spot LNG prices enabled Kumul Petroleum to make a larger direct contribution to the State in tax and dividends.

Outlook for 2022

In many parts of the world, investment rebounded from the pandemic-induced slump, supported by an easing of COVID-19 restrictions, large fiscal stimulus packages and expansionary monetary policies. As financial conditions tighten and fiscal support is withdrawn, investment growth will likely return to the slow pace that prevailed before the pandemic. Medium-term investment prospects are particularly



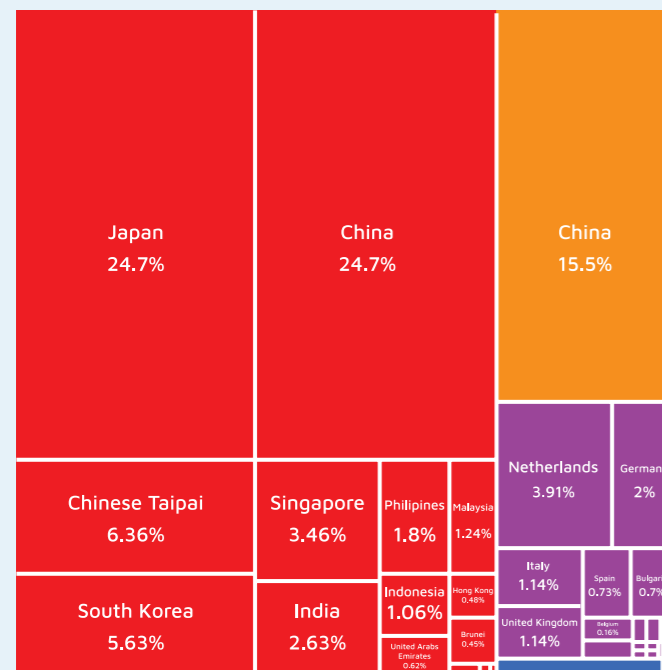
In PNG, real GDP is expected to increase by 3.5% in 2022, and inflation is forecast to rise to 6.5%. KPH is forecasting the oil price to average US\$70/bbl in 2022. LNG prices will be volatile but remain on the high side for sales from PNG LNG because of scarcity of supply in the region, and because demand for LNG is increasing. PNG's economy will be burdened with a high level of government debt and high inflation, but could be boosted if Porgera re-opens, Wafi Golpu secures a mining licence, and the Papua LNG Project makes progress towards FEED and FID.



Work on a seismic line

challenging for developing and transition economies that depend heavily on fossil fuels.

Rapidly rising inflation in many parts of the world will result in higher interest rates, limiting borrowing and constraining fiscal space at exactly the time countries should be investing in jobs, education, health care, and the green economy. For developing countries already heavily in debt, this is a recipe for defaults and prolonged economic distress.



Destination of PNG's exports in 2021, by percentage (source: OECD)



Donation of equipment to the National Heart Centre

Having a heart for health!

During the year, Kumul Petroleum has followed through on its 2020 health sector commitments. These were K50 million over 5 years for the National Heart Centre at Port Moresby General Hospital, and K15 million over 3 years to support cancer treatment at the ANGAU Memorial Hospital in Lae.

Petroleum continues to support the provision of cancer treatment services. At the ANGAU Memorial Hospital in Lae, oncologist Dr Lakshman Jayalal Obeysekara was recruited; he was assisted with transport and accommodation to support the institution improve its services.

National Heart Centre

Kumul Petroleum expended over K7 million during the year, enabling construction and renovation of the National Heart Centre buildings at the Port Moresby General Hospital to continue, along with the sourcing of necessary ancillary support and monitoring equipment. In June, interventional cardiologist Dr Pham Cong Nam arrived in the country and on July 22nd the first ever stenting procedure in PNG was carried out!



Cancer bunker under construction at Port Moresby General Hospital

In May, KPHL facilitated delivery of K2.8 million worth of cardiac ICU machinery and K730,000 of Storz cardiac surgical equipment. KPHL purchased beds and medical equipment for the cardiothoracic ward and the cardiac diagnostic centre in June. In September, KPHL provided a K1.5 million ultrasound machine, whilst computers and printers were installed in the cardiothoracic ward and the cardiac diagnostic centre. The cardiac unit celebrated World Heart Day at the end of that month.

During the year Kumul Petroleum expended K3.5 million against its commitment of K10 million to the Port Moresby General Hospital for its Cancer Centre structural works, which includes another cancer bunker, that will eventually enable that facility to manage more patients.

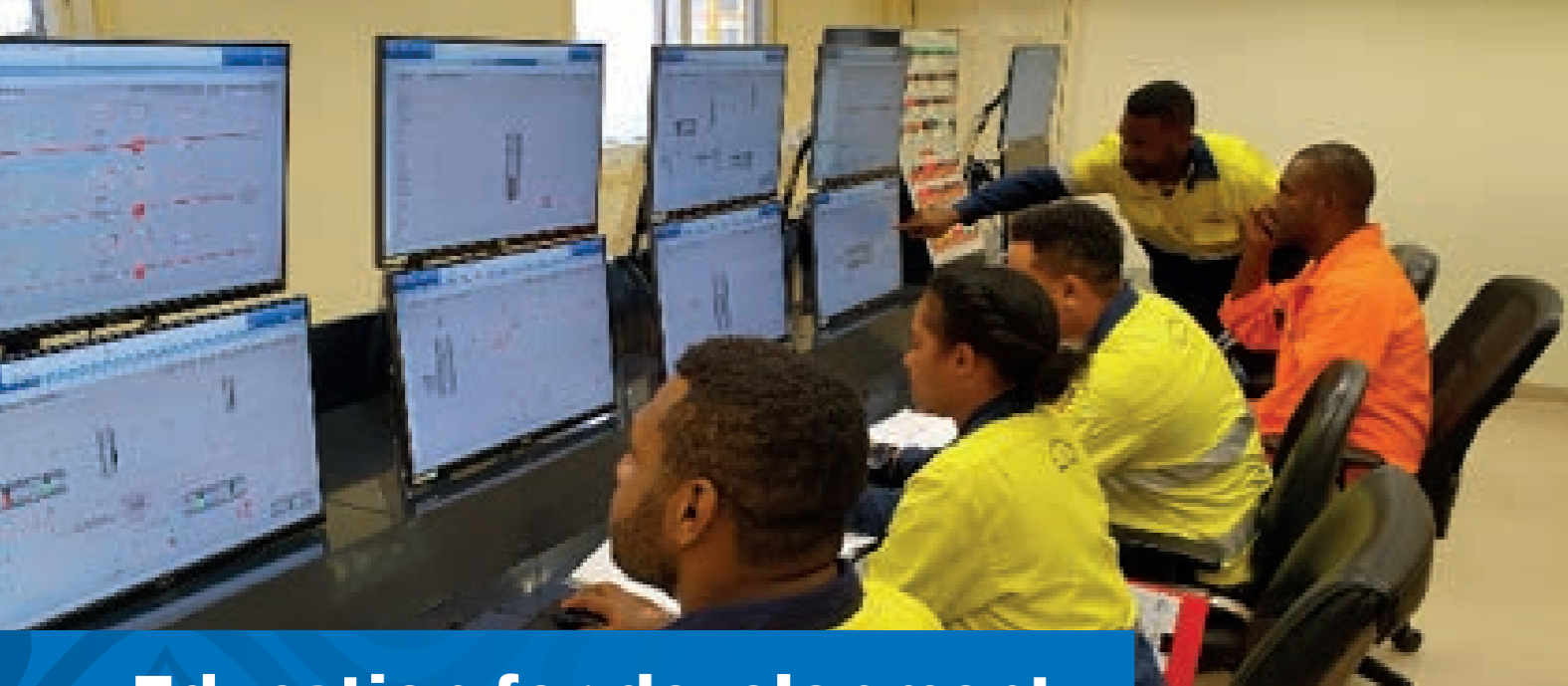
By the end of the year, more medical equipment and beds had been purchased and the renovations to the cardiothoracic ward and the cardiac diagnostic centre were completed. During the year, the Centre was able to engage catheter laboratory and intensive care nurses, also funded by KPHL.

Other health sector assistance

During the year, Kumul Petroleum donated ambulances to health facilities in Okapa, Eastern Highlands Province, and health centres in the Finschafen and Wabag districts, Tari provincial hospital and nearby rural health facilities. Funding was also provided for the Tegibo and Poroma health centres, and the Kongu & Inalere aid posts.

Cancer treatment

Cancer is the fourth largest cause of death in Papua New Guinea, one of the reasons why Kumul



Education for development

During 2021, Kumul Petroleum continued to operate the Kumul Petroleum Academy (KPA), located in the Port Moresby suburb of Idubada, adjacent to the campus of the Port Moresby Technical College. Operational since 2015, the depth and quality of technical training was enhanced with the 2018 installation of a simulated Safe Live Processing Plant. This 'live' petroleum plant enables trainees to gain experience in the hands-on management of an operational plant, control room, maintenance and associated services, whilst national and international-certified instructors embed occupational HSSE discipline and industry culture in the residential students.

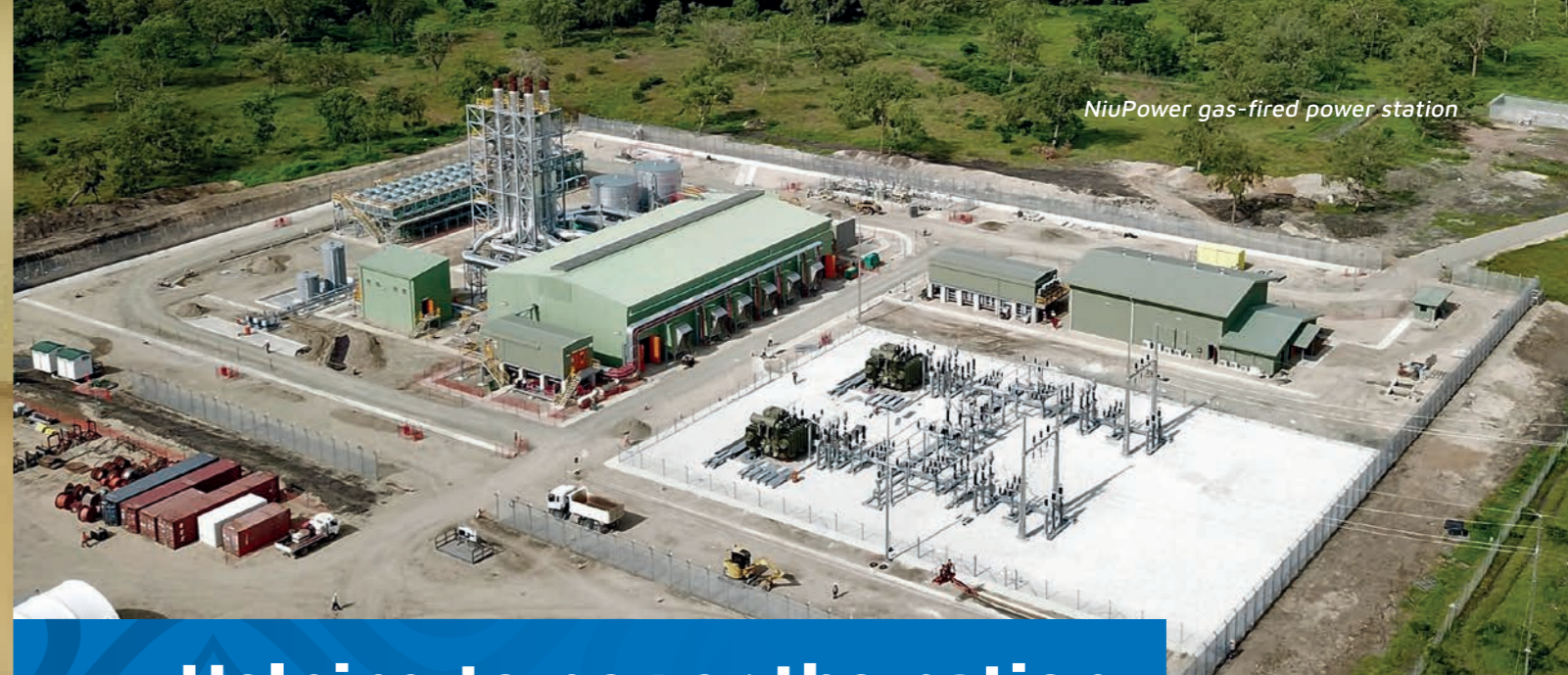
During the year, the Academy graduated 32 students, 6 female and 26 male, sponsored by Kumul Petroleum and ExxonMobil, whilst in August 2021 another 24 students sponsored by ExxonMobil started their training.

Kumul Petroleum continues to work with the University of Technology in Lae, as a member of its Industry Advisory Board, supporting the institution to gain accreditation according to the Washington Accord, an international agreement between bodies responsible for accrediting undergraduate professional engineering degree programmes.



Safe Live Processing Plant at night

Kumul Petroleum and petroleum companies operating in the country, including ExxonMobil and Oil Search (now Santos) sponsor students at the Academy. KPA graduates competency assessed junior technicians in electrical, instrumentation, mechanical and production disciplines; since the start of operations, the Academy has graduated 117 students.



NiuPower gas-fired power station

Helping to power the nation

Rural electrification



Contractor welding power transmission poles

Electrification infrastructure projects with a value of K15 million were completed or still under construction during the year in Hela, Southern Highlands, West New Britain, Eastern Highlands, East Sepik, Simbu, Fly River and Madang provinces.

Some were solar power installations whilst others were low voltage transmission lines including one in New Ireland that was started at the end of 2021.

Kumul Petroleum Holdings continued funding of power transmission line construction in the Hela and Southern Highlands provinces to assist in PNG Power's rural electrification programme, in support of the Government's ambitious goal for 70% of the population to have access to electricity by 2030.

These low-voltage 22Kva lines are necessary to connect customers and end users in rural areas of these populous provinces to the 66Kva high voltage lines of the Ramu grid that extends from Morobe and through the Highlands provinces to Hela and Enga. Once transmission lines are checked and handed over to PNG Power Limited, they are 'energised', enabling customer connections.

Kumul Petroleum ensures that all rural electrification construction is carried out by local contractors in the particular host province, to maximise regional benefits and engender asset ownership.

NiuPower Limited

The NiuPower 58MW gas-fired power station, owned by Kumul Petroleum in equal partnership with Santos Limited, continued operations during the year, dispatching electricity into the Port Moresby grid through its dedicated line to the Gerehu sub-station. The plant dispatched 300,777 MWh of electricity into the Port Moresby grid during the year, with no disruptions, no lost time injuries, fire incidents, or chemical spillage and no safety or other incidents. The value of electricity despatched to PNG Power was K49.3 million. During the year's operations, 55.3% of the plant's capacity was utilised, whilst it achieved its highest peak load in January 2021, at 58.6 MW.



Mechanics servicing one of the NiuPower gas engines

NiuPower conducted an environmental emission test in June 2021; emission parameters of NOx and CO were determined to be within the set standards. Also, a 'black-start trial' was successfully completed in September 2021, whilst during the year 1,021 man-hours of internal and external training for the Wartsila plant operations and maintenance staff was carried out.

NiuPower continued its community investment programme in the five villages adjacent to its plant site – Papa, Lealea, Boera, Kido and Porebada.

This K1.3 million programme included modest but targeted support to churches, men's and women's sport, women's skills training, education, agriculture and health facilities in these villages.



NiuPower control room

In health support, this encompassed delivery of a solar powered vaccine fridge for each village aid post along with training for community health workers. A total of eighteen 9,000 litre communal water tanks were installed to assist storage during the dry season, whilst the life skills program included fabric design and sewing and a model farm that trialed growing of various vegetables.

Domestic gas utilisation

Gas agreements between the forthcoming Papua LNG and P'nyang LNG projects and the State include a provision that operators must make available a certain percentage of gas processed into LNG to be used within the country – termed a 'domestic market obligation', or DMO.



A small amount of gas from the PNG LNG Project is currently sold to the NiuPower and Dirio gas-powered electricity generation plants, both sited adjacent to the Caution Bay LNG plant. Kumul Petroleum has a focus on increasing the in-country utilisation of DMO gas to reduce the costs of

domestic power generation and enhance industrial development.

KPHL has undertaken initial concept definition studies with two international companies for the establishment of a floating gas storage and regasification unit (FSRP), located off the Morobe coast. This facility could supply gas to onshore customers, for example the Wafi-Golpu mine or the proposed Labu SEZ, for the generation of electricity, whilst it could also be a hub to supply LNG to other customers in PNG and elsewhere in the Pacific. The facility would be re-supplied with LNG by coastal tankers and include a transshipment wharf, freeing up the crowded Lae port and offering more flexibility for local and international customers.

Kumul Petroleum is also investigating the use of DMO gas as a feedstock for a number of industrial processes that could produce chemicals for domestic consumption and/or export.

Renewable solar energy trial

KPHL has signed an agreement with the New Ireland Provincial Government to carry out a feasibility study on the installation of a 5MW solar power facility in Kavieng. Work initiated includes site soil testing and undertaking an initial concept study to define the technical design, associated project costs, and realistic project schedule.



Included in this work is a grid impact study that will define the connection between the planned solar facility and existing PNG Power infrastructure. When constructed, this project would enable Kavieng township and surrounding communities, with an estimated population of 20,000, to be connected to electricity generated by solar power. The installation will serve as a pilot model that could be replicable elsewhere in the country.



A helping hand for the community

Kumul Petroleum had a busy year assisting a wide range of worthy community causes that, for a variety of reasons, could not be funded by Government or other agencies. This support totaled more than K31 million during the year and included assistance for education and health infrastructure, agriculture and SME projects, church support and contributions to awareness campaigns and cultural events.

along with support for piggery, potato, poultry & fish farming projects and other SME's. Highlights of KPHL's smaller community interventions include support of community awareness on tourism in Central Province, the Imbonggu Cultural Show in the Southern Highlands Province, boats and outboard motors in West New Britain Province and a United Church National Youth Convention.



High school donation

Education infrastructure construction or repair of benefitted the following schools; Lai Valley United Church High School, Nengil Elementary School, Nipa Secondary School, Pambal Primary School, School of Excellence, Ukaukana Elementary School and Ulga Primary School. The Simbu Teachers College was assisted with donation of a truck and the Koroba Day High School with uniforms, whilst Kumul Petroleum also helped the University of Papua New Guinea run a Tourism Seminar and Convention.

Community assistance included village water supply projects in Hela and Southern Highlands provinces



Charity Golf Event



PNG Barramundi players

Being a good sport

During 2021, Kumul Petroleum continued its generous support of a number of sporting codes in the country, providing over K9 million to clubs and events for basketball, lawn bowls, boxing, cricket, golf, soccer, rugby union, and rugby league.

Cricket

The Kumul Petroleum PNG Barramundi men's and PNG Lewa's women's cricket teams fixtures were greatly affected by Covid-19 restrictions imposed during the year. The Barramundis made their debut appearance in the International Cricket Council's T20 World Cup competition, playing in the Cricket World Cup League 2 series against Scotland and Oman in Oman then the World Cup in Oman/UAE later in the year, also playing against Scotland and Nepal.



The Lewas were in the process of traveling to Zimbabwe, until one of the team members caught Covid-19, at the same time that the Omnicron variant was discovered in South Africa, so the tour was cancelled, so there was no international cricket in 2021 for the Kumul Petroleum PNG Lewas.

PNG Hunters

2021 was the first year of a three-year K5 million support commitment by KPHL for the PNG Rugby Football League, owners of the PNG Hunters rugby league team, the only Papua New Guinea team to compete in the Queensland Intrust Super Cup competition. This year's support for the team was K1.5 million.



KCH managing director Wapu Sonk and PNG RFL's CEO Stanley Hondina sign Hunters support agreement

A major achievement of the year was the successful relocation of the team to the Gold Coast in Queensland to enable the participation of the team in the Queensland State Competition despite the prevalent Covid-19 restrictions. Players sacrificed time with their families to be away for 6 months and spent considerable time in isolation to comply with strict Covid-19 protocols in both PNG and Australia. After a strong start team performance was below expectations, finishing 10th out of 14 teams, although this was better than their last full season participation in 2019.



Kroton Wigmen players

The team has support from the governments of both PNG and Australia and has developed a 5-year strategic plan to support the organisation, with many exciting goals including providing a pathway for 10 Hunters players to get into the NRL by 2025.

Kroton Hela Wigmen

Since 2017 Kumul Petroleum has been the franchised sponsor of the Kroton Hela Wigmen league team, which, after five consecutive finals appearances, two grand final appearances and winning the 2020 Digicel Cup Premiership, had an eventful 2021 in the national competition. Support of the club is Kumul Petroleum's largest sport related expense.



Kroton Wigmen team

This year's Digicel Cup campaign ended with the team finishing third on the final competition ladder; Kroton Hela Wigmen narrowly lost to JPG Waghi Tumble in the minor semi-final in a thrilling game, as the result of a field goal after a score line of 19 points to each side.

Kumul Petroleum also provided support to other smaller rugby league clubs such as Souths Port Moresby, Mendi Muruks, Poroma Nuggets, Gabutu Dragons as well as contributions to the Coca Cola Ipatas Cup and the Tari Rugby League.

Kumul Petroleum continues to be an active supporter of rugby league. During the year, its K2 million sponsorship of the PNG School Rugby League from 2021 to 2023 provided the company naming rights to this program.



Financial Statements

Consolidated Financial Statements for the year ended 31 December 2021

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- Consolidated Statement of Cash Flows
- Notes to and forming part of the consolidated Financial Statements

DISCLAIMER: The Financial Statements presented in this Report are the Consolidated Financial Statements of Kumul Petroleum Holdings Limited and its wholly owned subsidiaries. These have been prepared in accordance with the Papua New Guinea law requirements including the Companies Act 1997, and accounting standards applicable at the time, specifically the International Financial Reporting Standard (IFRS) and Generally Accepted Accounting Practices (GAAP). Although every care has been taken to ensure the correctness, and accuracy of the information published, Kumul Petroleum Holdings Limited will accept no responsibility for consequences suffered by any party or person relying on the information published in this Report for any purpose.



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