



Energy Services PNG Ltd, PO Box 593, Waigani

Uhit 3, 4 & 5 Mage Mage Gardens, Kitogara Street
Gordons NCD, Port Moresby, Papua New Guinea
Phone: (675) 323-3809 Fax: (675) 323-1407

HIGH ARCTIC

23 March 2009

Mr John Akar
Rig 102 Clerk
C/ HAES Moro Base
MORO
Southern Highlands Province

Dear John,

**HIGH ARCTIC ENERGY SERVICES PNG LIMITED RESPONSE TO
ALLEGATION OF EMPLOYMENT OF NON-CITIZENS ON BUSINESS VISA**

This letter is High Arctic Energy Services PNG Limited's ("hereinafter the Company") response to issues raised in your e-mail to myself dated 7 March 2009.

I note the contents of your e-mail and having discussed same with my management team and obtained legal opinion, including clarification from the Department of Immigration, the Company, contrary to the allegations asserted in your subject e-mail confirms that it is fully conversant and compliant with all relevant regulations and legislation pertaining to the employment of non-citizens for the Company's operations in Papua New Guinea.

Suffice to say, our consultation and representations to the Departments of Immigration and Labour & Industrial Relations has affirmed, that at all material times, High Arctic Energy Services PNG Limited has and will continue to follow due process in regards to the employment of non-citizens.

Separately, whilst your concern of "abuse of employment rights of PNG citizens" is noted, it is difficult for the Company to respond, as the issue needs to be addressed on a case by case basis, Without specific details of the alleged "abuse" being made known by the actually aggrieved person, the concerns raised in your e-mail are vague and too generalised. In any event, for the record the Company is unaware of the alleged "abuses" and has the utmost respect for it's citizen workforce and will never deny, either intentionally or blatantly, their constitutional rights.

I trust that the above clarifies the Company's position in regards to the matters raised in your e-mail.

Yours faithfully/

A handwritten signature in blue ink, appearing to read 'K. Doran'.

Kevin Doran
Regional Manager

Australia / Asia-Pacific Region