

Media Statement

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**O'Neill: Fuel Crisis a National Security Threat. There is a local Solution.**

"The fuel crisis threatens our national security; impairs business; destroys investor confidence; strangles our local economy and is an unacceptable daily inconvenience for our families," said former Prime Minister and Member for Ialibu-Pangia, Peter O'Neill.

"Dire fuel shortages stretch back over 18 months with irregular supply and at times, no supply, grinding our country to a halt and causing our country irreparable reputational and economic damage."

"The Marape Government declared a 30-day national emergency in August 2023 as motorists across the country and both airlines stopped operating due to insufficient fuel."

"We all feel the impacts but many of us do not know why our government is not solving this problem. Surely it cannot be that hard?"

"First it was a lack of foreign currency to purchase the fuel but this time, Puma is being told by PNG's largest bank, BSP, that they are no longer a customer they wish to bank."

"BSP have given Puma nine months' notice to close their accounts. Puma have failed to move their banking and this week, as the clock ticks down to the March 8th deadline, Puma exerted bullying type tactics holding the country at ransom and fooling a hapless Marape."

"All banks want customers. It is how they make money. Why would BSP not want Puma? It seems Puma's owner, Trafigura, has some business dealings that are not compliant with BPNG, and international banking requirements and they have become "on the nose" in many countries."

"I understand Westpac deemed that Puma were not an acceptable customer from the beginning and ANZ closed the Puma accounts early in 2023. I also understand Puma has an account with BSP and Kina but in mid last year were advised by BSP they were not compliant with local and international banking laws and gave Puma months to close their accounts."

"Puma must have thought they could pressure the people and take advantage of the incompetent Treasurers and force their way to an extension."

"The fact is Puma is holding our country to ransom and we need to remove this critical national security issue."

BSP is a publicly listed company on both the POMSOX and Australian Stock Exchange (ASX) and most PNG workers are shareholders through our superannuation funds. It is essential BSP are compliant with BPNG and international laws or our country and its shareholders will suffer.

“Any bank turning a blind eye to customers who do not comply with local and international banking laws, could lead to PNG being placed on the international “grey list”. This would devastate our international reputation and severely impact our economic future.”

### **The Solution**

“I suggest that our national oil company, Kumul Petroleum Holdings Limited (KPHL), with the support of Government, take over the import, refinery, storage and bulk distribution from Puma.”

“If there are technical challenges in the near term, KPHL could continue to engage Puma as consultants or temporary operators until the transition is undertaken without interruption to supply and quality. Like the solution my government engaged in the transition of Ok Tedi to local ownership.”

“Local distribution and retail fuel stations should be sold and operated by majority owned PNG companies to bolster local participation in business and reduce the stranglehold Puma has on our country.”

“Since Puma has declared the current lack of supply as a *force majeure* event it is well within government rights and the Puma shareholders at Trafigura need to acknowledge the long running fuel crisis needs Government intervention to solve.”

“Government’s intervention should be to arrange a quick sale across to KPHL. The sale of Puma service stations can take place over coming months in an orderly fashion.”

“Stop the talking and extension and bullying and work on a sustainable solution.”

“There are strong rumours that a group headed by some MPs is orchestrating the sale of some or all of Puma’s assets to companies controlled by themselves.”

“It is essential that this not happen and that KPHL, a state-owned company representing the national interest and all Papua New Guineans, be utilised as the vehicle to solve this terrible fuel crisis.”

“Marape must act to do the right thing by our country and stop being pushed around by Puma.”

“It is time this national security threat be solved in our national interests and Puma exit and replaced by KPHL and local ownership.”

Hon. Peter O'Neill, CMG, MP  
Member for Ialibu-Pangia  
Party Leader, People’s National Congress Party